DAVID HODGMAN
A Lawyer Who Enjoys the Complexity of his Practice

by **Olivia Clarke**

David Hodgman likes how estate planning can sometimes be like a chess match.

Lawyers must figure out the best way to get from point A to point B, and legally minimize their clients' taxes.

He also enjoys the human interaction he gets when working with families, multi-generational businesses and charitable foundations.

He also liked economics, and took many tax law classes—especially his last year of law school.

After graduating from Yale Law School in 1974, he worked at D'Ancona & Pflaum LLC—a small firm where Abner Mikva, a former U.S. congressman and esteemed lawyer and professor, was one of the top attorneys.

Hodgman, a partner at **Schiff Hardin LLP**, concentrates his practice on estate planning, probate work, contested estates, trust litigation and private foundations. Throughout his career he's not only represented people and businesses, but he's also participated in the legislative process.

"I'm a competitive guy," says Hodgman, who has been practicing since 1974. "I like to feel like I am helping people. That's important to me.

"I like the complexity of the tax code. I like working through puzzles. I like mentoring young people and I think I've worked hard at that."

Defining the Practice

Hodgman initially planned to be a legal aid lawyer. During the Vietnam War he left law school early to do two years of legal aid work, but after two years he was ready to do something different.

"He was a very dynamic guy, and frankly a very liberal guy and that was attractive to me," Hodgman says about Mikva.

D'Ancona & Pflaum maintained a robust estate-planning department and Hodgman, as the only first-year associate, did work in this area. It turned out that these types of legal matters worked well with his skills and passions.

He says the estate planning practice area has changed over the years. More work today exists internationally because clients have "international entanglements."

"They've married non-U.S. citizens. They've moved to foreign countries. They have investments abroad," he says. "They have to deal with, not just the U.S. tax system, but the Canadian or the English, or the German or the French tax systems. And figuring out how to negotiate your way through both of those is both challenging and interesting."

Hodgman says he is knowledgeable about the way the U.S. tax system deals with non-citizens and nonresidents, and with U.S. citizens who have investments abroad. But when handling international issues, he may team up with a lawyer in that country.

"We always have to partner up with local experts as well because we don't pretend to understand all the ins and outs of the Japanese tax system and things like that," he says.

Trust litigation has also changed the practice, Hodgman says. A lot of larger corporate fiduciaries get sued more.

"While I think it's true of all parts of the tax law, I think the estate and gift tax law is much more than others a sort of cat-and-mouse game where Congress passes a law that says, 'we are going to tax estates this way,' he says. "Immediately we all go back and put our thinking caps on and figure out how to rearrange things so we don't get caught by that tax. And then pretty soon the IRS sees we figured out a way to do that and goes running back to Congress and says, 'now look what they are doing.' And they pass a law and we react.

"But what happens of course is that it gets more and more complex and more and more layers are put onto the onion."

Richard Lumpkin, chairman of Consolidated Communications in Mattoon, Illinois, says his family has used Schiff Hardin for probably 75 years, and he was introduced to Hodgman in the 1980s.

Hodgman has helped Lumpkin with his estate planning, and he's done work for the entire family.

"I find David to be a very astute estate lawyer," Lumpkin says. "He is very easy to understand and to work with. And I have developed such a close relationship with him over the years that I consider him a close friend…

"I have a fairly complicated estate. From time to time he has continued to suggest improvements and he keeps very much in touch with what is going on in estate law and tax law. He's an excellent communicator, and he has a knack for making complicated things clear and easy to understand."

Making a Difference

In the late '70s and early '80s, Hodgman worked through the Chicago Bar Association to get several pieces of key Illinois legislation passed involving areas like living wills and power of attorney.

He helped draft the living will legislation and went to Springfield to lobby for the bill on behalf of the CBA. He testified before a Senate committee, and those who opposed the living will legislation pitched an amendment that he believes would have gutted the act he supported. But the opposing group's amendment failed.

"That was back when a lot of people did not understand the difference between allowing the natural process of dying to occur, and euthanasia or abortion for that matter," he says. "It was all very new."

He also participated, through the CBA, in the drafting of the Illinois Power of Attorney Act, and the Illinois Health Care Surrogate Act. He says he looks at the three pieces of legislation as steps in a process.

Hodgman explains that Under the Living Will Act, a person should be allowed to choose the natural process of dying. The Power of Attorney Act allows a person to appoint someone to consult with doctors on his or her behalf to make that decision. And the Health Care Surrogate Act says that even if someone hasn't signed a living will or a power of attorney, certain family members can make the decision on behalf of their loved one—without going to court to get permission.

