

**AMERICAN COLLEGE OF
CONSUMER FINANCIAL SERVICES LAWYERS
SENATOR WILLIAM PROXMIRE LIFETIME ACHIEVEMENT AWARD
PRESENTED TO
THOMAS B. HUDSON
APRIL 18, 2009**

The recipient of the Senator William Proxmire Lifetime Achievement Award for 2009 is Thomas B. Hudson.

Tom has spent his entire legal career, which spans more than 35 years, in the private practice of consumer financial services law. During his tenure as a consumer financial services attorney he “was there” for the adoption of almost every federal consumer regulatory law and regulation presently existing. Throughout Tom’s practice, he has worked to distill these laws and regulations into terms that his clients can understand and can apply in their day to day businesses. He also stresses preparing consumer documents with terms stated clearly in simple English. More recently, Tom has focused this effort more and more on educating the nation’s automobile dealers – a group, which at one time, would have included him.

THE “EARLY YEARS”

Tom was born in Alabama and raised in Acworth, Georgia, a town of 5,000 with one traffic light (red and green lights only, no yellow). At 16, with the \$75 in hand given to him by his Father, he went off to negotiate the purchase of his first car. He selected a 1946 V8 2-door robin’s egg blue sedan – with no front seat. The engine size attracted Tom the most; the front seat was a non-issue for a lad with Tom’s fix’em talents. He popped a crate behind the wheel, drove to the local dump, purchased a front seat for \$5, and then had seat covers installed at Sears for \$14.95. Tom had wheels and began a short career as a car dealer.

Tom did not have that first car long, for it was soon put up for sale. Every day after school and on weekends Tom worked at his father’s Gulf station. And it was there that he ran his “dealership.” His father’s rule was that each car Tom bought had to be kept clean and neat and be parked on the grass with a “For Sale” sign on it whenever Tom was on duty. Tom and his dad operated on the greater fool theory – if someone would pay them more than they had in it, then they would sell the car and his father would give Tom a share of the proceeds. Operating as a “curbstoner” Tom owned 22 cars by the time he was 21. As he tells it “the only thing that ended my nascent car dealer career was going off to college.”

TOM’S EDUCATIONAL BACKGROUND

Tom attended the University of Georgia in Athens, graduating with a B.S. in Education in 1967, and a M.S. in Education in 1968. The road to his degrees was not straight and narrow, however. After two years, Tom dropped out of college to sell mobile homes. He was once more in the dealer business. Eventually, Tom returned to college. During his remaining years at the University of Georgia he sold motorcycles and then large appliances on a part-time basis. Perhaps luckily for Tom, his dealership days were before the advent of most consumer protection laws.

After obtaining his Masters in Education, Tom took a job as a statistician with the National Transportation Board. While working full-time at the Board, Tom attended Georgetown University Law School. He graduated in 1973 in the top 10% of his class and was the Case and Notes Editor for the Georgetown Law Review.

SEMMES, BOWEN AND SEMMES AND MEETING ROBERT COOK

Tom’s first position as a lawyer was at the Baltimore law firm of Semmes, Bowen and Semmes. He was there for 13 years – the first seven as an associate and from 1980 to 86 as partner. At Semmes he serendipitously found himself in the world of consumer finance again. After two Truth in Lending projects, Tom became known as the firm’s “expert” on consumer credit laws. Thus, when the Equal Credit Opportunity Act was adopted, Tom was asked to help the firm’s primary banking client, Maryland National Bank, to become compliant with the new law. When asked what he liked about these early years, Tom advises he is proudest of the simple interest, plain language vehicle loan and security agreement he developed for Maryland National Bank. Always a believer in simple language, Tom derived much pleasure in deleting the “whereases” “wherefroms” and “whomevers” from the loan and security agreement and creating an agreement that both the lender and borrower could understand.

