

# Duke Law Firm, P.C. - In the News

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## Announcement

Charles Cain, founder and Executive Chairman of Skyefid Limited (a trust company in the Isle of Man) will be in our offices on February 2nd.

<http://www.skyefid.com/home.php>

He teaches at the Isle of Man International Business School:

<http://www.ibs.ac.im/index.asp>

Charles is the editor-in-chief of Offshore Investment, the prominent offshore legal periodical:

<http://www.offshoreinvestment.com/>

He is a prolific writer and a guest speaker at conferences around the world.

The article, *Feds Turn Up Heat on Riggs Executive* Legal Times:

<http://www.law.com/jsp/article.jsp?id=1104154518789>,

shows the devastating consequences for banks or financial institutions that do not have proper anti-money laundering (AML) systems in place.

"Prosecutors' recent filing of a civil forfeiture action against a former Riggs Bank executive for property and \$1 million in cash constitutes the government's first court case to grow out of a scandal surrounding the bank's handling of international accounts. The former senior vice president was fired after an internal investigation alleged that he stole thousands of dollars from an embassy account. The Senate has also scrutinized Riggs for possible ties to former Chilean dictator Augusto Pinochet."

"Here we have another in a long line of examples where independent outside auditing of such accounts for AML compliance would have raised very basic questions that the bank would have had to answer. In truth, they did not want to spend the money to find out and they wanted to be secretive within themselves ... Kroll was turned down as too expensive and unneeded inasmuch as they had three lawyers monitoring their 'compliance'. What a joke. And now they are going out of business. Independence is always best." *Tom Cash, Kroll, Inc.*

<http://www.krollworldwide.com/>

(in a private e-mail message to Mr. Duke, included in this newsletter with permission).

Tom Cash also stated, at the Royal Society of Fellows Conference, Miami, Florida, March 2004: "The board of directors of banks and financial institutions must understand that they are the ones who are subject to an oversight of the due diligence by the bank or institution. This includes the training programs implemented by the bank, as taught by the compliance officer or other officer to each employee of the bank or financial institution."

### **Jennifer "Douglas" Kerr**

Many of you know Douglas as the sweet voice that answers the phones at Duke Law Firm. Jennifer "Douglas" Kerr joined Duke Law Firm as a personal assistant in March 2003. Douglas has been a tremendous asset to the firm, not only in answering the phones but in providing client service, assisting in document preparation, organizing files and providing other assistance with respect to the international practice of the firm.

Douglas was born at Andrews Air Force Base, Maryland. She also lived in Texas and California, prior to

moving to Alabama nine years ago. Douglas is currently attending Jefferson State College and will soon enter the University of Alabama at Birmingham to obtain her business degree.



### **Nevis LLC**

U.S. persons, in their international planning, often form limited liability companies under the Nevis Limited Liability Company Ordinance. For legal purposes, the Nevis limited liability company (LLC) is recognized as an LLC by the U.S. For tax purposes, however, the U.S. Treasury Regulations classify a foreign entity as a foreign corporation if the law under which it is formed provides that no owner has personal liability (limited liability protection). The Nevis Limited Liability Company Ordinance provides that no member has personal liability and is classified as a foreign corporation for U.S. tax purposes. This foreign corporation classification for tax purposes can be avoided by filing a Form 8832 electing to treat the Nevis LLC as a disregarded entity (one member) or a foreign partnership (more than one member).

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