



Financial Institutions

Foster Pepper's financial institutions practice represents many large and small state and federally chartered commercial banks, credit unions, savings associations, savings banks, and local branches of foreign banks.

Our attorneys also have extensive experience representing a variety of non-bank lenders, including pension plans, life insurance companies, mortgage companies, and conduits. The firm's additional experience in creditors' rights, business, real estate and litigation position us well to assist in a wide range of legal services directly related to financial institutions.

Clients look to us to provide guidance in the following areas:

- Capital formation/securities
- Corporate governance
- Debt restructuring and workouts
- Director representation and defense advocacy
- Employment and labor relations
- Executive compensation and employee benefit plans
- FDIC assisted transactions
- Lending
- Litigation and dispute resolution
- Merger and branch acquisition
- New bank organization
- Real estate matters
- Regulatory compliance
- Secondary market activities/residential mortgages
- Strategic planning
- Tax-advantaged financing
- Taxation
- Troubled institutions and 363 sales

AREAS OF FOCUS

Capital Formation/Securities

Foster Pepper attorneys have represented financial institutions and their holding companies in the issuance of common stock, preferred stock, subordinated capital notes, and medium term notes, as well as more exotic securities, including mortgage pass-through certificates, mortgage-backed bonds, CMOs, and convertible instruments. We are also familiar with the negotiation and documentation of interest rate swaps and other interest rate risk management tools. Our firm has handled offerings ranging from publicly underwritten and registered offerings to private placements.

Corporate Governance

Foster Pepper attorneys provide corporate governance tools for both publicly-listed company compliance with Sarbanes-Oxley and best practices for non-listed banks, including corporate governance guidelines, code of ethics and committee charters.

Corporate Real Estate

Foster Pepper attorneys provide guidance on financial institution real estate needs, including property acquisitions and dispositions, headquarter facilities, branch leases, ground lease and sale-leaseback transactions, ATM agreements, portfolio acquisitions and dispositions, subletting and assignment, facilities management, and related construction issues.

Credit Crisis

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In response to the subprime credit crisis and the resulting challenges to the financial services industry, Foster Pepper formed a Credit Crisis team comprised of attorneys from various disciplines. The attorneys in this workout-oriented group assist banks and other lenders in dealing with commercial troubled credits. They provide legal advice related to problem loan files, negotiating workouts, available remedies, bankruptcy options, condominium workouts, insurance coverage, participation loans, intercreditor issues, and liabilities and risks involved with a particular action.

Debt Restructuring and Workouts

Foster Pepper attorneys have extensive experience in all types of loan workouts and restructurings. Our attorneys have dealt with all types of troubled real estate, including hotels, office buildings, industrial and warehouse facilities, shopping centers, apartment projects, agricultural property, and raw land located in the western United States.

Director Representation

Foster Pepper's financial institutions practice includes representation of officers, directors, and institutions in litigation in shareholder derivative suits, actions brought by receivers, and lender liability suits. We have also defended officers and directors in litigation and in administrative proceedings brought by federal and state regulators, including the FDIC and the OTS. These actions have often involved claims or lawsuits against insurance companies seeking indemnification under director's and officer's insurance policies. Also, we frequently advise independent boards of directors on issues unique to them, including officer and director responsibilities and, for publicly held institutions, special reporting requirements of the institution and its officers and directors. Members of our practice group assist in drafting article and bylaw amendments dealing with officer and director indemnification and exculpation and securing shareholder approval of such changes. In addition we have wide experience with the interpretation of officer and director liability insurance policies.

Economic "Stimulus" Legislation, TARP, TLGP, TALF

Foster Pepper attorneys assist banks in securing financing under the TARP Capital Purchase Program, issuing debt under the TLGP and addressing issues under TALF, and provide banks with guidance on the executive compensation restrictions under the Economic "Stimulus" Legislation.

FDIC-Assisted Transactions

Foster Pepper represents acquiring banks in the purchase and assumption of assets and liabilities of failed banks in both "clean" and "whole bank" transactions and provide legal advice on post-closing integration and troubled asset issues.