Tom did not stick solely to consumer finance during his tenure at Semmes. He was also a banking lawyer. He served first as counsel for Chase Manhattan and later for Mellon as these bank

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holding companies expanded into Maryland during the state's savings and loan crisis. Remember this was back in the day when interstate branching was verboten. Tom led a team that drafted special legislation to allow the out-of-state companies to rescue failed Maryland thrifts and obtain a foothold into Maryland's rich banking market.

His tenure at Semmes included one more opportune event. Semmes recognized the natural salesman in Tom and appointed him Chairman of the firm's Hiring Committee. In that capacity, in 1981, Tom interviewed a second-year law student at Georgetown University Law Center for a summer associate position. The law student accepted and that was the beginning of the collaboration between Tom Hudson and Robert Cook. From the start, the pair shared a keen interest in consumer financial services law as well as a deep desire to balance hard work with humor.

WILKIE FARR & GALLAGHER

Tom's reputation as a consumer financial services lawyer continued to grow and his stable of clients grew from its local base at Maryland National Bank, Provident and Union Trust, to include Chase, MBNA, Subaru and Nissan. Word of Tom's expertise also spread to the New York law firms. In 1986 he was courted away from Semmes by Willkie, Farr & Gallagher to open a consumer financial services practice in the Firm's Washington, DC office. Eventually, Tom became the Administrative Partner of Willkie's Washington office.

It was at Willkie that Tom made a conscious decision to focus his practice back to the love of his early days – cars. But, he did not leave other consumer practice areas entirely. While at Willkie he worked on many securitizations involving consumer finance paper. One of them was the largest pleasure boat securitization that had ever been structured, with a value of \$700 Million.

VENABLE, BAETJER, HOWARD AND CIVILETTI AND THE PUBLICATION OF CARLAW AND HOUSELAW

Tom's reputation as a consumer financial services lawyer continued to grow, such that Tom decided he could move his practice back to a Baltimore-based firm. In 1990 Tom left Willkie to join the law firm then known as Venable, Baetjer, Howard and Civiletti (today's "Venable"). It was at Venable that his practice started to focus more and more on the vehicle side of consumer finance. While chairing

Venable's Consumer Financial Services Practice, Tom worked on multistate car finance and vehicle leasing projects for Chase, Nissan and Toyota. And it was at Venable that Tom's sales background and creativity as a provider of legal services began to shine. *CARLAW* began as the consortium of five clients who agreed to pay for a massive Westlaw search on car related legal developments. The initial output the consortium received was a stack of paper 2½ feet high each month. This rough product quickly developed into an edited and structured legal publication. The monthly output was reduced to a three to five inch binder – and every month a new binder would show up on a subscriber's desk. The new edited versions contained notices of every development in automobile finance within the last month, whether legislative, regulatory, administrative or judicial. Within a year, a companion volume for the mortgage industry followed – *HOUSELAW*.

Yet another good example of Tom's skill as a salesman is that he was able to convince many of his competitors throughout the country to pay *HOUSELAW* and *CARLAW* for the privilege of being listed in those publications as state contributors. Any car salesman would be very proud of that accomplishment.

Ever the entrepreneur (unlike most attorneys), at Venable Tom first decided to take a chance and market as no lawyer had marketed to date. Tom attended a Consumer Bankers Association meeting and rented a booth in which to market *CARLAW* and *HOUSELAW*. After this initial success, Tom went on to buy his own booth with which he traveled around to various association meetings touting the merits of *CARLAW*, *HOUSELAW* and the Venable Consumer Financial Services Practice.

It was also at Venable that Tom created what he fondly calls the "Machine." The "Machine" is a practice in which designated attorneys are responsible for all facets of consumer financial services developments in an assigned state. The attorney is not only responsible for any client questions involving the law of the assigned state, but is obligated to keep up-to-date with all consumer financial services developments in that state. It is through this mechanism that Tom was able to deliver multi-jurisdictional surveys quickly and efficiently to his clients. As it happened, Tom was

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honing the Machine just as banks began their aggressive nationwide reach.

