VEDDER PRICE

Financial Services Report

A report designed to provide news and analysis of recent legal and regulatory developments in the financial services industry

October 2007

Hope D. Schall is an associate at the firm and a member of the Financial Services Group.

Avoiding Violations of Unfair and Deceptive Trade Practice Laws

Although most bankers realize that federal unfair and deceptive trade practices laws apply to banks as well as other types of businesses, few bankers have ever experienced an unfair and deceptive trade practices review by a bank regulator. The FDIC, in particular, has noted an increase in violations of Section 5 of the Federal Trade Commission Act ("Section 5"), which prohibits unfair or deceptive trade practices. Other banking regulators have also begun to focus more on unfair and deceptive trade practices as a way to help combat predatory lending. Regulators speculate that the increased number of violations may be due to increased competition among financial institutions, along with the growing dependence on fee income. Given this focus by bank regulators, it is important that bankers make sure they understand and are in compliance with the law as it pertains to unfair and deceptive trade practices. Bankers should also be mindful of red flags and high-risk areas that could trigger heightened scrutiny by bank regulators in the area of unfair and deceptive trade practices.

Consequences

The identification by bank examiners of red flags or high-risk activities at a bank could trigger heightened scrutiny by regulators, including a special review of the bank's products and services to determine whether there are any unfair or deceptive trade practices. In the event bank regulators were to uncover actual violations, depending on the nature and severity of the violations, the bank's compliance examination ratings could suffer and, in severe cases, enforcement actions could be taken and restitution required. Section 5 violations could also result in the downgrading of a bank's Community Reinvestment Act rating, which, unlike the bank's compliance rating, is public information. Public knowledge that a bank violated Section 5 may lead to reputational harm, lawsuits and financial damages. As with all violations of law, from a bank regulator's perspective, failure to address these issues on an ongoing basis could result in questions about the adequacy of bank management and safety and soundness concerns.

Applicable Law

Section 5 prohibits "unfair or deceptive practices in or affecting commerce," and applies to all persons

In This Issue

engaged in commerce, including banks. While the Federal Trade Commission Act is enforced generally by the Federal Trade Commission ("FTC"), the authority for enforcing Section 5, as it relates to financial institutions, rests with a bank's primary federal regulator.

Under Section 5, the standards for determining what is unfair or deceptive are independent of each other. While a single act may be both unfair and deceptive, the FTC Act prohibits an act that is either unfair or deceptive.

> ***"'Substantial injury' typically, but not always, involves monetary harm. However, an act or practice that causes a small amount of harm to a large number of people may be considered to have caused substantial injury."***

Unfairness

An act or practice may be found to be unfair where it: (i) causes or is likely to cause substantial injury to consumers; (ii) cannot be reasonably avoided by consumers; and (iii) is not outweighed by countervailing benefits to consumers or to competition. Public policy may also be considered in analyzing whether an act or practice is unfair. "Substantial injury" typically, but not always, involves monetary harm. However, an act or practice that causes a small amount of harm to a large number of people may be considered to have caused substantial injury. Speculative types of harm, such as emotional impact, generally would not make a practice unfair. A consumer cannot "reasonably avoid" injury if an act or practice interferes with the consumer's ability to effectively make decisions. For example, failure to provide material information to a consumer until after he or she has committed to purchase a product would not allow the consumer to reasonably avoid injury. To be deemed unfair, an act or practice must be injurious in its net effects; the injury must not be outweighed by offsetting benefits, such as lower-cost products or wider availability of products.

Deception

A representation, omission or practice is deceptive if (i) it is misleading or likely to mislead a consumer; (ii) the consumer is acting reasonably under the circumstances; and (iii) the representation, omission or practice is likely to affect a consumer's conduct or decision regarding a product or service. In determining whether a representation misleads or is likely to mislead, the entire advertisement, transaction, or course of dealing must be evaluated. If a representation or practice is targeted to a particular group, its reasonableness must be evaluated from the vantage point of that group.

