



CARTER LEDYARD & MILBURN LLP

2013

Attorney Advertising

2013



Letter to Clients and Other Friends	1
Winning Strategies	2
Employment	3
Condemnation	6
Environment and Land Use: Public Works, Energy and Advocacy	8
Real Estate	10
Gateway to America®	12
Money Matters	18
Domestic Transactions	20
Corporate Trust	21
Insolvency and Creditors' Rights	22
Compensation and Benefits	23
Art Law	24
Intellectual Property	24
Tax-Exempt Organizations	26
Trusts and Estates	27
Civic Priorities	28

CARTER LEDYARD & MILBURN LLP



To Our Clients and Other Friends

In recent years there has been a growing trend to recognize various institutions and groups in “best of” rankings and lists, such as rankings for best colleges and lists of outstanding doctors. There are listings and rankings for lawyers too.

It’s great to be recognized. For the fourth consecutive year, Carter Ledyard was named to the *National Law Journal’s* “Midsize Hot List” as one of the twenty outstanding law firms of its size in the United States, the only New York firm to be so recognized four years in a row. The editors noted that we are “a full-service law firm because the firm’s diversified groups have remained more than the sum of their individual parts.” Lawyers at other firms voted fully one third of our lawyers as *Super Lawyers* in 2013.

However, our best recognition came from our clients, who asked us to help them with important things during the year.

Disputes abounded. Our lawyers drafted employment contracts and successfully defended them. Clients defended their interests in valuable works of art. Offshore clients were busy, and we provided them with a Gateway to America® in such diverse transactions as securities offerings in the U.S. for clients in Canada, Israel and Singapore and sales of U.S. subsidiaries for clients in the U.K. Our banking clients increased their corporate trust businesses, and we helped document their transactions and represented them in the occasional default situation. We helped New York government agencies with real estate condemnation, purchase and leasing transactions and clean energy projects. We negotiated complex real estate development and joint venture transactions for New York City property owners. We helped with the new technology center which is coming to Roosevelt Island. Clients came to us with thorny income tax and estate tax planning issues made more complicated by recent tax changes from Congress.

We salute our clients for their perseverance in this gradually recovering economy, and we look forward to helping them in 2014.



P.S. This year our firm celebrates a birthday — we have been in continuous practice for 160 years. Thanks to our clients for making it possible!

Winning Strategies



Restrictive Covenants

Our practice in the area of restrictive covenants and protection of trade secrets continues to grow and make new law. We counseled numerous clients on best practices for protecting themselves from the loss of employees and information to competitors and drafted appropriately tailored contracts and employment policies. We were routinely in court and before arbitration panels litigating claims concerning trade secrets and noncompete agreements.

Claims of wrongful termination continued, and we represented our clients in a variety of such cases in state and federal courts and before FINRA.

International Arbitration

CL&M obtained a unanimous decision of the United States Court of Appeals for the Second Circuit affirming a court judgment confirming an arbitration award of more than \$12 million for our client **Oakley Fertilizer, Inc.**, a U.S.-based international commodity trading company. The Second Circuit upheld the judgment confirming an arbitration award issued by the AAA's International Centre for Dispute Resolution relating to transactions with an Egyptian commodity trading company.



Corporate Trust

CL&M convinced the Sixth Circuit to reverse a District Court decision enforcing a purported settlement agreement among numerous claimants. On behalf of client **U.S. Bank, N.A.**, CL&M successfully argued that the District Court's summary enforcement of the alleged settlement agreement without an evidentiary hearing was clearly erroneous and constituted an abuse of the District Court's discretion.

Condemnation Law

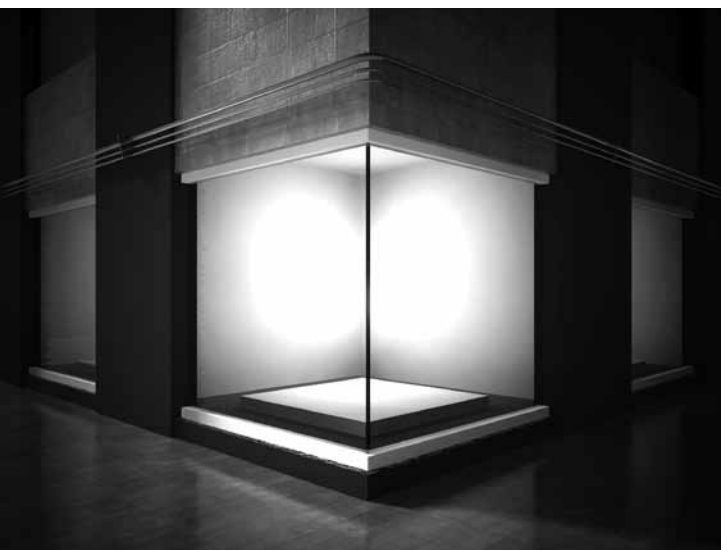
We successfully represented **Empire State Development** on an appeal upholding a lower court decision halting the accrual of interest on certain claims relating to ESD's exercise of its eminent domain power to further Columbia University's academic mixed-use development in West Harlem. When claimants in the case sought additional time to file appraisals, CL&M successfully sought to cease the accrual of interest, which normally accrues at 9% until awards are made on such claims, during the extension period. The cessation of the accrual of interest during the extension period was upheld on appeal despite the claimants' assertion that interest on condemnation claims is an inviolable constitutional right. For more details on this condemnation, see page 6.

Art Law

We were involved in cases involving stolen artwork. We helped a foundation recover a stolen sculpture being offered for auction, buyers who learned that the works they purchased had previously been stolen, and in one case worked with federal law enforcement in the investigation and prosecution of the individual who sold the artwork to our client. In a case involving artwork damaged in transit to a purchaser, we assisted in a dispute involving the seller and insurer on the questions of when title transferred relative to the damage to the artwork as well as valuation of the work and impact of the damage. For more on art law, see page 24.

The misclassification of employees as independent contractors spawns wage and hour claims and Department of Labor audits. We advised on severance, separation agreements, releases and waivers of employment claims, COBRA benefits and other employment termination issues. We provided general employment advice concerning manuals, policies and procedures, and wage and hour laws. We also provided workplace behavior training for our clients.

We represented our clients in a variety of claims of wrongful termination and employment discrimination before the EEOC and the NYSDHR and in state and federal courts. Pre-dispute alternative dispute resolution continues to be a cost-effective way to resolve employment claims.



Winning Strategies



Privilege

CL&M obtained a decision by a New York appellate court affirming an order granting our client, the **California Franchise Tax Board**, access to documents held by a third party in New York. The out-of-state defendant argued that communications related to his licensing agreements with the third-party were privileged under the common interest doctrine. The appellate court affirmed the order requiring disclosure of the materials, finding that business communications between licensing partners are not privileged communications, and that negotiations between parties with divergent interests are not protected by a common interest privilege.

Fiduciary Litigation

CL&M continued its work in the fiduciary litigation area, representing and advising beneficiaries, trustees, executors, and other fiduciaries, in dispute resolution and litigation in New York Supreme Court and Surrogate's Court. We currently represent the charitable beneficiary of a significant New York estate in negotiations concerning the interpretation of testamentary documents. We represented a trustee of a family trust in litigation with a sibling and other family members relating to investment losses in Madoff accounts, and assisted with implementation of a complex global settlement agreement. We represented a corporate trustee in litigation in New York Supreme Court and Surrogate's Court involving claims of breach of fiduciary duty and negligence in the administration of family estate and related trusts. We also represented clients in contested accounting proceedings and disputes involving the interpretation of wills and trusts.

Maritime

Our maritime practice represents and advises both international and local clients in the shipping business and related industries in complex commercial disputes, corporate transactions, and regulatory matters. In 2013, we continued work for **Circle Line-Sightseeing Yachts, Inc.** and its affiliate **World Yacht, Inc.** in a variety of litigated and non-litigated matters relating to the thriving tourist industry in New York City.

We continued our work for **Trac Intermodal** in connection with issues relating to its chassis leasing business and the operation of chassis pools at ports and rail depots around the country.



