



2016 Year in Review

CARTER LEDYARD & MILBURN LLP

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CARTER LEDYARD & MILBURN LLP

TO OUR CLIENTS AND FRIENDS

Our clients had a really good year in 2016.

Clients in the United States, Canada, Israel, the United Kingdom, China, Australia, and Ireland were busy with mergers and acquisitions, securities offerings, financings, restructurings, real estate investments, and other transactions. Other clients successfully defended and asserted their rights in litigations, arbitrations, government investigations, and other proceedings. Our financial industry clients addressed a wide variety of regulatory and enforcement matters, and our New York government agency clients brought and resolved eminent domain actions for the continuing redevelopment of New York City.

Commercial and tax-exempt clients alike completed complex real estate purchase and leasing transactions, navigated complex environmental and land use regulations, and undertook infrastructure and energy development projects. They negotiated agreements and litigated disputes concerning employment, trusts and estates, securities, taxation, maritime law, intellectual property, criminal law matters, and even lost and stolen works of art. Our individual clients established trusts and foundations and took other steps to protect their wealth for posterity and the public good.

To better help our clients in an ever-evolving legal landscape, we launched a Cybersecurity Practice Group and also formalized our long-standing Fiduciary Litigation Practice Group.

We congratulate our clients on their successes, and look forward to helping them achieve their goals and objectives in 2017.

Carter Ledyard & Milburn LLP

Keeping businesses growing



Carter Ledyard's Corporate Department provides sophisticated counsel on complex and demanding transactions in the United States and around the world, from mergers and acquisitions and cross-border financings to financial industry regulatory and compliance matters. We enjoy a reputation as one of the country's leading midsize business law firms and as a particularly attractive resource for mid-market companies and international clients seeking knowledgeable and experienced corporate counsel. Headquartered on Wall Street since 1854, our business lawyers measure their success by the successes of our clients.

M&A AND GENERAL COMMERCIAL TRANSACTIONS

Carter Ledyard represented **Stone Source, LLC**, a design-driven supplier of carefully selected surface coverings, including natural and engineered stone, tile, and reclaimed wood, in its acquisition of substantially all of the assets of Mission Stone & Tile Co. The acquisition expanded Stone Source's national network of showrooms into Nashville, Tennessee.

Carter Ledyard represented **CooperSurgical, Inc.** in its acquisition of Recombine, Inc., which provides carrier screening services to prospective parents, helping to assess the likelihood of whether their future children may be born with a genetic condition, and its acquisition of the Genesis Genetics business, a genetics laboratory business specializing in pre-implantation genetic screening and pre-implantation genetic diagnosis.

We also assisted **CooperSurgical** and its affiliates with supply and distribution agreements, contracts with design services providers, and collaborative arrangements with teaching hospitals.

Carter Ledyard represented **Topix Pharmaceuticals Inc.**, a leading provider of innovative therapeutic and cosmetic skin care products, in a strategic transaction involving a private equity firm.

M&A AND GENERAL COMMERCIAL TRANSACTIONS

Our lawyers represented **Matrix-IFS**, a leading global provider of business and technology solutions to the financial industry in the areas of financial crime, risk, business intelligence, and compliance, in its acquisition of Network Infrastructure Technologies Inc., a leader in IT consulting and outsourcing for the financial and healthcare industries.

We worked with U.K. counsel to assist **CooperSurgical** with its acquisition of Reprogenetics UK Limited, a genetic testing business in which it previously held a minority interest, and with its acquisition from Smiths Medical of the Wallace line of pipettes, needles, and catheters used in IVF procedures. Together with Danish counsel, Carter Ledyard represented CooperSurgical in its acquisition of Kivex Biotec A/S, a Danish manufacturer of IVF equipment.

Carter Ledyard advised **Materials Technology Institute** in connection with its affiliates' operations in Europe and Asia.

We advised **KIRA Incorporated**, an award-winning federal government contracting company, on the Native American law aspects of the acquisition of KIRA Incorporated by the Tlingit Haida Tribal Business Corporation, an economic development arm of the Central Council of the Tlingit Haida Indian Tribes of Alaska.

Our client **Woodlake Advisors LLC**, a private equity sponsor, acquired control of SPI, a Jacksonville, Florida-based manufacturer of precast concrete structures used in road and highway infrastructure. The transaction involved a leveraged buyout with equity co-sponsors, senior and mezzanine debt, and a sale-leaseback of SPI's premises.

We also advised the **Thoroughbred Racing Associations** and **Thoroughbred Racing Protective Bureau** in connection with their wagering due diligence investigations in Mexico and Asia.

[NEW PARTNER]



Stephen M. Fields

Partner, Corporate Department

Stephen M. Fields focuses on investment transactions on behalf of fund managers engaged in leveraged buyouts, mezzanine investing, and venture capital investing across a wide variety of industries. He has focused on middle-market funds (under \$300 million) that make minority, control, and/or leveraged buyout investments. He has formed more than 50 funds and has negotiated investments by numerous types of institutional investors, both foreign and domestic. Mr. Fields is also one of the few transactional lawyers in the U.S. that has, for many years, represented Small Business Investment Companies (SBICs) in their formation, licensing, and investment transactions.

A newborn baby with dark hair is sleeping peacefully, curled up in a white, fluffy blanket. The baby's face is in profile, and their eyes are closed. The blanket is thick and textured, providing a cozy environment for the infant.

Our Clients had a Really Good Year®

CooperSurgical

Our client **CooperSurgical, Inc.** focuses on women's health. It is a leading supplier of medical instruments, devices, and disposables that serve the healthcare needs of women throughout their lives, and a leading provider of products to fertility clinics and genetic testing services to women and couples seeking to expand their families.

CooperSurgical offers a broad product line addressing the special needs of women, including surgical instruments, clinical and office-based products, and labor and delivery products. Its products are used by OB/GYNs and other healthcare professionals for procedures ranging from basic exams to complex surgeries. CooperSurgical's assisted reproductive technology business, Origio, focuses on delivering culture media and other innovative solutions to fertility clinics. Its genomics businesses, Reprogenetics, Genesis Genetics, and Recombine, provide pre-implantation genetic testing of embryos in IVF procedures and carrier screening for couples considering having children.

CooperSurgical is headquartered in Trumbull, Connecticut, with manufacturing and distribution facilities in Trumbull and other locations in the U.S. and worldwide. CooperSurgical is a subsidiary of The Cooper Companies, Inc. (NYSE: COO).

www.coopersurgical.com

FINANCING TRANSACTIONS

Our clients **Keybanc Capital Markets** and **Keybank N.A.** recently led a syndicate of other lenders in a \$115 million Senior Secured Credit Facility for the Navajo Transitional Energy Company, operator of the Navajo coal mine on the Navajo Nation reservation. The funds were used to pay off the company's acquisition loan for the mine, which had enabled the Navajo Nation to take control of its natural resources.

We also represented a syndicate of lending banks and a group of investment banks on issues of tribal law regarding the Mohegan Tribal Gaming Authority's recent \$1.9 billion refinancing, which consisted of a \$500 million private placement bond offering and a \$1.4 billion senior secured credit facility, the proceeds of which were used in part to fund \$785 million in tender offers for and a \$100 million prepayment of certain other debt of the Authority.

DISTRESSED DEBT AND SECONDARY LOAN MARKET TRANSACTIONS

Carter Ledyard has extensive experience with the purchase and sale of domestic and foreign distressed bank loans and financial claims. We represent hedge funds, special purpose vehicles, and other financial institutions in hundreds of transactions annually involving distressed and par/near par bank loans, trade claims, and securities.

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

[NEW PARTNER]



Rachel B. Coan
Partner, Corporate Department

Rachel B. Coan has a corporate and securities practice which focuses on the representation of clients in the financial services industry, including insurance and reinsurance companies, banks, investment banks, and other businesses. She has worked with issuers, underwriters, placement agents, sponsors, trustees, collateral managers, and swap providers in capital markets transactions involving public, private, and Rule 144A offerings of debt, equity and hybrid securities, surplus notes, and novel structured and asset-based securities. These transactions have included many collateralized fundings to satisfy Regulations AXXX and XXX and related derivatives, as well as loans backed by insurance policy proceeds or commissions. Ms. Coan has also assisted clients in establishing COLI programs, captive insurers, and portfolio cell companies. She has represented numerous clients in diverse industries in mergers and acquisitions, joint ventures, corporate restructurings, and the formation of onshore and offshore investment funds.

We help foreign companies thrive in the U.S. marketplace

CANADA



Carter Ledyard has represented Canadian corporations, financial institutions, and government entities in cross-border activities for more than 60 years. In 2016, we assisted in numerous public offerings, private placements, acquisitions, credit facilities, and restructurings.

PUBLIC OFFERINGS AND PRIVATE PLACEMENTS

Carter Ledyard advised **Keyera Corp.** (CAD 345 million public offering of common shares); **Crescent Point Energy Corp.** as U.S. counsel (cross-border bought deal financing for gross proceeds of CAD 650 million in a registered offering in Canada and a private placement offering to U.S. investors); **Seabridge Gold Inc.** as U.S. counsel (issuance of common shares registered in the U.S. and Canada for proceeds of CAD 8.7 million); **Manitok Energy Inc.** (CAD 20 million brokered private placement of units and common shares); **Whitecap Resources Inc.** (bought deal financing that raised approximately CAD 470 million); **Enerflex Ltd.** (CAD 100 million sale of common shares); and **Spartan Energy Corp.** (CAD 75 million bought deal financing).

MERGERS AND ACQUISITIONS

We assisted in the acquisition of all of the outstanding common shares of our client **Kicking Horse Energy, Inc.** by Orlen Upstream Canada Ltd. in a CAD 365 million deal; the acquisition of all of the outstanding common shares of our client **Striker Exploration Corp.** by Gear Energy Ltd.; the acquisition by our client **Humboldt Capital Corporation** of Tornado Global Hydrovacks; the acquisition by our client **Manitok Energy Inc.** of all of the outstanding common shares of Raimount Energy Inc.; and the acquisition by our client **Seabridge Gold Inc.** of SnipGold Corp. We also assisted **GoviEx Uranium Inc.** and **Denison Mines Corp.** in a transaction to combine their respective African uranium interests.