The majority of Section 5 violations tend to involve deception; occasionally, however, a practice or act or the sum of practices and acts has been found to be unfair. Whether an act or practice is unfair or deceptive will, in each case, depend on a careful analysis of the specific facts and circumstances.

Certainly acts or practices that are found to be unfair or deceptive under Section 5 may also violate other applicable laws and regulations. However, there may also be circumstances where a bank is in technical compliance with other applicable laws and regulations, but is in violation of Section 5.

Red Flags

Unfair and deceptive practices are not always readily apparent to examiners. As a result, in addition to reviewing a bank's public disclosures, promotional materials and advertisements, examiners will also attempt to gain insight into a bank's practices through the following sources.

Consumer Complaints

Consumer complaints are a key source of information for examiners in uncovering unfair and deceptive trade practices. When reviewing such complaints prior to an examination, examiners tend to look for trends, such as whether the bank received a number of the same or similar types of complaints, or whether a small number of complaints had a broad impact. Consumer allegations or claims that could indicate possible unfair and deceptive trade practices include the use of misleading or false statements, missing disclosures or information, undue or excessive fees, consumer inability to reach a bank's customer service department, or previously undisclosed charges.

Investigations by other Agencies

Since banking customers are not always aware that consumer complaints involving banks should be directed to particular bank regulators, bank examiners will also pay close attention to consumer complaints regarding banks that are received by other agencies, such as state agencies and the FTC.

Criticism in the Media

Consumer reports in newspaper articles, television news programs, or radio programs can draw the attention of examiners to particular issues or corroborate potential issues of which examiners are already aware. Additionally, the FDIC has indicated that information contained on various websites, including blogs where consumers write about problems they have had with banks and/or their products or services, may be used as a source of information for examiners with regard to issues involving unfair or deceptive practices issues.

> ***"Subprime lending, by its nature, involves the extension of credit to consumers who may be less sophisticated and more financially vulnerable."***

High-Risk Areas

Bank regulators have identified higher rates of unfair and deceptive trade practices in institutions that are engaged in certain high-risk areas, such as subprime lending, and in institutions that heavily rely on third-party service providers.

Subprime Products

Subprime lending, by its nature, involves the extension of credit to consumers who may be less sophisticated and more financially vulnerable. While the presence of subprime products and services themselves may not be evidence of unfair or deceptive practices, products that are overly complex or that have complicated pricing structures could trigger concerns regarding unfair or deceptive practices. Additionally, products targeted to other vulnerable groups, such as the elderly or recent immigrants, could lead to additional scrutiny for unfair and deceptive practices.

Third-Party Affiliated and Unaffiliated Relationships

Prohibitions against unfair and deceptive practices apply not only to banks but also to their subsidiaries and other affiliated and unaffiliated third parties. Unaffiliated third parties may include companies providing advertising services, issuing credit cards through the bank, or brokering loans. The FDIC has noted that third-party relationships, both affiliated and nonaffiliated, are one of the most common features in Section 5 violations found by FDIC examiners.

In analyzing third-party arrangements, examiners will consider factors such as the types of products and services provided by the third party, the due diligence conducted by the bank prior to entering into an agreement with the third party, and the extent of the bank's oversight and monitoring of the third party.

Examiners will be particularly interested in whether a bank's oversight of third parties goes beyond simply rubber-stamping disclosures or solicitations provided by third parties.

Best Practices

To avoid heightened scrutiny by bank regulators and potential violations of unfair and deceptive trade practice laws, below is a nonexhaustive list of some of the best practices suggested by bank regulators:

- Review all promotional materials, marketing scripts, customer agreements and disclosures prepared by the bank and any third party to ensure they do not misrepresent terms, either affirmatively or by omission. Ensure that these materials do not use fine print, separate statements or inconspicuous disclosures to correct potentially misleading headlines.

- Draw the attention of customers to key terms, including limitations and conditions that are important in enabling customers to make an informed decision about a product.

- Clearly disclose all material limitations or conditions on the terms or availability of products.

