

Patterson Belknap Webb & Tyler LLP

HIGHLIGHTS 2010



LETTER FROM THE CO-CHAIRS

April 2011

Last year, amidst continued economic uncertainty, Patterson Belknap attorneys assisted clients worldwide to develop and implement strategies and solutions that would help shape their future. Our work included diverse matters, from navigating clients through high-stakes disputes associated with the recent global economic crisis, to advising on the establishment of the first ever online art fair, to handling investigations for a professional sports league on critical issues. We are proud of what we and our clients achieved together. We are also proud of the recognitions that the firm and individual attorneys received throughout the year.

Patterson Belknap experienced considerable growth last year, reaching across our litigation and commercial teams. Having carefully managed our practice, we were able to continue to invest in our people. In addition to having the largest incoming associate class in firm history, most of the them joining us from federal clerkships, we recently announced four new partners and five new counsel.

Public service remains a top priority of the firm. We continued our long standing commitment to give back to our community. In 2010, for the seventh consecutive year, 100% of our attorneys participated in pro bono projects. On average each of our attorneys donated close to 100 hours to pro bono clients. Their efforts were recognized by a variety of organizations dedicated to improving the lives of those in need.

Our tradition of public service continued to extend outside the firm as well. Last year, our partner Steve Younger was sworn in as the President of the New York State Bar Association. He is the third Patterson Belknap partner to serve in that role. In January, our partner Karla Sanchez was appointed as Executive



Deputy Attorney General of Economic Justice for the State of New York.

The firm also continued its dedication to being the best possible place to work for our attorneys and staff. We again received a strong ranking in *The American Lawyer's* mid-level associate satisfaction survey. We also continue to invest in the technology and infrastructure that permit our people to work as efficiently and effectively as possible on behalf of our clients.

We continually strive to exceed our clients' expectations through our solutions, results and personal attention to matters. We look forward to carrying that tradition into the future.

Sincerely,

William F. Cavanaugh, Jr.

Robert P. LoBue

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AWARDS & RECOGNITIONS

The firm's practice areas and partners were named to lists of law firm leaders by several industry publications. Below are a few examples.

Euromoney / Institutional Investor's Benchmark: Litigation ranking. For the third year in a row, the firm was ranked in Benchmark Litigation's top category, "Highly Recommended" for New York. Partners Bill Cavanaugh, Greg Diskant, Erik Haas, Jeff Lewis, Bob LoBue, Saul Shapiro, Peter Tomlinson, Steve Younger and Steve Zalesin were all listed as "Local Litigation Stars."

The firm was also listed in Benchmark's national rankings for Intellectual Property. Greg Diskant and Jeff Lewis were listed as National Stars for Intellectual Property.

Chambers USA - America's Leading Lawyers for Business 2010 recognized several practice areas and partners. In addition to several partners and practice groups rising among the ranks, the firm's false advertising litigation practice is included in the top tier nationally.

Chambers rankings are based on extensive research and interviews with peers and clients around the country.

The qualities assessed include technical legal ability, professional conduct, client service, commercial awareness / astuteness, diligence, commitment and other qualities most valued by the client.

Chambers recognizes the firm's **False Advertising** team in the top band of firms in the United States. According to the guide, the firm is "renowned for having one of the best false advertising litigation teams in the country" and has "one of the best false advertising practices around." **Steve Zalesin** was ranked in Chambers' top band of false advertising litigators nationwide.

Patterson Belknap's **Patent Litigation** team earned its Chambers ranking with an exceptional year, which included securing a record setting \$1.725 billion settlement on behalf of Johnson & Johnson's coronary device unit from competitor Boston Scientific. Firm partners **Greg Diskant and Jeff Lewis** were recognized as leaders in patent litigation.

The firm's **Trademark and Copyright Litigation** team was again recognized for having a top practice. Chambers offered the following quote from its research:

"A group that deserves praise; they do things the right way." Partner **Bob LoBue** was recognized as a top attorney in this area.

Patterson Belknap's **Media and Entertainment Litigation** group was listed as one of the top teams in New York. Chambers quoted a client saying "We use many firms but Patterson is our first choice for entertainment litigation – the lawyers are incredibly practical and great at constructing a water-tight defense." Partners **Bob LoBue and Saul Shapiro** were recognized as leaders.

