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## International Law Firms Unite to Fight Fraud

By RAPHAEL MINDER  
Published: May 21, 2013

MADRID — Twenty-two law firms will form a worldwide alliance to collaborate on financial litigation against questionable funds and other financial products sold across borders in the wake of scandals like that of [Bernard L. Madoff](#).

The law firms said the alliance was designed to reduce the dissonance in a world where financial markets allow products to be sold globally while litigation remains constrained by national legislation.

Law firms from the United States, Colombia, Israel, Macau, Morocco, Turkey and India, as well as from European countries including Spain, Finland, Britain, Luxembourg and Italy, will take part in the alliance. It will be headquartered in New York but run out of Madrid, with Javier Cremades, chairman of Cremades & Calvo-Sotelo, a Spanish law firm, as its president.

Three years ago, Mr. Cremades was involved in forming an alliance of about 60 law firms that ended up reaching a settlement, on behalf of defrauded clients, with banks that sold Mr. Madoff's funds. The alliance estimated at the time that three million investors worldwide had been affected by Mr. Madoff's fraud, though there were just over 4,900 active direct accounts shown in the Madoff records available to investigators.

The new alliance, named the International Network for Financial Litigation, is set to be introduced Wednesday in New York.

While increasing client referrals is also part of the group's purpose, the main and initial goal is to exchange information in order to improve and speed up coordination on international litigation.

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Glen DeValerio, senior partner of Berman DeValerio, an American law firm that is part of the alliance, said in a statement: “We are convinced that coordinating the talent and efforts of litigant firms worldwide shall help to create a framework of international legal security, transparency and market confidence.”

As the euro [debt crisis](#) has deepened, the number of lawsuits for alleged corporate fraud or false advertising in the financial services sector has risen in Europe, several of them instigated by retail investors who are claiming that banks aggressively marketed sophisticated financial products that were much riskier than labeled at the time of their sale.

Mr. Cremades said that one of the aims of the alliance was to put international pressure on national regulators in Spain and elsewhere to harmonize the rules and make it easier for small investors to sue without facing huge legal bills.

The alliance’s push comes as the concept of American-style class action has been gradually spreading across Europe. This month, the French government announced that it would allow class-action lawsuits against companies accused of being misleading and overcharging for their services, in line with a pledge made by President François Hollande during his election campaign last year.

A version of this article appeared in print on May 22, 2013, in The International Herald Tribune.

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