

# Strength in Diversity

By MICHAEL L. BERNSTEIN

## Diverse Backgrounds Are Important in the Legal Profession

### *An Interview with Carlos Loreda*

One of the great rewards of having served as co-chair of ABI's Diversity & Inclusion Working Group since 2019 has been the opportunity to meet and work with bankruptcy and restructuring professionals from all over the U.S. who come from diverse backgrounds, many very different from my own. I have learned an enormous amount from these individuals, and I have been inspired by those who overcame challenges and barriers to achieve at a high level and to contribute to our profession.

Here is one example: **Carlos E. Loreda** of Nicholson PC in Cambridge, Mass., who has come a long way from the Rio Grande Valley. As you read this interview, you will conclude that our profession is better, richer and stronger because we have professionals such as Carlos among us.

**Bernstein: Tell us about where, and in what circumstances, you grew up.**

**Loreda:** I was born in the mid-1980s in the border city of El Paso, Texas, a city of about 900,000 people. More than 80 percent of the population there is Hispanic (like me), and given its geographical location, it boasts a unique brand of American culture, enriched by Mexican traditions, values and, of course, food. I grew up about 15 minutes outside El Paso in a small New Mexican desert town that sits exactly on the Texas/New Mexico state line. This area is known as the Rio Grande Valley, and it has the Franklin Mountain range to the east and Rio Grande to the west.

Like many others living there, I grew up in poverty and attended understaffed, under-resourced schools. My father, born and raised in Mexico, only attended school until the second grade and worked as a landscaper when work was available (often it wasn't). My mother, a Mexican-American, was a teenager when I — the first of five children — was born. I learned from a young age that life could be harsh and unforgiving, like summer in the desert. Many days my meals were only those served as a free lunch at school. As a result, I learned to be resilient, resourceful and, most of all, humble.

**Bernstein: What jobs did you hold before becoming an attorney?**

**Loreda:** Before my career in law, I followed in my mother's footsteps to become a teacher.



**Carlos E. Loreda**

Probably the most important decision my mother made was to return to school to earn her GED as an adult. She subsequently enrolled at the community college and graduated with a bachelor's degree in education in the same year I graduated from high school. We were so proud of each other. Seeing my mother succeed in higher education, despite all the obstacles of a life of poverty, provided me with a template for forging my own path.

At New Mexico State University, I excelled as an undergrad, earning recognition for my outstanding performance. As a professional teacher, I quickly gained the respect of my peers and supervisors, leading to early success in my career. I loved the work because it was more than a job. I was truly creating positive change. I taught in an underserved New Mexican community in front of students with life stories like my own. Every day, I strived to be for my students the teacher that I had needed but never knew. Even after I moved across the country to Boston to study law, I worked as a full-time teacher in the Cambridge Public Schools while attending law classes at night.

**Bernstein: Why did you decide to become an attorney?**

**Loreda:** Despite my success in public education, I dreamed of becoming a lawyer. As a kid, I was adept at problem-solving, and despite growing up in a house with only one book, I was a strong reader. I've always had a strong sense of justice and never shied away from advocating for others, like my former students. These traits, as it turns out, fit nicely with a career in law.

I also credit my parents for planting the seeds of me one day becoming an attorney. There is great irony in my parents' audacious hopes for me. Both had limited educations throughout most of my childhood, yet they instilled in me the importance of an education and used their own struggles as cautionary examples. I guess part of why I pursued law school was also to realize the big dreams my parents had for me and prove them right in their belief in me.



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**Bernstein: How did your identity as a minority lawyer affect your college and law school experience?**

*Loredo:* My cultural identity has affected my higher education experience positively and negatively. On the one hand, I grew up with a great sense of pride for my culture and my people's ability to persevere despite historical oppression. I know exactly who I am and have always felt comfortable in my own skin wherever I've gone, including law school. I see diversity as a strength, and during law school, I promoted equity and belonging in the legal profession and beyond. As a result, I have been recognized for my efforts and sought out by minority and first-generation law students for mentoring. Because of my experiences, I've helped others understand how they can thrive in a legal profession that notoriously struggles with diversity, equity, inclusion and belonging.

