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MEMORANDUM

October 25, 2007

To Our Clients and Friends

Re: FACT Act: Final Rule on Affiliate Marketing

The Federal banking agencies¹ and the Federal Trade Commission have issued final rules implementing § 214 of the Fair and Accurate Credit Transactions Act of 2003 (the “FACT Act”), which provides consumers with the ability to restrict companies from using certain information obtained from affiliates to make marketing solicitations. The Securities and Exchange Commission is expected to adopt an identical rule in the near future. The new rules become effective in approximately 30 days and must be complied with by October 1, 2008.

A summary of the final rules was presented in our Client and Friends memorandum of October 16th. A copy of the October 16th memorandum and the final rules can be found at http://www.schwartzandballen.com/whats_new.html.

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

¹ The Federal Deposit Insurance Corporation, Federal Reserve Board, Office of the Comptroller of the Currency, Office of Thrift Supervision and National Credit Union Administration.