- Inform consumers in a clear and timely manner about any fees, penalties or other charges.

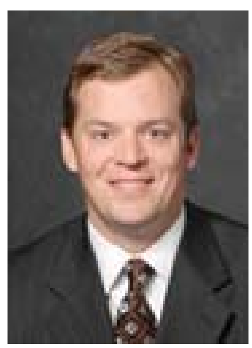
- When using terms such as "preapproved" or "guaranteed," clearly disclose any limitations, conditions or retractions on the offer.

- Clearly disclose a telephone number or mailing address that consumers may use to contact the bank or the third-party provider regarding any complaints, and maintain appropriate procedures for resolving complaints.

- Clearly inform consumers when the account terms approved by the bank for the consumer are less favorable than the advertised terms or terms previously disclosed.

- Tailor advertisements, promotional materials, disclosures and scripts to take account of the sophistication and experience of the target audience.

- Do not make claims, representations or statements that mislead the target audience about the cost, value, availability, cost savings, benefits or terms of the product.



Chad A. Schiefelbein is a Shareholder at the firm and a member of the Litigation and Intellectual Property Groups.

Illinois Senate Passes Senate Bill 1197, Imposing New Standards for Mortgage Bankers in Illinois and Extending the "Predatory Lending Database Program"

On August 7, 2007, the Illinois Senate passed Senate Bill 1197, as amended. Senate Bill 1197 is intended to, among other things, impose significant new "standards, duties, prohibitions and requirements" on mortgage brokers and mortgage bankers in the State of Illinois. Also, Senate Bill 1197 would permanently extend the "predatory lending database pilot program" to all of Cook County, Illinois.

Specifically, Senate Bill 1197 amends the Illinois Residential Mortgage License Act of 1987 (205 ILCS 635/1-1) and the Illinois Residential Real Property Disclosure Act (765 ILCS 77/1) (collectively, the "Acts"). Banking organizations, chartered by a state or the federal government Department of Financial and Professional Responsibility, any service corporation of such banks and savings and loan associations or "first tier" subsidiaries are exempted from the Acts and, hence, the amendments contained in Senate Bill 1197.[1] While a bank or thrift is exempt from the Acts, the Acts still may impact individual banks and thrifts. A bank or thrift that purchases a loan from a mortgage broker may be held responsible for violations of the Acts committed by the mortgage broker.

SB 1197 Amendments to the Illinois Residential Mortgage License Act of 1987

Senate Bill 1197 amends the Illinois Residential Mortgage License Act of 1987 to include the creation of, among other things:

- enforcement procedures for the Illinois Attorney General to prosecute unlawful practices, pursuant to the Illinois Consumer Fraud and Deceptive Trade Practices Act;

- a private right of action by borrowers injured by the violations of the amended standards, duties, prohibitions, or requirements of the Illinois Residential Mortgage License Act of 1987;

- a duty to verify the borrower's reasonable ability to repay (through examination of tax returns, payroll receipts, bank records, or other "reasonably reliable methods," which methods do not include a statement by the borrower that his or her income is sufficient); and

- an "agency relationship" between mortgage brokers and borrowers that requires mortgage brokers to (i) act in the borrower's "best interests and in good faith," (ii) carry out all lawful instructions given by borrowers, (iii) disclose to borrowers all material facts of which the mortgage broker has knowledge that might reasonably affect the borrower's rights, interests and benefits, (iv) use reasonable care, and (v) account to the borrower all the borrower's money and property received.

In addition, Senate Bill 1197 amends the Illinois Residential Mortgage License Act of 1987 to require that a copy of any appraisal be provided to the borrower within three days of receipt, but no less than 24 hours prior to the day of closing, and to require the disclosure of other refinancing options if the subject of a future loan is discussed. Finally, Senate Bill 1197 amends the Illinois Residential Mortgage License Act to prohibit "equity stripping" and "loan flipping," as defined by the Illinois Fairness in Lending Act.

