RESOLVED, That the American Bar Association:

1) condemns the conduct of lawyers making political campaign contributions to, and soliciting political campaign contributions from, public officials in return for being considered eligible by public agencies to perform professional services, including municipal finance engagements;

2) calls upon bar associations, lawyer disciplinary agencies and the judiciary to enforce, when applicable to prohibit this conduct, existing Rules of Professional Conduct, such as Model Rule 7.2(c) prohibiting a lawyer from giving "anything of value to a person for recommending the lawyer's services";

3) condemns the conduct of public officials considering as eligible for engagement by public agencies to perform professional services, including municipal finance engagements, only those lawyers who make political campaign contributions to, or solicit political campaign contributions for, public officials;

4) calls upon legislative bodies, judicial rule-making agencies, bar associations, lawyer disciplinary agencies and public agencies to enact or adopt and enforce laws, rules and regulations that will discourage the conduct condemned in these resolutions.

FURTHER RESOLVED, That the House of Delegates requests the President of the American Bar Association to appoint a task force:

a) to review issues related to political campaign contributions made or solicited by lawyers and effective solutions thereto, including the "pay-to-play" rule proposed by The Association of the Bar of the City of New York in its Recommendation 10D dated August 1997;

b) to determine whether additional professional standards, laws or procedures relating to political campaign contributions are necessary and desirable, including the conduct of lawyers making significant political campaign contributions to judicial candidates before whom the lawyers appear; and

c) to submit for consideration by the House of Delegates at its meeting in August 1998 recommendations as to any additional professional standards, laws or procedures found to be necessary and desirable in the form of amendments to the Model Rules of Professional Conduct, aspirational ethical standards of other appropriate measures.
The Chief Administrative Judge of the Courts, upon consultation with and approval of the Administrative Board of the Courts, adopts the following Rule applicable to lawyers who undertake government finance engagements.

1. **Purpose and Intent**

The purpose and intent of this Rule are to ensure that the high standards of integrity of the legal profession are maintained, to prevent fraudulent, corrupt and manipulative acts and practices or the appearance thereof, to promote justice and equitable principles, and to protect the public interest by prohibiting lawyers from undertaking government finance engagements where a lawyer has made or solicited certain political contributions to government officials who may issue, authorize the issuance of or appoint persons with the power to issue or to authorize the issuance of government securities. There is a fundamental public interest in assuring that political contributions are not made by lawyers or solicited by government officials under circumstances where it might reasonably appear that such contributions represent consideration for the award of a government finance engagement. This Rule promotes that public interest.

2. **Definitions**

**Government Finance Engagement** shall mean an engagement as bond counsel, issuer's counsel, underwriter's counsel, or any other legal engagement in connection with the offering of municipal securities, defined as offerings of securities of the State or any of its political subdivisions, agencies or instrumentalities.

**Issuer** shall mean: (i) the government issuer specified in Section 3(a)(29) of the Securities Exchange Act of 1934 (the “Act”); and (ii) any public or non-for-profit entity controlled by or affiliated with the State or any political subdivision agency or instrumentality thereof which issues or guarantees municipal securities.

**Official of an Issuer** shall mean any person who was, at the time of the contribution, an incumbent in, or candidate for, elective office of the Issuer (including any election committee for such person) which office is directly or indirectly responsible for or authorized, under any provision of law, including
without limitation by means of the power to appoint some or all of the members of the Issuer, or otherwise, to retain legal services in connection with a Government Finance Engagement.

“Political Contribution” shall mean any gift, subscription, loan, advance, or deposit of money made, directly or indirectly, to an Official of an Issuer or to a political party or committee of the State or political subdivision, agency or instrumentality thereof (i) for the purpose of influencing any election for federal, State, or local office, (ii) for payment of debt incurred in connection with such election, or (iii) for transition or inaugural expenses incurred by a successful candidate for State or local office. A Political Contribution to a political party, a committee or one of the officers thereof, is deemed to constitute a Political Contribution of that size to each and every elected official of that party at the level of the party organization receiving the contribution (e.g. contributions to a State political party count as a Political Contribution of that amount to each state official of that party.)

“Political Solicitation” shall mean a solicitation directed to any person or entity resulting in a Political Contribution to an Official of an Issuer.

