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DAILY BRIEFS

Kalamazoo man faces embezzlement charge

KALAMAZOO, Mich. (AP) — The former owner of a company that makes high-end outdoor grills is accused of stealing its products.

Forty-one-year-old Jeff Bullard of Richland was arraigned this week in Kalamazoo County District Court on one count of embezzling more than \$20,000.

Police say he took more than \$35,000 worth of merchandise from Kalamazoo Outdoor Gourmet LLC between August and October.

Contacted at home Wednesday, Bullard denied any criminal wrongdoing and said he believes the case should be a civil matter.

He's the great-grandson of Lewis Bullard, a sheet-metal company owner who founded the Kalamazoo Grill Co. in 1906.

Jeff Bullard revived the grill business in 1998. It was purchased seven years later in a foreclosure sale and renamed.

Judge looks at fugitive mom's old sentence

SAGINAW, Mich. (AP) — A judge has begun hearing arguments in the case of a woman who was captured in California earlier this year after fleeing a Michigan prison in 1976.

Susan LeFevre (luh-FEE'-ver) of the San Diego area is asking a Saginaw County judge to throw out a 10-year prison sentence for a heroin sale.

She says her lawyer in the '70s did a poor job, and the punishment was too harsh for a first-time offender. But authorities say there was nothing improper about the sentence. Prosecutor Mike Thomas says LeFevre should at least serve about 3 1/2 years in prison.

Judge William Crane has scheduled arguments for Wednesday and Thursday.

The 54-year-old LeFevre escaped from a prison in suburban Detroit after serving about 14 months. She's back behind bars.

Notice to the Public

Please be advised that the Wayne County Probate Court will closed for the holiday season at noon on Tuesday, Dec. 23, 2008, and will reopen on Friday, Jan. 2, 2009, at 8 a.m.

The Wayne County Probate Court will be open Dec. 26, 29 and 30, 2008 from 8 a.m. to 4:30 p.m. to accept pleadings and to conduct mental health and emergency hearings.

Please be advised that the Wayne County Clerk's Christmas Holiday Schedule is as follows:

Closed Dec. 24, 2008, through Jan. 1, 2009 and reopening Jan. 2, 2009, are:

Assumed Names
Birth & Death Records
Concealed Weapons Permits
Elections
Marriage License Certification
Notary
Passports

Open Dec. 26, 29 and 30, 2008 from 8 a.m. to 4:30 p.m. are:

Coleman A. Young Municipal Center
Marriage License Application
Circuit Court Civil Filings-Rm. 201
Family Filings & Personal Protection Orders-Rm. 928
Record Room
Frank Murphy Hall of Justice - Criminal Division

Lincoln Hall of Justice - Juvenile Division (8 a.m. to 12:30 p.m. only; filings for Department of Human Services & Juvenile Assessment Center only)

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IN THE WAKE OF FINANCIAL CRISIS

Foley hosts U.S. Attorney to speak on consequences of economic fallout

BY TARYN HARTMAN
Legal News

These days, practically every topic can be somehow connected to the dismal economy, and the offices of the country's most powerful prosecutors are no exception.

On Tuesday morning, shortly before United States Attorney Patrick Fitzgerald indicted Illinois Governor Rod Bagojevich on corruption charges, U.S. Attorney for the Eastern District of Michigan Terrence Berg spoke at Foley & Lardner's downtown office about how his office and those of his colleagues across the country are investigating and pursuing the individuals who may have knowingly engaged in corrupt activities as the U.S. financial industry ground to a halt this fall.

"What do you do when something like this happens?" Berg asked aloud at the outset of "Enforcement Priorities in the Wake of the Financial Crisis," part of the Executive Briefing Series that takes place in Foley & Lardner offices across the country.

While Berg made it clear that he's not an expert on financial matters, he drew on his experiences as a career prosecutor and working in the office's economic crimes unit to outline the answer to his opening hypothetical question, presenting three types of fraud cases likely to be investigated and prosecuted once the dust of bank failures and subsequent government bailouts settles.

Berg said his office focuses primarily on cases of "abject, clear fraud," including those committed against financial institutions in which a lender is a victim of false statements on loan applications, falsely inflated appraisals of properties, and non-existent title companies used to obtain a loan before it defaults. Berg called these cases "a dime a dozen" and estimated that his office currently has 75 of them pending.

A newer type of fraud that may emerge as a result of the crisis, Berg said, is fraud actually committed by bank and mortgage companies that gave sub-prime mortgage loans to borrowers with questionable credit and may have even intentionally marketed them to people unlikely



Foley & Lardner attorneys (l-r) Scott Seabolt, Brandi Walkowiak, U.S. Attorney Terrence Berg and Foley & Lardner's Daniel Reinberg spoke on legal issues facing corporate clients in the wake of the economic meltdown at an Executive Briefing Session titled "Enforcement Priorities in the Wake of the Financial Crisis" Tuesday morning at the firm's downtown office.