On the other hand, my cultural identity has often made for a lonely experience in higher education. The closer I get to my educational and career goals, the further I am from where I've felt most welcomed and from those whom I can most relate to. Where I grew up, most people had similar backgrounds to my own. My southern New Mexico community is made up of Mexican immigrants and Mexican-Americans, most of whom live in poverty. To illustrate, my high school of about 1,500 students has a 99 percent minority enrollment, and 100 percent of the student body is designated as "economically disadvantaged." To compare, at major U.S. law firms, Hispanics make up less than 7 percent of associates and less than 3 percent of partners.

Despite the inherent struggles that come with my minority identity, I view it as an asset. The lack of diversity in the legal field makes me think that not many hiring managers and partners share my asset-based perspective on diversity.

**Bernstein: Did you have any mentors in law school, and if so, how did they help you?**

*Loredo:* I was fortunate to have multiple mentors in law school, and each supported me in their own unique ways. My property professor, Lori Graham, was someone who I could come to for advice on how to navigate law school as a minority student. She could relate to how isolating law school can be for minorities, given her own cultural identity and humble roots. I will always appreciate how she made me feel seen and connected through her empathy and our conversations about diversity issues in the legal world.

I was also fortunate to gain other, nondiverse mentors. Although they could never relate to my cultural identity and experience, they nonetheless provided me with invaluable help. For example, one of my professors, a bankruptcy judge, encouraged me to pursue an internship with the bankruptcy court and even served as my reference after I excelled in his course. My chapter 11 bankruptcy professor, **Adrienne Walker**, a restructuring partner with Locke Lord LLP in Boston, invited me to become involved with the local bar association. Doing so helped me bolster my substantive bankruptcy knowledge and raised my profile among the Boston bankruptcy bar. I am lucky to say that I can still count on Adrienne for advice and have been honored to serve alongside her on committees and as a speaker on panels.

**Bernstein: How did you get into the bankruptcy field, and why did you choose this area as opposed to some other areas of law?**

*Loredo:* Admittedly, bankruptcy was not on my radar during my first year of law school. While the prospect of working in restructuring piqued my interests, it is the people I met from the bankruptcy field who most drew me to it.

I was first encouraged to consider bankruptcy by my contracts professor, Carter Bishop, who also taught the introductory bankruptcy course that I eventually enrolled in. I found that I enjoyed the challenge of analyzing issues through the prism of the Bankruptcy Code. I also took to heart bankruptcy's important role in our society, as it provides a remedy to hard luck and bad decision-making for debtors, and recourse for creditors in an orderly fashion. I also enjoyed that bankruptcy cases can implicate many other areas of the law and can involve a seemingly infinite variety of industries. I pursued my intellectual curiosity by taking an advanced course in chapter 11 bankruptcy reorganizations. The course's subject matter solidified my desire to pursue restructuring/insolvency as a career. Prior to my final year of law school, I was offered an internship with Hon. **Christopher J. Panos** of the U.S. Bankruptcy Court for the District of Massachusetts (Boston). This was my first taste of bankruptcy in actual cases, which I found to be challenging and stimulating. This experience only strengthened my resolve to pursue a career in bankruptcy.

**Bernstein: How did you end up clerking for a bankruptcy judge, and what was that experience like for you? Was that your first job out of law school?**

*Loredo:* In 2020, Hon. **Janet E. Bostwick** of the District of Massachusetts swore me in as her law clerk. This was my first legal job out of law school. I was honored to be chosen for this prestigious position, especially because I know federal clerkships are highly desired and are usually offered to more traditional law students.

Since law is my second career, coupled with the fact that I attended law school in the evening, I would consider my path nontraditional. Through my diligent pursuit of bankruptcy and the reputation I had started to build first as a law student, then as an intern for a bankruptcy judge, I became an exception to the unwritten rule that clerkships are reserved for those with a certain pedigree. It was the perfect way to start my career, but I also felt great responsibility to excel in hopes that the court would be more inclined in the future to hiring nontraditional law school graduates.

Although clerking was a dream come true, unexpected challenges arose. The COVID-19 pandemic caused a massive shutdown about a quarter of the way into my term. Although most everyone at the court was working remotely, it was expected that the business of the court would continue — and it did. Bankruptcy cases worked their way through chambers, and hearings were held telephonically. Despite the remote aspect, I had a rich term as Judge Bostwick's law clerk. I emerged with sharper legal acumen and communication skills, and I am also proud of the role I played in ensur-

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ing that our bankruptcy system remained strong despite the COVID-19 crisis.

