



Mutual Alert

Year End Litigation Developments May Have Profound Impact on Applicability of Federal Privacy Laws To Mutual Deposit Accounts

We are aware that a New Jersey District Court Judge has ordered a state chartered mutual savings and loan association to turn over confidential depositor information of over 40,000 accountholders to a dissident candidate for election to the Board for purpose of soliciting their votes for his election to the Board (“the Order”). The association has removed the case to U.S. District Court and arguments on the federal privacy issue and whether the case will be remanded back to the state court are scheduled today. The case has sweeping national implications on the scope of Title V of the Graham Leach Bliley Act. An affirmation of the Order will surely create a blanket privacy breach and attract the attention of the CFPB and the relative sharing of authority with the Banking agencies to enforce the Act. We will keep you advised.

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