Lending

Foster Pepper attorneys are involved in the creation of standard and unique loan documents, review of loan documents for compliance with federal, state and tribal law, and negotiation and documentation of complex real estate or asset-based lending transactions.

Financial Institutions Litigation

Foster Pepper attorneys restructure commercial and agricultural credits and work in all aspects of foreclosure and bankruptcy law including loan workouts, restructuring, collections, foreclosures, receiverships and bankruptcy. Many of our clients have acquired institutions that have substantial portfolios of delinquent or troubled loans, and we have assisted them with due diligence reviews of troubled loan portfolios and large-scale workouts following an acquisition. Additionally, we assist clients in white collar crime litigation.

Mergers and Branch Acquisitions

Foster Pepper attorneys have extensive experience in mergers and branch acquisitions, including negotiating, drafting agreements and securing regulatory approval. Members of our practice group also have experience in the transfer of branch offices with insured deposits from healthy institutions and from the RTC and the FDIC.

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Additionally, our lawyers have assisted financial institutions in acquiring a broad range of service companies, including stock brokerage firms, insurance agencies, travel agencies, mortgage banking operations, and an investment advisory company.

New Bank Organization

Foster Pepper attorneys have assisted in organizing federal and state chartered financial institutions in Oregon and Washington. Our attorneys represented the majority of the banks to be chartered in Oregon since the previous period of new bank activity in the early 1980s. We have also formed more than a dozen bank holding companies and are familiar with the Federal Reserve Board, the OTS, and state law filing requirements. We are often asked to advise our clients on the benefits of holding-company structures for commercial banks and savings associations.

Regulatory Compliance

Foster Pepper attorneys are experienced in state and federal regulatory compliance for financial institution operations, including residential and consumer lending laws, and responses to and compliance with regulatory directives and cease and desist orders. We help companies, ranging from established banks with a national presence to small start-up lenders making loans over the Internet, to comply with federal and local regulations. We have experience in Federal Regulations A through EE. Plus, we have experience navigating state usury laws and the licensing laws for mortgage brokers, bankers, and consumer loan companies.

Secondary Market Activities/Residential Mortgages

Foster Pepper attorneys represents sponsors and underwriters in residential mortgage-backed securitizations (including subprime, Alt A and reverse mortgage loans) and issues arising in troubled securitizations (including origination, servicing, breach of representations and warranties, repurchase disputes and mortgage insurance rescission issues), whole loan purchases and sales (including scratch & dent and distressed pools), Fannie Mae and Freddie Mac

transactions, and purchases and sales of servicing rights.

Strategic Planning

Foster Pepper attorneys provide board guidance on issues such as raising capital, enhancing shareholder value, growth through acquisition, planning for mergers or branch sales, and takeover strategies and defenses.

Tax-Advantaged Financing

Foster Pepper attorneys assist banks with New Markets Tax Credits, Low-Income Housing Tax Credits, Qualified Zone Academy Bonds, Clean and Renewable Energy Bonds, and tax-exempt borrowings for local governments and Indian tribes.

Taxation

We have developed considerable experience in tax planning and tax dispute resolution for banks and thrift institutions. Our tax lawyers have handled questions of federal and state taxation (including the question of taxation of reciprocal loan sales) and are familiar with the federal income tax consequences of CMOs and REMICs, as well as those related to realization on collateral. They are also available to assist in the planning stages of acquisitions of both healthy and troubled institutions.

Troubled Institutions and 363 Sales

Our attorneys have advised financially troubled or undercapitalized financial institutions on raising additional capital, responding to or challenging regulatory directives or cease and desist orders, preparing policy statements and business plans, and generally assisting institutions in satisfying regulatory requirements. Further, our lawyers have significant experience in analyzing and structuring FDIC-assisted transactions, from the viewpoint of both the assisted and the acquiring institution. We have also represented financial institution clients in purchasing closed institutions or their assets from the FDIC and the RTC as receiver.