



December 4, 2009

Red Flags Rule Resources

Red Flags Rule Opinion regarding Attorney Compliance with Rule Released

On December 1, 2009, Judge Reggie Walton from the U.S. District Court for the District of Columbia, issued his written opinion [ruling in favor of the American Bar Association](#) and holding that lawyers are not covered by the Red Flags Rule. On October 29, 2009, the court orally granted the ABA's request for an injunction and issued a declaratory judgment finding that the Rule did not cover lawyers. The opinion provides a detailed explanation for the Court's prior holding and confirms the Court's opinion that "the Red Flags Rule cannot be properly applied to attorneys in the overly broad manner in which the Commission seeks to enforce it."

The American Institute of CPAs (AICPA) has recently filed a lawsuit similar to the one filed by the ABA and seeks a ruling that the Rule should not apply to accountants. See *American Institute of Certified Public Accountants v. FTC*, (D.D.C. Civl No. 1:09-cv-02116, filed November 10, 2009).

This is one in a series of advisories regarding the "Red Flags Rule." If you have questions or would like copies of previous advisories related to this topic, please contact [David N. Anthony](#) or [Paige S. Fitzgerald](#). Troutman Sanders LLP offers a full array of services to help bring companies into compliance with the Red Flags Rule.

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