Our Clients had a Really Good Year®

Keyera

Keyera Corp. (TSX: KEY) is one of the largest midstream oil and gas operators in Canada, providing essential services to oil and gas producers in natural gas production areas of the Western Canada Sedimentary Basin, as well as in the Edmonton/Fort Saskatchewan area of Alberta, a major North American Natural Gas Liquids (NGL) hub. In addition to NGL gathering and processing, fractionation, storage, transportation, logistics and marketing services, Keyera also provides diluent logistics services for oil sands customers and an industry-leading condensate system. Keyera also markets propane, butane, condensate, and iso-octane to customers in Canada and the United States.

Operating since 1998, Keyera has developed a strong reputation for its expertise in operating complex energy processing facilities safely and responsibly, in a manner that demonstrates respect for its employees and the communities they call home. Keyera is committed to continuing its record of conducting business ethically, safely, and in an environmentally and financially responsible manner, and has a corporate vision to be the North American leader in delivering midstream energy solutions.

www.keyera.com

CREDIT FACILITIES

With low interest rates continuing for another year, we advised **Keyera Corp.** in connection with a draw under an existing note issue, as well as an increase of a small unsecured revolving credit facility; **Superior Plus Corp.**, in amending and restructuring various security interests in connection with an existing credit facility; and several **Orbis** funds in connection with amending and restructuring an existing \$500 million unsecured credit line.

RESTRUCTURINGS

We assisted public company **Sunshine Oil Sands Ltd.** with long-term forbearance agreements with holders of its \$200 million principal amount of senior secured notes and assisted **Greenfields Petroleum Corp.** in a corporate restructuring transaction.

PEOPLE'S REPUBLIC OF CHINA



2016 was a tumultuous year in the shipping industry, with at least one major shipping line slipping into bankruptcy. Carter Ledyard client **Bohai Financial Investment Holding Co. Ltd.** and its subsidiaries, shipping container lessors **Seaco SRL** and newly-acquired **Cronos Ltd.**, weathered the storm and continued to integrate their contracts and management structures to achieve new efficiencies. We were pleased to advise and represent them in these projects.

Carter Ledyard attorneys also advised client **Victaulic Company** in connection with its production joint venture in Dalian, China.

We also assisted a leading global metals producer in the sale of 100% stake in a production and mining facility to a Chinese industrial group for approximately \$300 million.

AUSTRALIA



Carter Ledyard represented **Prana Biotechnology Limited** with an at-the-market offering program agent by JonesTrading Institutional Services LLC and FBR Capital Markets & Co., enabling the company to sell ordinary shares represented by American Depositary Shares for up to approximately \$44.5 million.

UNITED KINGDOM



COMMERCIAL, CORPORATE, AND BANKING

Carter Ledyard represented affiliates of **JP Boden & Co. Ltd.** in connection with U.S. law aspects of a loan facility provided by Barclays Bank PLC and a guarantee of the facility by the borrower's U.S. subsidiary.

We represented **Em.rai Inc.** in establishing its U.S. West Coast business, including restricted stock agreements, employment agreements, and benefit plans.

Carter Ledyard also represented **Cognito Europe Limited** and its U.S. affiliate on a separation agreement involving non-compete issues with a U.S. executive.

We represented **Tyman plc** in a debt reorganization and dividend declaration involving some of its U.S. subsidiaries.

We advised **Roberts Mart (Holdings) Co. Ltd** on a contract to provide services to T&L Sugars Limited.

Carter Ledyard advised **AgDevCo Tanzania Limited**, the Norwegian Investment Fund for Developing Countries of Oslo, and Capricorn Investment Group LLC on U.S. law matters in connection with their role as lenders to Kilombero Plantations Limited.

Carter Ledyard represented **Incisive Media Limited** in a debt reorganization and dividend declaration involving some of its U.S. subsidiaries.

Our attorneys assisted the **Trustees for the Society of the Sacred Heart** with the investment of trust funds and a related investment management agreement with BNY Mellon.

MERGERS AND ACQUISITIONS

Carter Ledyard represented **CRF Health** and its U.S. affiliate in acquiring EHS Holdings, Inc.

Carter Ledyard assisted **Spend 360 International Limited** in an asset sale of its business to Nasdaq listed Coupa Software Incorporated.

IRELAND



We assisted client **Amryt Pharma plc** in acquiring SOM Pharmaceuticals, and advised on the reverse takeover by Amryt of Fastnet Equity plc, which is listed on the London AIM.

Our Clients had a Really Good Year[®]

Magal S³

Magal Security Systems Ltd. (NASDAQ: MAGS) is a leading international provider of integrated solutions and products for physical and cybersecurity, safety, and site management.

Magal's products and systems are used in more than 80 countries to protect sensitive facilities and critical sites, including national borders, military bases, power plants, airports, seaports, prisons, industrial sites, oil and gas facilities, Olympic villages and stadiums, and municipalities, from intrusion, terror, crime, sabotage, and vandalism.

Magal is the world leader in perimeter intrusion detection system technology, including high security smart systems. Magal's other solutions and products include integrated systems for physical security information management, video surveillance solutions, and cybersecurity solutions that complement Magal's physical security solutions.

www.magal-s3.com

ISRAEL



For over 30 years, Carter Ledyard has represented numerous Israeli public, private, and governmental entities in connection with their activities in the U.S., including many Israeli companies that are publicly traded on U.S. exchanges. In 2016, we again assisted our Israeli-based clients in a wide range of activities, transactions, and regulatory matters.

Carter Ledyard attorneys counseled various publicly traded companies based in Israel on their U.S. securities and corporate matters, including **Eltek Ltd.**, **B Communications Ltd.**, **Internet Gold-Golden Lines Ltd.**, **Gilat Satellite Networks Ltd.**, **Magal Security Systems Ltd.**, **Magic Software Enterprises Ltd.**, **Mer Telemanagement Solutions Ltd.**, **Pointer Telocation Ltd.**, and **RADA Electronic Industries Ltd.**

Our attorneys assisted client **RADA Electronic Industries Ltd.**, a leading defense electronics contractor, with an equity financing transaction with DBSI Investments Ltd. in which the company issued ordinary shares and warrants to purchase additional ordinary shares. In connection with the transaction, DBSI also provided the company with a \$3.1 million convertible loan. We also assisted RADA with a registered direct offering of ordinary shares to the Phoenix Insurance Company, one of Israel's largest insurance companies.

Carter Ledyard assisted client **B Communications Ltd.**, a telecommunications holding company whose primary holding is its controlling interest in Bezeq, The Israel Telecommunication Corp., Israel's largest telecommunications provider, in connection with a Regulation S offering of Series C debentures to institutional investors in Israel for approximately \$489 million.

We represented **Gilat Satellite Networks Ltd.**, a leading global provider of end-to-end broadband satellite communication solutions and services, in a rights offering to its shareholders for gross proceeds of approximately \$35.3 million.

Carter Ledyard represented **Magal Security Systems Ltd.**, a global supplier of physical and cyber security systems, in a rights offering to its shareholders for gross proceeds of approximately \$23.8 million.

We provided U.S. securities advice to **Pointer Telocation Ltd.**, a leading provider of technology and services to the automotive and insurance industries, in connection with the spin-off of its subsidiary, Shagrir Group Vehicle Services Ltd., whose shares were listed for trade on the Tel Aviv Stock Exchange.

Carter Ledyard also acted as U.S. counsel to **EZchip Semiconductor Ltd.**, a leader in high-performance processing solutions for carrier and data center networks, in connection with the closing of its merger with Mellanox Technologies Ltd. for approximately \$811 million.

Advising on the rules of the financial road

The regulatory landscape of the financial services industry continued to evolve rapidly during 2016, and Carter Ledyard counseled clients on these changes.

Our Financial Institutions Regulatory and Enforcement Group advises and represents broker-dealers, investment advisers, hedge funds, clearing agencies, and financial institutions engaged in a wide variety of services and products. Our practice regularly involves interaction with the Securities and Exchange Commission, the Commodity Futures Trading Commission, the Financial Industry Regulatory Authority, the National Futures Association, and other self-regulatory organizations, exchanges, and state securities regulators.

PRIVATE EQUITY AND HEDGE FUND MANAGERS

During 2016, Blackstreet Capital Management agreed to pay a fine to settle SEC allegations that it had acted as an unregistered broker by receiving a fee for arranging the purchase and sale of portfolio companies, a development which shook the private equity world. We advised clients on interpreting the SEC's new enforcement approach and on their business options in response to it. Carter Ledyard also advised hedge fund clients on the use of the limited capital acquisition brokers registration for marketing of fund shares.

EXCHANGE TRADED PRODUCTS

We continued our work for **World Gold Trust Services, LLC - the Sponsor of GLD®**. GLD® was the first exchange traded fund to track a commodity. We also represented **The Bank of New York Mellon** in its capacity as trustee for a number of exchange traded products that issue and redeem shares in exchange for deposits and deliveries of various precious metals.

[NEW COUNSEL]



Michael Peng
Counsel, Corporate Department

Michael Peng is a member of the firm's Corporate Department. He has represented private and public companies across a broad range of industries on domestic and cross-border corporate matters, including mergers & acquisitions, stock and asset purchases, private placements, joint ventures, strategic alliances, and federal securities law compliance. Mr. Peng serves as principal outside counsel to a number of privately held businesses, and advises these clients on corporate governance matters, commercial contracts, and business disputes. He has represented businesses in numerous industries, including, among others, real estate, food and beverage, digital marketing, fashion and apparel, consumer products, environmental solutions, health care, home improvement, telecommunications, investment management, and technology.