Securities and Capital Markets Litigation



In 2013, CL&M continued on the cutting edge of securities and capital markets litigation. We represented and advised international investors and a foreign financial institution in connection with claims against major financial institutions concerning billions of dollars of collateralized debt obligations. Our attorneys provided strategic advice and represented clients in connection with regulatory inquiries and litigation in state and federal courts, including bankruptcy court, with respect to a variety of fraud, contract, and securities-based claims arising out of derivatives and structured financial products including credit-default swaps, asset-backed securities, and mortgage-backed securitizations.

On behalf of our foreign clients based in the Channel Islands, CL&M pursued and defended against a variety of claims in state and federal court associated with substantial investments in collateralized debt obligations and other structured finance products. We defeated motions filed by major investment banks and other financial institutions seeking the dismissal of our clients' claims, and obtained the dismissal of claims filed against our clients, including claims filed against them in connection with bankruptcy court adversary proceedings concerning tens of millions of dollars and counterclaims for breach of contract and fraud concerning nearly \$1 billion in CDO investments.

The CL&M commercial litigation team won dismissal of two federal securities and commodities act lawsuits against a family of hedge funds and their advisors on the ground that the relevant transactions were not "domestic" in nature, even if the defendants were regulated entities located in the United States. The two decisions were the first to define the territorial application of federal commodities law in international financial transactions after the U.S. Supreme Court's decision in *Morrison v. National Australia Bank*.

Internal Investigations and White-Collar Defense

We were successful in our efforts to obtain parole for Dennis Kozlowski, the former CEO of Tyco, who was released after serving the minimum term required by his sentence.

Our client, a former chief merchandising officer of a publicly traded retail company, was found not guilty of the most serious charges after a four-week federal fraud trial.

In one of the largest Medicare fraud prosecutions ever brought by the Department of Justice, our client, who faced a 30 year sentence, was released with a sentence of time served.

We secured a non-jail sentence and safeguarded the pension of our client, the target of a high-profile federal prosecution of several individuals implicated in a years' long no-show jobs scheme.

CL&M and a Big Four accounting firm conducted an internal investigation on behalf of a multinational company headquartered in Europe facing prohibition from doing business with the U.S. government after a managing director of one of its Asian offices was indicted by the Justice Department and charged with bribery and other offenses. The comprehensive report resulted in a no-debarment determination by the U.S. government in favor of our client.



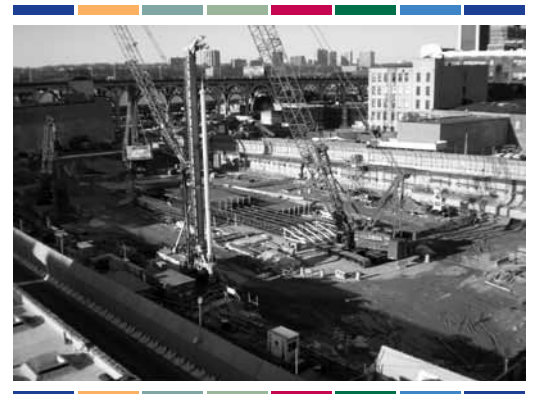
Condemnation



Acting as Special Condemnation Counsel to **The City of New York** and the **Hudson Yards Development Corporation**, CL&M and attorneys from the Corporation Counsel's Office won an important appellate decision in connection with claims for additional compensation filed by the former owners of 10 properties acquired by the City through eminent domain in 2007 in Stages 4 and 5 of the No. 7 Subway Line Extension – Hudson Yards Project in Manhattan. The Appellate Division, First Department, affirmed the trial court decision finding that the properties acquired for the project must be valued based on their zoning classification before the area was rezoned in 2005. The court rejected claims that the properties should have been valued as if they had been rezoned along with adjacent properties, that the City's rezoning constituted spot zoning, and that the area would have been rezoned even if there had been no Hudson Yards Project. It is the first case in New York to fully address the impact of an area-wide rezoning undertaken years before property acquisition in connection with a large government redevelopment project.

Also in connection with the Hudson Yards Project, the firm and attorneys from the Corporation Counsel's Office finalized and exchanged appraisal reports as part of Stage 8 of the Project. The complex appraisal problems presented as part of the Stage 8 acquisition of temporary and permanent easements for a subway ventilation structure required the firm to work with real estate appraisers, architects, engineers, a cost estimator, and noise, parking and vibration consultants. The City was granted the cessation of the accrual of interest when the condemnee sought a further extension of time to file its appraisal report.

Carter Ledyard continued to represent the **New York State Urban Development Corporation d/b/a Empire State Development (ESD)**, a New York corporate governmental agency, in connection with its acquisition by eminent domain of properties and property interests necessary for ESD's Columbia University Educational Mixed-Use Development Project in West Harlem. The firm successfully represented ESD on an appeal upholding a Supreme Court decision halting the accrual of interest on certain claims for compensation. Since interest typically accrues at 9% until awards are made on such claims, the accrual of interest can have significant cost impacts. The firm also assists ESD in its monitoring and oversight of Columbia's performance of its obligations to provide a host of benefits to the community surrounding the West Harlem project site.





After a 22-day trial, Carter Ledyard, together with attorneys from the Corporation Counsel's Office, achieved a significant victory in a matter involving a claim for additional compensation with respect to a 7.2-acre parcel of waterfront property located in Long Island City. The property was acquired in early 2002 by the Queens West Development Corporation and subsequently conveyed to the City. The claimants asserted that there was a reasonable probability that the property, located in an industrial area zoned for manufacturing, would be rezoned to permit luxury residential development, and that the property should be valued on that basis. The claimants' appraisal included a financial analysis purporting to demonstrate the feasibility of residential development at the site. The claimants' appraisal valuing the property at \$85 million reached a value conclusion more than six times that of the City's, which valued the property as a development site for big-box retail. While acknowledging the possibility that a rezoning might be granted if requested by the owner, the City argued that the area lacked the infrastructure and services necessary to support residential development. Furthermore, the City argued that all of the key assumptions that went into the claimants' feasibility analysis were unreliable, including construction costs, rental rates and the total square footage that would be permitted if the property were rezoned. The court agreed with the City on both the suitability and feasibility issues and awarded compensation based on a big box use.

In another matter arising out of the Queens West Project, Carter Ledyard, together with attorneys from the Corporation Counsel's office, briefed the appeal taken by condemnees from a dismissal of a \$20.7 million dollar fixture claim filed in connection with the acquisition of a tennis club facility. An oral argument date is expected to be assigned in early 2014.

The firm represents **New York City** and its **Economic Development Corporation** in connection with a claim, under § 702 of the Eminent Domain Procedure Law (and a corollary NYC Administrative Code provision), seeking attorneys' and experts' fees arising out of New York City's decision not to proceed under its determination and findings concerning its redevelopment of the Willets Point area of Queens adjacent to the Citi Field stadium complex. The firm obtained the dismissal, by summary judgment, of approximately 60% of the more than \$1 million of fees sought, on the basis that these related to matters pre-dating the commencement of the condemnation process. The firm continues to represent the City and EDC in connection with the remaining portion of the claim.



The firm represents the **Metropolitan Transportation Authority** in connection with an appeal by the MTA concerning the valuation of a 52-acre parcel of vacant land located in the Town of Southeast, Putnam County. Because the parcel is located in a NYC watershed area and is 60% wetlands, and access to it was available primarily over a railroad crossing, it created special valuation issues. The appeal has been fully briefed and is awaiting a date for oral argument.

Environment and Land Use: Public Works, Energy and Advocacy



Our clients require legal services related to long-standing environmental laws like the State Environmental Quality Review Act and new legal requirements related to climate change mitigation and resiliency. We have advised both city and state agencies on use of federal and state funds, including Community Development Block Grants available from the Disaster Relief Appropriations Act. We advise the **Roosevelt Island Operating Corporation** on a variety of matters related to affordable housing, public open space, and the “Cornell Tech NYC” project that will take shape on the former site of the Goldwater Hospital over the next twenty years. Environmental reviews for the project concluded in 2013 and the campus will eventually include over two million square feet of academic and related space and 2.5 acres of new public open space. CL&M also advises the **Battery Park City Authority** on its compliance with the distinct set of laws and agreements created by the State and City for that community. We advise the **Lower Manhattan Development Corporation** on projects throughout Lower Manhattan, including ongoing work related to the World Trade Center Redevelopment Plan. Our attorneys represent the **Dormitory Authority of New York State** in the historic preservation reviews of New York University’s Core Project, which involves the creation of new academic buildings at the heart of its Greenwich Village campus.