Photo by Taryn Hartman

or unable to repay them. Such activities become criminal, Berg said, when financial institutions package these loans as mortgage-backed securities and sell them to investors without disclosing the real risk behind them. The biggest challenge facing prosecutors in these cases, Berg added, is proving that the businesses knew the dangers facing investors the whole time.

Fraud in the "final days" leading up to the collapse was the third type of case addressed by Berg. Such cases seek to prove what industry insiders really knew in the months, weeks and days before the meltdown and whether their public filings and statements to investors lined up with this knowledge.

Berg hypothesized that the financial collapse will likely result in more prosecution of fraud, but that those prosecuting the cases "will

need to pick their battles wisely" as they're often difficult to investigate and time-intensive. He also noted that Department of Justice officials arriving with the Obama administration will probably take an aggressive stance against corporate fraud in light of recent events.

Foley attorney Dan Reinberg commented that the most interesting post-bailout matter to watch will be what cases U.S. Attorneys take and whether they go after lenders.

Following Berg's presentation, Foley & Lardner attorneys Reinberg, Scott Seabolt and Brandi Walkowiak spoke on the enforcement priorities of both federal and state governments and how they could potentially impact a law firm's corporate clients.

"We've been representing a variety of different lenders and the creditors," Reinberg said of the firm's interest in the fallout following the

morning's presentations.

The crisis has kept many of the firm's thousand attorneys busy in a variety of different aspects, including handling SEC inquiries in behalf of corporate clients, which Reinberg has done as a member of the firm's Securities, Commodities & Exchange Regulation practice.

What's kept them most occupied, he said, is the number of corporations looking to outside counsel to conduct internal investigations to ensure the companies have adequate compliance programs and policies in place and that employees have been adhering to them in the event that legal actions against companies come down the pike.

The smart corporations know actions are coming, Reinberg said, and the key is identifying any problems themselves in order to easily fix them.

Moore time



Photo by John Meiu

After 30 years on the bench, Wayne County Circuit Court Judge Warfield Moore, Jr. was honored last week for his service at a retirement party. Pictured with Judge Moore is his family, (l-r) Sharon Moore, Jeane Moore, and Sally Moore. "I feel really honored to look back at his career and his 30 years on the bench and see the progress in the legal community," said his daughter Sally. The judge was praised for his integrity, strong commitment and for having the rights of the disadvantaged uppermost in his mind.

High court weighs lawsuit against FBI head

BY MARK SHERMAN
Associated Press Writer

WASHINGTON (AP) — Supreme Court justices voiced concern Wednesday about including former Attorney General John Ashcroft and FBI Director Robert Mueller in a lawsuit that claims prisoners detained after the Sept. 11 attacks were abused because of their religion and ethnicity.

Yet the court offered no clear indication that it was prepared to order Ashcroft and Mueller removed from a suit filed by Javid Iqbal, a Pakistani Muslim who spent nearly six months in solitary confinement in New York in 2002.

Iqbal, since deported from the United States, says Ashcroft, Mueller and others implemented a policy of confining detainees in highly restrictive conditions because of their religious beliefs or race.

"The question here is, who is responsible?" said Alexander Reinert, Iqbal's lawyer.

Solicitor General Gregory Garre argued on behalf of Ashcroft and Mueller that nothing in Iqbal's complaint ties the allegedly discriminatory acts of lower-level officials to his clients.

The case will help determine when Cabinet officers and other high-ranking officials can be sued over alleged misconduct, but the Bush administration says the high-ranking officials should be dismissed from the suit because Iqbal lacks evidence that they intended or condoned the harsh treatment.

The government is relying on a decision issued by the Supreme Court last year in a lawsuit over alleged antitrust violations. In that case, the court made it harder for plaintiffs to get past an early hurdle in litigation before defendants even are asked to turn over evidence that could be used to prove what is being claimed.

A 2003 Justice Department report found "significant problems" with the treatment of post-Sept. 11 detainees at the facility in Brooklyn, including physical abuse and mistreatment.

The case is Ashcroft and Mueller v. Iqbal, 07-1015.

Official Newspaper: City of Detroit • Wayne Circuit Court • U.S. District Court • U.S. Bankruptcy Court

■ Money Matters

Congress and the foreclosure crisis

■ In the Courts

Bar association refuses to defend Mumbai suspects

■ New Lawyers

FBA holds New Lawyer Seminar and ceremony

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