

CARTER H. KLEIN, Of Counsel

Carter H. Klein concentrates his practice on Uniform Commercial Code work, secured and unsecured lending, asset sales and purchases, trade finance, outsourcing, payments, financial services and regulation and credit enhancements and workouts. Corporations, businesses, banks and other financial institutions seek his counsel on funds transfers, sales and acquisitions, and financial and international transactions work. In particular, he has extensive experience with Article 5 of the Uniform Commercial Code – Letters of Credit.

Mr. Klein is AV Peer Review Rated, Martindale-Hubbell's highest peer recognition for ethical standards and legal ability. *Best Lawyers in America* has named him one of the best lawyers in banking law for 10 years, and *Chicago* magazine regularly names him an "Illinois Super Lawyer" for banking and finance. Mr. Klein is a member of the firm's Corporate, Financial Services, and Commercial Law practices. He edits three books on the Uniform Commercial Code and writes and speaks on the subjects of letters of credit, secured lending and payments. He was an adjunct professor of Business Law at Northwestern University's Kellogg School of Business for five years.

Mr. Klein is a member of the American College of Commercial Finance Lawyers, liaison for the American Bar Association's Uniform Commercial Code Committee to the Permanent Editorial Board of the Uniform Commercial Code, and a member of the Banking Committee of the US Council on International Business. He previously served for five years as chair of the ABA's Letter of Credit Subcommittee. For the Chicago Bar Association, he has chaired the Commercial and Financial Transactions Committee, the International & Foreign Law Committee and the Consumer Credit Committee.

As chair of the Payments Subcommittee of the UCC Committee of the ABA, Mr. Klein put together and moderated a program at the April 2013 Spring Business Law Meeting in Washington, DC, on major payment systems called "The Alphabet Soup of Payments: FFIEC, FRB, ACH, ECCHO, and UCC 4A: Regulatory Guidelines, Technology and Allocation of Commercial Fraud Losses." His panel included representatives of the major commercial payments systems that process more than \$1,000,000,000,000,000 in payments annually, including speakers from The Clearing House, Fedwire, NACHA, The Electronic Check Clearing House Organization (ECCHO) and Professor Barkley Clark.

At the Payments Subcommittee meeting at the ABA Annual Meeting in San Francisco in August 2013, Mr. Klein moderated a talk given by Professor Ben Geva on mobile payments. Prof. Geva is the author of a treatise titled *The Law of Electronic Funds Transfers*.

As chair of the ABA Payments Subcommittee, Mr. Klein presented another major program for the ABA's Spring Business Law Section Meeting in April 2014 in Los Angeles, titled "What Did My Company Agree To? -- Anatomy of Bank Deposit, Cash Management, Remote Deposit Capture and Electronic Banking Agreement Terms." Speakers included Mr. Klein himself, in-house counsel for JPMChase Bank, an attorney from T. Rowe Price, and the Treasurer from Sony Pictures.



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PRACTICE GROUPS

Corporate

Corporate Finance

Markets and Trading

EDUCATION

University of Illinois College of Law, JD, 1972; First in June graduation class; Order of Coif; *Law Review*

University of Illinois at Urbana-Champaign, BA, 1969; highest distinction in political science; Phi Beta Kappa

ADMISSIONS

Illinois, 1972

COURT ADMISSIONS

US District Court, Northern District of Illinois, 1972

JUDICIAL CLERKSHIPS

Hon. Glen K. Seidenfield, Illinois Appellate Court, Second District, 1972 - 1974

Mr. Klein with his partner, Daniel R. Murray, edits three books on the Uniform Commercial Code. Mr. Klein's chapters deal with Articles 3, 4, 4A and 5 of the UCC — payments, bank deposits, wire transfers and letters of credit — and require him to review annually significant caselaw and technology developments involving payments.

He has drafted, advised and counseled banks and corporations on their electronic banking agreements, deposit agreements and positive pay agreements, and worked with Jenner & Block's litigators in defending banks, corporate users and others on payment and letter of credit issues, including Regulation E, overdraft charges and other issues.