CL&M continues to represent both **Regional Greenhouse Gas Initiative, Inc.** and **Western Climate Initiative, Inc.**, which were created to assist states and Canadian provinces in reducing greenhouse gas emissions. In 2013, RGGI, Inc. announced the adoption of a new model rule that lowers the participating states’ collective emissions “cap” and increases the reserve prices for carbon credits sold by the states. WCI’s board of directors includes representatives of British Columbia, California and Quebec, which launched its first carbon allowance auction in 2013.



CL&M is advising the **New York Power Authority** on licensing requirements for upgrades to its transmission system as part of the New York Energy Highway Solution to address congestion on portions of the New York State transmission system. The firm worked with the **Long Island Power Authority** on the review of proposals for additional electrical resources to meet demand on Long Island which resulted in the selection of the Caithness Long Island Energy Center II proposal which is now undergoing environmental review by the Town of Brookhaven. CL&M also advises LIPA on its transition to a new operator for Long Island’s electrical transmission and distribution system.



The New Jersey-New York Expansion Project of **Texas Eastern Transmission, LP** and **Algonquin Gas Transmission, LLC**, affiliates of CL&M client **Spectra Energy Corp**, entered service on schedule following completion of construction in 2013. The project, certificated by the Federal Energy Regulatory Commission, consists of approximately 20 miles of multi-diameter pipeline, associated pipeline support facilities, and new metering and regulating stations, and permits the delivery of up to 800 million cubic feet per day of new natural gas supplies to the New Jersey and New York metropolitan area, replacing higher carbon alternative fuels with clean-burning natural gas. CL&M is also assisting **Algonquin** on the Algonquin Incremental Market Project ("AIM Project"), which will involve expansion of Algonquin's existing pipeline systems located in New York, Connecticut, Rhode Island and Massachusetts to meet the growing need for natural gas in New England. The AIM Project commenced the FERC pre-filing process in 2013.

CL&M represents **Superior Plus US Holdings Inc.**, a Delaware corporation, and its affiliates in ongoing litigation regarding contaminated sites in northern New York State. We regularly counsel other corporate clients on the preparation of Phase I and II environmental site assessments, purchase of environmental insurance and litigation regarding historic spills.

We represented clients in proceedings before the Board of Standards and Appeals and the Landmarks Preservation Commission, including an application to alter a religious landmark and a proposal to create a new **Park Avenue Historic District**. We represent **Lincoln Center for the Performing Arts** and advise it regarding the use of open space on its performing arts campus. We advised a not-for-profit client on the sale of a conservation easement to preserve a large, ecologically important parcel on the Hudson River and negotiated agreements for clients for transfers of development rights, compliance with New York City's "Local Law 11", and other matters. In Westchester, we advised and litigated on behalf of corporate, individual and non-profit clients on the applicability of the State Environmental Quality Review Act, coastal zone requirements, site and subdivision plan ordinances, and other applicable statutes for

proposed developments threatening harm to protected natural resources or human health.

We provide legal services to **Grow NYC** and **New Yorkers for Parks** and other nonprofit organizations.



Victor J. Gallo, who was promoted to counsel, focuses primarily on land use and environmental law. He assists clients in completing federal (NEPA), state (SEQRA) and other environmental reviews and in obtaining needed environmental

permits. Mr. Gallo's practice includes complex environmental impact statements, litigation, condemnation, environmental due diligence and audits. Mr. Gallo has over 14 years governmental experience with the New York State Department of Environmental Conservation and the Lower Manhattan Development Corporation. He received his J.D. *cum laude* from Catholic University of America, The Columbus School of Law and his B.S. from University of Pennsylvania, The Wharton School of Business.



Real Estate

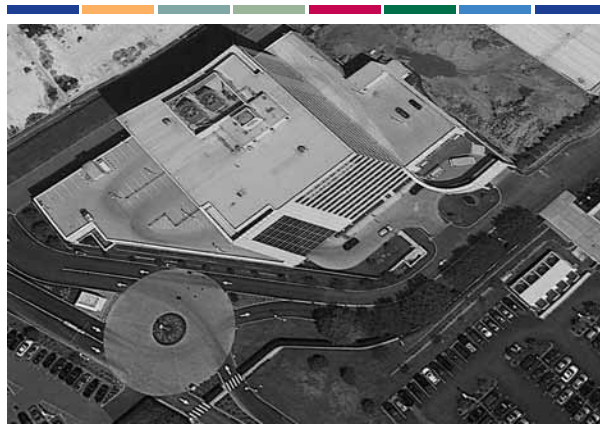


Roosevelt Island Operating Corporation

Carter Ledyard is representing **Roosevelt Island Operating Corporation** in the construction of the FDR Hope Memorial on a site adjacent to the Franklin D. Roosevelt Four Freedoms Park. A sculpture will be permanently displayed depicting Franklin D. Roosevelt as a disabled person and commemorating his achievements in the face of disability and adversity. CL&M's representation of RIOC in the construction of the Cornell Tech NYC campus on a 12.5 acre site on Roosevelt Island is described in the Environment and Land Use section on page 8 of the *Review*.

CenterLight Health System

CL&M's client **CenterLight Health System, Inc.** and other affiliates of Beth Abraham Health Services were active in the real estate market in 2013 as their programs expanded. CL&M assisted CenterLight in acquiring property adjacent to facilities of affiliate Center for Nursing & Rehabilitation Inc. in Brooklyn through exercise of a right of first refusal, as well as in divesting itself of an apartment development in the Bronx. CenterLight also expanded its administrative offices through additional leases at the Hutchinson Metro Center in the Bronx, and reorganized and added to program facilities throughout the five boroughs, in Westchester County and on Long Island.



Hutchinson Metro Center

Long Term Leases

We represented the owner of a property in Long Island in entering into and modifying a long term lease providing for tenant rezoning and development of the property. The amended lease contemplates demolishing the current building on the property and constructing a multistory facility for a single use tenant.

Development Projects in the U.S.

A tax-exempt client entered into a joint venture with a developer for a \$400 million mixed use development on a site that it had assembled and in which the organization will continue to have a 50% interest. The organization will also receive a new \$50 million facility to house its offices and other community facility functions. The transaction enabled the organization to monetize its air rights, which it transferred to the development site from an adjacent landmarked property. We negotiated (and in most cases drafted) the terms of a purchase and sale agreement, development agreement, joint venture agreement and other transaction documents, and provided tax and tax structuring advice.



The client also entered into a complex purchase and sale agreement for the acquisition of a prime development site on the upper west side of Manhattan for approximately \$100 million. The purchase and sale

agreement was executed following exercise by the organization of a right of first refusal which it held under a long term ground lease. The purchase and sale agreement provides for a temporary lease-back of the property to the current owner/user following the closing, pursuant to a net lease. We represented the organization in negotiation of the purchase and sale agreement and the net lease, and provided tax and tax structuring advice.

Overseas Development

CL&M represented a New York-based developer in connection with residential development projects in Central America, including the negotiation of construction financing from a local bank, the formation of a U.S. limited liability company to raise equity capital in a private placement for a new project, the formation of a local entity to develop that project, and the negotiation of an agreement with a local provider of design, construction and marketing services.



Barbara B. Brown, who was named a partner, focuses on the area of commercial real estate, with an emphasis on space and ground leases of office and retail properties, both

on behalf of landlords and tenants, as well as acquisitions and sales of commercial properties. She has represented private entities of all sizes, from publicly-traded companies to closely held corporations, as well as numerous tax-exempt organizations. In the course of her representation, Ms. Brown has also represented clients in negotiating construction and architect's contracts, financings, and numerous other types of agreements. She received her J.D. from New York University School of Law and her B.A. *summa cum laude* from City University of New York, Queens College.

Gateway to America®



Israel

For over 20 years CL&M has represented numerous Israeli public, private and governmental companies in connection with their activities in the U.S., specializing in Israeli companies that are publicly traded on U.S. exchanges.

