

IAG INTERNATIONAL

GENERAL ASSEMBLY

MADRID
Friday 22nd May 1998

MINUTES

CHAIRMAN'S WELCOME

The Chairman welcomed delegates and observers mentioning in particular Wolfgang Allichhammer, Carl-Otto Thorwart and David Tonna who were representing firms making applications for membership to be considered at the meeting.

1. Approval of Minutes of Oslo General Assembly

Following the tabling of a point arising by Ira Shoolman who asked that the spelling of his firm's name be corrected on page 28 of the Minutes (as they appear in the Madrid papers) to "Perkins *Smith* & Cohen"; the Minutes were proposed by Lance Blackstone, seconded by Richard Wollaston and approved.

2. Approval of Minutes of Salzburg Assembly

The Minutes were proposed by Ira Shoolman, seconded by Lance Blackstone and approved.

3. Committee's Annual Report

The Chairman made his report on behalf of the Committee as follows:

"It gives me great pleasure to present the Committee's report to the 9th Annual Assembly.

I am going to look at our three main objectives for the last year today - and will assess the activities of IAG over the last twelve months against these objectives. We set ourselves the tasks of further expansion, improved administration and closer and more efficient internal communication.

So let me go back, first of all, to what we said during the 1997 Assembly in Oslo.

In Oslo, we highlighted the need to continue our recruitment activities in order to increase representation in key cities in Europe and the USA. This has produced good results although a lot more still needs to be done.

Today membership of IAG stands at 45 members in 26 countries. This will rise to 50 members in 27 countries when all today's applications are ratified.

I have to report the resignations of the following firms

Nadal & Vidal de Llobatera in Barcelona
and
Michael Zangoulos & Company in Cyprus

Despite these losses, IAG will be considerably strengthened by the ratification of the following firms as members at today's assembly:

Allichammer & Co - Accountants in Vienna
Thorwart Zech & Partners - Lawyers in Nuremberg
Tonna Camilleri Vasallo & Co - Lawyers in Malta

The membership of Angelopoulos, Psilos, Kapsalis and Associates was ratified at the Salzburg Assembly.

This still leaves us with a substantial agenda in terms of the continued recruitment of new members, especially in the USA and countries in Europe where IAG is not represented. Once again, I thank the members which have contributed to the recruitment process this year and urge you all to redouble your efforts in this area.

Even more importantly, we still need to address the imbalance between the different disciplines which, if anything, has increased during the last twelve months. More on this subject later.

Despite our continuing action on the expansion of IAG membership, it is safe to say that IAG reached critical mass some two years ago and this has enabled us to take action in a number of operational areas.

Our major operational step forward in 1997 was the establishment of the Administration Office.

This important advance was agreed in Rotterdam and is designed to make IAG function more effectively on a day-to-day basis and, at the same time, remove the significant workloads which growth had imposed on a small number of member firms. The Administration Office is now working effectively and I am sure that every member will have felt the benefits already.

A second important area of action in the last twelve months has been the commencement of activities of the two EEIG's.

While this aspect of co-operation between members does not involve the complete membership, it is an outstanding example of how IAG can respond to a unique situation in terms of the way in which the European Community commissions professional work. As such, the EEIG's will be a useful template for future development in other areas.

IAG Legal Services EEIG has now tendered for three EC projects and has been appointed to work on a PHARE Programme project in Poland.

This is an excellent result in a year in which we expected very little, apart from a learning curve, as competition is intense and most of our competitors are already very experienced in the ways of the European Community.

We expect to achieve more within the EC in the coming year and further believe that developments in this area will ultimately benefit IAG as a whole.

A further area of action is the construction of the IAG web site and Intranet.

This major development is now at an advanced stage, will have a significant impact on internal communication and will serve us well in the years to come. We will be able to increase the amount of information available to members, speed up information flow and reduce internal communication costs. Last, but by no means least, this action will make IAG more open and accessible to the outside world - both to potential clients and to potential members.

Returning to the issue of potential members, we still have a major problem to address in terms of balancing our membership between the two mainstream disciplines of law and accountancy.

This has led us to a very informal contact with two International groups, one of accountancy firms, the other of law firms and, as you are aware, quite a number of organisations with both specific and multidisciplinary membership exist worldwide.