3. Prohibitions On Certain Government Finance Engagements

(a) No lawyer shall undertake a Government Finance Engagement awarded by an Official of an Issuer within two years after making either a Political Contribution or a Political Solicitation; provided, however, that this Rule shall not prohibit a lawyer from undertaking a Government Finance Engagement with a particular Official of an Issuer if:

(i) (A) the only Political Contribution made by the lawyer to that Official of an Issuer within the previous two years was (I) for a position for which the lawyer was entitled to vote and (II) not in excess of $250.00 for each stage of the electoral campaign (i.e. primary and general election) and (B) the lawyer did not make any political contribution in excess of $1,000 to any political party or committee of the State or of any political subdivision, agency or instrumentality thereof; or

(ii) the only Political Solicitation made by the lawyer on behalf of that Official of an Issuer or any political party or committee of the State or of any political subdivision, agency or instrumentality thereof,
thereof, was for Political Contributions made within the previous two years for an Official of an Issuer for whom the lawyer was entitled to vote, no Political Contribution solicited was in excess of $100.00 to the Official of an Issuer for each complete electoral campaign (primary and general election combined), and the aggregate of all Political Contributions solicited in any such campaign within the previous two years did not exceed $2,500.

Legal resident aliens are, for purposes of this Rule, deemed to be "entitled to vote" for those officials that a citizen with the same residence would be entitled to vote.

(b) Notwithstanding subsection (a), any lawyer who is personally involved in the undertaking of Government Finance Engagements who solicits Political Contributions in any amount at the request of an Official of an Issuer or one of the Official's subordinates, is prohibited from undertaking a Government Finance Engagement awarded by that Official of an Issuer for a period of two years. For purposes of determining the precise period of prohibition under the Rule, the bar runs from the date of the prohibited Political Contribution or Political Solicitation, and the relevant date of a Government Finance Engagement is measured as the day the bond purchase, underwriting or similar agreement is executed.

(c) To the extent that a lawyer is prohibited from undertaking a Government Finance Engagement by operation of this Rule, the law firm employing such lawyer (whether or not that lawyer is admitted to practice in New York) shall also be prohibited from undertaking a Government Finance Engagement, provided, however:

(iii) no law firm shall be prohibited from undertaking a Government Finance Engagement where a lawyer made or solicited a Political Contribution for an Official of an Issuer prior to joining such law firm;

(ii) the law firm with which a lawyer is employed shall not be held to have violated this provision in the event that all four of the following conditions are met:

(A) prior to the time the contributions which would otherwise have resulted in the law firm being prohibited from undertaking a Government Finance Engagement were made, the
law firm had developed and instituted procedures reasonably designed in good faith to ensure compliance with this Rule;

(B) prior to or at the time the contributions which would otherwise have resulted in the law firm being prohibited from undertaking a Government Finance Engagement were made, the law firm’s management had no actual knowledge of the contribution(s);

(C) the law firm has taken all available steps to cause the person or persons involved in making the contribution(s) which would otherwise have resulted in such prohibition to obtain a return of the contribution(s); and

(D) the law firm has taken such other remedial or preventive measures, as may be appropriate under the circumstances.

(d) If a law firm or a political action committee controlled by a law firm itself makes a Political Contribution or a Political Solicitation that would operate to prohibit a lawyer from undertaking certain Government Finance Engagements, the law firm is likewise prohibited from undertaking such Government Finance Engagements for the same two year period that would be applicable to lawyer prohibited through operation of the Rule.

4. **Stays and Other Relief**

Each Appellate Division shall have the power to stay application of the Rule’s two year disqualification of a law firm based on a showing that the prohibited Political Contribution or Political Solicitation was made by a partner or employee contrary to the firm’s written policies and without knowledge of the firm and that the law firm has taken such appropriate remedial or preventive measures to rescind the Political Contribution or Solicitation and to prevent its reoccurrence.

5. **Application**

This Rule shall apply to any Political Contribution or Political Solicitation made by a lawyer on or after __________, 1997.
The Association of the Bar of the City of New York has concluded that a special issue of substantial public importance exists with respect to the appearance — and fact — of lawyers making and soliciting political campaign contributions to prospective and incumbent public officials in relation to the award of government finance engagements. This problem — aptly characterized by former Securities and Exchange Commission ("SEC") General Counsel, Simon M. Lorne, as the "embarrassment of 'pay to play' politics in municipal finance" — warrants the remedial steps described below.1

This Report, based on several years of careful inquiry and due deliberation by the Association's Special Committee on Government Ethics (a) documents the problem, (b) explains how the SEC has imposed restraints on securities brokers and dealers who make contributions to public officials, and (c) urges adoption of a court rule, similar to the rule approved by the SEC, that would have the effect of prohibiting a law firm from accepting municipal bond business if the firm or its lawyers made more than a de minimis contribution to the public officials who award municipal bond work.