Securities

During 2013 CL&M counseled various publicly traded companies based in Israel on their U.S. related securities and corporate matters. Among these companies are **B Communication Ltd.** (NASDAQ and TASE: SMLC), **Internet Gold Golden Lines Ltd.** (NASDAQ and TASE: IGLD), **Eltek Ltd.** (NASDAQ: ELTK), **EZchip Semiconductor Ltd.** (NASDAQ and TASE: EZCH), Gilat Satellite Networks Ltd. (NASDAQ and TASE: GILT), Internet Gold - Golden Lines Ltd. (NASDAQ and TASE: IGLD), **Magal Security Systems Ltd.** (NASDAQ: MAGS), **Magic Software Enterprises Ltd.** (NASDAQ and TASE: MGIC), **Matrix IT Ltd.** (TASE: MTRX), **Mer Telemanagement Solutions Ltd.** (NASDAQ: MTSL), **Pointer Telocation Ltd.** (NASDAQ: PNTR) and **RADA Electronic Industries Ltd.** (NASDAQ: RADA).

We assisted **SuperCom Ltd.**, a global provider of traditional and digital identity solutions, providing advanced safety, identification, tracking and security products to governments and private and public organizations, in connection with a \$13.8 million follow-on public offering of its ordinary shares.

CL&M acted as U.S. counsel to **Eltek Ltd.**, the leading Israeli manufacturer of advanced circuitry solutions including complex build-ups of rigid and flex-rigid printed circuit boards, in connection with the negotiation of the sale of 3.5 million ordinary shares to Nistec Ltd., a leading provider of electronic manufacturing services and design services, and a contemporaneous acquisition by Nistec of all the ordinary shares held by Eltek's principal shareholder. The transaction also requires shareholder approval.

Our client **Ramot Ltd.**, the technology transfer company of Tel Aviv University, raised \$17 million for its Technology Innovation Momentum Fund. The fund plans to invest in 20 to 40 pharmaceutical, healthcare, high-tech and physical science projects in the first quarter of 2014. The investment was led by Tata, which committed up to \$5 million, with the balance provided by SanDisk and angel investors, primarily from South Africa, the U.S. and India.

CL&M acted as the outside legal counsel for the **U.S. Israel Business Council, Inc.** in their ongoing affairs during 2013. The U.S. Israel Business Council is a non-profit organization dedicated to bringing together members, community leaders, investors, senior executives and entrepreneurs to design and implement investments in, and trade programs between, the United States and Israel.



United Kingdom

We assisted a wide range of U.K. based clients in their M&A financing and operations.

Mergers and Acquisitions

We assisted the shareholders of **Wage Day Advance Limited** in the U.S. aspects of the sale of their shares to SRC Transatlantic Limited backed up by a guarantee from the parent of buyer, Speedy Cash Intermediate Holdings Corp. We assisted **Corporate Resources Services, Inc.** (NASDAQ: CRRS), a diversified technology, staffing, recruiting and consulting services firm providing managed services and trained employees in a variety of industry sectors, with its acquisition of U.K.-based Flex Recruitment Plus Limited. FlexPlus is a staffing and technology business specializing in the placement of temporary, contract and permanent candidates into the logistics, fulfillment, warehousing and retail sectors. We assisted **RealityMine LLC**, a subsidiary of **RealityMine Ltd.**, with the purchase of the assets of the Media Behavior Institute. RealityMine provides research tools that measure and analyze consumer behavior on-line.



Securities and Financing

We represented **Servelec Group plc** in the U.S. aspects of a public offering of its shares in the U.K. and their listing on the London Stock Exchange, and advised on the due diligence on its U.S. subsidiary. CL&M represented **HSBC Bank Plc** in a loan to 4B Elevator Components Limited for the purchase by its parent, T.F. & J.H. Braime (Holdings) Plc of a Property in Illinois, secured by a mortgage over the property. Bond Dickinson worked with CL&M and advised on the English law aspects of the deal. CL&M represented **Vee24, Inc.**, a leading Boston based Video Chat company, in a reverse subsidiary exchange agreement with its parent, Rixen U.K. Ltd and a subsequent Series A Investment in Vee24, Inc. by Boston based venture capitalist firms, Data Point Capital and Point Judith Capital. We represented **Electrocomponents plc** in connection with the US aspects of an intercompany dividend declaration involving a U.S. subsidiary. CL&M represented former **Lodestone Global Natural Resources Fund** on the registration of an affiliated entity with the National Futures Association as a Commodity Pool Operator under the Commodity Exchange Act as revised in the wake of the Dodd-Frank Act.

Bankruptcy

CL&M represented the **Gardner Group Limited** in its creditor claims against Hawker Beechcraft in the U.S. Bankruptcy Court. We advised **Quercus Publishing plc** in a claw back claim brought against it by the liquidating trustee of Borders Books to claw back payments made during the 90-day period before bankruptcy.

Employment

CL&M represented **Becatech, Inc.**, a U.S. commercial security company, in certain employment matters. CL&M represented a client of Scottish law firm Harper Macleod LLP in connection with the client's employment separation from his U.K. employer and his rights under a Stock Incentive Plan governed by Delaware law issued by a U.S. affiliate of the U.K. employer.



Gateway to America®



Canada

CL&M has represented a wide range of corporations, financial institutions and governmental entities throughout Canada in their cross-border matters for over 60 years. In 2013, we assisted clients in dozens of public offerings, private placements, mergers, acquisitions, business combinations and a wide range of other matters, including the following:

Securities

CL&M assisted **Keyera Corp.** (TSX: KEY) with its closing of CDN\$231 million long-term private note placement with a group of institutional investors in Canada and the U.S. Our client **Crew Energy Inc.** closed its offering of CDN \$150 million principal amount of 8.375% senior unsecured notes. We assisted **Crescent Point Energy Corp.** with a private placement of long-term debt in the form of senior guaranteed notes to a group of institutional investors. In total, US\$290 million and CDN\$10 million were raised through three separate series of notes under various terms and rates. CL&M assisted **Caledonian Royalty Corporation** in its private placement new issue offering of 7.50% Senior Secured First Lien Notes for gross proceeds of CDN \$48 million.

Our client **Baytex Energy Corp.** (TSX: BTE) (NYSE: BTE) filed a Short Form Base Shelf Prospectus with the securities regulatory authorities in each of the provinces of Canada (other than Quebec) and a Registration Statement with the United States Securities and Exchange Commission. The Short Form Base Shelf Prospectus will allow Baytex Energy Corp. to offer and issue common shares, subscription receipts, warrants, options and debt securities by way of one or more prospectus supplements at any time during the 25-month period that the Short Form Base Shelf Prospectus remains in place.

We assisted **Strategic Oil & Gas Ltd.** (TSXV: SOG) in its non-brokered private placement of 20.2 million common shares for proceeds of CDN \$19.2 million. We assisted **Bengal Energy Ltd.** (TSX: BNG) with its brokered private placement of 9.5 million common shares for aggregate gross proceeds of approximately CDN \$5.7 million. We assisted **Whitecap Resources Inc.** in its private placement offering of “flow-through” shares for gross proceeds of approximately CDN \$20 million. Our client **Stem Cell Therapeutics Corp.** (TSXV: SSS) closed a prospectus offering of 12.3 million shares gaining CDN \$3.1 million in aggregate gross proceeds.



Mergers and Acquisitions

CL&M assisted **Alaris Royalty Corp.** with its plan of arrangement. In accordance with the terms of the arrangement, an aggregate of approximately 40 thousand common shares were sold on behalf of Non-Qualified U.S. Shareholders.



Our client **Black Shire Energy Inc.** completed its plan of arrangement with Twin Butte Energy Ltd., pursuant to the Business Corporations Act (Alberta), for total consideration of approximately CDN \$358 million, including the assumption of approximately CDN \$107.6 million of net debt.

CL&M assisted **AvenEx Energy Corp.** (TSX: AVF) in a plan of arrangement with Pace Oil & Gas Ltd. (TSX: PCE) and Charger Energy Corp. (TSXV: CHX), to form Spyglass Resources Corp. (TSX: SGL). Spyglass will be an intermediate-sized oil and gas producer with a balanced commodity profile and a monthly cash dividend.