One of the projects we will therefore commence this year is a review of these organisations to see if any growth opportunities for IAG through merger or affiliation can be defined.

I should emphasise at this stage that any contacts are purely exploratory. No specific action is so planned nor does any major policy decision need to be taken at this Assembly and the Committee is firmly of the view that quality is more important than quantity and we will not therefore consider growth for growth's sake.

It is, however, appropriate for IAG to be better aware of what other organisations serving independent firms exist in the wider world. This will indicate whether possible answers to any of our expansion issues can be identified. If the indications are positive we will prepare the appropriate recommendations for the members to consider.

This leads me logically onto my final point - the future directions of IAG but before that, I am pleased to be able to confirm that the finances are in a very healthy state and that we have the resources available to achieve our objectives.

This year we have taken all the action we agreed to take, and with good results. IAG is, today, bigger, stronger and better organised. We must not however, stand still.

In determining future policy and, for some of us on the committee, the activities for our final year in office, we are, more than ever, interested in the views of the members.

You will have noticed some changes in the agenda for this Assembly. In response to your wishes we are reducing the administrative content of the Assembly and replacing it with coverage of matters of professional interest and opportunities for members to air their views in open debate.

Today's debate, "What does IAG membership mean to my firm?" represents our determination that every member should have a clear voice in the shaping of IAG policy in the future.

Over the years, we have created a very strong and highly functional foundation on which IAG can continue to grow. Even more important, our development work gives our members the opportunity to compete more effectively both in our national markets and as an international group.

We now need to set a clear agenda for IAG into the next millennium and it is for you, the members, to decide on how you wish our association to develop.

In closing, I have on behalf of myself and the committee many people to thank for their efforts and input this year.....

Members who have hosted meetings- Schipper Van Der Mersch the host firm in Rotterdam, Saxinger Baumann in Salzburg and Fernando Scornik Gerstein the host firm for this assembly particularly to Lucia & Fernando for making all the arrangements for this Assembly. A big thank you to all the members who have attended meetings during the year. Christopher Whitamore and Kim Julien for assisting with the administration.

I would also like to thank all members of the committee who have undertaken various tasks during the year.

Finally, a special word of thanks to our secretary for the last five years.

The value of the time and effort Kate Wollaston has put into IAG simply cannot be measured and, without her, we would not be in the strong position we are in today.

It has been more than just time and effort, for Kate's vision and devotion has been an example to us all and set standards which will be hard to measure up to.

One major contributory factor has been the support Kate has received from her own firm, so, in thanking her for outstanding service, I would also like to include Richard Wollaston and all the partners of Wollastons who have unselfishly supported Kate's contribution to the growth and success of IAG.

Kate retires as secretary at the end of today's Assembly but we hope she will remain a regular participant at the IAG meetings in the future.

In closing, I would like to wish every member success in the year ahead and look forward to ending my term as Chairman with another positive report next year in Boston.

Thank You."

4. Ratification of Membership Applications

The Chairman invited comments from the Meeting on the applications for membership submitted by:

Dr Allichhammer & Co, Thorwart Zech & Partner and Tonna Camilleri Vassallo & Co

and confirmed that the Committee was recommending these applications for ratification.

The applications were proposed by Richard Wollaston and seconded by Stuart Haynes and all were duly ratified by the meeting. The Chairman congratulated the new members on joining IAG.

5. The Community Trade Mark In Practice

There followed a presentation by Herbert Meister of the Community Trade Mark Office in Alicante on the Community Trade Mark and papers were distributed.

IAG member, Klaus Schneider, then contributed a presentation on his practical experiences of the Community Trade Mark giving examples of the pros and cons from German cases in which he has been involved. A copy of Klaus's presentation will be available to delegates on the IAG Intranet once this is on-line.

The Meeting then heard from Karen Mathiasen and Dick Miller of Perkins Smith & Cohen on the applicability of the US Federal trade mark system to the experience which European members will have of dealing with Alicante. Karen also presented a short view of the significance of registration of ".com" as a trade mark registration.