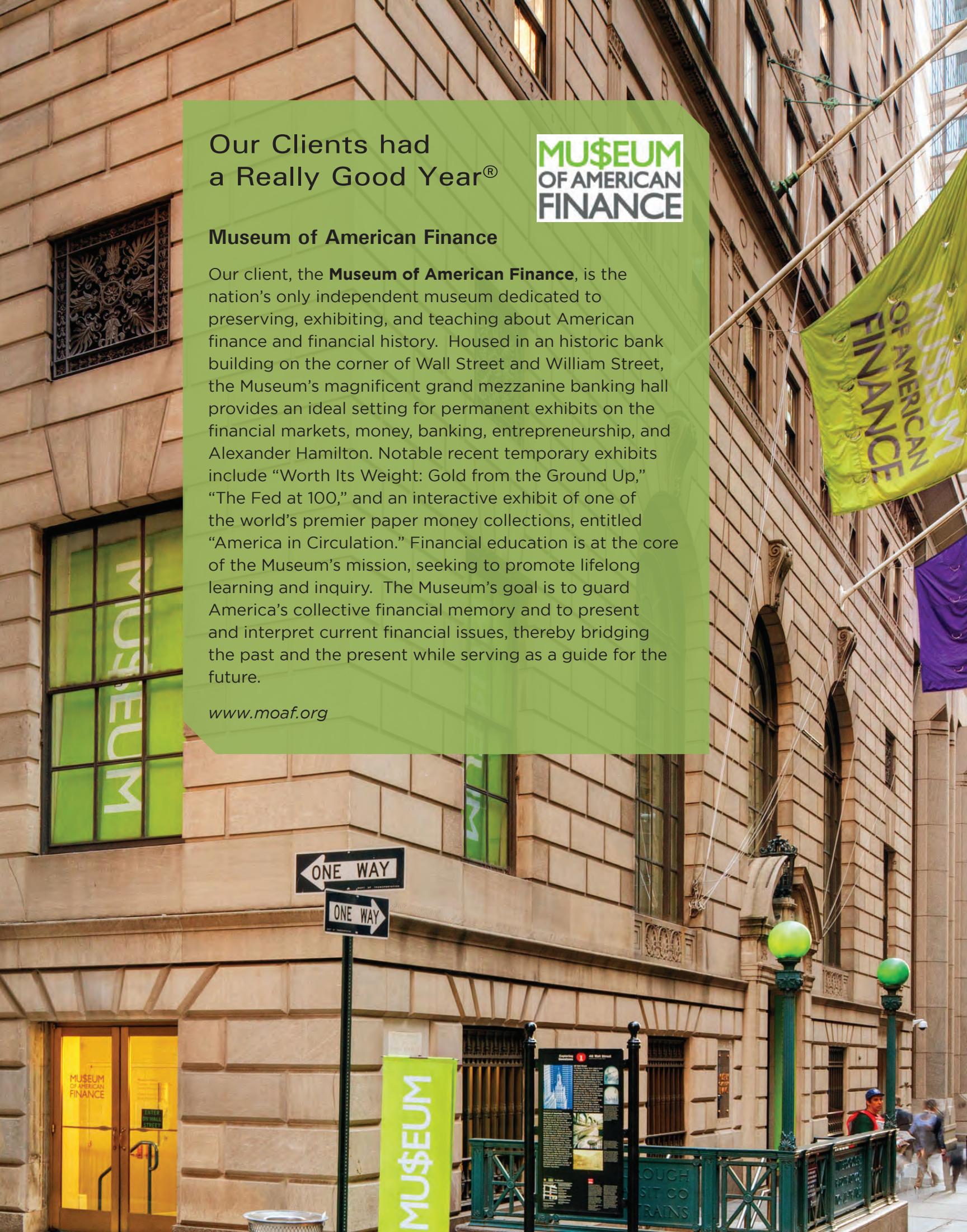
Our Clients had
a Really Good Year®



Museum of American Finance

Our client, the **Museum of American Finance**, is the nation's only independent museum dedicated to preserving, exhibiting, and teaching about American finance and financial history. Housed in an historic bank building on the corner of Wall Street and William Street, the Museum's magnificent grand mezzanine banking hall provides an ideal setting for permanent exhibits on the financial markets, money, banking, entrepreneurship, and Alexander Hamilton. Notable recent temporary exhibits include "Worth Its Weight: Gold from the Ground Up," "The Fed at 100," and an interactive exhibit of one of the world's premier paper money collections, entitled "America in Circulation." Financial education is at the core of the Museum's mission, seeking to promote lifelong learning and inquiry. The Museum's goal is to guard America's collective financial memory and to present and interpret current financial issues, thereby bridging the past and the present while serving as a guide for the future.

www.moaf.org





New York Stock Exchange

BROKER-DEALERS

The SEC approved FINRA's new rule book for capital acquisition brokers (CAB) in 2016, and Carter Ledyard advised clients on the implications of the new rules. We were the lead requester and recipient of the February 2014 "M&A Brokers" no-action letter, and took part in numerous meetings with the SEC, FINRA, members of Congress, the North American Securities Administration Association (NASAA), and other interested groups, with a view to developing a more appropriate regulatory framework for "finders," including the development and implementation of the CAB Rules.

A special part of the Group's practice involves advising foreign broker-dealers on accessing the U.S. market, including chaperoning arrangements under SEC Rule 15a-6 and advising U.S. broker-dealers on serving as chaperones and access to foreign markets.

INVESTMENT ADVISERS AND INVESTMENT COMPANIES

Carter Ledyard helped clients establish, institute, and administer effective state, federal, and regulatory compliance programs.

We counseled investment adviser clients on many complex issues in 2016, including: the impact of the Dodd-Frank Act and its sequels, including the fiduciary rule, on investment advisers affiliated with broker-dealers; planning for the recently announced changes in Form ADV; and new Treasury customer due diligence requirements that will require firms, as part of their anti-money laundering efforts, to identify beneficial owners of legal entity customers.

Carter Ledyard closed 657 unit investment trusts in 2016. The trusts offer investors targeted portfolios of professionally-selected equity and debt securities.

[NEW COUNSEL]



Valentino Vasi

Counsel, Corporate Department

Valentino Vasi focuses on compliance, regulatory, and legal issues for financial services firms, including broker-dealers and investment advisers. Mr. Vasi has had more than 20 years of experience practicing corporate and securities law. This has included drafting, negotiating and interpreting contracts; counseling clients on relevant laws and rules; representing clients with regulatory agencies; and developing compliance programs for broker-dealers, investment advisers, mutual funds, and hedge funds. He has held senior in-house positions with investment advisers, broker-dealers, and money managers, where he was responsible for establishing, instituting, and administering effective state, federal, and regulatory compliance programs.

Protecting the rights of debtors and creditors

Carter Ledyard's Insolvency and Creditors' Rights Practice represents secured and unsecured creditors, debtors, and asset acquirers in bankruptcy cases and non-bankruptcy workouts. Our attorneys advise banks, mortgagees, lessors of real and personal property, and other creditors in the enforcement of their rights, as well as indenture trustees, creditors' committees, and institutional and individual creditors' committee members.

Our attorneys represented **The Bank of New York Mellon** as indenture trustee for debt issued in connection with Chapter 11 cases filed in New York, Delaware, and Maryland, and which spanned a broad range of industries, including oil and gas production, insurance, and media. We also represented the bank as indenture trustee for notes issued by Majestic USA and Majestic Capital in connection with their bankruptcy filing.

Carter Ledyard represented **The Bank of New York Mellon** as indenture trustee in a number of cross-border insolvency cases, including in connection with over \$4 billion in Senior Notes issued by PostMedia Network Inc., whose affiliates filed insolvency proceedings in Canada and the United States; \$275 million in Second Lien Notes issued by Pacific Exploration & Production Corporation, whose affiliates filed insolvency proceedings in Canada, Colombia and the United States; and CAD 125 million in Second Lien Notes issued by Golfsmith International Holdings, Inc. and Golf Town Canada Inc., whose affiliates filed insolvency proceedings in Canada and the United States.

We continued to represent clients in the Lehman Brothers bankruptcy. Although Lehman's plan of liquidation was confirmed in 2011, we continued to act on behalf of various clients with respect to claim objections and other post-confirmation matters.

Our attorneys also advised a Brazilian trading company as to the status of its relationship with a European lender in order to protect certain of its assets located in New York, which included advice regarding litigation remedies and possible bankruptcy filings.



MARITIME LAW

New York is one of the world's main destinations for vacation and holiday travel and entertainment. We are pleased to support the city's thriving tourism and waterfront dining and entertainment industries. In 2016, we continued to advise **New York Cruise Lines, Inc.** with its businesses, including **North River Lobster Company**, an award winning floating lobster shack; **Fish Bar at North River Landing**, a new seafood lounge and rooftop housed on a 3-story yacht; **The Beast** thrill-ride speedboat; **World Yacht Special Event Cruises**, which offers innovative charters and special events; and **Circle Line Sightseeing Cruises**, which celebrated its 70th anniversary in 2015 and welcomed 3 new vessels in 2016.

We represented and advised traditional shipping interests too, including commercial shipping companies, equipment lessors, brokers, marine insurance underwriters, Protection & Indemnity Insurance and Freight, Demurrage & Defense clubs, cargo receivers, energy companies, and financial institutions worldwide in maritime related disputes, transactions, and regulatory matters.



Providing creative tax solutions

Domestic and international transactions.

We provided tax advice on complex transactions, including mergers and acquisitions, financings, capital markets transactions, and inbound investments in industries such as mining, pharmaceuticals, infrastructure, manufacturing, construction, telecommunications, technology, and real estate. In 2016, our domestic and cross-border practice advised public and private companies from Canada, the United Kingdom, France, Israel, Russia, and Jamaica. Carter Ledyard found a solution that allowed a non-U.S. client to close an asset acquisition involving a foreign seller and business activities in three countries, including the U.S., notwithstanding that no U.S. tax filings had been made or taxes paid for over a decade.

Religious and other tax-exempt clients. Our attorneys advised prominent New York religious institutions on minimizing unrelated business taxable income and on commercial matters, which allowed them to preserve and improve their landmark buildings and raise funds for their charitable activities. In addition to advising domestic and non-U.S. tax-exempt clients on investment strategies and tax compliance, we advised social clubs on the special provisions of Section 501 that govern whether they realize taxable income when they sell property to renovate or expand their facilities.