The firm's **Real Estate** team continues to be recognized for its strengths. One client commented, "The diligent and respected lawyers in this group pay great attention to detail and are always willing to go the extra mile to get the job done." Partners **Andy Herz and Bob Safron** were recognized as leading real estate lawyers.

In addition, **John Winter** was ranked nationally as a leading **Products Liability** attorney.

OUR PEOPLE

William F. Cavanaugh Jr. rejoined the firm in 2010 as Co-Chair following his service as Deputy Assistant Attorney General of the United States for Civil Enforcement in the Antitrust Division of the Department of Justice (the "Division"). During his time in Washington, Bill directly supervised the Division's work on a number of high-profile matters including the Google Book Search settlement agreement and the Ticketmaster and Live Nation merger. A skilled trial attorney with extensive experience in both state and federal courts as well as in arbitration, Bill focuses his practice on antitrust, intellectual property and commercial litigation. He has served as national and trial counsel in several large multiparty antitrust and fraud litigations in federal and state courts across the United States, representing major pharmaceutical, medical device and financial services companies.

White Collar and Investigations attorney **Joshua A. Goldberg** received a Prosecutor of the Year award at the Federal Law Enforcement Foundation Leadership and Community Service Awards ceremony on November 12, 2010. The award arose out of Josh's investigation and prosecution of former executives of Monster Worldwide Inc., the parent company of Monster.com, for securities fraud arising out of a multi-year scheme to backdate stock options and report false financial information. Josh conducted this work while serving as an Assistant United States Attorney in the United States Attorney's Office for the Southern District of New York.

Karla G. Sanchez was appointed as Executive Deputy Attorney General of Economic Justice for the State of New York effective January 1, 2011. In that role, she has direct responsibility for five

Bureaus of the Attorney General's office: Investor Protection, Consumer Frauds, Antitrust, Real Estate and Internet.

Stephen P. Younger took office as the 113th President of the New York State Bar Association (NYSBA), the largest voluntary bar association in the country. He is the third Patterson Belknap partner to become President of the NYSBA. He follows one of the firm's founders, Chauncey Belknap, and its former partner, U.S. District Court Judge Robert P. Patterson, Jr., both of whom previously served in this role.

PRO BONO

Dedication to public service is at the heart of Patterson Belknap's pro bono practice. In 2010, for the seventh consecutive year, 100% of the firm's attorneys participated in pro bono projects.

In addition, the following organizations recognized our attorneys for their substantial pro bono efforts:

Legal Aid Society. A number of our attorneys were recognized for their work in the areas of affirmative litigation (a

class action on behalf of children in foster care and in a second matter, class action challenges to procedures establishing continuing eligibility for public benefits), housing discrimination and retaliation claims, community economic development assistance, and criminal appeals, among others.

Legal Services NYC. Four of our attorneys were honored for their pro bono assistance in the area of real estate law.

MFY Legal Services, Inc. MFY awarded 23 of our attorneys "Partners in Justice" commendations in recognition of our work with MFY's clients in the areas of housing, disability rights, kinship care, and adult home advocacy.

New York City Bar Association. Two of our attorneys received the Jeremy G. Epstein Award for their outstanding advocacy regarding challenging asylum cases.

'Patterson Belknap has long been a pro bono leader. Our work with the firm for these many years is a model of pro bono legal services-private law firm partnership.'

- Lynn M. Kelly, Executive Director, City Bar Justice Center

FIRM LIFE

Patterson Belknap continues to be ranked among the top law firms in New York City in associate satisfaction. The firm also continues its tradition of public service outside the firm.

The American Lawyer's National 2010 Midlevel Associate Survey. Patterson Belknap continues to be among the top-ranked New York City firms in this annual survey. More than 5,000 associates were polled nationally, scoring firms on several factors, including partner/

associate relationships, the interest and satisfaction level of work, training/guidance, attitude toward pro bono work, compensation/benefits, and associate's inclination to stay at the firm for at least two more years.

Largest Incoming Associate Class. Patterson Belknap is committed to providing our clients with the highest quality service. As several practice areas around the firm have grown we have worked hard to recruit the brightest and

best associates and clerks. Patterson Belknap's 2010 incoming associate class was the largest in firm history.