## **Bernstein: Where do you work now, and how does your background affect your client work?**

*Loredo:* Presently, I am an associate with Nicholson PC, a boutique firm that specializes in bankruptcy. There, I leverage all I have gained on my legal journey to represent individual and commercial debtors in bankruptcy. Although my goal has always been to land in a midsize firm or in Big Law doing restructuring/insolvency, the work I do is engaging and rewarding. I get to help clients unravel complex situations that profoundly impact their lives. In doing so, I strive to relate to my clients and empathize with their difficult situations, which is something I feel adept at doing given my own humble beginnings.

## **Bernstein: At any point, did you feel like your ethnicity impacted your career?**

*Loredo:* I am not sure. I tend to believe that the opportunities I have gotten in my career, as well those I have missed out on, had little to do with my ethnicity. That said, I often wondered about that after the times that I was passed over for job opportunities in favor of similarly qualified white candidates. I've also felt steered away from pursuing insolvency and restructuring and pushed more toward consumer bankruptcy by some of my peers.

I've gotten the sense, especially earlier in my career, that some folks didn't think I fit the profile of a restructuring/insolvency attorney. When I made my move to private practice post-clerkship, attorneys I spoke with about job prospects suggested that I should work in legal aid or consumer bankruptcy despite knowing I was pursuing a career in restructuring. I have been told that given my life experience and bilingualism, I could really make an impact with consumers and on the access-to-justice front. Although likely well-intended, I felt that this feedback was rooted in some unconscious bias about the work I should be doing given my identity. This is problematic, because too often it is the people from underrepresented groups who are pushed to nobly put aside their dream assignments (or jobs) to deal with diversity issues or access-to-justice initiatives to right the wrongs of a system we did not create.

## **Bernstein: What advice would you give to younger people from underrepresented groups about how to achieve success and satisfaction in the legal field?**

*Loredo:* Young people should take stock of their strengths and leverage them. One strength that young people

often overlook is their experience as a minority. Many of us have formed the paradigm that being a minority is a deficit, but the opposite is true. For me, it is the qualities I developed in my upbringing — hard-working, resilient and creative — that have carried me to success.

If young lawyers/students are unsure about which of their qualities are attributable to their cultural or other identity, they can think about life lessons they learned in their upbringing. I owe many of my qualities to my father, who passed away suddenly this summer. Although he is gone, the lessons I gained from seeing him struggle as a Mexican immigrant with little formal education to provide for us, his children, live on in me. I learned about hard work by joining my father on landscaping jobs as a youth. As a result, I developed the work ethic it took to excel in my studies while working full-time to support my family. Since my father would often be out of work, I learned about resilience and creativity as we resigned to go without and found creative ways to get by, like collecting scrap metal. Thus, I learned to see opportunity where others see obstacles.

I thank my father for his lessons, because without them — without him — I wouldn't have made it here. So, to the young lawyers/students out there, change your mindset to see your cultural or other identity as a strength and confidently leverage it to your advantage.

## **Bernstein: How can our profession do a better job of promoting diversity, equity, inclusion and belonging?**

*Loredo:* For one, elevate more professionals from underrepresented groups to leadership positions. Diverse representation may help minority attorneys/students feel like their aspirations to become leaders are attainable goals and not just dreams. Also, promote allyship among nondiverse attorneys and partners. Nondiverse legal professionals can use their privilege and standing to profoundly impact diversity, equity, inclusion and belonging efforts by amplifying diverse voices. Finally, strive to create a culture that is welcoming to minority attorneys. Unwelcoming environments only compound the legal profession's diversity dilemma by making work in the legal profession untenable for minority attorneys.

Data from the 2022 NAPL Report on Diversity shows that attrition rates among Black attorneys is 23 percent, the highest among any other minority group! It is counterintuitive for a law firm to work so hard to hire minority candidates only to push them out the door by not addressing common workplace ills like bias, racism and lack of opportunities for advancement among minority attorneys. **abi**

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