"I went down to Springfield expecting to be horrified by the process," Hodgman says. "I came back having so much respect because as harsh as the process may seem, it really is effective in allowing a lot of points of view to be heard. They don't always win and don't always think the legislature is doing the right thing, but it's good from that point of view."

Judith McCue, a partner in the private client department at McDermott Will & Emery LLP and former president of the American College of Trust and Estate Counsel, says she's known Hodgman for at least 25 years and they were both active in the CBA around the same time.

She recalls a particular situation involving a deceased person's trust. He represented one of the co-fiduciaries and she represented the other. The co-fiduciaries didn't always see eye-to-eye, but Hodgman helped navigate the situation so that everything worked out well.

"Dave has an almost serene demeanor," she says. "He's confident, but not cocky about his skills. He's not excitable. He is able to tell people what they need to hear, which is not necessarily what they want to hear. In difficult situations that can be really critical and really very helpful."

Throughout his career certain cases or situations have made his practice even more enjoyable for him.

Hodgman says he very much enjoys working with family businesses because it requires lawyers to have a good command of a very broad range of areas, such as income tax law, estate and gift tax laws, and corporate governance and trusts issues.

"It's satisfying because it's intellectually challenging, and it's satisfying because with family businesses you feel really good when you help them survive," he says. "Not just because it's good for the family, but in my experience most family businesses have grown up in a community and have a very developed sense of responsibility for their community.

"If you can help that family business stay independent and stay in the family, you are really helping a whole community."

He found his work with the CBA and the legislative process was particularly helpful when he represented a client who was getting divorced from her husband when the husband died.

Since they were married for over 30 years, had the divorce gone through before her husband died, she would have received half of the marital property.

But the husband transferred all his assets into a revocable living trust, and Hodgman says Illinois has one of the most restrictive statutes when it comes to what a surviving spouse would receive in a situation like that.

When he was active in the CBA he had participated in many efforts to amend this Illinois rule, but none were successful.

"Because of that I was aware of some theories for attacking the Illinois rule," he says. "We integrated those theories into a lawsuit, and we survived what is known as a motion to dismiss… We ultimately got a very nice settlement and this gal was not left penniless. We didn't get to establish any precedent because it was settled out of court, but I felt good about that."

Hodgman said he very much enjoys mentoring others. Debra Stetter, a partner at Schiff Hardin, is one of the people he has mentored.

Stetter says she values his advice and assistance. Hodgman enjoys teaching others, and always takes the time to do so, which can be rare in today's legal community because of the time constraints facing lawyers, she says.

Over the years they've worked together on a number of large family matters.

In one case, in particular, they advised a family with many generations. They participated annually in multi-day family meetings, which involved educating the family on such issues as credit protection and tax planning, and then meeting with individual family members separately to fine-tune the strategies presented to the group for the individual's personal circumstances.

Stetter says Hodgman made the information meaningful to the family members, especially the young people.

"He is very much an advocate for his clients and he's very creative," Stetter says. "He's always seeking to explore if there is a variation of a planning strategy that would give the client an additional advantage."

Living Life

Because Hodgman's father was an economics professor, his family moved around during his childhood, depending on the teaching job.

He spent his grammar school days in Berkeley, California, his high school years in Urbana, Illinois, and his first year of college in Paris.

He says family continues to be important to him. He has always taken great satisfaction in the time he's spent with his wife, Liane, and their three children.

Their oldest son is a lawyer at Kirkland & Ellis LLP; their second son attends Yale School of Management and is earning dual master's degrees in business and forestry. And their daughter plans to attend graduate school at the University of Nebraska for speech and language pathology.

Liane says he is a great husband and father who always took time to attend his children's sporting events when they were growing up.

She says he works hard, typically from 7 a.m. to 7 p.m. But he also volunteers in his community with such groups as the local YMCA and as president of the Evanston Parks Foundation.

"As a lawyer I think he takes a lot of care and responsibility for his clients," she says. "He enjoys what he does.

"He finds time to do community things. He will use his talents to help out other people, nonprofit organizations."

He and his wife like traveling, and own a vacation cottage in Michigan where they take their sailboat, Slithy Tove, out on the water.

"I've still been working very hard, frankly," Hodgman says. "Up until a couple months ago I was on the executive committee of the firm, which is something I did for four years. It's basically like a second job."

When asked what he hopes people understand about him, he says, "I'm a problem solver, and the problems that I solve involve some highly technical things, but also require a broad perspective. And integrating those two is the challenge.

"I would hope that they would understand that I like people. I really like people, even nasty people. I like helping people work through whatever issues they have." ■