A. The Problem

In recent political campaigns more and more money has flowed to incumbent and insurgent candidates in the implicit — and sometimes explicit — hope that if the candidate prevails at the polls the donor will receive a "pay back." This has been a major concern of this Association since the publication in 1971 of Congress and the Public Trust, and is most recently evidenced by its creation of a Special Commission on Campaign Finance Reform to evaluate the entire political contribution and expenditure subject.

Nowhere is the political "pay back" appearance more apparent — and fraught with potential corruption and serious adverse implications to the legal profession and the public — than in the public or municipal finance area.

1 November 12, 1994 Address of The Honorable Simon M. Lorne, then General Counsel of the Securities and Exchange Commission, page 4.
The issuance in the United States of state and local government debt has been a matter of substantial public concern for decades. To protect the public the legal profession created the institution of independent bond counsel to opine on the validity of government bonds and notes. With the near bankruptcy of New York State and New York City in the 1970's, the Securities and Exchange Commission became a more active regulator of public debt issues historically exempt from registration.

The genesis of the City Bar's proposal is in the hearings and reports of the New York State Commission on Governmental Integrity chaired by John D. Feerick, Dean of the Fordham Law School and a former President of this Association ("popularly known as the Feerick Commission"). The Commission's public hearings in 1987, 1988, and 1989, and its reports, detailed the practices, particularly of the then New York State Comptroller, of raising substantial political contributions from law firms acting as counsel to issuers, bond counsel, and underwriters' counsel, and investment firms acting as investment advisers or underwriters of government securities issues. The facts unearthed by the Feerick Commission are exhaustively described in its June 1989 Report, The Midas Touch, including its discussion of the activities of Mr. Joseph Palumbo and his "give to get" memorandum. These practices became popularly described as "pay-to-play," referring to the belief of public finance lawyers and investment bankers that if they were to participate in this business, they had to make political contributions to public officers who controlled or influenced the choices of bond lawyers and investment bankers.

The City Bar's Special Committee's own research indicates that tens of thousands, if not millions, of dollars flow from public finance lawyers to incumbent and insurgent candidates who control municipal finance business. While only some instances of an actual "quid pro quo" can be documented, it certainly is widely believed, as shown by the Feerick Commission's findings and other more recent developments, that if a lawyer or his or her firm wants to be considered for municipal finance work substantial political contributions must be made.

The SEC's April 7, 1994 Release No. 33868 approving the Municipal Securities Rule Making Board's ("MSRB") Rule G-37 reports such abuses in a dozen states. Recent press stories and the experiences of our members indicate that abuses

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2 The Comptroller is one of the four statewide elected officials in New York, the others being the Governor, Lieutenant Governor, and Attorney General.
In our view, these pay to play practices bring disrepute to the profession, and should be stopped. We concur in the view expressed by the SEC that "if the problem, whether it is one of perception or reality -- must be addressed."

B. Municipal Securities Rulemaking Board Rule

The securities industry first responded to this "pay to play" problem by the investment banking firms by, on October 18, 1993, adopting a voluntary ban on political contributions to public officers who controlled public finance business. This voluntary ban, which is still in effect, has over fifty signatories.

This was then reinforced by Rule G-37 of the MSRB, approved by the SEC in April 1994. It generally prohibits municipal securities brokers and dealers from engaging in municipal securities business with issuers if they have made certain political contributions to officials of such issuers. Parts of the Rule were challenged before the United States Court of Appeals for the District of Columbia, but survived that challenge.

This prohibition on municipal securities dealers is having positive effects. For example, on October 29, 1996, The New York Times reported that Morgan Stanley & Co. Incorporated had promptly notified regulators when it discovered that the head of its fixed income department had made a $1,000 contribution to the United States Senate campaign of Massachusetts Governor William F. Weld. Morgan Stanley also suspended itself from serving as one of five senior managers of the Commonwealth’s negotiated bond sales.

C. The City Bar’s Proposed Solution


See Address, supra note 1, at 6.

To address the comparable problem in the legal profession, this report recommends the adoption in each state of a new court rule, the most direct mechanism for regulating the conduct of lawyers. While other formats were considered, such as proposed legislation, it was concluded that an attempt to enact a new court rule was more likely to succeed, and once such a rule was enacted, presented a direct and effective antidote to the problem.