With Tom's leadership the Consumer Financial Services Practice at Venable began another multistate roll-out as it helped Reynolds and Reynolds spread the concept of non-company specific retail installment sale contracts nationwide. While a staple in California, where the Reynolds product is known as the Law Printing form, the offering of a generic sales financing form acceptable to most financing sources was a new concept in other states. Now the Reynolds forms are available in all states, the District of Columbia, as well as Guam and the Marianas Islands.

ABA COMMITTEE ON CONSUMER FINANCIAL SERVICES AND THE AMERICAN COLLEGE OF CONSUMER FINANCIAL SERVICES LAWYERS

While developing his professional career, Tom also put in time educating other consumer financial services lawyers. From 1988 to 1991 he was Vice Chair of the Subcommittee on Personal Property Finance of the Consumer Financial Services Committee, Business Law Section, of the American Bar Association, and from 1991 to 1995 served as Chair of this Subcommittee. In 1990, he served as Chair of the Task Force on Forfeiture Provisions of the Uniform Controlled Substances Act of the Business Law Section, American Bar Association. Tom founded the American College. It was a suggestion from Tom to Alan Kaplinsky that sparked the formation of an American College dedicated to the advancement and recognition of the practice of consumer financial law services. Tom served as the College's second President from August 1998 through July 1999.

THE FULFILLMENT OF A LIFELONG DREAM: THE FORMATION OF HUDSON COOK, LLP

After six years at Venable, Tom decided, with his partner Robert Cook, to leave and establish Hudson Cook, LLP. Tom found a traditional law firm, even one as nurturing as Venable, to be confining. He needed space to let his entrepreneurial spirit soar and, ultimately, to grow his fledgling publishing empire. As Tom relates, he viewed his choices at that time as gliding into retirement at Venable or jumping into a leaking rowboat with a bunch of kids. He chose the kids. "It seemed like more fun." The new firm opened its doors on January 1, 1997. Hudson Cook began as a firm of 10 attorneys

with one office. Today Hudson Cook is a firm of 38 attorneys with offices in California, Connecticut, DC, Maryland, Michigan, New York and Virginia.

Matching the growth of Hudson Cook was the rapid rise of a unique publishing affiliate – CounselorLibrary.com. Formed in 1997 along with Hudson Cook, CounselorLibrary.com took over the publication of *CARLAW* and *HOUSELAW*. In 2000, *CARLAW* and *HOUSELAW* moved to the worldwide web. No more three-ring binders arriving each month. Now every new legal development in auto and mortgage finance was available over the Internet in an easy to use, interactive format. A new Internet-based product quickly followed that same year. In a partnership with the American Financial Services Association, Tom and his team put interactive databases on the web to provide authoritative responses to legal questions in the areas of auto finance, home mortgages, and secured and unsecured lending. Needless to say, the first database to go live was auto finance.

Tom also dreamed up the concept of an association dedicated to representing the subprime automobile finance community. With help from friends in the industry, he founded the National Automotive Finance Association to give the subprime portion of the industry a voice in legal, regulatory and policy matters.

After the formation of Hudson Cook, Tom realized a new audience needed to hear the gospel of compliance, and this was an audience that would appreciate a simple, easy to understand delivery of legal wisdom. Thus, Tom became one of the first consumer credit compliance attorneys to market specifically to the automotive dealership world. Now Tom is a fixture at dealer conventions and writes frequently for dealer publications. Ever attentive to the needs of this audience, Tom also helped establish the National Association of Dealer Counsel, which Tom uses as yet another vehicle to deliver his message of compliance to the dealership world.

