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MEMORANDUM

July 6, 2006

To Our Clients and Friends

Re: Revised Suspicious Activity Report Form

The Federal banking agencies (the “Agencies”)¹ have revised the Suspicious Activity Report (“SAR”) form and instructions that banks, thrift institutions and credit unions are required to use to report suspicious transactions involving possible violations of law. Depository institutions may begin using the revised SAR form on January 1, 2007. However, the current form may be used until June 30, 2007.

The Agencies indicated that the revisions will improve the SAR form’s usefulness to law enforcement and to the Agencies. The instructions and many of the form’s data elements have been modified to clarify what information depository institutions are to provide in the SAR. In some instances, information requested has been moved to a different location. The SAR has also been revised to facilitate joint filings by depository institutions for transactions involving multiple institutions.

The Agencies’ notice, which includes a copy of the revised SAR form and instructions, can be found on our web site at http://www.schwartzandballen.com/whats_new.html.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.

¹ The Federal banking agencies include the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Office of Thrift Supervision and the National Credit Union Administration. The Financial Crimes Enforcement Network (“FinCEN”) also participated in the revision process.