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- **The ABA Section of Business Law is now accepting applications for its Fellows Program.**
- **The ABA Section of Business Law is now accepting applications for its Ambassadors Program.**

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to view last month's issue.



**2007 National Conference for the Minority Lawyer**  
**June 28-29, 2007**  
**Boston, MA**  
**Format: Live/In-Person**

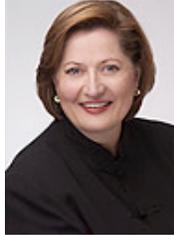
## BUSINESS LAW CLE CONNECTION

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## Message from the Chair, Linda Hayman



In the coming months, you will be hearing more about the Section's efforts to support and develop "best practices" to help attorneys identify international money laundering and to avoid situations in which business lawyers might be used to facilitate such activities. This column is one of those efforts. We believe that it is important that business lawyers voluntarily adopt such "best practices" for the simple reason that the alternative may be legislation requiring lawyers to engage in anti-money laundering reporting that would have a very negative effect on the attorney-client relationship.

The ABA Task Force on [Gatekeeper Regulation and the Profession](#) (created in 2002 by then ABA President Robert E. Hirshon) has opposed laws and regulations requiring lawyers to file suspicious-transaction reports on their client's activities. To the extent business lawyers are asked to secretly report on the activities of their clients, there is an adverse impact on the attorney-client relationship, the independence of the bar, and the attorney-client privilege. However, the ABA's "Gatekeeper" Task Force has consistently supported the concept of offering education to assist lawyers who receive and transfer client funds and who assist clients with transactions to identify potential money laundering schemes. Marty Lybecker, the former Chair of our Section's Committee on [Banking law](#) is a member of the ABA "Gatekeeper" Task Force and has been helping our Section do its part to educate our own members. Since 2002, for example, the Section's Committees have sponsored and co-sponsored a number of anti-money laundering programs.

- [Hype or Reality - Anti-Money Laundering Risks from Prepaid Payment Products and What Can Be Done About Them](#)
- [The New Era of Enforcement & Compliance-Bank Secrecy Act, Anti-Money Laundering and More](#)
- [Patriot Games: What You Need to Know About the Anti-Money Laundering and Anti-Terrorism Provisions of the Patriot Act to Represent Corporations and Financial Institutions](#)

The term "Gatekeeper Initiative" originates from the Moscow Communiqué issued at the 1999 meeting of the G-8 Finance Ministers that called upon countries to consider various means to address money laundering through the efforts of professional gatekeepers of the international financial system. The targeted "gatekeepers" included lawyers. Following the Moscow Communiqué in 1999, the Financial Action Task Force ("FATF"), an intergovernmental body of 29 countries and two international organizations, specifically targeted lawyers as well as several other professions as "gatekeepers" with respect to money laundering. In 2002, FATF published a consultation paper entitled "Review of the FATF 40 Recommendations" in which the FATF identified several areas where possible changes could be made to the anti-money laundering framework. The broad topics covered customer due diligence and suspicious transaction reporting, beneficial ownership and control of corporate vehicles, and the application of anti-money laundering obligations (including filing Suspicious Transaction Reports) to non-financial businesses and professions, including the legal profession.

On the international level, Canadian, Japanese, French, Polish, and Belgian Bars have challenged attempts by their governments to impose anti-money laundering responsibilities on the lawyers practicing law in those countries.

In the United States, the Money Laundering and Financial Crime Strategy Act of 1998 requires the Justice and Treasury Departments to issue an annual "National Money Laundering Strategy Report," outlining a plan of action to enhance U.S. anti-money laundering efforts. The report for 2000 tasked the U.S. Department of Justice with reviewing the professional responsibilities of lawyers and making recommendations "ranging from enhanced professional education, standards, or rules, or legislation, as may be needed." A similar theme was set forth in the report for 2001. The inter-agency working group charged with developing a U.S. position included the U.S. Department of Justice, the U.S. Department of the Treasury, the U.S. Securities and Exchange Commission, and the Financial Crimes Enforcement Network ("FinCEN"), a division of the U.S. Department of the Treasury.

