



COURT ORDERS TERROR VICTIM'S CASE AGAINST SWISS BANK TO PROCEED

A federal court in New York has ruled that a civil action brought against UBS-AG, the largest bank in Switzerland, by American terror victims can proceed to trial. The plaintiffs in the case, the family of Stuart "Hezi" Goldberg, who was murdered by Hamas in a terror attack on the number 19 bus in Jerusalem in 2004, accuse UBS of lending support to the Hamas terror



of these organizations have been labeled Specially Designated Global Terrorists by the U.S. government. In addition to holding accounts for both groups, UBS carried out wire transfers totaling tens of thousands of dollars to a Hamas-affiliated organization in the West Bank that had been deemed illegal by the Israeli government-the last of these transfers taking place just a few weeks before the terror attack.

In response, the defendants filed a motion to dismiss the suit arguing, inter alia, that they had not provided the money transfers for ASP and CBSP with the intent of assisting Hamas in its suicide bombings against civilian targets.

Under U.S. law, all banks maintaining branches in the United States are barred from providing financial services to designated terror organizations, and must pay triple damages for any harm done to U.S. citizens by these groups.

In rejecting the defendant's arguments, Judge Sifton ruled that since these charity groups were both designated by the U.S. government, it was enough that UBS was on notice that they had engaged in terrorism to make the bank liable for the injuries they caused. The fact that UBS did not know or necessarily support Hamas' plan to attack the number 19 bus was irrelevant, as the bank knew it was illegally assisting in its fundraising operations and deliberately disregarded the fact that it was, in all likelihood, advancing the terrorists' violent goals.

Lawsuits like these send a powerful message throughout the banking industry: that if you support terrorism, you will pay a heavy price. Many major banks have already begun closing their doors to terror financing. With the UBS case proceeding to trial, we believe many more will get the message and do the same.