

FIFTH CIRCUIT

Southern District of Texas

Each year the Southern District of Texas Chapter awards fellowships to deserving law students to allow students an opportunity to serve as otherwise unpaid summer interns for the judiciary or a federal agency. The stipend can be used by the students to defray living expenses while serving as interns. This year 10 Blask Fellowships were awarded to students from the University of Houston, the University of Texas, South Texas College of Law, Suffolk Law School, Baylor University, and Texas Tech University. The students serve as interns for judges of the U.S. Court of Appeals for the Fifth Circuit, the U.S. District Court for the Southern District of Texas (in Houston and Brownsville), and the Bankruptcy Court as well as the U.S. Attorney's Office. On June 24, a reception was held honoring the fellows at the offices of Baker Botts in Houston. Eight members of the federal judiciary and the first assistant U.S. attorney were in attendance as well as a large turnout of chapter members.

The Blask Fellowships are named in honor of U.S. Magistrate Judge Ronald J. Blask, the first U.S. magistrate judge

in Houston, who served the court with distinction. He was well known for his professionalism and commitment to serving the profession. These fellows embody Judge Blask's ideals and values. Lee Blask, Judge Blask's widow, attended the June 24 reception as well.

NINTH CIRCUIT

Northern District of California

Past Chapter President Laurel Beeler was recently sworn in as a U.S. magistrate judge for the Northern District of California. As chapter president Judge Beeler was involved in many valuable programs and events, which expanded the chapter's relationship with the bench and the bar. A former assistant U.S. attorney in the Criminal Division in San Francisco, her induction, at which members of both the defense and prosecution bar spoke, served as a testimonial to the esteem in which Judge Beeler is held by her peers. The Northern District of California Chapter presented Judge Beeler with her official gavel as a token of the chapter's good wishes.



Northern District of California Chapter: Newly sworn-in Magistrate Judge Laurel Beeler with her mother, Mary Beeler.

ELEVENTH CIRCUIT

Tampa Bay

The U.S. District Court for the Middle District of Florida recently hosted a reception to celebrate the opening of a historical exhibit in the federal courthouse in Tampa. The exhibit focuses on important cases heard by the federal judges in the district and explains how the court system works, including the differences between state and federal courts and the role of jurors, attorneys,



Southern District of Texas Chapter: At the reception honoring the recipients of the 2010 Blask Fellowships—(left photo, l to r) Rudy Sustaita, chair of the Blask Foundation; Daniel David Hu, chapter president; Jackie Lynch, Zara Najam, Kimberley McQuire, Blaine Larson, Juliana Ong, Charlotte Blum, Eric Werlinger, Daniel Swearingen, Nathaniel White, Aida Montanaro, Blask fellows; and Lee Blask, widow of Judge Ronald Blask, for whom the fellowships are named.



Tampa Bay Chapter: At the opening of the historical exhibit in the federal courthouse in Tampa—(right photo, l to r) Stuart Markman, past chapter president, and Kevin Napper, chapter president.



Hawaii Chapter: At the Appellate Practice CLE program on June 17—(l to r) Howard McPherson, chapter president; Hon. Harry Pregerson, senior judge, Ninth Circuit Court of Appeals; Margery S. Bronster, former Hawaii attorney general; attorney Maura McDermott Okamoto, and Hon. Richard R. Clifton, Ninth Circuit Court of Appeals.



Chicago Chapter: The chapter's annual State of the Court Luncheon, featuring Chief Judge James F. Holderman of the U.S. District Court for the Northern District of Illinois was held on June 22, 2010, at the Chicago Bar Association—(l to r) Scott Mendeloff, chapter president; and Hon. James F. Holderman, chief judge of the U.S. District Court for the Northern District of Illinois.

and judges. The exhibits, which are located in the atrium of the courthouse and on the third floor, were funded by bar association dues.

The Middle District of Florida has heard cases ranging from espionage and public corruption to social issues, such as the right to die and the right of children with AIDS to attend school. One case included in the exhibit involved a federal judge in Tampa who held the governor of Florida in contempt of court. In 1970, Judge Ben Krentzman ordered Gov. Claude Kirk to personally pay \$10,000 a day until he stopped interfering with the judge's order to desegregate schools in Manatee County. Beginning in 1981, and lasting for almost two decades, five major trials for leaders of the Outlaws motorcycle gang on charges ranging from racketeering to murder were held at the courthouse, and these are also highlighted in the exhibit. The exhibit features other prominent criminal and civil cases, including cases surrounding the Sunshine Skyway disaster, bankruptcy of the Lykes Brothers Steamship Company, and the Bank of Credit and Commerce International (BCCI) trial. The exhibits also include written memories from some of the participants in these cases, including Judge Krentzman's former law clerk and the

deputy marshal who was responsible for security during the trials of the Outlaws motorcycle gang.