6. DEBATE: What does membership of IAG mean to me?

Prepared contributions to the debate were made by Arthur Bailey, Franz Mittendorfer, Fernando Scornik Gerstein and Ira Shoolman. The Chairman then invited contributions from the floor and Lance Blackstone chaired the Debate a summary of which can be found in the Summer 1998 edition of the IAG Bulletin.

7. Observers Presentations

The following firms represented at an IAG Meeting for the first time as an Observer were invited to make a presentation to the meeting. Details of the firms had either been circulated prior to the meeting or were circulated:

Philippe Koskas and Shenav, Elrom Konforti & Shavit
A joint venture of Lawyers, Jerusalem

Allegaert Berger & Vogel LLP, *Lawyers, New York*

Richards Attorneys at Law, *Lawyers, Miami*

Alrud Law Firm, *Lawyers, Moscow*

The Meeting then heard from Vassily Rudomino representing Alrud on the subject of “Doing Business in Russia” in which he was able to dismiss some members’ possible misconceptions about mafia involvement! Members were interested to hear about the use of double taxation treaties and investments through Cyprus being a common route.

8. Financial Report

Sylvain Koskas, the Treasurer, presented the Accounts for the year end 31 December 1997 to the Meeting and reported that IAG found itself in a good financial position. He drew the delegates attention to the audited accounts which were circulated prior to the Meeting and reminded them that details had been given of the projected accounts at the Salzburg meeting.

The Treasurer invited questions and when none were forthcoming, invited Arthur Bailey representing Bentley Jennison the auditors to read the Report accompanying the Accounts. Arthur Bailey read out and drew delegates attention to the Auditor’s Opinion.

A request was made by Robert Bijloos and supported by Jan Katz that from 1999 the financial position be reported in Euro.

Acceptance of the Accounts was proposed by Lance Blackstone and seconded by Iain Taylor and the Accounts were duly approved.

9. Future Meetings

The Chairman invited suggestions for venues for the Meetings in February and October 1999. The dates for the 1999 Assembly in Boston were confirmed as 13th – 15th May and Ira Shoolman was invited to outline the programme being prepared.

10. Committee Elections

The Vice-Chairman reminded the Meeting of the Assembly’s responsibility to decide on the composition of the Committee and on a show of hands the meeting decided that the number of members serving on the Committee should remain at 8.

It was explained that there were two seats due for re-election on the Committee: Kate Wollaston, who has held the position of Secretary, was not seeking re-election; Sylvain Koskas is seeking re-election as Treasurer.

As these two Committee members also hold positions, the appointment of which is for the Assembly to decide, the Committee suggested the following appointments:

Arthur Bailey (who has indicated his willingness to stand) as Secretary; and Sylvain Koskas as Treasurer.

Arthur Bailey and Sylvain Koskas were duly elected to the Committee and the Chairman congratulated them accordingly.

The following further business was dealt with:

11. Apology

The Chairman apologised to Klaus Schneider, Karen Mathiasen and to Dick Miller for having to shorten the time allowed for their presentations during the morning due to the failure by the earlier speaker to keep to time.

12. Publications

Richard Wollaston gave a short report referring to the Draft Publications Policy circulated prior to the Meeting and asked members to disregard the recently circulated copy of “Agency & Distribution in Switzerland” which had some wrong pages inserted. A new copy will be circulated.

Ira Shoolman, asked for consideration to be given to the US (and elsewhere) in the proposed standard introduction which refers only to “services ... throughout Europe”.

13. IAG Website

Kim Julien made a short report on progress made towards the launch of the IAG Public Website.

IAG Members were asked to look at their individual Profiles on the Website which can be accessed with a password obtained from IAG Administration Office and notify Kim Julien of any changes.

There was concern that the hyper-links to firms’ own websites and the email facility were not working and Klaus Schneider was able to confirm that this will be rectified once the Website goes online.

14. Auditors

There was a vacancy for Auditors owing to the resignation of Bentley Jennison on Arthur Bailey’s appointment to the Committee. ERYV Sprl indicated their willingness to act and their appointment was proposed by Arthur Bailey and seconded by Lance Blackstone. ERYV Sprl were duly appointed as Auditors.

Richard Wollaston thanked the Committee on behalf of the Meeting and the Chairman in particular for his leadership and the large amount of time he and his firm have given IAG.

There being no further business, the meeting was closed.