Our client **Anatolia Energy Corp.** completed a business combination with Cub Energy Inc., whereby Cub acquired all of the issued and outstanding common shares of Anatolia in exchange for Cub common shares pursuant to a plan of arrangement under the Business Corporations Act (Alberta). As a result of the arrangement, Anatolia became a wholly-owned subsidiary of Cub.

We assisted **RMS Systems Inc.** (TSXV: RMS) in its plan of arrangement under the Business Corporations Act (Alberta) with PHX Energy Services Corp., where PHX acquired all of the outstanding common shares of RMS not already owned by PHX.

We assisted our client **Tuscany Energy Ltd.** (TSXV:TUS) in its acquisition of Diaz Resources Ltd., pursuant to a plan of arrangement under the Business Corporations Act (Alberta). In addition, following the completion of the business combination, the shares of Tuscany were consolidated on an 8 to 1 basis.

Singapore

CL&M represented **CSE Global Limited** (SP: CSE) in the sale of its shares in CSE-Global (UK) Limited to an institutional investor in the U.S.

We advised Singapore law firm **Rajah & Tan LLP** in structuring a proposed sale of a 35,000 dwt bulk carrier owned by its client, a Hong Kong ship-owner, to a company whose shares are listed on NASDAQ, and the financing of the transaction by a New York based private equity firm.



CL&M advised a Singapore listed company in its tender offer for all of the shares of an Australian Stock Exchange listed company, 45% of whose shares were owned by a U.S. NASDAQ listed company.

Gateway to America®



Italy

We advised **Radiomarelli SA** in a \$130 million PIPE transaction and a related \$380 million M&A transaction in which Radiomarelli and its affiliate Futurum Energy SA agreed to sell to Prime Acquisition Corp. minority interests in several special-purpose entities that are developing photovoltaic plants in Romania and 100% interests in the “green certificates” to be issued by the Romanian government upon completion of the plants.

CL&M represented **Relight Capital** and its U.S. affiliates in corporate, financing and regulatory aspects of the development of two wind farm projects with a combined capacity of 456 MW.

CL&M represented **Nerviano Medical Sciences S.r.l.**, the largest Italian medical R&D facility, in connection with licensing and collaboration agreements.

We assisted **GE Capital Interbanca SpA** in asset lending transactions with Italian borrowers. The loans are secured by U.S.-based commercial properties owned by the U.S. affiliates of the borrowers.

We advised **SFEM Italia Srl** and U.S. affiliates in their acquisition and development of residential buildings located on Warren Street, Duane Street, and Lispenard Street in New York City and related corporate, financing and regulatory matters.

CL&M represented **Stevanato Group SpA** and U.S. affiliates in regulatory and other ongoing business matters in the U.S.

We assisted **Cambria Coinvestment Fund LP** in its private equity investments and other business matters in the U.S.

We represented **Faber Industrie SpA** in its equity investments in Midwest Cylinder, Inc. and Kaplan Industries, Inc. and other corporate, regulatory and commercial litigation matters.

CL&M advised **Noodles.com Srl** and its U.S. subsidiary in a corporate reorganization.

We assisted **Puerto Azul International Holding Corp.** in corporate, securities and fundraising matters related to its development of resort and residential developments in Belize and the Dominican Republic.

CL&M represented **Friends of the Italian Cultural Institute d/b/a LaFondazione**, a New York not-for profit affiliated with the Italian Ministry of Foreign Affairs, and **Fondazione Telethon**, one of the largest Italian not-for-profits, in tax, corporate and other regulatory matters.



Ireland

CL&M advised **Trinity Biotech Plc** (Nasdaq: TRIB) in its acquisition of Immco Diagnostics Inc. for approximately \$32 million. Immco is a diagnostic company which develops, manufactures and sells autoimmune test kits on a worldwide basis. Trinity Biotech specializes in developing, manufacturing and marketing of clinical diagnostic products.

We assisted **Information Mosaic Limited**, a financial software company, in structuring a sub-contract for a major U.S. financial institution.

We worked with media and marketing company **Modeva** to adapt its SMS and online product offerings to comply with U.S. state and local regulations.



Australia

We assisted **Prana Biotechnology Ltd**, a developer of therapeutic drugs designed to treat the causes of age-related degeneration of the brain and the eye, to increase its At-The-Market Issuance sales facility to \$47 million.

CL&M represented **Slater & Gordon Limited** (ASX: SGH), an Australian global law firm, in the offering of its shares to U.S. shareholders pursuant to a dividend reinvestment plan.

Barbados



CL&M assisted **Global SC Finance II SRL** with the successful completion of offerings of \$200 million and \$250 million of fixed rate asset backed notes. The notes were offered and sold to qualified institutional buyers pursuant to Rule 144A and outside the U.S. pursuant to Regulation S under the Securities Act. Global SC Finance II SRL is a subsidiary

of Seaco SRL, one of the world's leading marine container leasing companies.

Offshore Funds

London-based **Taube Hodson Stonex Partners LLP** launched a new sub-fund of their Luxembourg specialized investment fund. The launch included a private placement of fund interests to highly qualified investors in the U.S. CL&M advised on the U.S. aspects of the fund launch and prepared U.S. disclosure and subscription documents.

Money Matters



Broker-Dealer

We represented and advised numerous broker-dealers concerning regulatory, compliance, enforcement, and examination issues related to federal and state securities laws and rules of self-regulatory organizations. We also assisted new broker-dealers with formation and regulatory matters. For example, we assisted **Robinhood Financial LLC** in its formation as a FINRA member broker-dealer, including helping it through the FINRA New Membership Application process, counseling it in general broker-dealer regulatory matters and helping it become the world's first commission-free retail brokerage firm. We represented well-established broker-dealers in preparing and gaining approval for their FINRA Continuing Membership Applications, including **Cabot Lodge Securities LLC** in its acquisition of Allied Beacon Partners Inc. CL&M represented broker-dealers and their registered representatives in enforcement investigations with FINRA and the SEC, including assisting in settlement negotiations and preparing Wells responses.

Funds and Investment Companies

CL&M assisted clients in the formation of U.S. and offshore hedge funds, including master-feeder, side-by-side, fund of funds and Delaware series limited liability company structures. We helped domestic and offshore private investment funds and their investment managers develop strategies to comply with major new regulations under the Dodd-Frank Act. CL&M advised the **GCA Credit Opportunities Master Fund, Ltd.** and its U.S. and offshore feeder funds regarding compliance matters and provided ongoing assistance with updating their confidential offering memoranda and subscription documentation. CL&M provided advice to hedge fund clients regarding side pocket arrangements. We represent a major bank that acts as trustee and custodian to unit investment trusts and ETFs regulated under the Investment Company Act. As part of our corporate practice, we often advise on investment company status issues.



Yoram Keinan, who joined the firm as a partner, has significant experience in both domestic and international tax law. His practice has focused on the taxation of financial products and institutions. He regularly advises a number of multinational companies, global banks and investment firms. He received his I.T.P. in International Taxation from Harvard Law School, his LL.M. from University of Michigan Law School, his M.P.A. in International Taxation from Harvard University, John F. Kennedy School of Government and his J.S.D. from the University of Michigan Law School. In Israel, he received his LL.M. from Hebrew University School of Law, his M.B.A. from Bar-Ilan University and his LL.B. and B.A. degrees from Tel Aviv University.

Secondary Fund and Private Equity Fund Managers

Secondary funds purchase interests in venture capital and private equity funds from existing investors. They are private funds of funds, and their managers, along with the managers of private equity funds, must register with the SEC as investment advisers as a result of the Dodd-Frank Act. CL&M assists these clients with registration and compliance under the Investment Advisers Act and other statutes.

Investment Advisers

We assisted numerous investment advisers, commodity pool operators and commodity trading advisers in their formation process, complex structuring issues, compliance policies and procedures and significant transactions. CL&M also assisted investment advisers in responding to SEC OCIE examinations and enforcement investigations and settlements.

Exchange-Traded Products

We continued to provide general representation to our client **SPDR® Gold Trust** (NYSE Arca: GLD). The Trust, the first exchange-traded fund to track a commodity, is one of the world's largest exchange traded funds.