The history of Senate Bill 1197 shows that the amendments were contemplated by the Illinois legislature as early as February 2007, before subprime mortgage lending became headline news. However, the recent attention paid to subprime mortgage lending policies undoubtedly played a factor in the Senate's passing of Senate Bill 1197 on August 7, 2007.

SB1197 Amendments to the Illinois Residential Real Property Disclosure Act

When it was first enacted on October 1, 1994, the Illinois Residential Real Property Disclosure Act required "sellers" to make certain disclosures to "prospective buyers" of "residential real property." In 2006, the Illinois legislature amended the Illinois Residential Real Property Disclosure Act to include a "predatory lending database pilot program." The pilot program required the Secretary of the Illinois Department of Financial and Professional Regulation (the "IDFPR") to identify certain areas of Cook County, Illinois that had experienced high rates of foreclosure on residential home mortgages, to submit certain data to a "confidential database" created and maintained by the IDFPR to monitor "predatory lending practices," and to provide counseling to borrowers whom the IDFPR determined, upon review of the information, may require counseling. Borrowers could not waive counseling if the IDFPR recommended it.

> ***"Senate Bill 1197 is intended to revise the pilot program and make it permanent for all of Cook County, instead of areas within Cook County selected by the IDFPR."***

Illinois temporarily halted the pilot program after community and civic organizations objected. The pilot program was alleged to be discriminatory and to have caused some lenders to stop doing business in certain areas of Cook County. Some borrowers claimed that the pilot program prevented them from selling their homes because of the chilling effects allegedly caused by the program.[2]

Senate Bill 1197 is intended to revise the pilot program and make it permanent for all of Cook County, instead of areas within Cook County selected by the IDFPR. The database for the permanent program will remain confidential (unless the borrower requests that the confidentiality restriction be lifted as to his or her information) and may not be obtained under the Freedom of Information Act, except as otherwise provided. The permanent program also continues the "counseling" provisions for certain borrowers, which may not be waived.

The information that is to be collected by the IDFPR and maintained in the database includes, among other things:

- the name, address, social security number, date of birth, income and expense information of the borrower;
- a description of the collateral, amount of the loan, rate, whether the rate is fixed or adjustable, amortization, and "any other material terms";
- the borrower's credit score;
- information about the "originator" of the loan, fees charged, points, yield spread premium, and "other charges of renumeration";
- information about affiliated or third-party service providers (e.g., appraisers, title insurance companies, closing agents, and realtors);
- all information on the Good Faith Estimate and Truth-in-Lending statement disclosures;
- annual real estate taxes for the property, together with any assessments;
- information about how the broker or originator obtained the client and referral source (if any);
- notices required by law and dates given to the borrower;

- whether a sale and leaseback was contemplated and, if so, the identity of the interested parties;
- any and all financing by the borrower for the subject property within 12 months prior to the date of application;
- loan information (rate, term, purchase price, down payment and closing costs);
- whether the buyer is a first-time homebuyer or refinancing a primary residence;
- whether the loan permits interest-only payments;
- whether the loan may result in a negative amortization;
- whether the total points and fees payable by the borrower at or before closing will exceed 5%;
- whether the loan includes a prepayment penalty and, if so, the terms; and
- whether the loan is an ARM.

A borrower who is a first-time homebuyer or is refinancing a primary residence and is seeking a mortgage that includes (i) interest-only payments, (ii) the risk of negative amortization, (iii) points and fees in excess of 5%, (iv) a prepayment penalty, or (v) an adjustable rate, shall be recommended for counseling by the IDFPR. Finally, the IDFPR is to submit reports to the Governor and the General Assembly semi-annually (May 1 and November 1) of each year, detailing its findings on the program and at least the following information: (i) the number of loans in the program, (ii) the number of borrowers receiving counseling, (iii) the number of loans closed, (iv) the number of loans requiring counseling, and (v) the number of loans requiring counseling where the originator changed the terms subsequent to counseling.