Individuals and families. In 2016, we drafted partnership agreements for clients that were starting new businesses and negotiated the transfer of mature businesses structured as Subchapter S corporations. Carter Ledyard also advised clients on structuring tax-free like-kind exchanges of real property held through partnerships and trusts, including transactions involving multiple owners with potentially conflicting interests.

[NEW COUNSEL]



Jennifer MacDonald
Counsel, Tax Department

Jennifer MacDonald focuses on tax and tax-exempt organizations. She advises clients on domestic and international tax matters, including fund formation, business acquisitions and dispositions, partnerships, consequences to non-U.S. individuals of U.S. residency and expatriation, and state and local issues. Her tax-exempt organizations practice includes advising exempt organizations regarding applying for and maintaining exempt status, documenting changes in charitable purposes, lobbying, and the benefits available under tax treaties.

Zealous advocacy

Carter Ledyard's Litigation Department has a long track record of obtaining favorable results for its clients inside and outside the courtroom in a wide variety of litigation matters from employment, securities and capital markets, media and First Amendment law to commercial and fiduciary litigation, trusts and estates law, and bankruptcy. We attribute our success to a thorough understanding of our clients' legal, business, and personal needs, and a deep commitment to protecting clients' rights and interests.

SECURING DISMISSAL OF CLAIMS AGAINST OUR CLIENTS

Carter Ledyard helped **AXIS NA LLC**, an international manufacturer of denim jeans, obtain dismissal of a claim for over \$440,000 brought by one of its suppliers. The New York state court agreed that the supplier had failed to allege sufficient facts to state a viable claim for breach of contract.

We successfully moved to dismiss an action against **Gila Regional Medical Center** for injurious falsehood, fraudulent and intentional misrepresentation, intentional infliction of emotional distress, and civil conspiracy on the grounds that the plaintiff failed to meet pleading requirements or state a claim for relief.

TRIAL AND APPELLATE SUCCESS

The Second Circuit Court of Appeals ruled in favor of the firm's clients, rejecting an argument that an arbitration award in favor of the clients was the product of fraud and corruption among the arbitrators and other members of the American Arbitration Association. The Second Circuit affirmed the decision of the District Court for the Southern District of New York granting Carter Ledyard's motion to confirm the arbitration award and denying petitioner's motion to vacate the award and for discovery.

In victories before the Middle District of Tennessee, the District of Maryland, and the Fourth Circuit Court of Appeals, Carter Ledyard helped **FTI Consulting, Inc.** enforce a contractual arbitration clause, defeating multiple attempts by a former employee to bring claims arising under an employment agreement in court rather than abide by the mediation and arbitration clause in the agreement.

After a four-day federal court intellectual property trial and post-trial motions, we procured a favorable ruling for the original publisher of the Lubavitcher Rebbe's discourses and edited works (the "Likkutei Sichos"), allowing it to continue to publish the Likkutei Sichos using the prestigious and invaluable Kehot logo.

PROTECTING BUSINESS RIGHTS

In a victory before the New York Appellate Division, Carter Ledyard assisted **Capital Stack LLC** in obtaining the dismissal of a petition to dissolve Daily Funder LLC, a limited liability company of which Capital Stack was a 50% owner. In unanimously ruling in Capital Stack's favor and rejecting the petition to dissolve Daily Funder, the appellate court reversed its own prior precedent and concluded that a New York court does not have jurisdiction to dissolve a Delaware LLC even if the LLC operates in New York and its members reside in New York.

Carter Ledyard continued to represent numerous merchant cash advance (MCA) companies in a variety of transactions and litigations. Our attorneys secured favorable rulings that clients' MCA purchases of receivables were not usurious loans, and were legitimate, enforceable agreements.

Our lawyers represented a Crown Heights synagogue and its long-time board members in preserving a contempt order and award of \$246,000 in attorneys' fees that they had secured after a 27-day trial relating to the respondents' interference with the management of the synagogue, which led to a favorable settlement for the clients.

Thurgood Marshall United States Courthouse Building – Manhattan

[NEW PARTNER]



Judith Wallace practices in the areas of Litigation, Art Law, Environmental Law, and Energy Project Development and Finance. Her practice includes representing collectors, foundations, artists, and scholars in matters of art ownership, authenticity, authorship, consignment and sales, foundation and tax-exempt organization governance, and other art-related matters. She also advises public agencies and private parties on permitting and compliance under state and federal environmental laws. She has litigated art, environmental, and general commercial matters in state and federal courts.

Judith Wallace
Partner, Litigation Department

FIDUCIARY LITIGATION

Carter Ledyard's Fiduciary Litigation Group had another busy year, representing individuals, financial institutions, and charitable organizations in a number of litigations and disputes.

We represented financial institutions in connection with several Surrogate's Court proceedings. One involved challenges by estate and trust beneficiaries to the institution's actions as a fiduciary, and a related claim against the other fiduciary and his law firm. Our attorneys prevailed in defeating a motion to dismiss and in related motions. In another matter, we represented a financial institution client serving as trustee of a trust under a will in objecting to the executor's administration of the estate. Carter Ledyard also represented a financial institution client serving as trustee of a trust benefitting a U.S. person living abroad in a dispute concerning foreign death taxes that had to be paid before trust distributions could be made.

Our attorneys represented a private foundation as a beneficiary of an estate in connection with objections to an accounting and claims of fraud and conflicts of interest against the executor of the estate.

Our firm continued to represent a trustee and executor in connection with carrying out certain transactions pursuant to a settlement of complicated Madoff-related litigation involving family members and beneficiaries of an estate and trusts.

We also represented parties in proceedings involving will contests, probate, and trust administration.



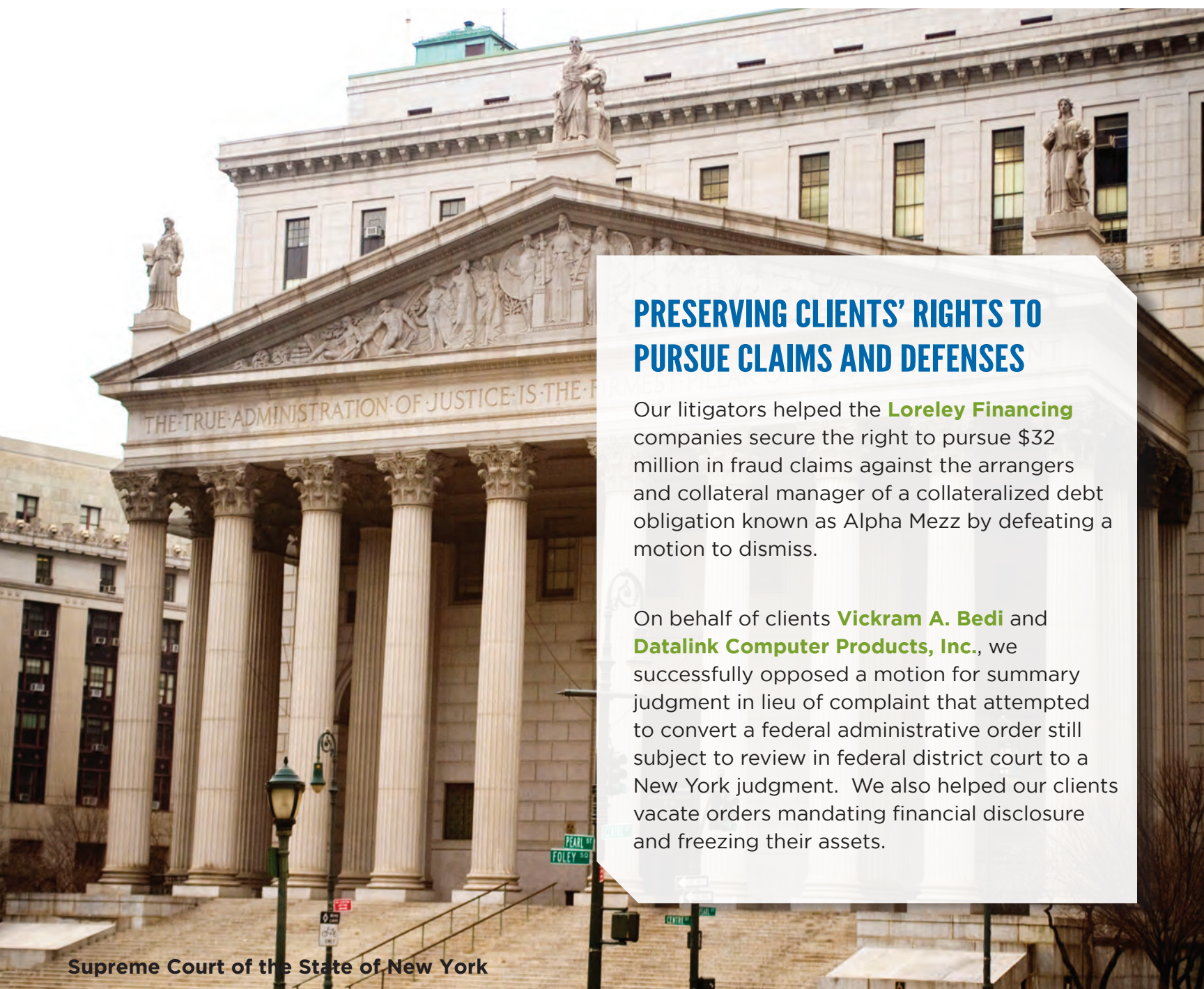
New York County Surrogate Courthouse

[NEW PARTNER]



Matthew D. Dunn
Partner, Litigation Department

Matthew D. Dunn represents corporate and government agency clients in complex business litigation matters, including breach of contract and commercial tort litigation, securities and financial industry disputes, employment and restrictive covenant litigation, and maritime and international transaction disputes. He also represents trust companies, financial institutions, and individuals, as fiduciaries and beneficiaries in trusts and estates disputes, as well as tax-exempt organizations in connection with regulatory issues. He has represented clients in state and federal courts, in FINRA and international arbitrations, and in connection with government agency investigations. He has experience in all stages of litigation and in trials, arbitrations, and mediations. Mr. Dunn also has extensive experience advising on electronic discovery issues.