We also represented **The Bank of New York Mellon** in its capacity as trustee for various commodity based ETFs including the ETFs Silver, Gold, Platinum, Palladium, Precious Metals Basket and White Metals Basket Trusts and the iShares® Gold and Silver Trusts.

Distressed Debt

CL&M has extensive experience with the purchase and sale of domestic and foreign distressed bank loans and other financial claims on behalf of hedge funds, trading desks and special purpose vehicles. We help our clients achieve success in the U.S., European, Latin American and Asian Pacific markets by negotiating and documenting confidentiality agreements, big boy letters, trade confirmations, purchase and sale agreements, participation agreements, sub-participation agreements, and netting and proceeds letters.



Ann M. Batchelor, who was promoted to counsel, focuses on representing hedge funds, investment banks, trading desks, and special purpose vehicles in the purchase and sale of distressed bank loans and other financial claims. She negotiates and

documents transactions involving the transfer of loans, securities and trade claims in the U.S. and European markets. Ms. Batchelor represents both public and private companies on mergers and acquisitions, Hart-Scott-Rodino filings and other general corporate matters and advises public companies, including exchange-traded funds, in securities matters. She received her J.D. *magna cum laude* from New York Law School and her B.A. *magna cum laude* from Elon University.

Through our membership in the Loan Syndications & Trading Association (LSTA) and its Trade Practices and Forms Committee, our attorneys are actively involved in establishing market practice and developing standards.

Domestic Transactions



We represented **CooperSurgical, Inc.** and its affiliated companies in connection with some of their customer relationships, their supply and distribution agreements, and CooperSurgical's disposition of non-core product lines. We also assisted CooperSurgical with general corporate matters, including its engagement of financial advisors, and matters involving its employees and consultants. We assisted CooperSurgical's parent, **The Cooper Companies, Inc.** (NYSE: COO), in reorganizing certain of its affiliated companies. CooperSurgical develops, manufactures and markets medical devices, diagnostic products and surgical instruments and accessories used primarily by obstetricians and gynecologists. It also has a significant in-vitro fertilization business.

CL&M represented **Stone Source LLC** with its customer relationships, including supply agreements. We also assisted Stone Source with general corporate and employment matters, including debt financing and equity-based compensation awards. Stone Source provides carefully-selected materials to the top architecture and design firms in the world and to business and individual clients.

We represented **SOS International LLC** and its affiliates in general corporate matters, including debt financing and its establishment of foreign subsidiaries and operations. SOSi provides services related to logistics and supply chain management, training, intelligence, language and culture, information technology and deployment to public and private-sector clients in many areas of the world.



We continue to provide general corporate advice to the **Materials Technology Institute**, **Thoroughbred Racing Associations** and the **Victaulic Company**.

Corporate Trust



CL&M represented three of the largest municipal corporate trust banks in the United States, **The Bank of New York Mellon**, **U.S. Bank National Association** and **Wells Fargo Bank, N.A.** in connection with their respective corporate and municipal bond transactions. A majority of these representations were in transactions based in New York State, but the scope of representation extended coast-to-coast and internationally. As the municipal bond trustee, CL&M's clients captured a majority of the market share this year.

CL&M's clients were involved with an extensive array of corporate, municipal and collateralized debt products, including some interesting issuances for corporations, military housing, hospitals, sports venues, pooled trusts and the rebuilding of Ground Zero in Lower Manhattan. CL&M routinely represented trustees on transactions before the Dormitory Authority of the State of New York, the New York State Housing Financing Agency, New York City Housing Development Corporation, and Build NYC.

Our clients continually work with many companies and agencies issuing debt and equity under stand-alone Resolutions, Trusts and Indentures or under programmatic Master Resolutions, Master Trusts or Master Indentures, with Series or Supplemental Trusts or Indentures for later bond issuances. An example of such a program is the New York City Municipal Water Finance Authority's Water and Sewer System Second General Revenue Bond program, which began in 1994. Additionally, CL&M represented The Bank of New York Mellon in its capacity as Indenture Trustee for a \$6 billion Medium Term Note Program launched by Societe Generale. CL&M represented The Bank of New York Mellon in its capacity as bond trustee on over 100 series of bonds in 2013, under both stand-alone and programmatic Resolutions and Indentures.

As a result of the expiration of the Industrial Development Agency enabling legislation in New York, our clients continued to work with new issuers (such as the New York Liberty Development Corporation) in addressing the new issuance, refunding and remarketing of previously issued New York based Industrial Development Bonds.

The firm also represented BNYM in several issues of public debt, including transactions for Citigroup Global Markets and Freescale Semi-Conductor.

Insolvency and Creditors' Rights

CL&M continued its representation of more than fifty funds which purchased residential mortgage-backed securities issued by over 100 securitization trusts created by **Residential Capital, LLC** and its affiliates. The holders asserted claims for, among other things, the Debtors' breaches of certain representations and warranties concerning the quality of the loans deposited into the trusts. After the collapse of a settlement which had been negotiated shortly before the Debtors filed for bankruptcy protection in May 2012, CL&M worked with legal and financial representatives of more than a dozen different constituencies ranging from holders of secured and unsecured bonds, borrower claimants, securities law claimants, monoline insurers, trustees of the various securitization trusts and a number of government agencies to hammer out a greatly revised consensual plan of liquidation which was confirmed in December 2013.



We represented **The Bank of New York Mellon** as indenture trustee for debt issues in a number of chapter 11 bankruptcy cases in New York and Delaware involving a number of different industries including Ambac Financial Group, the parent of Ambac Assurance Corporation, and Central European Distribution Corporation, both of whose plans were confirmed and became effective in 2013. We have continued to represent the bank in post-confirmation matters in the case of Raser Technologies, a geothermal energy producer, which confirmed a plan of reorganization in late 2011.

We have represented and are continuing to represent a number of diverse clients in the Lehman Brothers bankruptcy. Although Lehman's plan of liquidation was confirmed by the bankruptcy court in December 2011, we continue to act on behalf of our clients in such matters as litigating claims objections, defending preference and fraudulent transfer actions, and prosecuting customer and employee claims against the brokerage entity, Lehman Brothers, Inc.

Compensation and Benefits

We have represented a number of clients holding different types of interests in such major bankruptcy cases as Borders Books, iBahn Corporation and Rural/Metro Corporation.

The firm's representation of **The Bank of New York Mellon** in the rehabilitation proceedings of Financial Guaranty Insurance Company, a monoline insurer, concluded with the approval of that company's rehabilitation plan by the New York State Supreme Court.



James Gadsden, the head of the firm's Creditors' Rights Group, testified as an expert witness on complex trust indenture issues in the Residential Capital and K-V Discovery Solutions bankruptcy cases.

The Employee Retirement Income Security Act (ERISA) and executive compensation practice at CL&M is multidisciplinary, utilizing the experiences of the firm's ERISA, tax and corporate attorneys and adding value whenever possible to CL&M's other practice areas, such as trust and estates.

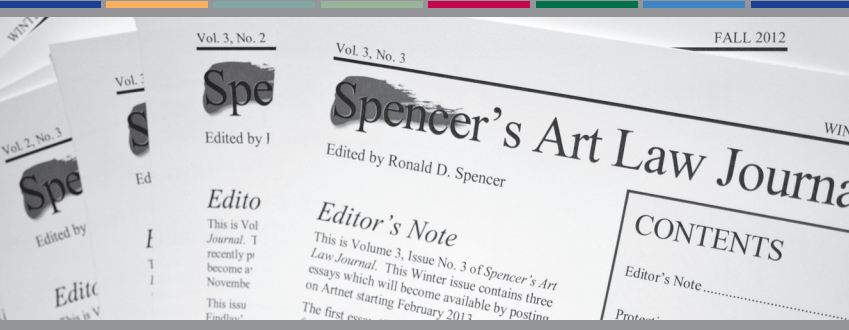
Our financial service clients **The Bank of New York Mellon**, **Alaris Royalty Corp.**, **Sunshine Oilsands Ltd.**, **Crew Energy Inc.**, the **GCA Credit Opportunities Funds**, **Canoe Financial LP**, **Taube Hodson Stonex Partners Limited**, **Pointer Telocation Ltd.** and **Bedlam Asset Management plc** engaged us in a wide variety of investment offerings that attract pension plan investors who are subject to ERISA and the "plan asset" regulations issued under that statute. We advised them on necessary disclosures, desirable provisions in various debt and equity offerings, investment structuring and other ERISA considerations. We also assisted **World Gold Trust Services, LLC** with its request for a ruling from the Internal Revenue Service to confirm the continued availability of its SPDR® Gold Trust as an investment for individual retirement account investors. Professional asset managers **Levy, Harkins & Co., Inc.** and **Benchmark Capital Adviser, Inc.** sought our counsel on fiduciary compliance matters under ERISA.