Governor Blagojevich still needs to sign Senate Bill 1197 before it becomes law. If signed into law, the permanent program would not take effect until July 1, 2008. The legislature did not report any opposition to the permanent program in Senate Bill 1197.

---

[1] *See* 205 ILCS 635/1-4(d) (defining "exempt person or entity" for purposes of the Illinois Residential Mortgage License Act of 1987). Under Senate Bill 1197, the definition of "exempt person or entity" in the Illinois Residential Mortgage License Act of 1987 is incorporated by express reference into the proposed amendments to the Illinois Residential Real Property Disclosure Act. *See* 765 ILCS 77/70(a) (proposed).

[2] A study performed by the University of Illinois Urbana-Champagne showed that the housing sales in the areas selected for the pilot program declined by nearly half, whereas sales on areas not included in the pilot program declined by only twenty percent.

James M. Kane is a shareholder at the firm and Chair of the Financial Institutions Group.

Bank Examiners are Rediscovering Real Estate Lending

The financial press provides daily reports on the meltdown of the subprime mortgage industry. On any given day, one can read stories about the demise of another mortgage lender, the layoff of additional mortgage professionals, or the catastrophic impact of the meltdown on families or communities. To be sure, the subprime industry meltdown is one of the dominant financial stories of 2007.

No senior officer of a financial institution should wait for history to be written before anticipating the effects of the subprime meltdown on his institution. Bank regulators are already responding to the subprime meltdown by looking into real estate practices that have not received much scrutiny in recent years. Here is where we have seen the focus.

It Isn't Gone Just Because It Has Been Sold

It has become commonplace for a bank to originate mortgage loans with the intent of selling the loans into the secondary market. A community bank may originate a large number of mortgage loans and sell those loans to a larger institution, with those mortgage loans ultimately become securitized. The arrangement under which the community bank originates and sells the mortgage loans to the larger institution is usually the subject of a lengthy contract, supplemented by an even lengthier set of guidelines. Together, the contract and guidelines set forth detailed rules governing the origination of the mortgage loans. Just as importantly, these documents specify the circumstances under which the originating lender must buy back the loans.

> ***"No senior officer of a financial institution should wait for history to be written before anticipating the effects of the subprime meltdown on his institution."***

Here is where the uniform regulatory capital guidelines enter the story. A few years ago, the guidelines were amended to take into account "residual liability." These amendments were designed to address the capital support needed when a bank sells an asset, yet retains some interest in that asset. Even if the asset is sold, and might be treated as a sale for accounting purposes, the regulators ruled that the retention of residual liability in that asset requires continued capital support for that asset.

The bank regulators then applied this concept to the sale of mortgage loans. Normal representations and warranties regarding a sold mortgage were not a problem. The lender originating the mortgage could represent to the purchaser of the mortgage that the underlying obligor's signature was valid and that the appraisal of the property conformed to industry standards. If these representations were later found to be untrue, the originating bank could agree to buy the loans back without giving rise to residual liability for regulatory purposes. This was because representations and warranties of this type were reasonably within the control of the originating lender at the time the loan was originated.

On the contrary, the regulators found any representation or warranty by the seller that was beyond the control of the seller to constitute a credit-enhancing representation or warranty. As such, these kinds of representations and warranties would give rise to residual liability. A bank that made such credit enhancing representations and warranties would still be required to support the loan so sold with the appropriate amount of capital required under the capital adequacy guidelines. In other words, for capital adequacy purposes, a loan with a credit-enhancing representation or warranty would be treated as if the loan were never sold.

In recent months, bank regulators have rediscovered residual liability as it applies to mortgage loans sold by community banks to larger financial institutions. Regulators have focused on three types of warranties sometimes seen in an agreement between a community bank and a larger institution:

- *Early default clauses*. Generally, the originator of a 1-4 residential mortgage may buy it back if there is a default due to nonpayment within 120 days of the sale. If the originator agrees to buy the loan back after 120 days of the sale, due to nonpayment, the warranty is regarded as credit enhancing and gives rise to residual liability.