PRESERVING CLIENTS' RIGHTS TO PURSUE CLAIMS AND DEFENSES

Our litigators helped the **Loreley Financing** companies secure the right to pursue \$32 million in fraud claims against the arrangers and collateral manager of a collateralized debt obligation known as Alpha Mezz by defeating a motion to dismiss.

On behalf of clients **Vickram A. Bedi** and **Datalink Computer Products, Inc.**, we successfully opposed a motion for summary judgment in lieu of complaint that attempted to convert a federal administrative order still subject to review in federal district court to a New York judgment. We also helped our clients vacate orders mandating financial disclosure and freezing their assets.

Supreme Court of the State of New York

[NEW COUNSEL]



Alexander G. Malyshev
Counsel, Litigation Department

Alexander G. Malyshev is a business litigator with experience representing clients in a wide range of business disputes, including ownership and governance disputes involving closely held businesses, disputes involving complex capital markets transactions and financial instruments, trade secrets and restrictive covenants, and intellectual property disputes. Mr. Malyshev is also a member of Carter Ledyard's Fiduciary Litigation Group, which represents trust companies, financial institutions, charitable organizations, family members involved in closely-held companies, and individuals, as executors, trustees, and beneficiaries in litigation.

WHITE-COLLAR AND INTERNAL INVESTIGATIONS

Carter Ledyard was one of two law firms chosen to represent New York City in an ongoing federal criminal investigation. Our lawyers met extensively with City personnel and represented them at on-the-record interviews in this widely publicized matter.

In a significant legal ruling on an issue of first impression, our attorneys persuaded a New York County Supreme Court justice that our client's previous federal bribery conviction was not a "predicate" felony conviction under New York's separate bribery statute. Accordingly, should our client be convicted, he will not face mandatory imprisonment or the enhanced sentencing required for predicate felons.

2016 also saw Carter Ledyard's White-Collar Defense Group continue its long history of representing law enforcement officers who are under investigation or facing criminal charges, including an IRS Criminal Division Special Agent under investigation by the FBI and other agencies. We also represented clients in ongoing matters involving allegations of health care fraud, money laundering, criminal tax violations, and public corruption, as well as SEC enforcement actions.

Protecting the rights of employers and employees

Carter Ledyard helps clients enforce and protect their employment-related rights and comply with labor and employment laws.

Litigation and Arbitration. Carter Ledyard has handled cases involving age, disability, race, and religious and sex discrimination, and defended our clients in state and federal courts and FINRA arbitrations. We assisted clients with the enforcement of employment contracts, particularly those containing restrictive covenants which preclude competition and the misuse of confidential information and trade secrets, and helped companies with matters arising from the hiring of employees from competitors. Our attorneys mediated and resolved employment claims at the pre-litigation stage to save clients the time and expense of litigation.

Pension and Profit Sharing. We regularly advised management on the requirements of ERISA, including the design and drafting of pension and retirement plans and employee welfare plans, as well as executive deferred compensation and equity-based incentive arrangements.

Personnel Advice. We counseled employers on the drafting of employee manuals, personnel policies, best practices, and employment contracts. We advised on employee terminations, wage/hour matters, benefits, smoking regulations, disability issues, drug testing, unemployment insurance claims, performance evaluation issues, disciplinary issues, and severance problems.

Employment Contracts. Our attorneys helped clients prepare and negotiate executive, independent contractor, and consultant employment contracts and restrictive covenant agreements. We negotiated separation agreements and severance packages for executives and negotiated employment and equity arrangements in corporate buy-out transactions.

Restructuring. Carter Ledyard advised clients on the employment aspects of reorganizations, relocations, reductions-in-force, plant closings, and mergers and acquisitions.



Navigating environmental issues

Carter Ledyard's Environmental and Land Use Group continued to serve state and municipal agencies, community groups, residential building owners, not-for-profit organizations, and energy firms in the complex area of federal, state, and local environmental and land use laws.

State and Local Agencies. We assisted **Roosevelt Island Operating Corporation** in negotiating with the City of New York for a new ferry stop on the Island as part of the new Citywide Ferry Service, advised **Battery Park City Authority** on a variety of land-use matters in that community, worked with **The Lower Manhattan Development Corporation** in its rebuilding and revitalization efforts in Lower Manhattan, advised the **Metropolitan Transportation Authority** on environmental matters, assisted the **New York Power Authority** and **Long Island Power Authority** on matters relating to their energy facilities, and advised the **New York City Housing Development Corporation** in matters relating to the development of affordable housing.

Energy Firms. We continued to support **Algonquin Gas Transmission, LLC** on its Algonquin Incremental Market Project to construct a replacement natural gas pipeline, which included meetings with landowners and elected officials regarding construction-related issues. We also assisted Algonquin with its Atlantic Bridge Project, which included environmental review, preparation of permit applications, and negotiation of access agreements with landowners along the proposed pipeline route through the Towns of Yorktown and Somers, New York.

Residential Building Owners and Not-For-Profit Organizations. Construction in New York City continues to boom. We helped many of our cooperative and condominium clients negotiate access and repair agreements with developers of adjoining properties. We helped several religious institutions, including **First Presbyterian Church, Broadway Presbyterian Church**, and **Holy Trinity Church** evaluate the value, use, and sale of their valuable unused development rights. We also advised owners of landmarked properties on maximizing the value of their enhanced rights under the New York City Zoning Resolution.

Community Groups. The firm continued to work with the **East River Fifties Alliance** on its groundbreaking application to the City Planning Commission, which has been joined by several local legislators as co-applicants, for a zoning text amendment that would limit building heights and incentivize affordable housing in the East Fifties area of Manhattan. We continued to advise the **Hudson Yards/Hells Kitchen Business Improvement District** in negotiations with the New York City Department of Parks and Recreation regarding Hudson Boulevard Park, a new park created as part of the Hudson Yards project.

An aerial photograph of Lower Manhattan, New York City, taken at sunset. The One World Trade Center stands prominently on the left, its spire reaching into the orange-hued sky. The city's dense skyline of skyscrapers and buildings is visible, with the Hudson River in the foreground. Several boats are seen on the water, and the sun's reflection glimmers on the river's surface. A green semi-transparent box is overlaid on the right side of the image, containing text.

Our Clients had a Really Good Year®

Lower Manhattan Development Corporation

Long-time client **The Lower Manhattan Development Corporation** (LMDC) was created in the aftermath of September 11, 2001 to help plan and coordinate the rebuilding and revitalization of the area south of Houston Street. Federal funding made available to LMDC from the U.S. Department of Housing and Urban Development must comply with complex federal and state environmental and funding regulations. Carter Ledyard continues to assist LMDC in allocating funding to important open space and park projects in Lower Manhattan. We also advised LMDC in its possible allocation of funding to the Hudson River Park Trust for use in the ongoing renovation of Piers 25 and 26, which will include an ecological pier, an adjacent upland park, and an educational and research center devoted to the Hudson River.

www.renewnyc.com

Helping a developing New York

Carter Ledyard continued its preeminent representation of clients in all phases of acquiring real property by eminent domain in many high profile projects in New York City and the metropolitan area.

Hudson Yards. Acting as Special Condemnation Counsel to **The City of New York** and the **Hudson Yards Development Corporation** since 2004, our firm has been involved in many facets of the development of Hudson Yards. That work continued this year, with our attorneys (working with architects, zoning consultants and appraisers) successfully negotiating the settlement of fee claims in connection with this project.

Queens West. Previously, Carter Ledyard, together with attorneys from the **New York City Law Department Corporation Counsel's Office**, achieved a significant victory in litigating a claim for compensation for the taking of a 7.2 acre parcel of waterfront property in Long Island City, when the trial court agreed with our client's position that residential development occurring after the taking should not be considered in determining the value of the property taken. In an appeal argued by our attorneys before the Second Department in 2016, the decision was upheld. We also successfully opposed the fee owner's motion for leave to appeal to the State's highest court, ensuring that the favorable trial court decision remained in effect.

No. 7 Subway. Carter Ledyard assisted New York City's appraisers, architects and cost estimators in the valuation of a building at 26th Street and 11th Avenue. While the property owner retained the right to construct a new building on this site, New York City acquired an easement to construct and operate a vent building on this site needed for the No. 7 subway extension.

Fire Island. Carter Ledyard continues to serve as Special Condemnation Counsel to the **County of Suffolk** in connection with a project involving the acquisition of hundreds of easements and dozens of properties along the ocean shoreline of Fire Island to recreate a 12.5 mile sand dune and berm system which will reduce the risk of coastal erosion and tidal inundation on Fire Island and the south shore of Long Island. Our firm is defending Suffolk County in a constitutional challenge to the project filed in federal court by property owners on Fire Island. We also opposed an action brought by these owners seeking a preliminary injunction to halt the County from proceeding with the project. We assisted Suffolk County in acquiring permanent easements and title to properties in Ocean Bay Park, negotiating agreements to relocate homes from acquired properties to other sites, and obtaining authorization to acquire additional easements and properties in order to carry out this project.



Our Clients had a Really Good Year®

The City of New York

Our client **The City of New York** has actively and creatively pursued development of underutilized and neglected areas of the City for many years. We are pleased to have assisted the City with some of these projects.

A major project remaking both the city's skyline and subway system is Hudson Yards, where the City's efforts and those of the Metropolitan Transportation Authority have led to the successful completion and opening of the extension of the Number 7 subway line from Times Square to a new terminal station at 34th Street and 11th Avenue, across from the Javits Center, and the creation of a vibrant, pedestrian-friendly and transit-oriented mixed-use district that includes the ongoing development of 26 million square feet of new office development, 20,000 units of housing (of which almost 5,000 units will be affordable units), 2 million square feet of retail space, 3 million square feet of hotel space, and new parks and public open space.

