

PUBLICATION

Baker Donelson Creates Subprime Mortgage Group

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Thursday, Oct 04, 2007 --- Baker, Donelson, Bearman, Caldwell & Berkowitz PC has created a task force charged with advising clients on how to deal with the potential legal ramifications of this summer's subprime mortgage implosion.

Baker Donelson's Subprime Task Force will approach the subprime mortgage meltdown from multiple perspectives to ensure that the firm's clients can prevent legal trouble that may arise from the meltdown and are prepared in the event that such trouble arises, Baker Donelson said.

"I thought it was important, as did my colleagues, that we form this task force to try to help our clients in the industry anticipate and prepare for any issue that arises in the future," said Linda S. Finley, a Baker Donelson shareholder in the firm's Atlanta office, on Thursday.

"Let's try to put some fixes in place before a lawsuit is filed!" added Finley, who along with fellow shareholder Hank Arnold is leading the task force.

In addition to causing troubles among hedge funds and in stock markets, the subprime mortgage crisis has led to several high-profile proposed class action lawsuits.

"The situation created by the subprime mortgage meltdown poses unprecedented challenges for the mortgage and financial services industries and calls for experienced, knowledgeable counsel who have the legal and business acumen to provide an immediate and sophisticated response to this financial crisis as it affects individual clients," said Ben Adams, Baker Donelson's CEO and chairman.

Adams explained, "We've assembled a team of attorneys who can assist clients with the wide spectrum of matters, whether involving complex litigation defense in class action suits, providing advice on regulatory compliance or tracking and advancing financial institution client interests before local, state and federal legislative bodies."

"The Baker Donelson Subprime Task Force is charged with staying abreast of the unique nuances and claims which will arise as this situation continues to unfold," Adams added.

The Task Force will combine attorneys whose fields of expertise range from environmental regulation to mortgage fraud, from capital market activities to bankruptcy, and from corporate acquisitions to predatory lending, Baker Donelson said.

"It's kind of a unique approach - a holistic approach," said Finley.

Finley's practice has represented the mortgage, banking, lending and mortgage-servicing community, primarily in matters involving residential loans, she said. Those industries have been hit hard by the subprime mortgage meltdown.

Baker Donelson has a large and active footprint in the mortgage industry, representing more than 100 firms that are involved with mortgages in one way or another.

"Baker Donelson has a long-standing history and solid reputation in the mortgage lending, servicing, securitization and real estate fields," the firm said.

Already Finley has put time and effort into trying to predict what will happen in the mortgage market in the coming months as a result of this summer's meltdown.

"I have found with my activities in the mortgage fraud arena that it doesn't take a lot of time to show lots of trends," she said.

"I've determined that we need to look carefully at the link between mortgage fraud and subprime meltdown," Finley added.

Dozens of mortgage lenders have declared bankruptcy so far this year.

Additionally, in September, U.S. Securities and Exchange Commission Chairman Christopher Cox told the U.S. Senate Committee on Banking, Housing and Urban Affairs that the commission has been examining whether credit-rating agencies were influenced in rating subprime residential mortgage-backed securities.