We advised **Corporate Resource Services, Inc.**, **cVidya Inc.**, **Orient-Express Hotels Ltd.**, **Liquor Stores N.A. Ltd.**, **Wyser-Pratte Management Co., Inc.**, **Magic Software Enterprises Ltd.** and **Alaris Royalty Corp.** on stock option plans, incentive compensation arrangements, employment agreements and proxy materials.

We advised **Materials Technology Institute of America** and the **Surdna Foundation Inc.** regarding obligations under the Patient Protection and Affordable Care Act's evolving regulatory scheme. We advised **United Realty Advisors LP**, **Keyera Energy** and **Trinity Biotech plc** on compliance considerations and performed due diligence in corporate transactions.

Art Law

Following up on our significant court victories for renowned artist **Robert Indiana** and the New York Court of Appeals unanimous ruling in our client's favor in **Mirvish v. Mott**, in 2013 CL&M's Art Law Group continued to represent dealers and collectors in disputes concerning warranties, ownership and authenticity of fine art. In one matter, we advised a California gallery facing a claim that the provenance for artwork was incomplete because it did not include a gallery that had previously sold the work. Because that gallery is currently involved in litigation concerning allegations of forgery, the buyer claimed that the artwork would be more difficult to re-sell. We also represented an English gallery that purchased and re-sold artwork with a certificate of authenticity signed by the artist, where the artist's estate later questioned both the signature on the certificate and the authenticity of the work.



We advise artists and artists' estates. We negotiated several agreements for the commissioning of new artwork, and advised artists and owners on their intellectual property rights, including the artist's right to object to modification of artwork. We also advised artists, artists' estates and galleries on dealers' obligations under the recently amended New York Arts and Cultural Affairs Law for the consignment of large art collections.

CL&M also advises cultural institutions and numerous artist-established and collector-established foundations on evaluating organizational options and their tax implications, on activities such as opinions regarding authenticity and grantmaking programs, and on gifts and loans of artwork to museums.

Intellectual Property



Trademark, Certification Mark, Domain Name, and Copyright

For the **Estate of Syd Solomon**, we successfully required the take-down of unauthorized online postings of copyrighted works by a number of art galleries and auction houses. We assisted client **Citadel Capital SAE** in amicably resolving its dispute with Citadel LLC.



We assisted client **Nano Hotels, LLC** in registering its NANO HOTEL mark and domain name in numerous countries, assisted client **Surfer Girl International Pty Ltd.** with numerous marks in the U.S., and advised clients **American National Standards Institute (ANSI)**, **ANSI-ASQ National Accreditation Board (ANAB)**, and **Woolmark Americas, Inc.** on certification mark issues.

On behalf of the Estate of acclaimed abstract expressionist painter **Paul Jenkins**, we successfully obtained an eBay takedown of an



On behalf of the Estate of acclaimed abstract expressionist painter **Paul Jenkins**, we successfully obtained an eBay takedown of an infringing book and succeeded in stopping publication.

We assisted client **Lainie Fefferman** (daughter of Fields Medal winner Charles Fefferman) in registering copyright in a trigonometry textbook, and assisted client **Solar-Tectic LLC** with registration of various copyrights.

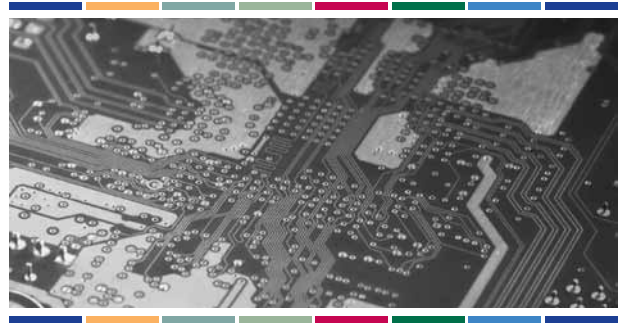
CL&M advised **Bibop S.p.A.**, a Milan based web entertainment company, in the sale of its intellectual property to Starfish Holdings, Inc. d/b/a Your Offer and on license-back arrangements.

We represented **Venetia Studium Srl** in connection with intellectual property and trademark infringement matters related to its "Fortuny" lamps.

CL&M assisted jewelry designer **Paolo Costagli** and related brands in connection with intellectual property prosecution matters.

For our clients **The Gross Family Foundation, Inc.** and **Fashion Rocks LLC**, we successfully completed a joint venture with Scottish company Fashion Rocks Group Ltd, creating a new worldwide licensing company for the famous mark FASHION ROCKS.

We represented clients **Yangpu NGT Industrial Co., Ltd.**, **Vantone Holdings Co., Ltd.**, **China Center New York LLC**, and their U.S. affiliates in defending against cancellation proceedings in the U.S. Patent and Trademark Office and against allegations of trademark infringement and related claims brought in federal district court.



John M. (Jack) Griem, Jr., who joined the firm as a partner, concentrates on intellectual property litigation, particularly patent litigation, as well as license and technology agreements, strategic portfolio

development, and intellectual property issues arising in corporate and finance transactions. He also advises clients on trademark matters, including litigation seeking preliminary injunctions, U.S. Patent and Trademark office opposition proceedings, and prosecution to obtain federal registration. Having led major patent litigation in the fields of pharmaceuticals, diagnostic testing, medical products, consumer electronic products and semi-conductors, among others, Mr. Griem has counseled clients on each phase of a patent infringement case and its attendant antitrust issues, from pre-suit investigation to fact and expert discovery, summary judgment motions, trial and appeal. He received his J.D. from Hofstra University and his A.B. from Dartmouth College.

Patent Litigation and Prosecution

For our clients **Arrow Electronics, Inc.** and **Transim Technology Corp.**, we successfully enforced a U.S. patent directed to an online electronic circuit simulation and design interface against several competitors.

We advised the owner of pioneering U.S. and foreign patents directed to a commercially successful biotech pharmaceutical in licensing and infringement matters and in connection with a potential sale.

We represented a foreign client in the Central District of California and won a Motion for Summary Judgment dismissing all of the defendants' counter-claims. An appeal on issues of patent infringement will be heard in the Court of Appeals for the Federal Circuit.

Tax-Exempt Organizations

CL&M's tax-exempt organizations practice grew substantially in 2013. We represented organizations in every step of their life-cycle, from formation to operation to termination. We incorporated and requested tax exemptions for charitable organizations, business leagues, and social welfare organizations. In addition to setting up a number of family foundations, we helped establish organizations dedicated to reducing gun violence, preserving the environment, and assisting new immigrants in acclimating to life in the United States.

We helped our clients with compliance and enforcement matters, from working with firm clients to complete charitable solicitation filings in 38 states to representing them in investigations by the New York State Attorney General and audits by the Internal Revenue Service.

We assisted the **National Academy Museum** in activating The Incorporated Edwin Austin Abbey Memorial Scholarships for Mural Painting in the United States of America, a long-dormant organization set up under a 1931 charitable trust so that it could once again make scholarship awards to promising artists.



CL&M advised the **Trustees of Sailors' Snug Harbor in the City of New York**, a charity devoted to helping retired mariners, set up under a will drafted by Alexander Hamilton in 1801, with issues related to their real estate holdings in North Carolina, as well as various governance and compliance matters. We also helped **Daniel's Music Foundation** with its purchase and financing of a new permanent multi-use facility and continued to work on the amendment of its certificate of incorporation to expand its corporate purposes. We worked with many of our clients in navigating such business issues as contract disputes with website designers, employment questions, matters related to their publications, and general liability questions.