Another successful initiative with which we assisted is the development of the Long Island City area along the Queens waterfront under the City's Hunters Point South initiative. The City is building upon efforts begun by the Queens West Development Corporation and together they have transformed the area, which was formerly a contaminated and abandoned post-industrial area, into a thriving community. The project includes development of a number of new residential buildings (providing over 4,600 units of housing), retail amenities, public streets and utilities, two public schools, many acres of public parkland and recreation areas, and most recently, the borough's newest library branch.

www.hydc.org

www.nycedc.com/project/hunters-point-south

In 2016, Carter Ledyard continued its long-standing representation of private land owners, government agencies, and not-for-profit organizations in the leasing, development, acquisition, ownership, and management of commercial real estate.

We represented the owner of a prime development site on the Upper West Side of Manhattan in preparing and negotiating an architect's agreement and related agreements with structural engineers and consulting engineers for the new building to be built on the site, negotiating a term sheet with prospective joint venture partners, and analyzing structuring alternatives and tax projections for the project. In another matter, our attorneys represented a tax exempt client in a Freddie Mac mortgage financing of more than \$35 million, secured by a new residential rental property in Cambridge, Massachusetts.

Our firm continued its representation of **Roosevelt Island Operating Corporation**, which included the negotiation of ground leases for the development of new apartment buildings on Roosevelt Island, and the amendment of existing ground leases, as some of the original buildings on Roosevelt Island exit the Mitchell-Lama program.

In connection with the settlement of a dispute among property owners of a midtown office building that led to the commencement of a partition action, we represented two of the owners in the sale of their interests to the third owner as part of a § 1031 tax-deferred exchange.

Carter Ledyard continues to represent the landlord of an office building located in the heart of Times Square in office and retail leasing in the building. We also represented the owner of a prime Wall Street office building in preparing and negotiating a property management agreement and an exclusive leasing agency agreement for the building.

We represented the **Estate of Madeline Gins** in the sale of a six-story building located in Greenwich Village and helped to relocate the **Reversible Destiny Foundation**, whose offices were in that building, to new office space. Our attorneys represented another estate in the sale of industrial property located in Nassau County.

Carter Ledyard represented numerous clients in their lease transactions, including representing a securities firm in its relocation to new office space in midtown Manhattan, a Manhattan art gallery in negotiating an early termination of its lease of gallery space, a concrete company in the net lease of a manufacturing facility in connection with a sale leaseback transaction, and a utility company in leasing property needed for its pipeline construction.

We also helped our individual clients buy and sell high-end residential properties, ranging from brownstones in Brooklyn Heights to luxury apartments in Manhattan and houses in Westchester, Nassau, and Suffolk Counties.



Protecting imagination and invention

Owners and independent innovators in electronics, computer software, biotechnology, pharmaceuticals, chemistry, chemical engineering, mechanical engineering, financial services, life sciences, fashion, entertainment, consumer products, publishing, computer software, and internet-related services turned to us for effective and creative advice on patents, trade secrets, trademarks and trade dress, domain names, and copyrights.

Marks protected. Upon the instructions of the lead Jamaican attorneys for **Usain Bolt**, the nine-time Olympic Gold Medalist known as the “world’s fastest human,” Carter Ledyard filed to expand Mr. Bolt’s trademark portfolio in the United States. We also assisted artist **Derek Brown** with registration of his WINGED PHARAOH logo, helped **MaxAscent LLC** and **Watershed Bridges LLC** launch their business with a portfolio of marks in the United States and Europe, and monitored third party trademark filings worldwide for infringement of the trademarks of **American National Standards Institute** (ANSI), including filing a successful Letter of Protest in the United States Patent and Trademark Office (PTO). We continued to assist **Fashion Rocks LLC** with protection and licensing of its worldwide trademark rights. In Trademark Office opposition proceedings, we defended the rights of client **Munro Investment Group Pty Ltd.** in its mark MAJESTIC.

[NEW COUNSEL]



Theodore Y. McDonough
Counsel, Litigation Department

Theodore Y. McDonough concentrates on intellectual property litigation, particularly patent litigation. Mr. McDonough has advised clients in the pharmaceutical, nutraceutical, diagnostic testing, medical product, consumer electronic product, and financial services industries, among others. Mr. McDonough’s expertise extends to every phase of an infringement case, from pre-suit investigation to fact and expert discovery, parallel U.S. Patent and Trademark Office *inter partes* proceedings, summary judgment motions, trials, appeals, and settlements. Mr. McDonough also is involved with rendering validity and infringement opinions, counsels clients on trademark issues and license and technology agreements, and has significant experience with electronic discovery issues.

INTELLECTUAL PROPERTY

Patents litigated. We represented **Kaneka Corporation** in ongoing litigation in the U.S. District Courts and the Court of Appeals to enforce patents relating to the manufacture of CoQ10, a naturally fermented and non-synthetic nutritional supplement. We represented **Agilent Technologies** in several appeals to the Court of Appeals for the Federal Circuit from decisions of the PTO Patent Trial and Appeal Board relating to patents on laboratory analytical and testing systems. We continued to advise **Harris FRC Corp.** on ongoing Hatch-Waxman patent litigation and parallel PTO *inter partes* review proceedings regarding VIMPAT®, a widely prescribed therapy for epilepsy.

Patent policies advocated. Working with **Agilent Technologies**, we filed an *amicus* brief in the United States Supreme Court in the matter of *Life Technologies v. Promega Corp.*, addressing the business implications of extending U.S. patent reach internationally based on the sale of a single component. At oral argument, Justice Anthony M. Kennedy said he found the brief “instructive.”

Infringement stopped. For the **International Organization for Standardization** (ISO), we stopped false advertising by NOCTI and Nocti Business Solutions, and for **ANSI**, we stopped the unauthorized use of ANSI QUALITY MANAGEMENT SYSTEM in India. We obtained prompt takedown of infringing images for the **Estate of Paul Jenkins**. For **Hair Flair Limited**, we registered the CURLFORMERS mark and stopped infringement of its SOFTHOOD and CURLFORMERS marks. We continued to advise **Arrow Electronics, Inc.** and its subsidiary **Transim Technology Corp.** on monitoring and asserting rights to a patent directed to an online system for building and simulating electronic circuits.

Patents obtained. We represented pioneering individuals, companies, and institutions in obtaining patent protection for their proprietary technology in the U.S. and other countries, including **Solar-Tectic LLC**, **Riverside Research Institute**, **Platform Imaging LLC**, **Digital Compression Technology, LLC**, **Harrier Technologies, Inc.**, **Interactic Holdings, LLC**, **LSI Computer Systems, Inc.**, and **Safas Corporation**. We obtained an international design registration to protect the BRILLANTE line of jewelry created by **Paolo Costagli**.



CYBERSECURITY

Cybercrime has become a major global threat that transcends industries and governments. Cybersecurity is now a fundamental concern for senior executives and directors of companies. To help our clients better understand and manage cybersecurity threats and standards, we have launched a Cybersecurity Practice Group to provide timely and comprehensive advice.

Carter Ledyard’s Cybersecurity Group includes attorneys with expertise across numerous practice areas, including litigation, intellectual property, corporate, and financial services regulation, and advises clients on developing, strengthening, testing, and enforcing their information protection policies and procedures. Our attorneys are experts in interpreting for clients the myriad of state, federal, and international regulations and cases relating to cybersecurity and helping them to take appropriate, effective, and risk-sensitive action.





i-beam Pt

e-beam Pt

e-beam C

Si

Al₂O₃ Substrate

0.2 μm

Our Clients had a Really Good Year[®]

Solar-Tectic[®]

Solar-Tectic LLC is a solar research and development company providing solutions to the photovoltaics industry, based primarily on inventions by the late Dr. Praveen Chaudhari, renowned materials physicist, co-inventor of writeable compact discs, and recipient of the U.S. National Medal of Technology and Innovation. Solar-Tectic's patented technology offers a variety of breakthrough solutions for solar cell manufacturing, as well as for the display industry. High efficiency, cost-effective solar cells are a top priority for the company. It will focus on "tandem perovskite/silicon thin film" solar cells R&D in the coming year.

www.solartecticllc.com

Transmission electron microscope image showing continuous single crystal silicon thin-film growth by electron-beam evaporation on a sapphire substrate. This process is below the melting point of ordinary glass.

Helping clients protect the people and causes they value

In 2016, Carter Ledyard's nationally recognized Trusts and Estates Department guided clients through an array of estate planning challenges.

ESTATE PLANNING

We drafted complex estate planning documents for our clients, using our technical expertise to develop innovative solutions for unique assets, including closely-held business interests, real estate holdings, and significant art collections. We advanced our clients' tax and non-tax interests by working with their financial advisors to implement comprehensive estate plans.

Carter Ledyard continued to work with existing clients to update their estate plans. Given the continued low interest rate environment, popular estate planning techniques included the use of GRATs, sales to grantor trusts, and intra-family loans, as well as strategies to permit discounts to be claimed on asset transfers. We also worked with clients on planning using disclaimers, decanting trusts, and appointing guardians.

TAX STRATEGIES

For clients with interests abroad, we advised on reporting requirements for specified foreign assets and activities. We structured estate plans for clients with non-citizen spouses and utilized techniques designed to preserve the marital deduction and maximize lifetime gifts to non-citizen spouses.

We advised clients on generation-skipping transfer (GST) tax planning, which can be complicated. For instance, unlike the federal estate exemption, the GST exemption is not portable to a surviving spouse. We helped our clients maximize their GST exemptions during their lifetimes through gifting to grandchildren and more remote descendants and by using other techniques to leverage the use of their GST exemptions.

We delivered advice to fiduciaries involved with the administration of estates and trusts with multi-jurisdictional issues, foreign assets, and valuation disputes with the IRS. For example, we counseled our banking clients on balancing their fiduciary responsibilities with the sometimes competing interests of beneficiaries. We also utilized post-mortem planning techniques to minimize the significant income taxes imposed at the estate and trust level due to their compressed income tax brackets.

