

CORPORATE CRIME REPORTER

**Troutman Sanders' Ashley Taylor on the Rise of the State Attorneys General
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Corporations are increasingly concerned about the power of the fifty state Attorneys General.

In terms of number of cases, and significance of cases, the state AGs rival their colleagues at the Department of Justice.

That's why at the American Bar Association's annual meeting later this week in Chicago, the Presidential showcase panel will focus on state Attorneys General.

The session is called – *Feds Times 50: 50 State Attorneys General: Responding Successfully to Complex Multi-State Regulatory Compliance Matters and Investigations.*

And it will be moderated by Ashley Taylor, a partner at Troutman Sanders in Richmond, Virginia.

Taylor says that while no Attorney General has stepped up to fill in the shoes of Eliot Spitzer – who was considered the most active of the 50 AGs – there are a handful now who are more active in the area of corporate investigations.

These include – Richard Blumenthal in Connecticut, Martha Coakley in Massachusetts, Jerry Brown in California, and Darrell McGraw in West Virginia.

And Taylor says that he's keeping his eye on case out of the Minnesota Attorney General's office.

The case involves the National Arbitration Forum.

The Minnesota Attorney General, Lori Swanson, filed a lawsuit this month alleging that the company – which is named as the arbitrator of consumer disputes in tens of millions of credit card agreements – hid from the public its extensive ties to the collection industry.

The lawsuit alleged that the Forum told consumers and the public that it is independent and neutral, operates like an impartial court system, and is not affiliated with and does not take sides between the parties.

The lawsuit alleged that the Forum worked behind the scenes, however, to convince credit card companies and other creditors to insert arbitration provisions in their customer agreements and then appoint the Forum to decide the disputes.

The suit also alleged that the Forum has financial ties to the collection industry.

The suit alleged that the company arbitrated 214,000 consumer arbitration claims in 2006, nearly 60 percent of which were filed by laws firms with which the Forum is linked through ties to a New York hedge fund.

Under a settlement agreement reached last week, the National Arbitration Forum will stop accepting any new consumer arbitrations or in any manner participate in the processing or administering of new consumer arbitrations. The company will permanently stop administering arbitrations involving consumer debt, including credit cards, consumer loans, telecommunications, utilities, health care, and consumer leases.

“I am watching that case evolve,” Taylor told *Corporate Crime Reporter*. “I know that other states are watching. Consumers routinely voice concerns about being limited to binding arbitration. And any time you have consumers who on a consistent basis express concern and or register complaints about a particular issue, you can be darn sure that that issue is high on an Attorney General’s list.”

Taylor said that more than federal prosecutors, Attorneys General are attuned to the political winds.

“The office requires you to be both a lawyer and a politician,” Taylor said. “Everything happens in the context of a political backdrop. You have to read every activity against that political backdrop. These office holders are both very good lawyers and very good politicians.”

So, if you are a publically spirited lawyer and you want to be a prosecutor that does well for the people of your state – which do you become – a U.S. Attorney or Attorney General?

“The advantage of being a U.S. Attorney is pretty obvious – you have the Department of Justice behind you,” Taylor said. “But as a state Attorney General, you have complete autonomy. You have the ability, without reporting to anyone, to decide what you are going to focus on.”

“You wake up in the morning and if a business practice troubles you, you can act that day against the company and have the company respond.”

[For a complete transcript of the Interview with Ashley Taylor, see 23 *Corporate Crime Reporter* 30(12), [print edition only](#).]

Corporate Crime Reporter
1209 National Press Bldg.
Washington, D.C. 20045
202.737.1680

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