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BLOODSHED IN LIBYA PROMPTS U.S. SANCTIONS

By: [Sumeet H. Chugani, Miami Office](#)

In the wake of civil unrest in Libya, the U.S. President has frozen \$30 billion worth of Libyan assets – the largest asset freeze under any U.S.-based sanctions regime. The United Nations has also restricted financial transactions with Libyan government entities and personnel. Given the breadth of these new restrictions on Libya, businesses and entrepreneurs operating in Libya must quickly identify whether their current or prospective business dealings fall under this new sanctions regime.

By freezing these assets, the President seeks to deprive Qaddafi and his government of the ability to siphon funds for personal gain, prevent further bloodshed in Libya, and secure state assets for the benefit of Libyans when a future government is implemented. The Executive Order further freezes all of the Qaddafi family's property interests that are located in the United States, as well as those of senior Libyan government officials and other participants in the human rights abuses there. Qaddafi and members of his family have also been added to the Office of Foreign Assets Control's ("OFAC") Specially Designated Nationals List ("SDN List").

In this article, Sumeet H. Chugani summarizes the latest sanctions imposed by the U.S. government. He first outlines the effects of the asset-freezing provisions of the U.S. sanctions regime, and then provides guidance on various legal and

logistical steps that must be taken to ensure one's compliance with these new restrictions.

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CHINESE-BASED REVERSE MERGERS ATTRACT SCRUTINY

Their Future in the United States

By: [Vincent Li, Shanghai, China Office](#)

Chinese companies conducting reverse mergers with "listed" U.S. shell companies have new cause to be wary. The United States Securities and Exchange Commission ("SEC") is increasing its scrutiny of companies suspected of submitting questionable financial statements to participate in such reverse merger deals.

A typical scenario might involve a Chinese company that wishes to merge with U.S.-based shell companies for the sole purpose of gaining access to a U.S. stock exchange. The reverse merger process allows the Chinese company to avoid the stringent scrutiny of a formal initial public offering ("IPO") and is also less costly both in cash and time; but, only when they are "above board."

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NEW DEVELOPMENTS IN ELECTRONIC DISCOVERY

Freedom of Information Act and electronic metadata collide

By: [Chad S. Purdie, Miami Office](#)

Electronic documents such as PDF files must include all metadata when being submitted in response to discovery requests according to a recent decision by the Southern District of New York. In *Nat'l Day Laborer Organizing Network v. United States Immigration and Customs Enforcement Agency*, the Court held that the Immigration and Customs Enforcement agency, in response to a Freedom of Information Act request, was not permitted to merely “document dump” unorganized PDF files. Instead, the agency must include all document metadata.

What this means for you...

Metadata is information about electronic documents that detail the entire history of when the document was created, when it was opened, how and when it was changed, and by whom. In light of this decision regarding e-discovery, parties should be mindful of metadata both when requesting and producing documents. The requesting party should specifically request production of metadata. The responding party must pay heed to the new obligation to produce metadata. Thus, agencies must now preserve electronic records and all associated metadata.

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QATAR: SAFE HAVEN FOR INVESTORS DURING MIDEAST TURMOIL

By: [Arti Sangar, Dubai Office](#)

Qatar is currently receiving unprecedented levels of interest from foreign investors as a result of diminished business opportunities and lower investment returns in the U.S. and Europe. Despite turmoil in other parts of the Middle East, Qatar's economy continues to thrive. Multinationals are looking to capitalize on the region's expanding economy, relative economic and political stability, and resilience during the financial crisis. And, although Qatar seems well positioned to ride out the current Middle East crisis, there will likely be, nonetheless, an increase in breaches of contract, more specifically; disputes will be particularly acute in the investment sector.

Against this background, Arti Sangar, Partner in Charge of the firm's Dubai office, examines current issues affecting investment opportunities in Qatar. Although Qatar is unlikely to see disputes of the scale emerging in other countries in the region, companies should be mindful of the need to take measures to protect their investments.

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UNDERSTANDING CREDITORS' RIGHTS IN MEXICO

By: [Ricardo Ortiz Gil Lamadrid, Mexico City Office](#)

One of the chief, traditional obstacles to Mexico's economic growth lies in the inability to obtain financing. Among the causes commonly cited for this dearth of available financing is the lack of respect for creditors' rights in the Mexican legal system. In particular, creditors could not obtain immediate control over goods given as collateral by debtors after the debtors' default on their loan obligations.

In an attempt to remedy creditors' rights, Mexico adopted various legal provisions in 2000 known as the *Miscelánea de Garantías* that amended various laws and created new statutory provisions designed to help creditors protect their investments and recover obligations, however, some problems still exist. In this article, Ricardo Ortiz provides a practical summary of the measures that creditors can use to protect their loans in Mexico, as well as provisions under Mexican law that detail creditors' enforcement rights.

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ABC's OF LITHIUM

By: [Elenice Portz, Miami Office](#)

Argentina, Bolivia, and Chile – known as the “*ABC's of lithium*” – hold over eighty percent of the world's lithium reserves. Given this abundance of lithium, Latin America has the chance to become a leading energy supplier and global economic player. Lithium compounds have long been used in various applications, but the metal has garnered substantial new interest from key industries in recent years. For example, the cellular telephone industry needs lithium to manufacture their phones' lightweight batteries, and the automobile industry is seeking new sources of lithium to meet the increasing demand for hybrid and electric vehicles.

In this article, Elenice Portz outlines recent developments in Latin American governments' initiatives to exploit their abundant lithium reserves. This article also discusses different locations in which foreign companies should consider when deciding to invest in Latin America's lithium resources.

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