Mr. Klein concentrates his practice in financial transactions, Uniform Commercial Code work, secured and unsecured lending, credit enhancement issues and credit workouts, funds transfers, and financial institutions work, acquisitions and international transactions. Recent transactions include:

- Structuring, negotiating and drafting a four-way \$150 million year recycled aluminum support, processing and supply agreement;
- Structuring, drafting and obtaining regulatory approval for a global bond program sponsored by the Community Currency Exchange Association of Illinois for its members in lieu of their posting \$100 million in individual bonds, allowing the membership to realize a substantial savings on premiums;
- Counseling a supplier of auto parts in dealing with a major auto parts purchaser on transactions of a \$100 million per year;
- Structuring and drafting an internet-based international trade finance program for a bank client which combines features of letters of credit, export insurance and documentary draft collections;
- Counseling major corporate clients on their positive pay and reverse positive pay agreements with major banks;
- Representing a beneficiary on multiple drawings on a \$32 million letter of credit amended 45 times which was posted in lieu of retention for construction of a steel plant;
- Assisting a major international corporation in securing, within 24 hours, a \$105 million *supersedeas* bond through use of a letter of credit, later increased to \$170 million until the judgment appealed from was reversed through the firm's efforts;
- Counseling and drafting provisions for a major energy producer for its EEI, ISDA and supply contracts dealing with credit enhancement, cross-product netting and utilization of the safe-harbor provisions of the Bankruptcy Code;
- Documenting a large vessel loan for a bank lender including negotiating and obtaining a unique vessel loan title policy for three foreign flagged vessels insuring the validity, perfection and priority of the lender's mortgages;
- Representing a major insurance company in its \$300 million purchase of another life insurance company;
- Preparing and filing a successful amicus brief in the Seventh Circuit for the Credit Union National Association and the Illinois Credit Union League in an appeal of an adverse ruling extending the statute of limitations for employee check

defalcations from three to eight years;

- Advising a major foreign check processor on regulatory restrictions and requirements dealing with foreign outsourcing for U.S. state and national banks;
- Drafting letters of credit up to \$54 million to stay judgments pending appeal that are posted in lieu of a supersedeas bond.

Among the major transactions in which he has been integrally involved in the past were:

- Representing of the Federal Reserve Bank of Chicago in the 1984 bailout of the Continental Illinois National Bank.
- Representing Sinochem (China National Chemicals Import and Export Corp.) in its acquisition of the Agri-Chemicals Division of United States Steel.

Awards

- *Best Lawyers in America* - 2006-2021
Banking and Finance Law
Financial Services Regulation Law
"Chicago, Lawyer of the Year," Financial Services Regulation Law - 2021
- *Illinois Super Lawyers*
Banking and Financial - 2005
Banking - 2006-2020
- Leading Lawyers Network
Banking and Financial Institutions Law, 2003-2019
Secured Transactions Law, 2013-2019
- Martindale-Hubbell
A.V. Peer Review Rated, Martindale-Hubbell's highest peer recognition for ethical standards and legal ability

Community Involvement

- Documentary Credit World
Member, Editorial Advisory Board
- United States Council on International Business
Member, Banking Committee

Service To The Bar

- American Bar Association
Uniform Commercial Code Committee
Chair, Payments Subcommittee of the Uniform Commercial Code
Committee Chair, Letter of Credit Sub-Committee
- American College of Commercial Finance Lawyers

- Chicago Bar Association
Chair, Consumer Credit Committee - 1993-1994
Chair, International & Foreign Law Committee - 2000-2001
Co-Chair, Commercial Finance & Transactions Committee - 2004-2005
- Permanent Editorial Board (PEB) for the Uniform Commercial Code
Liaison for the American Bar Association Business Law Section - 2005-Present