- *Guarantee of value of collateral*. Any warranty by the seller of the loan that the property securing the loan has a particular value is viewed as credit enhancing, and therefore subject to residual liability.

- *Premium repurchase*. Any warranty by the seller of the mortgage loan to repurchase the loan for an amount at a premium to that amount then owed on the loan, even if the repurchase would otherwise be permissible under the guidelines, will be viewed as credit enhancing, and therefore give rise to residual liability.

> ***"... if the bank still has residual liability of any sold loans, those loans will be treated as if they had never been sold, not only for capital adequacy purposes ... but also for purposes of determining compliance with the limits of the real estate guidelines"***

Many banks have entered into mortgage sale agreements without ever having given much thought to residual liability. Especially since the regulators have rediscovered the impact of residual liability rules, it is an appropriate time to review these agreements. Our experience is that the content of these agreements varies greatly, depending upon the purchaser of the mortgage loans. In many instances, we have found that the selling bank must still support the "sold" loans with capital, at least for some additional time after the sale.

Real Estate Lending Guidelines

Bank regulators are also demonstrating a newfound interest in the real estate lending guidelines. In particular, regulators have been reviewing exceptions to the real estate lending guidelines and determining whether the bank is in compliance with the aggregate capital and individual category limits. Under the guidelines, all loans in excess of the supervisory limits should not exceed 100% of total capital. Within that total, no category of exception (development, construction, improved property, etc.) is supposed to exceed 30% of total capital. Moreover, if the bank still has residual liability of any sold loans, those loans will be treated as if they had never been sold, not only for capital adequacy purposes as discussed above, but also for purposes of determining compliance with the limits of the real estate guidelines.

The subprime meltdown is causing bank regulators to look more closely at real estate lending practices. Examiners are performing real estate examination programs that they have not run in years. Senior bank executives should not wait for their bank's next examination to see if there are issues that need to be addressed. If an issue is found, it is better to spot the issues independently of the examiners. Corrective measures and adjustments to policies are best developed away from the spotlight of an examination.

What Have We Done Lately?

Vedder Price regularly receives national recognition for its leading role in representing financial institutions in mergers and acquisitions. Less visible to the public is the ongoing advice and representation we provide our clients. Because we represent financial institutions both large and small, and on virtually all matters related to their operations, we doubt any other Midwestern law firm deals with the variety and complexity of issues involved in our ongoing representation of financial institutions. We think the result is a better legal product. From time to time in our Financial Services Bulletin, we will provide a brief summary of a few of our recent representations, in order that you might know "What have we done lately?" Here are a few of our typical representations from the first months of 2007.

- Represented a former officer and director of a de novo bank before the FDIC in connection with the possible assessment of civil money penalties for violating the FDIC order approving deposit insurance. The FDIC claimed that the bank had substantially deviated from the plan submitted in connection with the application. Our representation involved the preparation of a written submission to the FDIC in defense of our client and follow up meetings. The FDIC decided to take no action against our client.

- Represented a multi-bank holding company in its application to form a federal thrift in a state that prohibits de novo bank entry by an out-of-state holding company. Our representation involved assistance in the drafting of the application, the business plan and numerous policies. We also drafted employment contracts and stock buy-back agreements for the local management teams of the new thrift.

- Represented a bank in an Illinois federal district court defending itself against a purported class action lawsuit where the plaintiffs claimed the bank had not provided a "clear and conspicuous" rescission notice, due to the fact that the rescission notice was only addressed to one of the two borrowers. Through negotiation and mediation, we were able to achieve a settlement at an early stage of the litigation, and before any class certification was made.

- Represented a bank in implementing "stay bonuses" for employees. Loan officers of a community bank reported to management contacts from headhunters. The headhunters were attempting to entice the bank employees into switching jobs by raising fears that in the "ever-changing market" their employer (a closely held bank) was bound to be sold in the near term. Working with the management of the bank, we drafted "stay bonus" agreements for key employees. Under these agreements, the key employees would receive special one-time bonuses in the event of a change in control. In exchange, the officers gave the bank non-solicitation agreements, whereby each officer agreed not to solicit business from any customer of the bank, in the event that officer left the bank's employment.