CHANGES IN THE LAW

We continued to advise clients on the impact of state and federal legislative and regulatory activity. Following its 2014 estate tax overhaul, New York's estate tax exemption amount is set to increase for decedents dying after April 1, 2017. By 2019, New York's estate tax exemption amount will equal the federal amount. Similarly, New Jersey revamped its estate tax laws in 2016. New Jersey's estate exclusion amount is set to increase for decedents dying after January 1, 2017. By 2018, the New Jersey estate tax will be entirely repealed. These changes make it less likely that New York and New Jersey residents will change their domiciles solely for estate tax planning reasons.

Changes to income tax basis reporting rules to address reporting inconsistencies between estates and beneficiaries of assets were introduced by federal legislation in 2015 and were implemented by the IRS in 2016. Executors are now required to provide beneficiaries with tax basis information, typically the date of death value, on new Form 8971, and the completion of the Form 8971 has generated many interpretative issues for executors and their advisors.

The upcoming change in administration has created uncertainty concerning possible changes to the tax code. The new administration's proposed tax plan featured a repeal of the estate tax in exchange for a capital gains tax on assets held until death and valued over \$10 million. The proposal did not specify whether the tax would be paid upon death or when a beneficiary sells the appreciated asset. The details of the proposed tax plan remain to be seen, and our Trusts and Estates Department will continue to advise clients on current estate planning in light of this uncertainty, including helping clients determine the extent to which these changes impact the transfer of their assets and implementing flexible estate plans that account for possible legislative changes.

[NEW COUNSEL]



Alison Powers Herman
Counsel,
Trusts & Estates Department

Alison Powers Herman practices in the areas of Trusts and Estates, Art Law, Tax-Exempt Organizations, and Fiduciary Litigation. Ms. Herman advises high net worth individuals and families regarding wealth transfer planning, including charitable giving and estate, gift, and generation-skipping tax planning. She also advises beneficiaries and fiduciaries in all areas of estate and trust administration, including federal and state tax proceedings, post-mortem estate planning, probate filings, marshaling and valuation of assets, accountings, and preparation of estate, gift, and fiduciary income tax returns. Additionally, Ms. Herman advises tax-exempt organizations on various matters, including formation and corporate governance, and counsels artists, collectors, and fiduciaries on art-related matters, including consignment, valuation, transfer, and preservation of artistic legacy.



Our Clients had a Really Good Year[®]

The Pollock-Krasner Foundation

The Pollock-Krasner Foundation was created with a bequest from Lee Krasner, the abstract expressionist painter and the widow of Jackson Pollock, to provide financial assistance to visual artists with demonstrated financial need.

Since 1985, the Pollock-Krasner Foundation has awarded over 4,100 grants totaling over \$65 million to artists in 77 countries. These one-year grants are available through an open application process, and have allowed artists to purchase materials, pay studio rent, and cover personal and medical expenses, providing a stabilizing and strengthening influence to artists at critical points in their careers. The Foundation also grants Lee Krasner Awards to recognize lifetime artistic achievement, and in 2016 established the Pollock Prize for Creativity.

The Pollock-Krasner Foundation has been a pioneer and leader among artist-established foundations, working to advance good governance practices in the field and encouraging other successful artists to emulate Lee Krasner's generous example.

www.pkf.org

Lee Krasner
Water No. 18, 1969
Signed and dated recto bottom right "Lee Krasner '69"
Gouache on Howell paper
19 x 15 inches
48.3 x 38.1 cm

© 2017 The Pollock-Krasner Foundation / Artists Rights Society (ARS), New York.
Image courtesy of Paul Kasmin Gallery.

Lee Krasner '69

The deal of the art

Carter Ledyard is adept at navigating the complexities of art-related transactions and disputes. In 2016, our attorneys provided a wide range of legal services to artists, collectors, estates, and foundations.

- **Artists' and Collectors' Estate Planning and Legacy Management.** We advised artists and collectors planning the disposition of large collections and artists' legacies, which included the creation of foundations, large-scale consignments, intellectual property licensing, and authentication of artwork. Clients included the estate of **Madeline Gins** and **Arakawa** and their artist-established **Reversible Destiny Foundation**.
- **Title and Authenticity Disputes.** Carter Ledyard represented sellers, buyers, and dealers in investigating title and authenticity prior to purchases, and in disputes over title and authenticity that arose post-sale, and represented collectors in efforts to have authenticity established.
- **Authentication Activities and Catalogues Raisonne.** We advised the **Pierre and Tana Matisse Foundation** and many other foundations, galleries, and scholars undertaking authentication and publication of catalogues raisonne on best practices to minimize risk of disputes from good-faith scholarly opinions.
- **Recovery of Artwork.** Carter Ledyard recovered artwork for artists and estates, a particularly challenging task when heirs had to prove the terms of loans and consignments entered into during the artist's lifetime.
- **Damage and Insurance.** We represented collectors in assessing insurance needs, and in pursuing claims for loss and damage when art was damaged during transport, on consignment, or on loan to museums.
- **Enforcement of Gift Agreements.** Carter Ledyard negotiated and enforced display and outreach commitments associated with donations of large art collections to museums for private donors, estates, and charitable trusts such as the **Beltran-Kropp Foundation**.

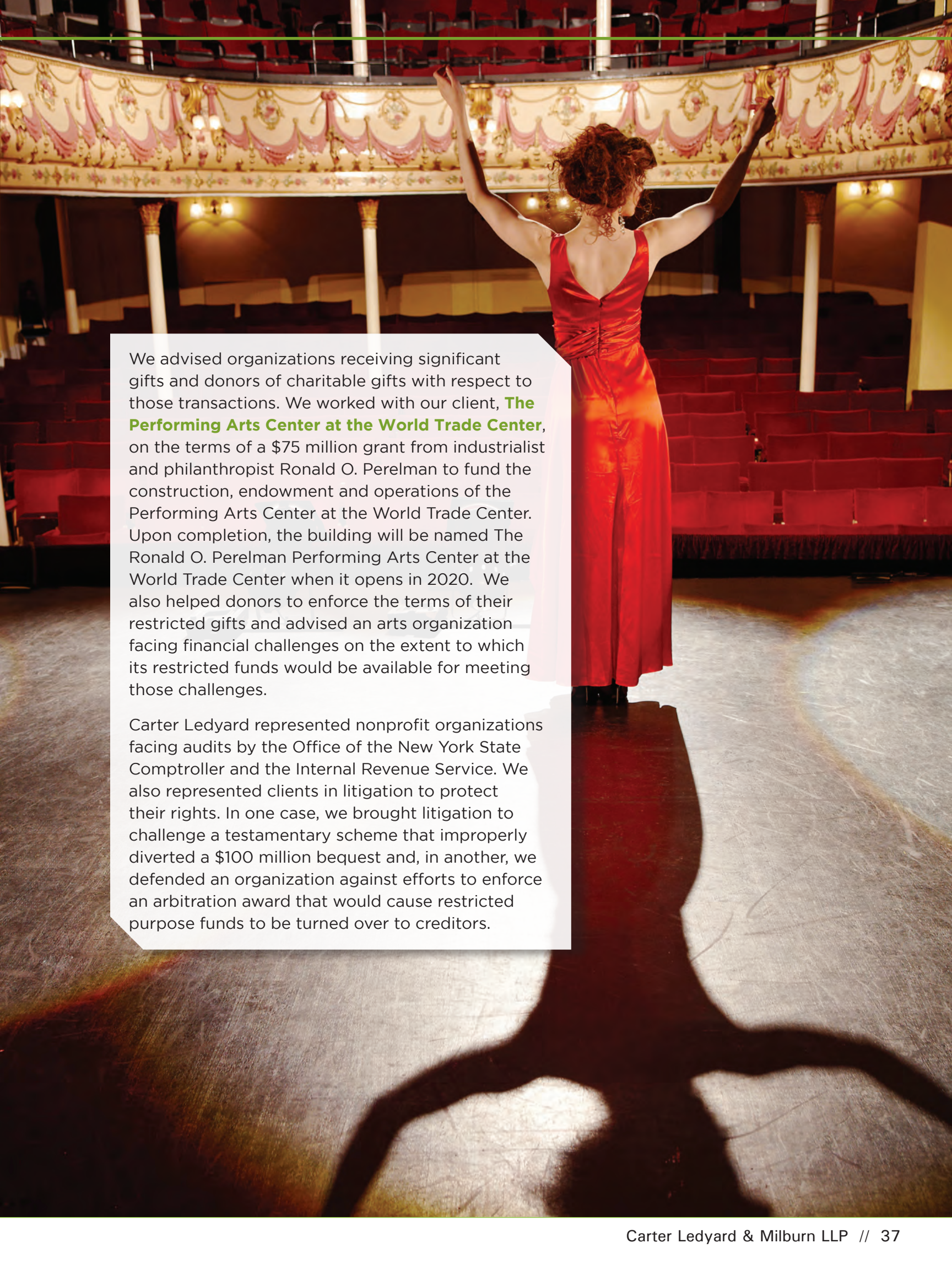
Enabling clients to carry out their good work

Carter Ledyard represents a wide variety of tax-exempt clients, from private foundations and public charities to business leagues, social welfare organizations, and cemeteries. During 2016, we worked with our clients to revise their certificates of incorporation and bylaws, preserve their historic buildings, improve their corporate governance, pursue claims to recover substantial legacies, and engage in impact investing, in addition to regularly assisting clients with tax compliance, employment issues, real estate tax exemption questions, and the preservation of intellectual property.

Our attorneys assisted an international business league in converting from an unincorporated association to a nonprofit corporation and in registering its trademarks throughout the world. We also advised private foundations, churches, and other tax exempt organizations, including a large cemetery, on changes to their governance documents that modernized their practices and brought them into compliance with relevant law.

