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IN-HOUSE COUNSEL REJECTS SEC ARGUMENT ON NEW “CREATOR” LIABILITY STANDARD

Association of Corporate Counsel (ACC) Files Amicus Brief Urging Court to Reject SEC Arguments on Pacific Management Co. v. Mayer Brown LLP

Washington, D.C. (September 16, 2009) — The [Association of Corporate Counsel](http://www.acc.com) (ACC) has filed an [amicus brief](#) today in the U.S. Court of Appeals for the Second Circuit urging the court to reject Securities and Exchange Commission’s (SEC) arguments for a new standard that could interfere with the ability of issuers to receive advice from counsel on issues involving securities disclosures. ACC’s brief outlines that this SEC action would expand the liability for transactional and securities lawyers to a heightened standard, known as the “creator” liability standard. ACC argues that the SEC’s brief in *Pacific Management Co. v. Mayer Brown LLP*, No. 09-1619-cv (2d Cir.), filed on August 6, 2009, espouses a theory of lawyer liability that is inconsistent with legal precedent and interpretation of lawyer liability for the provision of legal advice to clients subject to SEC regulation.

“If the SEC’s position prevails, the consequences for the nation’s marketplace would be dire,” said ACC President Frederick J. Krebs. “ACC members and their outside counsel would be loathe to assume the professional risk of giving much-needed guidance to issuers with respect to financial disclosures, especially when the matter entails difficult judgment calls.”

ACC’s General Counsel, Susan Hackett elaborated: “The SEC’s repeated efforts to erase clear Supreme Court precedence has no legal or practical basis. The SEC continues to press for the expansion of the scope of primary liability to the detriment of both the companies and shareholders they are supposed to protect, as well as the legal community on which they rely to help clients successfully navigate the complexities of the securities laws.”

To read the full ACC amicus brief, visit <http://www.acc.com/advocacy/upload/ACC-Amicus-Pacific-v-Mayer.pdf>. For additional information related to this filing visit: www.acc.com/advocacy/news.

The Association of Corporate Counsel (ACC) is the world’s largest organization serving the professional and business interests of attorneys who practice in the legal departments of corporations, associations and other private-sector organizations around the globe. ACC promotes the common interests of its members, provides resources to help save, time money and effort, contributes to their continuing education and provides a voice on issues of global importance. With nearly 25,000 members in over 70 countries, employed by over 10,000 organizations, [ACC’s community](#) connects its members to the people and resources necessary for both personal and professional growth. By in-house counsel, for in-house counsel.®