We helped many of our clients overhaul their bylaws and other aspects of their governance structure, including complete revision of the bylaws of a public charity with programs in under-performing public schools, modifications of membership rules to enhance the operations of a mutual benefit society of retired French chefs, and the amendment of the conflict of interest policy for an arts organization that fosters contemporary music composition. Occasionally, we advised individual board members at odds with other board members over the legal constraints presented by the organization's governing documents, where we helped the organizations both resolve their disputes and come into compliance with relevant law.

CL&M advised numerous private foundations on grant-making issues, program-related investments, avoidance of self-dealing transactions, and general business questions. We helped individual family members resolve governance disputes in the operations of their family foundations.

CL&M also represented the **Unity Center of New York** in obtaining a substantial bequest left to it in an estate probated in the New Jersey courts, over the objection of the decedent's guardian and distant relatives.

Trusts and Estates

Our 2013 was shaped in significant part by the events of 2012 and the new estate tax landscape. Following the surge of gift-giving by our clients in 2012, this year saw a record number of gift tax returns prepared by CL&M or by others with our assistance. We also helped clients with the administration of trusts they created in 2012 and otherwise in the implementation of their 2012 gifts.

For many of our clients, the new estate tax landscape requires planning for a significant difference in the federal and state estate tax exemption amounts. The “portability” of the federal credit to a surviving spouse has created interesting new estate tax strategies for our clients who live in states like New York and New Jersey, where the state exemption is significantly lower than the federal exemption.



Our practice has otherwise continued to be varied and full of fascinating questions and challenges. We counseled clients owning property in multiple foreign jurisdictions on the tax consequences of their choice of domicile and the interaction of the tax systems of those countries. With our help, a United States domiciled client was able to navigate foreign law to create a trust allowing participation in an entity while, at the same time, observing the client’s fiduciary obligations. Our clients benefited from the innovative structuring of a charitable lead annuity trust funded with life insurance and providing for a significant balloon payment, to increase the amount available to their heirs while preserving a substantial charitable deduction. We negotiated and drafted a partnership agreement for a partnership holding significant foreign assets, achieving a final agreement that met the varied objectives of a multi-branch family and maintaining family harmony. In preparing and negotiating pre-nuptial agreements, we dealt with the complexities raised by the portability of the federal estate tax credit.



Catherine B. Sheehy, who was promoted to counsel, is a member of the Trusts & Estates Department. She advises high-net-worth individuals on wealth transfer, estate planning and charitable

giving, including income, gift, estate and generation-skipping transfer tax issues. She also advises executors and trustees on estate and trust administration, and tax-exempt organizations regarding governance and tax issues. Ms. Sheehy received her J.D. from Columbia University School of Law as a Harlan Fiske Stone Scholar, her B.A. from Columbia University, and an advanced certificate in Taxation from New York University School of Law.

A number of clients took advantage of the benefits of trust decanting under the recently revised New York statute and our particular familiarity with this subject, as one of our partners was involved in the writing and adoption of the statute. Trusts were decanted to protect assets, to simplify trust administration, to address unexpected family needs, and to secure a more favorable tax position.

A significant part of our practice is assisting in the management and administration of large and complex estates and trusts, including those with assets in multiple jurisdictions, both domestic and international, with unique assets, and with assets exceeding \$1 billion.

Civic Priorities



Michael H. Bauscher serves as secretary of the board of the 105 Northgate Tenants Corporation...**Bryce C. Bernards** provided pro bono services to inMotion (now Her Justice), worked pro bono on bankruptcy matters and raised over \$3,000 for the Multiple Myeloma Research Foundation by running to the top of the Empire State Building...**Alan J. Bernstein** provides pro bono legal services to and sits on the board of the

Community Development Venture Capital Alliance...**Aaron R. Cahn** serves on the board of the Concert Artists Guild...

Clifford P. Case serves on the boards of the Institute for Music and Neurologic Function and New York City Audubon and is treasurer and finance committee chair for the NAACP Legal Defense and Educational Fund...**H. Thomas Davis** is Clerk of Session of the Scarborough Presbyterian Church, and provided IP advice to GrowNYC...**Rosemarie Deptula** is a Lector and Eucharistic Minister at Queen of Angels Roman Catholic Church...**Denise A. Dixon** is treasurer of the Donald Van Blake Tennis & Education Foundation...**Jasmin J. Farhangian** coordinated the firm's contributions to First Step's clothing drive...

Christine A. Fazio served on the board of Friends of the High School for Environmental Studies...**David J. Fernández** serves as a firefighter for the Floral Park Volunteer Fire Department Engine Co. 2, is treasurer of the Dominican Academy Parent's Association, is head coach of the Dominican Academy Varsity Soccer Team and is past president and assistant road captain of the Red Knights International Motorcycle Club, New York Chapter XLIII...**James Gadsden** is a member of the choir at St. James Episcopal Church and a volunteer mediator at the U.S. District Court, Southern District of New York...

Nora Gardner volunteers at the Sacred Heart of Jesus Food Pantry...**John M. Griem, Jr.** serves on the board of directors of the Conrad Foundation and on the board of trustees of the First Presbyterian Church in the City of New York...**John J. Hanley** advises low-income New Yorkers through the Civil Legal Advice and Resource Office...**Kelley Harrison** volunteers at The Humane Society of New York...

Mary Joan Hoene serves on the board of the Newport Rhode Island Zoning Board of Review...**Macculloch M. Irving** serves on the boards of the Blanton-Peale Institute and the Middlesex School Alumni Association...**David I. Karabell** serves on the advisory board for the College of Liberal Arts at Temple University, serves on the finance committee of The University Club, is a director, vice president and counsel for Friends of the Upper East Side Historic Districts, and is a volunteer tour guide for the Central Park Conservancy...**Stephen L. Kass** serves as a director of the National Center for Law and Economic Justice and is an emeritus director and member of the policy committee of Human Rights Watch...

Jennifer H. MacDonald teaches Sunday school to the 5/K class and serves on the children's education committee at Brick Presbyterian Church...**Daniel J. McSwiggan** serves on the board of the Big Brothers Big Sisters of New York City...**Christian Moretti** is permanent advisor to Columbia Law School Association, Inc., is director and vice president of The Venetian Community of New York, Inc., co-chair of the French Institute Alliance Française (FIAP) Trophee des Arts Gala and founder and executive director of the Friends of the Italian Cultural Institute of New York d/b/a LaFondazione NY...

Andriy R. Pazuniak provided pro bono services to inMotion (now Her Justice) and is secretary of the International Human Rights Committee of the New York City Bar Association...**Christopher Rizzo** serves on the boards of New Yorkers for Parks and the Friends of Van Cortlandt Park ...**Michael Shapiro** is a member of the board of the NYSACDL Foundation and chair of the Prosecution and Judicial Complaint Center...**Scott M. Sisun** is a member of the American Cancer Society Taste of Hope Committee...**Ronald D. Spencer** is chairman of the board of the Fund for Park Avenue, serves on the board Carnegie Hill Neighbors and is a trustee of the Lachaise Foundation...**Theodore R. Wagner** serves on the board of The New 42nd Street...

Julie A. Weisman serves on the boards of the Pacific Forest Trust and the Water Resources Action Project and volunteers at N Street Village...**Madelyn K. White** serves as an SAT tutor for New York Cares...**Robert J.A. Zito** is a trustee of Union Chapel, chairman of The Venerable Order of the Hospital of St. John of Jerusalem, president and director of The Holland Lodge Foundation, secretary and director of The Holland Lodge Historical Society, trustee and chaplain of The Shelter Island Yacht Club and trustee of The Down Town Association...**Hugo E. Arenas**, **Iliza F. Bershad**, **Brandon J. Isaacson** and **Emily K. Sheahan** coordinated the firm's contributions to the Toys for Tots program...

Hugo E. Arenas, **Iliza F. Bershad**, **Jennifer M. Einersen**, **Kelly M. Frisch**, **Alison Powers Herman**, **Brandon J. Isaacson**, and **Katherine A. Mirett** provide estate planning advice at Legal Services NYC-Bronx...**Bryce C. Bernards**, **Jeffrey S. Boxer**, **Matthew D. Dunn**, **Alexander G. Malyshev**, **Emily Milligan**, **Emily K. Sheahan**, **Madelyn K. White** and **Mark R. Zancolli** mentored the mock trial team from William Cullen Bryant High School.

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