Publications

- "Using Standby Letters of Credit to Stay Execution on Large Judgments in the U.S.," *Documentary Credit World*, September 9, 2020
- *Documentary Credit World*, February 2016
- Co-Author, *Uniform Commercial Code With Illinois Code Comments and Uniform Commercial Code Forms Annotated*, Vols. 2A and 2B, Illinois Practice Series, 2019
- *Illinois Practice: Uniform Commercial Code Forms Annotated*, Vols. 1 and 2, West Group, 2006 with 2019 supplement
- Co-Author, *Uniform Laws Annotated - Uniform Commercial Code Forms and Materials*, Vols. 4 and 5, West Publishing, 2007 with 2018-2019 supplement
- *Illinois Practice: Illinois Uniform Commercial Code Forms Annotated*, Vol. 2, West Group, 2002 and 2013 supplement
- Client Advisory: An Executive Summary of the Dodd-Frank Financial Reform Act, August 2, 2010
- "Standby Letter of Credit Rules and Practices Misunderstood or Little Understood by Applicants and Beneficiaries," *Uniform Commercial Code Law Journal*, Vol. 40 No. 2, Thomson West, January 19, 2008
- "Attorney's Fees in Letter of Credit Cases Under U.S. UCC Section 5-111(e)," *Documentary Credit World*, November - December 2005
- "Using Letters of Credit to Secure Lease Obligations," *Commercial Leasing Law & Strategy*, Vol. 18, No. 4, September 2005
- "The Effects of Letters of Credit on Enron," *Documentary Credit World*, Vol. 7, No. 5, May 2003
- "Letters of Credit in Lease Transactions," *Probate & Property*, November 1, 2002
- Co-Author, *Uniform Commercial Code with Illinois Code Comments*, Vol. 2A, West Group, 2002
- "Dealing with Security Interests in Letter of Credit Rights," *International Financial Services Association Network*, May 2001
- "Transfers and Assignments of Proceeds of Letter of Credit," *Annual Survey of Letter of Credit Law and Practice*, Institute of International Banking Law & Practice, 2001
- "Ten Noteworthy Letter of Credit Cases from the Twentieth Century -- A Commercial Lawyer's View," *Documentary Credit World*, December 1999
- "Preferences in Letter of Credit Transactions -- Review and Update," *Letters of Credit Report*, July - August 1995
- "Subrogation Rights and Letters of Credit -- Get Ready," *Letters of Credit Report*, May - June 1995
- "Letters of Credit in Financial Transactions," *Advanced Commercial Finance and Creditors Rights in Illinois*, Illinois Institute for Continuing Legal Education, 1993

Speaking Engagements

- “Letter of Credit Law Summit,” International Banking Law & Practice, October 25, 2018
- “Letters of Credit: How Beneficiaries Can Enhance Their Chances of Collecting What They Are Owed, 2018 Super Credit Bowl,” NACM Connect Credit Conference, October 18, 2018
- Letter of Credit Law Summit, Jenner & Block, October 27, 2016
- “Finding Your Way Around the Letter Of Intent, the Letter Of Credit and the SNDA,” Lorman Education Services, April 13, 2016
- “Letters of Credit: Their Great Utility; How To Draft and Draw on Them; and How To Avoid Common LC Problems, Pitfalls, and Mistakes,” Lorman Education Services, April 2016
- Institute of International Banking Law & Practice’s Annual Letter of Credit Survey, March 17, 2016 to March 18, 2016
- “Letter of Credit Facts, Issues, Developments and Protections for Bankers,” Greg Souther Bank Webinar, February 10, 2016
- “Letters of Credit: Addressing Specific Problems and Pitfalls for Municipalities,” New Hampshire Municipal Lawyers Association, September 21, 2015
- Presenter, UCC Letter of Credit Subcommittee Meeting, September 19, 2015
- Co-Chair, Joint Meeting of UCC Payments Subcommittee and Electronic Banking Committee Meeting, September 17, 2015
- “Letters of Credit: What They Are, How to Draft Them & Frequently Encountered Issues,” AudioSolutionz, September 15, 2015
- “Common UCC Filing Mistakes,” AudioSolutionz, August 20, 2015
- 2014 Americas Standby & Guarantee Forum, 2014 Americas Letter of Credit Law Summit; Institute of International Banking Law & Practice, October 23, 2014 to October 24, 2014
- Uniform Commercial Code Permanent Editorial Board Meeting, October 18, 2014
- 2014 Annual Fall Seminar, Illinois Local Government Lawyers Association, October 13, 2014
- American Bar Association 2014 Business Law Section Annual Meeting, September 12, 2014
- Letters of Credit, Professional Education Broadcast Network, September 10, 2014
- “Business Law Section Spring Meeting,” American Bar Association, April 10, 2014 to April 12, 2014
- “2014 Americas Annual Survey of Letter of Credit Law & Practice Seminar,” International Institute of Banking Law & Practice, March 14, 2014
- Uniform Commercial Code Permanent Editorial Board Meeting; Annual Letter of Credit Law Summit, October 19, 2013 to October 25, 2013
- Presenter and Moderator, ABA’s Spring Business Law Section Meeting, April 04, 2013 to April 06, 2013
- Panelist, Annual Letter of Credit Survey, Institute of International Banking Law and Practice, March 14, 2013 to March 15, 2013