Carter Ledyard helped form a number of new charities with a wide range of social goals, from a private foundation focused on grant-making in the U.S. and India to a public charity providing food and supplies to impoverished communities in New York City. We also helped obtain tax-exempt status for a newly formed charity focused on promoting food security, agricultural development and climate change in rural communities in Ethiopia and Eritrea, and for a newly formed charity that furthers the arts. With our assistance, one family's foundations consolidated their operations and devised functional and programmatic norms for the future.

We helped a number of public charities evaluate and carry into effect strategic mergers and structural changes to enhance their ability to meet their goals. Carter Ledyard also advised an organization that provides technical support and training to parochial schools in its merger with several other organizations having similar purposes and programs.



We advised organizations receiving significant gifts and donors of charitable gifts with respect to those transactions. We worked with our client, **The Performing Arts Center at the World Trade Center**, on the terms of a \$75 million grant from industrialist and philanthropist Ronald O. Perelman to fund the construction, endowment and operations of the Performing Arts Center at the World Trade Center. Upon completion, the building will be named The Ronald O. Perelman Performing Arts Center at the World Trade Center when it opens in 2020. We also helped donors to enforce the terms of their restricted gifts and advised an arts organization facing financial challenges on the extent to which its restricted funds would be available for meeting those challenges.

Carter Ledyard represented nonprofit organizations facing audits by the Office of the New York State Comptroller and the Internal Revenue Service. We also represented clients in litigation to protect their rights. In one case, we brought litigation to challenge a testamentary scheme that improperly diverted a \$100 million bequest and, in another, we defended an organization against efforts to enforce an arbitration award that would cause restricted purpose funds to be turned over to creditors.

Carter Ledyard gives back

CLEMENCY PROJECT 2014

Carter Ledyard continued to work with **Clemency Project 2014**, an undertaking sponsored by the National Association of Criminal Defense Lawyers, the American Civil Liberties Union, and Families Against Mandatory Minimums, which was formed to assist nonviolent longtime federal prisoners who likely would have received shorter sentences had they been sentenced today. President Obama commuted 1,715 prisoner sentences during his terms in office, 894 of whose petitions were supported by Clemency Project 2014. The list of clemency grants by President Obama included David Carroll, Jonathan Rodrico Carter, Jeffrey Lynn Coleman, Jesse James Gentry, Robert Sedillo Gutierrez, Monica Haro, Lamell T. Jones, Delvin McKinney, Reisa Lynn Pettiette, Germaine Roebuck, Melvin Spencer, Lulummba Travis, Robert Lee Williams, and Richard Arthur Wright, all of whose matters were screened by Carter Ledyard's Clemency Project 2014 pro bono volunteers Michael Shapiro, Melissa J. Erwin, Matthew B. James, Alexander G. Malyshev, and Jacob H. Nemon.

BRONX WILLS PROJECT

For more than 20 years, Carter Ledyard has worked with **Legal Services NYC-Bronx** to help elderly, low-income Bronx residents with testamentary planning and will preparation, living wills, health care proxies, and powers of attorney. Our Bronx Wills Project has received special recognition from the New York State Bar Association. Preston C. Demouchet, Alison Powers Herman, Brielle E. Kilmartin, Stephen F. Lappert, Patricia Matzys, Elaine Nguyen, Justin L. Peters, Edward J. Pudup, Dylan L. Ruffi, and Josephine J. Yoon traveled every month to Legal Services NYC's Bronx office to advise clients. Summer associates James Arrabito, Edgar Mendoza, and Anthony Prinzivalli also participated in the Bronx Wills Project.

IMMIGRATION EQUALITY

Carter Ledyard worked with **Immigration Equality**, a nonprofit organization providing free legal services to LGBTQ and HIV-positive undocumented immigrants. Attorneys Michael H. Bauscher, Guy Ben-Ami, Aaron R. Cahn, Kortni M. Hadley, Brielle E. Kilmartin, Pamela A. Mann, Justin L. Peters, Edward J. Pudup, Dylan L. Ruffi, Rocco M. Sainato, and Madelyn K. White, and non-legal staff members Bill Borenstein and Marina Cerda, assisted clients who face persecution in their home countries. Summer associates James Arrabito, Edgar Mendoza, and Anthony Prinzivalli also assisted with these matters.



NYC RESCUE MISSION

The **New York City Rescue Mission**, whose motto is “Hope Lives Here,” is one of the oldest in the country and has been helping the less fortunate for over 143 years. The mission, founded in 1872, offers men and women Recovery Programs, a Career and Learning Center, Emergency Shelter, a Soup Kitchen and Food Pantry, a Clothing Closet, and Medical and Social Services. They offer a bed to 220 people and breakfast and dinner to over 400 each day. Carter Ledyard volunteers Barbara B. Brown, Marina Cerda, June Chotoo, Annalyn Colon, Denise Dixon, Matthew D. Dunn, Christine A. Fazio, Barbara Flaws, Lois Foster, Gerald W. Griffin, Gino Herard, Susan Mackey, Emily Moog, Rashma Patel, Edward J. Pudup, Patricia Theobalds, and Josephine J. Yoon volunteered on two nights in November and helped to serve 630 dinner meals.

HER JUSTICE

Carter Ledyard continued its work with **Her Justice**, a nonprofit organization providing free legal services to women and their families in domestic violence matters. Attorneys Michael H. Bauscher, Melissa J. Erwin, Christine A. Fazio, Kortni M. Hadley, Alexander G. Malyshev, Karen E. Meara, Justin L. Peters, Edward J. Pudup, Leonardo Trivigno, Judith Wallace, Madelyn K. White, and Josephine J. Yoon, and non-legal staff members Bill Borenstein and Marina Cerda, helped with Non-Immigrant U-Visa Petitions. Melissa J. Erwin also assisted a client with her divorce.

CONSUMER BANKRUPTCY PROJECT

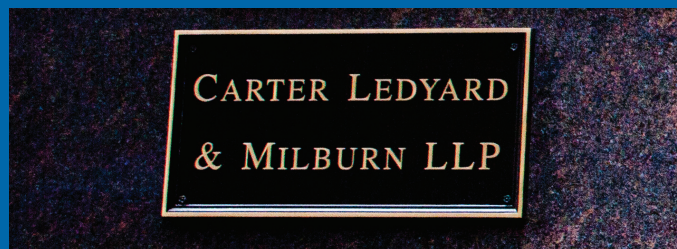
Through the **Consumer Bankruptcy Project** of the City Bar Justice Center, Aaron R. Cahn, James Gadsden, Theodore Y. McDonough, Elaine Nguyen, and Leonardo Trivigno advised unrepresented debtors in existing bankruptcy cases where the presiding judge believed that counsel was needed.

We're proud of our staff's good works

Michael H. Bauscher is a volunteer coach for Bedford Youth Soccer and Mount Kisco Little League and a member of the Bedford Central School District Budget Advisory Committee. **Aaron R. Cahn** serves on the board of Concert Artists Guild. **Rachel B. Coan** provides pro bono legal services to Dancing Classrooms, Inc. **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. **Matthew D. Dunn** serves on the board of the New York chapter of the Irish International Business Network, and coaches youth hockey and baseball in Westfield, New Jersey. **Christine A. Fazio** serves on the board of the New York City chapter of the New York League of Conservation Voters. **Stephen M. Fields** provides pro bono legal services to CancerCare. **James Gadsden** is a member of the vestry and sings in the choir at St. James Episcopal Church and a volunteer mediator at the U.S. District Court, Southern District of New York. **David Gayle** volunteers at Meals on Wheels. **Anne K. Gerson** served on the Board of Directors of If/When/How, Inc. **Steven J. Glusband** serves as the President of the Roxbury Run Village Association. **John M. Griem, Jr.** serves on the board of directors of the Conrad Foundation. **Kelley Harrison** volunteers at the Humane Society of New York. **Jay A. Henao** volunteers at The Liberty Humane Society of Jersey City. **Alison Powers Herman** coordinated the firm's contributions to Bottomless Closet. **Mary Joan Hoene** provides pro bono legal services to the Friends of Newport Preservation. **Macculloch M. Irving** serves on the board of the Blanton-Peale Institute and is the Chancellor of the Vestry of Trinity Church. **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. **Jeanine McPartlin** is a member of the choir at St. Luke's Episcopal Church and a volunteer with the church's youth group. **Steven Paul McSloy** teaches pro bono for the California Tribal College and advises the Native American Law Students Association at Columbia Law School. **Daniel J. McSwiggan** serves on the board of Big Brothers Big Sisters of New York City. **Karen E. Meara** serves as secretary of the board of the Northeast Organic Farming Association of New York and was the legal volunteer for the Election Protection voter hotline sponsored by the Lawyers' Committee for Civil Rights. **Emily Moog** serves as secretary of the Board of the Fort Place Cooperative, Inc. **Christopher Rizzo** is board chairman of the Friends of Van Cortlandt Park Inc., counsel to the North Riverdale Merchants Association, and a member of the directors council of New Yorkers for Parks. **Michael Shapiro** is a board member of the NYSACDL Foundation and chair of the Prosecution and Judicial Complaint Center. **Ronald D. Spencer** serves as chairman of the Fund for Park Avenue. **Robert J.A. Zito** is Regional Chair of The Venerable Order of the Hospital of St. John of Jerusalem, President and Director of The Holland Lodge Foundation, Trustee of The Down Town Association, and serves pro bono on the clergy staff of Trinity Church Wall Street. **June Chotoo** and **Patricia Theobalds** coordinated the firm's contributions to New York Cares Coat Drive. **Brielle E. Kilmartin**, **Elaine Nguyen**, and **Dylan L. Ruffi** coordinated the firm's contributions to the Toys for Tots program. **Guy Ben-Ami**, **Jeffrey S. Boxer**, **Matthew D. Dunn**, **Alexander G. Malyshev**, **Karen E. Meara**, **Jacob H. Nemon**, **Edward J. Pudup**, **Leonardo Trivigno**, and **Madelyn K. White** mentored the mock trial team from William Cullen Bryant High School.

Disclaimer: This Review may be considered attorney advertising under the rules of some states. The hiring of an attorney is an important decision that should not be based solely upon advertisements. Furthermore, prior results do not guarantee a similar outcome.



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