- Represented a bank before the Illinois Human Rights Commission against an accusation that it had discriminated against an employee, based upon her sex and age. Following the hearing, the Commission rendered a finding of no discrimination.

- Represented a bank in addressing issues raised by the utilization of a stored value card as the vehicle for providing salary payments to workers. We provided guidance on such issues as BSA and OFAC.

- Represented a bank in federal district court in Ohio, defending a purported class action alleging violations of RESPA and a state consumer fraud statute, along with other allegations of illegal conduct. The claims all revolved around the bank's practice of "marking up" fees paid to third-party providers. The bank charged customers several dollars more for credit reports than the bank actually paid the credit reporting agencies. Our client's motions to dismiss and for summary judgment were granted.

- Represented a financial institution in obtaining trademark protection for its unique banking products and slogans used to advertise those products.

- Represented a bank in state court in the enforcement of a non-solicitation agreement that the institution had previously executed with its former employee. We also advised the institution on how to address issues arising from the inappropriate taking of customer lists by the employee. We were able to obtain an injunction prohibiting the former employee from contacting any of the institution's customers or employees.

- Represented a bank in federal district court in Michigan in defending against a purported class action under RESPA. The bank's practice of granting a broker a volume-based incentive for referring loans to the bank was alleged to violate the anti-kickback prohibitions of RESPA. The court granted the bank's motions for dismissal and summary judgment, finding, in effect, that no kickback had been given.

If you have any questions or wish to discuss these topics further, please contact James M. Kane at 312-609-7533 jkane@vedderprice.com, Chad A. Schiefelbein at 312-609-7737 cschiefelbein@vedderprice.com, or Hope D. Schall at 312-609-7843 hschall@vedderprice.com.

Executive Editors:

Robert J. Stucker	312-609-7606
Daniel C. McKay II	312-609-7762
James M. Kane	312-609-7533 (*Practice Leader)*
Douglas M. Hambleton	312-609-7684
Jeffrey C. Davis	312-609-7524
Daniel O'Rourke	312-609-7669

Editor-in-Chief:

James M. Kane	312-609-7533

VEDDER, PRICE, KAUFMAN & KAMMHOLZ, P.C.

Vedder, Price, Kaufman & Kammholz, P.C.

Chicago
222 North LaSalle Street
Chicago, Illinois 60601
312-609-7500
Fax: 312-609-5005
Contact: James M. Kane

New York
1633 Broadway, 47th Floor
New York, New York 10019
212-407-7700
Fax: 212-407-7799
Contact: Neal I. Korval

Washington, D.C.
875 15th Street, N.W., Suite 725
Washington, D.C. 20005
202-312-3320
Fax: 202-312-3322
Contact: Theresa M. Peyton

New Jersey
Five Becker Farm Road
Roseland, New Jersey 07068
973-597-1100
Fax: 973-597-9607
Contact: John E. Bradley

www.vedderprice.com

About Vedder Price

Vedder, Price, Kaufman & Kammholz, P.C. is a national full-service law firm with approximately 250 attorneys in Chicago, New York, Washington, D.C. and New Jersey. Vedder Price provides a broad range of services to its financial institutions clients, including:

- charter conversions, mergers and acquisitions, purchases and sales of institutions, including antitrust counseling
- chartering and organization of *de novo* institutions
- issuance of equity, debt and hybrid securities as both issuers' and underwriters' counsel
- representation, advocacy and litigation before federal and state regulatory agencies and tribunals, and white-collar criminal representation
- preparation of securities registration and reporting filings
- general corporate legal services, including employment, technology licensing and other contractual relationships
- professional/director liability counseling
- environmental and lender liability representation
- tax, pension and profit-sharing and ERISA assistance
- litigation and dispute resolution matters