PROLIFIC SPEAKER AND WRITER

From his base at Hudson Cook, Tom has traveled the country, becoming a frequent speaker on legal topics for organizations including: The American Financial Services Association, The National Automotive Association, The National Vehicle Leasing Association, the American Bar Association and the National Alliance of Buy-Here, Pay-here Dealers. He also has become a prolific writer on auto dealership

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and auto finance issues. His writings are published in: *World of Special Finance*, *Auto Dealer Monthly*, *F&I Magazine*, *eDealernews.com*, *Auto Finance Update*, *F&I Management and Technology*, *Auto Lending and Marketing Magazine*, *Spot Delivery* (his baby) and others. When recently asked what he most enjoyed doing, his response was "writing for *Spot Delivery*." *Spot Delivery* is a monthly publication for car dealers at a price they can afford. Tom still likes to take the legalese and translate it into plain language even dealers can understand.

It is his joy in writing that caused him to publish his first book in April 2006 *CARLAW, A Southern Attorney delivers HUMOROUS PRACTICAL LEGAL ADVICE on car sales and financing!* *CARLAW* is a collection of over 300 articles Tom has written in his career on topics ranging from the Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, OFAC, Privacy and Identity Theft, UDAP, Lemon Laws, and Leasing to Internet Sales of Vehicles, Dealer Operations, Arbitration Agreements, and Starter Interrupt Devices. In total, *CARLAW* covers 23 areas of consumer financial services law of particular interest to dealers in a plain spoken, easy to understand manner that only the best of us ever attain.

Not satisfied with the success of his first book, Tom quickly decided to offer direct compliance advice to the finance and insurance side of a dealership with a more hands-on step-by-step "answer book." This time Tom asked for the assistance of his cohorts at Hudson Cook and various attorneys, including Tom, drafted different chapters of the book, with Tom and two other Hudson Cook attorneys as editors. The result was the December 2006 publication of *CARLAW F&I Legal Desk Book (1st Edition)*. The book is a reference guide that covers all of the regulatory hurdles a dealership faces in its credit sales transactions. *CARLAW F&I Legal Desk Book*, now in its second edition, is the official course text for the Association of Finance and Insurance Professionals Certification Program for dealers, and recently received the Silver Medal in the Business Reference category of the 2009 Axiom Book Awards, thus lifting Tom's and Hudson Cook's reputation to that as the authority for the applicable state and federal regulations governing dealer finance.

The writing bug continued and Tom kept publishing articles in various publications, including his

beloved *Spot Delivery*. But he also had passed on the writing urge to other lawyers at Hudson Cook, such that in January, 2008 came the third book, *CARLAW II, Street Legal*. Like its predecessor, *CARLAW II* is a compilation of the articles generated by Tom, but with the addition of chapters authored by his Hudson Cook team. Like all of Tom's written material, *CARLAW II* is written in a straight-forward and at times, down home, style.

TOM THE PERSON

Tom brings some of that same down-home approach to the practice of law and the management of Hudson Cook. Tom's personality, team spirit, and genuine niceness that we have all experienced is what has drawn others to become members and clients of Hudson Cook and helped it grow it to its present size. When asked about Hudson Cook, Tom replies that it is the Firm's philosophy that he is most proud of – be good to your competitors and always play nice with others. He has always viewed the firm as a joint enterprise - with its success dependent on all members working as a team. Associates are treated with the same respect as partners. Associates are encouraged to attend industry meetings, so much so that at the roll call of a Consumer Financial Services Committee meeting one wonders if they have wandered into a Hudson Cook retreat.

Aside from Robert Cook, Tom's most important partner is his wife, Lily Grace. Without Lily Grace's strong support, it is doubtful that Tom would have had the same level of success that he has achieved in his professional life.

Tom is slowing down a bit, spending more of his time on speaking and writing, business generation and training the younger lawyers who will continue to grow the firm into the future. He also tries to spend one or two weeks a month at his second home in Pawleys Island, South Carolina. While there, he prefers to work six hours a day, spending time with his wife Lily Grace and their dogs.

The American College of Consumer Financial Services Lawyers is pleased to present the Senator William Proxmire Lifetime Achievement Award to Thomas B. Hudson for his years of consistent excellence as a practitioner in consumer financial services law and as an educator of those who have to comply daily with this area of the law.