The courthouse is named after former Rep. Sam Gibbons, (D-Fla.) who served 17 terms in the House, beginning in 1963. He participated in the opening ceremony via video.

Approximately 100 people—including most of the judges of the Middle District of Florida, the family of the late Judge Ben Krentzman, private lawyers, court personnel, representatives of the U.S. attorney's office and the federal defender's office, members of the chapter's Board of Directors, local educators, and other dignitaries—attended the event. Chief Judge Conway spoke, as did Judge Bucklew and Magistrate Judge Jenkins, who helped spearhead the project.

In June, the courthouse hosted 40 government and law studies teachers from high schools in Hillsborough County for a daylong program on the First, Fourth, Fifth, and Sixth Amendments to the Constitution.

D.C. CIRCUIT

D.C. Chapter

On May 12, the District of Columbia Chapter and the Levenson Foundation co-sponsored the Third Annual Alan B. Levenson Symposium—entitled “The

Relationship of the Courts, Private Counsel and Government Attorneys: A New Era of Enforcement at the SEC?”—in the ceremonial courtroom of the U.S. District Courthouse for the District of Columbia. Alan B. Levenson, for whom the foundation is named, was director of the Division of Corporation Finance at the Securities and Exchange Commission for many years and was known for his vigorous support of the highest ethical standards in the law, specifically in his area of expertise—securities law. Levenson chaired more than 50 conferences on securities and accounting law to further his belief that regular educational updates would enable lawyers and accountants to carry out their work with the highest professional standards. The Alan B. Levenson Foundation sponsors programs intended to improve standards of professional responsibility, ethics, and corporate governance in the legal, accounting, and business professions.

Speakers at the symposium's first panel included Chief Judge Royce C. Lamberth of the U.S. District Court for the District of Columbia, Judge Reggie B. Walton of the U.S. District Court for the District of Columbia, Judge Jed S.

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Rakoff of the U.S. District Court for the Southern District of New York, and Judge Stanley Sporkin (Ret.) of the U.S. District Court for the District of Columbia. The judges on this panel discussed the role of federal district judges in consent decrees presented to a district court and whether judges just sign off on consent decrees or review consent decrees negotiated by private counsel and government lawyers. The speakers also addressed the factors that federal judges expect both private counsel and government lawyers to consider when negotiating consent decrees. The judges on the panel, who are known for careful scrutiny of consent decrees presented to the federal district court, also discussed whether federal district court judges have taken over the role of the SEC in negotiating consent decrees and whether the SEC is asking for the right kind of relief in its negotiations of consent decrees. Of particular interest to those in attendance was the discussion with Judge Rakoff of his recent decisions in the SEC/Bank of America decisions. The panel discussion was a rare opportunity to hear commentary from federal district judges about Judge Rakoff's recent—and controversial—review of a consent decree negotiated by the



Tidewater Chapter: On June 17, the Tidewater Chapter held its Second Annual Introduction to Federal Practice Seminar for summer associates at the Walter E. Hoffman U.S. Courthouse in Norfolk, Va.—(l to r) Samantha Soller; Hon. Tommy E. Miller, U.S. magistrate judge for the Eastern District of Virginia; Jason Ohana; Lauren Tallent; Mark Stiles, chapter president; and Hon. Mark S. Davis, U.S. district judge for the Eastern District of Virginia.

SEC and private counsel. In August 2009, Judge Rakoff rejected the consent decree presented to him by the SEC and Bank of America counsel in which the parties had negotiated a settlement over the bank's failure to disclose controversial bonuses paid to Merrill Lynch employees. In his order rejecting the settlement and setting a

trial date Judge Rakoff stated that the \$33 million settlement did not “comport with the most elementary notions of justice and morality,” because the company's shareholders—the victims of the alleged misconduct—were the ones who had to pay the fine, instead

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D.C. Chapter: At the Third Annual Alan B. Levenson Symposium co-sponsored with the Levenson Foundation—(left photo, l to r) Jack Ho-baugh, chapter board member; Steven Miller, chapter president-elect; Mariatu Kargbo, chapter board member; Prakash Khatri, chapter board member; Chief Justice Royce C. Lamberth, U.S. District Court for the District of Columbia; Silvio Krvaric, chapter board member; Judge Reggie B. Walton, U.S. District Court for the District of Columbia; Patricia Ryan, chapter board member; Cary Devorsetz, chapter board member; and Robie Beatty, chapter president; (right photo, l to r) Reid Figel, former chief, Securities and Commodities Fraud Unit in the U.S. Attorney's Office, Southern District of New York; George Canellos, director of the SEC's New York Regional Office; Robert Mundheim, of counsel at Shearman & Sterling; and Harvey Pitt, former chairman of the SEC.