- “Recent Developments in Letter of Credit Law and Practice,” Chicago Bar Association, February 21, 2013
- Institute of International Banking Law & Practice Annual Letter of Credit Law Summit, New York, NY, October 25, 2012 to October 26, 2012
- Speaker, “X-treme Drafting – Being as Unreasonable as the Law Allows in the Context of the UCC,” American Bar Association Business Law Section Spring 2012 Meeting, Las Vegas, NV, March 24, 2012
- The Institute of International Banking Law and Practice - North America Letter of Credit Survey, NY, March 15, 2012 to March 16, 2012
- Delegation of the China Institutes of Contemporary International Relations, Chicago, IL, October 15, 2010
- Permanent Editorial Board of the Uniform Commercial Code - Roundtable Discussion, Denver, CO, November 15, 2008
- Speaker, Institute of International Banking Law & Practice - 2008 LC Law Summit, New York, NY, October 24, 2008
- Speaker, “Letter of Credit: Practical Uses in Financial Transactions” Professional Education Broadcast Network Tele-Seminar, August 05, 2008
- Speaker, “Use of Special Indemnities and Other Protective Measures for Letter of Credit Situations Involving Heightened Risk,” International Financial Services Association, New York, NY, June 12, 2008
- Institute of International Banking Law & Practice's Letters of Credit Drafting Session, New York, NY, October 20, 2007
- Institute of International Banking Law & Practice's Letters of Credit Drafting Session, New York, NY, October 20, 2007
- Speaker, Institute of International Banking Law & Practice's Letter of Credit Law Summit, New York, NY, October 18, 2007
- American Bar Association's 2007 Annual Meeting, San Francisco, CA, August 09, 2007 to August 14, 2007
- Speaker, Institute of International Banking Law and Practice's Annual Survey of Letter of Credit Law and Practice, Miami, FL, February 22, 2007 to February 23, 2007
- Speaker, “UCC Toolbox: Hot Topics & Practical Applications,” Illinois Institute for Continuing Legal Education Seminar, Chicago, IL, January 25, 2007
- Panelist, “Letters of Credit Update,” Penn State Dickinson School of Law's 39th Annual Uniform Commercial Code Institute, Chicago, IL, April 27, 2006 to April 29, 2006
- Chair, American Bar Association - Section of Business Law Spring Meeting, Tampa, FL, April 06, 2006 to April 09, 2006
- Speaker, Chicago Bar Association Customs and U.S. International Trade Law Committee meeting, Chicago, IL, March 16, 2006
- Air & Waste Management Association – Lake Michigan States Section - Air Quality Management Conference, New York, NY, October 28, 2005
- Institute of International Banking Law and Practice, 2005 Letter of Credit Law Summit, New York, NY, October 28, 2005

- Panelist, International Financial Services Association 2005 Letter of Credit Workshop, New York, NY, October 10, 2005
- Speaker, "Standby Letters of Credit: Current Issues/Hot Topics," The Boeing Company - Letter of Credit Roundtable Discussion, Chicago, IL, September 20, 2005
- Speaker, The Institute of International Banking Law & Practice's 2005 Chicago Corporate LC Users' Update, Chicago, IL, May 26, 2005
- Speaker, "Lender Liability Concerns and Protections in Loan Participations," Chicago Bar Association Commercial Finance and Transaction Committee, Chicago, IL, May 19, 2005
- Speaker, "Lender Liability Concerns and Protections in Loan Participations," Lorman Education Service's Lender Liability in Illinois seminar, Chicago, IL, May 12, 2005
- Moderator, "Searches and Filing the Financing Statement," Illinois Institute for Continuing Legal Education's UCC Revised Article 9 – Skills Update program, Chicago, IL, December 08, 2004
- Speaker, Institute of International Banking Law & Practice's 2004 Letter of Credit Law Summit, New York, NY, October 29, 2004
- Speaker, International Financial Services Association on Stand-by Letter of Credit Developments – IFSA's Letter of Credit, Reimbursements and Collections Workshop, Chicago, IL, October 22, 2004
- Speaker, Developments in Bank Deposit and Check Law, Illinois Credit Union League, Oak Brook, IL, October 01, 2004
- Chair, American Bar Association – UCC Committee and the Letter of Credit Subcommittee of the Business Law Section, Atlanta, GA, August 08, 2004
- Panelist, 2003 Institute of International Banking Law & Practice's Letter of Credit Law Summit, New York, NY, October 31, 2003
- Speaker, 2002 Letter of Credit Law Summit, New York, NY, October 25, 2002
- "Recent Developments In Letter of Credit Law," Chicago Bar Association Commercial and Financial Transactions Seminar, Chicago, IL, October 18, 2002
- "Letters of Credit in Bankruptcy: Recent Cases," American Bar Association Business Law Section Spring Meeting, Washington, DC, April 05, 2002
- Letters of Credit in Business and Commercial Transactions, Professional Education Broadcast Network,