

Please find attached a decision issued by the Second Circuit Court of Appeals (covering New York, just beneath the U.S. Supreme Court) in which they have disallowed the Rule B attachment of electronic funds moving through US (NY) Banks.

The court has determined that electronic fund transfers (EFT's) were not intended under Rule B to be included as "property" that could be subject to attachment.

As you know, Rule B attachments have come under intense judicial scrutiny in recent years. Some lawyers have abused the rule and would serve notices of attachment on New York banks and attach owner's electronic funds meant to pay third parties that were passing through these banks as a way of securing their damage claims. The Second Circuit has now ruled that Rule B can not be used in this fashion. They have overruled the *Winter Storm* ruling that allowed this practice.

While this decision is only binding on courts within the Second Circuit (Connecticut, New York and New Jersey), it is an influential decision and especially important since most international fund transfers are through New York banks.

Best regards -