## Section 409A Update: The Long Awaited Guidance

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## Opinion Risk Management

**Webcast/Teleconference**  
04/26/2007 - 04/26/2007  
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## 21st Annual National Institute on ERISA Basics

**Live/In-Person**  
05/02/2007 - 05/04/2007  
Chicago, IL

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## Defending Securities Investigation Series

**Webcast/Teleconference**  
05/03/2007 - 05/24/2007  
Multi-site

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## Defending Securities Investigation: The Investigation Begins

**Webcast/Teleconference**  
05/03/2007 - 05/03/2007  
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## Defending Securities Investigations: Internal Investigations

**Webcast/Teleconference**  
05/10/2007 - 05/10/2007  
Multi-site

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## Employment Issues in a Global Economy

**Teleconference**  
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## Defending Securities Investigations: Documents and Testimony

**Webcast/Teleconference**  
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## Defending Securities Investigations: Wells Submissions and Settlement

After it was formed in 2002, members of the ABA "Gatekeeper" Task Force met with representatives of the Departments of Justice and Treasury on several occasions, and subsequently prepared and filed [a report](#) with FATF in which it argued among other things that, in lieu of imposing anti-money laundering reporting on lawyers in situations that would adversely affect the attorney-client privilege and the duty of client confidentiality, the ABA could address the concerns underlying FATF's "Gatekeeper Initiative" by engaging in extensive continuing legal education about anti-money laundering for its members.

It is expected that FATF is likely to reach out again to the legal profession in summer 2007. The ABA "Gatekeeper" Task Force believes that our government would be well-served if the ABA could develop some form of anti-money laundering and terrorist financing "best practice" standards for U.S. lawyers, primarily focusing on client due diligence. In June 2008, the U.S. Government must report to FATF with respect to the progress that it is making in meeting the international anti-money laundering standards recommended by FATF, and it would be helpful if it could report that the ABA has taken significant steps to address some aspects of the FATF Gatekeeper recommendations through voluntary efforts. To that end, the Section's leadership has asked the Committees on [Banking Law](#) chaired by Jim Scott, [Consumer Financial Services](#) chaired by Don Lampe, and [Federal Regulation of Securities](#) chaired by Keith Higgins, whose members are most likely to be involved in the kind of transactions to which anti-money laundering responsibilities would attach, to make special efforts to include education on anti-money laundering "best practices" to encourage the highest level of voluntary due diligence on clients and prospective clients. This is an important effort by the Section to do its part in the international efforts to combat money laundering.



Linda Hayman  
Chair, Section of Business Law

## PRACTICE POINTS

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### Discovery in Transnational Litigation: Procedures and Procedural Issues.

Discovery is conducted by the trial judge in civil law countries and "private" evidence-taking by the litigants is not permitted. Furthermore, discovery in most foreign countries is much more limited than in the United States.

[More](#) | [E-mail](#)

Presented by the Committee on [Business and Corporate Litigation](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Executive Compensation: What Have the New Rules Wrought?

The SEC's recent interim final rules on executive compensation disclosure are intended to give investors a better picture of the compensation of executives and directors.

[More](#) | [E-mail](#)

Presented by the Committees on [Corporate Governance](#) and [Employee Benefits and Executive Compensation](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Dialogue with the Director.

John White, the Director of the SEC's Division of Corporate Finance, discusses internal control over financial reporting, proxy access, PIPEs, executive compensation, restatements, private offering reform, international financial reporting standards, foreign private issuer deregistration and other topics.

[More](#) | [E-mail](#)

Presented by the Committee on [Federal Regulation of Securities](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Practical Implications of the SEC's Amendments to the Tender Offer Best-Price Rule.

Many more tender offers have occurred in the wake of the SEC's amendments to the tender offer best-price rule and more are on the way.