Government Contracts Section

On June 29, the section held a luncheon program entitled “Honest Services Fraud: What Government Contractors, Government Attorneys and the Private Bar Need to Know,” which featured William “Widge” Devaney, co-chair of the Foreign Corrupt Practices Act (FCPA) & Anti-Corruption Group, Venable LLP; David Johnson, assistant U.S. attorney, Fraud & Public Corruption Section, District of Columbia; and Dr. George Ellard, inspector general at the National Security Agency. The discussion was moderated by Jeffrey Chiow, Government Contracts & Congressional Investigations, Venable LLP. The section would like to thank Venable LLP for hosting this event.

Section on Taxation

On June 28, the section held a webinar titled “Section 48D Qualified Therapeutic Research Projects Program and Form 8942.” The featured speakers were Brandon Carlton, attorney-advisor, Office of the Tax Legislative Counsel, U.S. Treasury Department’s Office of Tax Policy; Todd Reinstein, partner, Pepper Hamilton LLP; and Michelle Jewett, associate, Morrison & Foerster LLP. The section would like to thank Pepper Hamilton LLP for hosting the webinar.

Transportation & Transportation Security Law Section

On June 29, the section held a webinar titled “Regulatory Issues Impacting Disabled Airline Passengers.” The fea-

tured speakers were James Briggs, Airports Council International-North America; Doug Mullen, Air Transport Association; Mike Spollen, U.S. Department of Transportation; Supriya Raman, Federal Aviation Administration; and Jennifer Andrews, Eckert Seamans Cherin & Mellott LLC. The section would like to thank Airports Council International-North America for hosting the webinar. **TFL**

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of the executives who had arranged for the bonuses to be paid. The panel also discussed an earlier case in which Judge Sporkin rejected a consent decree negotiated by the Justice Department and private counsel for Microsoft. As a result of his refusal to approve the Microsoft settlement, the Court of Appeals for the District of Columbia reversed Judge Sporkin’s decision and removed Judge Sporkin from the case. *U.S. v. Microsoft*, 56 F.3d 1448, 1458 (D.C. Cir. 1995). The panel noted that, in 2004, Congress amended the Tunney Act, the legislation under which the federal courts enter consent judgments “proposed by the United States” if found to be in the “public interest” and specifically criticized the decision by the Court of Appeals rejecting Judge Sporkin’s refusal to approve the Microsoft settlement. One of the sponsoring U.S. senators, Sen. Herb Kohl (D-Wisc.), noted in his commentary on the amendment that, in the *Microsoft* case, the Court of Appeals’ decision to reverse Judge Sporkin’s ruling on the Microsoft consent decree “made a potentially serious mistake by formulating a rule that, so long as procedural niceties are followed, all antitrust consent decrees must be approved unless they are a

‘mockery.’” 150 *Cong. Rec.* S13610-02, 2004 WL 714783 at 16. Sen. Kohl also noted that he and three other U.S. senators—Sens. Orrin Hatch (R-Utah), Patrick Leahy (D-Vt.), and Mike DeWine (R-Ohio)—introduced a “Managers’ Amendment” to the amendment that made it clear that the Tunney Act amendment “requires ... the courts [to] engage in more than merely ‘rubber-stamping’ those decrees. ... In addition ... addresses a concern raised recently by a string of court opinions that appear to limit the depth of review required by the Tunney Act. ... This bill makes clear that the Tunney Act requires what it has always required, and that mere rubber-stamping is not acceptable.” *Id.* at 19.

Speakers at the second panel at the symposium included Harvey Pitt, former chairman of the Securities and Exchange Commission; Reid Figel, former chief of the Securities and Commodities Fraud Unit in the U.S. Attorney’s Office, Southern District of New York; George Canellos, director of SEC’s New York Regional Office; and Robert Mundheim, of Counsel at Shearman & Sterling. The panelists discussed the issues and procedures that should be considered when nego-

tiating a consent decree with the federal government that imposes monetary and other obligations, costs, and burdens on a corporation for the acts of individual corporate executives. The panel reviewed the following questions: Who should the decision-maker be? What processes should be used? What factors should be considered by all three sets of lawyers during the negotiations? How should a proposed settlement be presented (and by whom) in order to obtain a successful review and approval by the court with oversight for the consent decree? In addition, the speakers discussed the implications for the reorganization of the SEC’s Division of Enforcement, including the delegation of the enhanced authority given to staff—for example, the ability to issue orders of investigation. **TFL**

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