1. The Proposed Court Rule

The court rule (the form of rule proposed for adoption in New York is annexed as attachment A) would ban the lawyer who had made or solicited the violative political contribution (and her or his firm) from undertaking the government finance work, rather than prohibiting the contribution or solicitation. It is the professional conduct of lawyers that is, and ought to be, addressed by the court rule, not lawyers' political contributions or the campaign finance system generally, subjects appropriate for legislation.

In brief, the rule addresses the political contributions and solicitations made by lawyers to government officials who have power over governmental bond issuers. Such political contributions and solicitations raise serious issues concerning real or perceived advantage flowing therefrom. Furthermore, due to the pervasive influence of so-called “soft money” contributions to political parties, where the benefits of contributions and solicitations easily could indirectly but substantially influence many officials, the rule treats any such contributions and solicitations as enuring to the benefit of all elected officials of that party at the level of the party organization receiving the contribution. Otherwise, the proposed court rule could be too easily circumvented.

When contributions or solicitations exceed the rule’s thresholds, a two year disqualification for certain public finance engagements is established for the lawyer and, with limited exceptions, his or her firm. The rule extends its reach not only to in-state lawyers and their firms, but also reaches the conduct of out-of-state lawyers (even if not admitted in the enacting state) where their firms engage in the practice of law in that state. Again, otherwise, the proposed court rule could be too easily circumvented.

Much time was spent considering whether the business of an entire firm should be affected by the contribution or solicitation of a single lawyer (partner or associate). We concluded that the most effective prohibition would be on an entire firm, relegating to the firm the task of controlling the conduct of its members and employees. For the prohibition only to apply to a single lawyer would lead to a huge
exception; the non-bond lawyer in the firm could make the contribution, the bond lawyer would do the work, and the firm would be the beneficiary.

The proposed rule makes clear that the firm is disqualified for two years from the particular government finance work only where the contribution or solicitation is made by a lawyer already with the firm. A firm is not saddled with the prior conduct of new partners or associates.

The proposed rule includes a so-called "good-faith" exemption from a law firm's liability, similar to the grounds for exemption under the MSRB Rule, where four conditions are met: the law firm has previously developed and instituted procedures reasonably designed in good faith to ensure compliance with the rule, the law firm's management had no actual, prior knowledge of the contribution(s), the law firm has taken all available steps to cause the person or persons involved in making the contribution(s) to obtain a return of the contribution(s) and the law firm has taken such other remedial or preventive measures as may be appropriate under the circumstances.

An exception to the proposed rule is also carved out for small contributions ($250 or less) made to candidates for whom the contributor or solicitor is allowed to vote. We recognize that the effect of the proposed rule might be to limit the type of political participation (by contributions and solicitations) held protected by the federal Constitution and some state constitutions. Therefore, a line had to be drawn between political contributions and solicitations in furtherance of constitutionally protected expression, and such contributions and solicitations that could be regulated because they were designed to advance a business purpose, a purpose, as the Supreme Court put it almost two decades ago, that undermines "the integrity of our system of representative democracy."8

We drew the necessary line using two criteria -- the size of the contribution and whether it was made or solicited for candidates for whom the contributor or solicitor could actually vote. Small contributions to candidates for whom one can vote, we concluded, should be encouraged -- not discouraged. On the other hand, larger contributions or contributions to candidates outside the jurisdiction, or even large numbers of small contributions, cross the line into the type of conduct that should be regulated. Significantly, MSRB Rule G-37, recently sustained by the D.C. Circuit in the face of a constitutional challenge, strikes very much the same

balance among these interests. A similar exception is carved out for contributions or solicitations of $1,000 or less to political parties.

2. Arguments Against the Proposed Rule

We address below the three principal objections that have been raised to our proposal:

a. Disclosure is Adequate

We do not agree that public disclosure of lawyer contributions will solve the problem.

First, disclosure is important, but for it to be effective legislation must be enacted, giving the public effective access to the filed information. Even if an effective disclosure mechanism were created, regular appropriations and expenditures of adequate public money would be required. For example, in New York State legislation to put contribution data in machine retrievable form has never passed.

