

Launch of an International Transactions Clinic: Doing Good While Doing Deals

by

Deborah Burand

Clinical Assistant Professor

Director, International Transactions Clinic

University of Michigan Law School

September 2008 marked the launch of the International Transactions Clinic (ITC) at the University of Michigan Law School, the first legal clinic of its kind to combine an international and transactional focus. As Law School Dean Evan Caminker said upon the launch of the ITC, “[t]his is an exciting opportunity to involve a new generation of bright legal minds in cross-border transactions that will train our students for a lifetime of international business dealings, and that can also make an enormous difference in the lives of people in the developing world.”

Student demand to participate in this new kind of clinic is high. Over 50 JD and LLM candidates applied to join the clinic in its first year of operations. From that pool, 11 students were selected to participate in the first year of the ITC. These selected students brought a wealth of cultural diversity and international living and work experiences to the table, as well as a working knowledge of over a dozen foreign languages in addition to English.

Students’ reasons for joining the clinic are as diverse as their backgrounds. Take, for example, these comments from several of this year’s group of student clinicians.

"Helping real clients, structuring cross-border transactions, and seeing how the fast-growing microfinance work is actually conducted are just a few of the aspects I would look forward to in the ITC. And more than just knowledge, I want to begin using my legal education for the greater good . . . I don't want to lose sight of why I came here, and I think the ITC would be a great way for me to keep things in their proper focus." Aaron Pittman (J.D., expected December 2010)

". . . I plan to work abroad after I graduate so having that hands-on experience while in school will allow me to better understand the issues that are particular to an international deal . . . I hope I can use the skills and knowledge gained from this clinic to help those living in the poorest regions of China leave poverty and hopefully get on the road to prosperity." Jingqui (Joe) Mei (J.D., expected May 2010)

"Having long held an interest in technology has led me to appreciate the increasingly international scope of intellectual property. As technology has crossed borders, so has IP [I]ncreasingly transactions in this field require understanding nuances of international transactions and being a globally adept negotiator. These are the skills I hope to develop by taking the clinic." **Naomita Yadav (J.D./MBA, expected May 2011)**

There also is growing client interest in such a clinic. The ITC represents a wide range of clients, including socially responsible investors, microfinance providers, international financial institutions, start-up social enterprises and nonprofit organizations, to name a few. What these clients share in common is that all are conducting cross-border transactions primarily in emerging markets, or are helping to build enabling legal and regulatory environments in such markets that are conducive to cross-border flows of capital, products and services. Many of the ITC's clients also share a commitment to improving the lives of the world's poor as these clients grow businesses or make investments that seek multiple bottomline returns – generating positive social and development impact as well as financial returns.

Clients of the clinic have included, among others:

- Aureos Capital Limited: www.aureos.com
- Consultative Group to Assist the Poor (CGAP): www.cgap.org
- Grameen Foundation: www.grameenfoundation.org
- Habitat for Humanity International: www.habitat.org
- Humo Micro Lending Fund: <http://humo.tjlen/history.php>
- International Association of Microfinance Investors (IAMFI): www.iamfi.com
- International Finance Corporation (IFC): www.ifc.org
- MFX Solutions: www.mfxsolutions.com
- MicroEnergy Credits Corporation (MEC): www.microenergycredits.com
- Movirtu Limited: www.movirtu.com
- Oikocredit: www.oikocredit.org
- Planet Rating: www.planetrating.com
- Russian Microfinance Center (RMC): www.rmcenter.ru/eu

Student clinicians of the ITC are drafting loan and equity documentation for financings of social enterprises. They are conducting desktop reviews of the laws of foreign countries to help identify potential issues that need to be raised with local counsel. They are developing new forms of documentation for socially responsible investors that contain provisions expressly designed to protect the social as well as financial objectives of these investors. They are advising clients on compliance with the anti-money laundering (AML) and counter-financing of terrorism (CFT) regulations and policies that can arise in today's cross-border financings.

As might be imagined, the skills and the knowledge that is required to conduct this kind of work are not easy to impart to second and third year law students, particularly in only

one academic year. Accordingly, one modification that the ITC instituted in its second year of operation was to use the first seven weeks of class as a kind of “deal boot camp.” During this seven week period, students were not introduced to clients. Instead, the ITC’s supervising faculty presented modules geared to the kind of work that was likely to be requested by clients during the course of the academic year. This kind of “teaching to the deal” has become easier as clients return to the clinic year after year for the clients better understand the ITC’s capacity and we better understand our clients’ needs and objectives.

And, because this is a clinical experience not a seminar, there is another set of capabilities – deal skills and interpersonal skills - that we expect students to grow over the course of their time in the clinic. The ITC urges student clinicians to establish personal growth objectives in four key areas:

1. General Transaction Issues;
2. Cross-Border Documentation Issues;
3. Client Service; and
4. Personal Development and Project Management.

In addition to these skills and learning objectives, another important goal of the ITC is to help students participating in the ITC to gain a deeper and broader sense of what is possible in their career paths, their *pro bono* practices, and, as their careers progress, even their philanthropic giving and socially responsible investing. Most of the students participating in the ITC are preparing for international legal careers in business, government, international organizations, and the not-for-profit sector. In launching this new kind of clinic, we also are launching a new kind of legal community - a generation of international transactional lawyers who have seen firsthand the powerful impact of applying legal and transactional talents and skills to the world’s most intractable problems. If students can experience all this before even graduating from law school, just imagine what these international deal lawyers will do next.

For more information about the ITC, see the ITC website at www.law.umich.edu/CENTERSANDPROGRAMS/CLINICAL/INTERNATIONALTRANSACTIONCLINIC.