[More](#) | [E-mail](#)

From the [Deal Points Newsletter](#), the Newsletter of the Committee on [Negotiated Acquisitions](#), Spring

### Webcast/Teleconference

05/24/2007 - 05/24/2007  
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### Class Actions/Consumers: Do the Twain Still Meet?

#### Teleconference

06/20/2007 - 06/20/2007  
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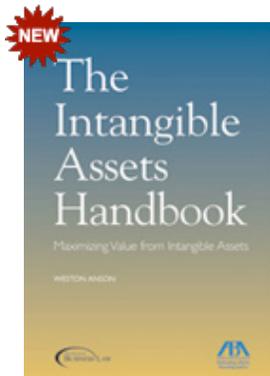
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[Section Meetings Calendar](#).

For more information on upcoming  
Committee Meetings contact  
[ruppr@staff.abanet.org](mailto:ruppr@staff.abanet.org).

### BEST OF BUSINESS LAW BOOKS

#### The Intangible Assets Handbook

By Weston Anson  
ABA Section of Business Law  
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[More](#)

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2007 - Volume XII, Issue 1.

### Recent Developments in Banking Law.

Catch up on the latest developments in banking law.

[More](#) | [E-mail](#)

Presented by the Committee on [Banking Law](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Supreme Court Update on Antitrust Cases.

The Supreme Court has four antitrust cases in its 2006-2007 term—an unusually high number. Learn about these important cases.

[More](#) | [E-mail](#)

Presented by the Committee on [Antitrust Law](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Two Delaware Options Cases Raise Issues for Directors.

In February 2007, Chancellor Chandler declined to dismiss two complaints that allege inappropriate manipulation of options.

[More](#) | [E-mail](#)

From the [Director and Officer Liability Newsletter](#), the Newsletter of the Committee on [Director and Officer Liability](#), March 2007.

### Unintended Consequences? The Effect of Sarbanes Oxley on Global Capital Markets.

From 1996 to 2002, the New York Stock Exchange averaged 51 international listings per year. From 2003 to 2006, that average declined to 21. In 2006, only two of the world's 25 largest IPOs chose to register and list in the United States—and both were for United States companies.

[More](#) | [E-mail](#)

Presented by the Committee on [International Business Law](#) at the 2007 Spring Meeting - March 15-18, 2007.

### Committee Spotlight

To learn more about or join the committees that contributed to this month's practice points, just click on the committee name below.

- [Antitrust Law](#)
- [Banking Law](#)
- [Business and Corporate Litigation](#)
- [Corporate Governance](#)
- [Director and Officer Liability](#)
- [Employee Benefits and Executive Compensation](#)
- [Federal Regulation of Securities](#)
- [International Business Law](#)
- [Negotiated Acquisitions](#)

*Section members are eligible to join the Section's committees at no additional cost. Become involved or simply stay in the information flow. It's FREE!*

### SECTION NEWS

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### The ABA Section of Business Law is now accepting applications for its Fellows Program.

The goal of the Program is to increase the participation of young lawyers in Section activities. The Section is committed to investing dollars in young lawyers who are expected to participate actively in the substantive work of the Section and to grow into future leadership positions within the Section. The Program is designed not only to develop future leaders of the Section but also to enhance the image of the Section among members of the YLD in order to attract young lawyers into Section membership. The Section will select five Fellows and will fund their expenses to participate in Section activities for two years. Applications are due **July 6, 2007**. For

more information about the program, [click here](#).

**The ABA Section of Business Law is now accepting applications for its Ambassadors Program.**

The goal of the Program is to increase the participation of lawyers of color in Section activities. The Section is committed to investing dollars in lawyers of color who are expected to participate actively in the substantive work of the Section and to grow into future leadership positions within the Section. The Program is designed not only to develop future leaders of the Section but also to enhance the image of the Section among members of the national minority bar organizations in order to attract lawyers of color into Section membership. The Section will select five Ambassadors and will fund their expenses to participate in Section activities for two years. Applications are due **July 6, 2007**. For more information about the program, [click here](#).

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