Second, disclosure would not prevent "pay to play"; it would only shed some light on its existence. The only effective way to stop politicians from indicating that if lawyers want municipal finance business, they need to make political contributions is to make the giver of such contributions and her or his firm ineligible for the business. Our proposed rule does this.

b. Singling Out a Portion of the Bar

It is true that the proposed rule is aimed at preventing political contributions and solicitations in return for municipal finance business and does not deal with contributions made by lawyers in the apparent hope of getting other government work or appointments or other favorable treatment by judges. And, of course, potential abuses in these areas should also be examined. But the fact that other related problems may exist should not mean that action should not now be taken in this documented problem area.

c. First Amendment

61 Blount v. SEC, 61 F.3d at 940.
We believe that our narrowly drafted rule would pass constitutional muster.

The SEC Release accompanying its approval of Rule G-37 specifically addresses the First Amendment issues. Its position was sustained in Blount v. SEC, which was handed down on August 4, 1995, a few days after the Association of the Bar published its initial report. In the central part of a careful and comprehensive opinion the court held:

Finally, the regulation is "closely drawn" and thus "avoid[s] unnecessary abridgment" of First Amendment rights, Buckley v. Valeo, 424 U.S. at 25, 96 S. Ct. at 638. Rule G-37 constrains relations only between the two potential parties to a quid pro quo: the underwriters and their municipal finance employees on the one hand, and officials who might influence the award of negotiated municipal bond underwriting contracts on the other. Even then, the rule restricts a narrow range of their activities for a relatively short period of time. The underwriter is barred from engaging in business with the particular issuer for only two years after it makes a contribution, and it is barred from soliciting contributions only during the time that it is engaged in or seeking business with the issuer associated with the donee. A municipal finance professional may contribute up to $250 per election to each official for whom he or she is entitled to vote, without triggering the business bar. Furthermore, as the Commission interprets the rule, municipal finance professionals are not in any way restricted from engaging in the vast majority of political activities, including making direct expenditures for the expression of their views, giving speeches, soliciting votes, writing books, or appearing at fundraising events. SEC Approval Order at 19 ("proposal will not restrict personal volunteer work . . . in political campaigns other than soliciting or coordinating contributions"); id. at 36 ("proposal does not restrict uncoordinated independent expenditures"); SEC Release No. 33870 (Apr. 7, 1994) ("SEC Order Denying Preliminary Stay") at 8 (ban on solicitation applies only to "explicit solicitations of contributions, and not to generalized solicitations of support for a candidate or his views."); SEC Release No. 34008.
(May 4, 1994) ("SEC Order Denying Stay") at 12
(\[A\]pplicant's concern that the provision could be triggered by inadvertently using the word 'money' in a speech urging support for a candidate, or simply by making a speech of general support at a fund-raising affair, is misplaced. Likewise, his contention that soliciting money for his political party will necessarily trigger the provision is incorrect.\]), but cf. id. at 6 (noting that Blount's complaint is that the rule will prevent him from directing contributed, funds to particular state officials, which is normally a duty of the party chairman, and appearing to assume that the rule will have the feared effect).\n
The City Bar believes that the Court Rule it recommends is well within the ambit of the holding in Blount.

4. The Need to Address the Problem on a Nationwide Basis

We believe this is a nationwide problem and should be addressed by every state.\n
Last August, the Association of the Bar brought the Pay to Play issue before the American Bar Association's annual meeting and intends to renew this effort at the ABA's 1997 annual meeting.

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10 61 F.3d at 947-48 (footnote omitted).
11 We do not agree that New York lawyers would lose business to out of state law firms if the Rule were enacted by New York. It stretches credibility to suggest that, if the Rule were enacted, a New York public official would suddenly retain an out of state law firm, rather than a New York firm, to do the municipal finance work. This is particularly true since the proposed Court Rule would affect any lawyer in any firm with offices in New York State.
CONCLUSION

We understand that controversy may attend the attempt to pass the proposed rule and resolution. Politicians may be reluctant to part with a source of significant financial support, and lawyers may view the rule as an undue restriction on their conduct. We are persuaded, however, that the problems are real, and the proposed solution both effective and carefully drawn to solve the problems.

We believe that it is better for the Bar and the Judiciary to act than for it to invite SEC and other regulators to do so, which inaction surely does. SEC Chairman Arthur Levitt said in an August 20, 1996 letter to the current President of the Association of the Bar:

I am encouraged to hear of the efforts made by the Association of the Bar of the City of New York before the American Bar Association to advance its proposal addressing the issue of pay-to-play as it affects municipal finance lawyers. Municipal securities dealers have acted quickly and decisively to end the practice, first by a voluntary ban, then through action of the Municipal Securities Rulemaking Board. It would benefit investors, attorneys, municipal officials, and the nation if attorneys joined the dealers on this ethical high ground.

I want to . . . encourage you to devote renewed effort in the months ahead until appropriate measures are adopted by the bar affirming the faith investors place in the professionals who practice in our municipal securities markets.

We do not want said of the municipal finance bar what Massachusetts United States District Court Judge William G. Young said in December 23, 1996 in sentencing Mark Ferber for the payoffs in which he was engaged to obtain municipal finance work:

First, I simply am appalled at the level of practice of the municipal bond lawyers that I have heard about in this case. There is no stronger advocate of a free, vigorous, independent, professional bar in the United States than this member of it. But I sat here and heard the most sorry, evasive explications and excuses for legal advice.
If there had been appropriate legal advice to the municipal bond industry here, if there had been that advice, you would not be going to prison and there would not be the need for government regulation that is so evident here.\textsuperscript{13}

August, 1997

Michael A. Cardozo
President
The Association of the Bar of the City of New York
Summary of Recommendation.

This recommendation decries the practice of lawyers, making and soliciting political contributions to or for public officials of issuers of municipal securities in order to be considered for municipal finance engagements. These practices are referred to as "pay to play." The recommendation encourages bar associations, judicial rule making authorities and other relevant entities to consider adopting appropriate policies to prevent lawyers who make and solicit political contributions to public officials who can influence issuers of municipal securities, from accepting municipal finance engagements from such issuers for a two year period commencing with the political contribution or solicitation.

Approval by Submitting Entity.

This recommendation was approved in accordance with its internal procedures by The Association of the Bar of the City of New York in February 1997 following consideration and report by its Committee on Government Ethics.

Has this or a similar recommendation been submitted to the House or Board previously?

A similar recommendation was submitted to the ABA House of Delegates at the August 1996 Annual Meeting by The Association of the Bar of the City of New York, but the proposal was withdrawn.

What existing Association policies are relevant to this recommendation and how would they be affected by its adoption?

This recommendation is consistent with the ongoing efforts of the ABA to enhance the stature of the legal profession and confidence in lawyers and public officials by lessening the possibility that lawyers' political contributions, made or solicited, are consideration for municipal finance engagements.

Specific Model Rules of Professional Conduct offer analogous precedent for this recommendation. For example, Rule 1.13 applies to lawyers representing organizations and draws a distinction between the lawyer's responsibility to corporate organizations and to government organizations. A lawyer has a stricter
obligation to oppose policies and proposed actions of government organizations that the lawyer deems legally wrong, because the public interest, as opposed to a private interest, is involved. The public interest is also a concern of Rule 8.4(e). Lawyers are prohibited by Rule 8.4(e) from stating or implying an ability to influence a governmental agency or official. The predicate of this prohibition is the impropriety that such actions can create which contributes to disdain for the legal profession and government. Model Rule 7.2(c) prohibits a lawyer from giving anything of value to a person for recommending a lawyer’s services.

The legal profession developed institutions like bond counsel and underwriters’ counsel to help assure purchasers of municipal securities that their validity and enforceability had been vetted by qualified and independent counsel. The Bar should act to make sure that municipal securities lawyer retainer decisions by public officials are based on merit and fitness and not influenced by political contributions.

5. What urgency exists which requires action at this meeting of the House?

The adverse implication of “pay to play” should no longer be tolerated. Apparent “pay to play” abuses have been well documented. In addition to the accompanying report see, e.g., “The Bond Game Remains the Same.”, National Law Journal, July 1, 1996, p. 1; SEC Release No. 33868 dated April 7, 1994 59 Fed. Reg. 17621, 17622-23 (April 13, 1994) (approving Municipal Securities Rule-making Board Rule G-37); Governmental Ethics Reform for the 1990s, the Collective Reports of the NYS Commission on Government Integrity (the “Feerick Commission”) (Fordham University Press, 1991). The American Bar Association should call for an end to such abuses at its earliest opportunity.


No legislation is pending that address “pay to play” abuses in municipal finance.

7. Costs to the Association.

None.


Not applicable.

9. Referrals.

The report was first circulated in the “Reports with Recommendations to the House of Delegates,” prior to the 1996 Annual Meeting. (The proposal was then withdrawn from consideration at that meeting.) On August 11, 1996 a
letter was sent from the President of the Association of the Bar to every ABA Section and Committee transmitting original City Bar report and asking for comments.

In February, the revised report was transmitted to each ABA entity that had expressed interest in the report or whose jurisdiction coincided with the subject matter of the Report. In March, the foregoing ABA entities were sent the draft ABA resolution and general information statement, asking for comments and participation in conference call. The conference call with interested ABA entities was held in April.

The proposal was also presented to the National Association of Bond Lawyers at its recent annual meeting.

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