Vault. Patterson Belknap ranked in the top 100 law firms in one of the country's most prestigious rankings for law students. The ranking is based on surveys of more than 15,000 associates who rank the prestige of their peer firms.

'We are proud of our core values — excellence in client service, a congenial and diverse workplace, and a tradition of public service.'
- Robert P. LoBue, Co-Chair and Managing Partner

NEW PARTNERS & COUNSEL

In addition to welcoming Bill Cavanaugh back from his service in Washington, the firm named four new partners and five new counsel.

Nicolas Commandeur, Partner. Nico Commandeur practices in the areas of complex commercial litigation, legal malpractice defense and cases implicating First Amendment protections. Nico has handled cases in various state and federal courts, at both the trial and appellate level. He is currently representing several financial guaranty insurers asserting billions of dollars of claims against major financial institutions relating to losses on mortgage-backed securities transactions. He has successfully represented a Fortune 500 company in a multi-billion dollar lawsuit against the company's former auditor for losses suffered as a result of fraudulent accounting. As part of the firm's law firm defense team, Nico has also successfully represented major national law firms in defense of allegations of legal malpractice.

Daniel C. Glazer, Partner. Dan Glazer focuses his practice on intellectual property and technology transactions, including intellectual property licensing, software licensing and development arrangements, technology outsourcing and other services arrangements, sponsorship, marketing and distribution arrangements, and the intellectual property and technology aspects

of mergers and acquisitions, joint ventures, and other complex corporate transactions. His practice also includes trademark and copyright counseling, enforcement and prosecution. He also is nationally recognized in the field of sports law and is co-chair of the firm's Sports Group. Dan advises clients, including numerous Fortune 500 corporations, on high-profile matters in a range of industries, including telecommunications, financial services, sports, consumer products, food and beverage, media, and entertainment.

Joshua A. Goldberg, Partner. Josh Goldberg is a litigator in the firm's white collar defense and investigations group. He joined the firm in 2009 after serving eight years as an Assistant U.S. Attorney in the Southern District of New York, most recently as a member of the Securities and Commodities Fraud Task Force. In this role, Josh investigated and prosecuted complex white-collar cases under the federal securities laws involving securities fraud, accounting fraud, market manipulation, investment adviser fraud, insider trading and commercial bribery. In 2010, Josh received a Prosecutor of the Year award from the Federal Law Enforcement Foundation for his investigation and prosecution of former executives of Monster Worldwide Inc. for securities fraud arising out of a multi-year scheme to backdate stock options and report false financial information.

Irena Royzman, Partner. Irena Royzman is an intellectual property litigator, focusing her practice on cases involving biotechnology, pharmaceutical, and medical device products. She represents both plaintiffs and defendants in all aspects of patent litigation, including patent appeals. Her experience includes cases brought under the Hatch-Waxman Act. She defends false patent marking actions and advises clients on patent infringement, validity and contractual issues. Ms. Royzman holds her Ph.D. in Biology from the Massachusetts Institute of Technology. Through her graduate work, she is skilled in recombinant DNA technology, biochemistry, cell biology and genetics.

Carolyn B. Handler, Counsel. Carolyn Handler practices in the firm's Personal Planning Group. She is responsible for overseeing the administration of complex estates and trusts, including tax planning, reporting, valuation issues and fiduciary advice. Additionally, Carolyn focuses on Surrogate's Court practice, representing fiduciaries as well as individual and charitable beneficiaries in uncontested and contested proceedings. Her exempt organizations practice is centered on the establishment and representation of charitable entities, including private foundations, charitable trusts and public charities, and all aspects of nonprofit governance. She serves on the board and is an officer of several social service agencies and civic

organizations in the greater New York area and is an active member of the Committee on Estate and Trust Administration of the New York State Bar Association.

Harry Sandick, Counsel. Harry Sandick is a member of the firm's White Collar Defense and Investigations Team and Complex Commercial Litigation Team. A former Assistant U.S. Attorney for the Southern District of New York, Harry focuses his practice on white collar criminal defense, securities fraud, internal investigations and complex civil litigation.

Harry represents organizations and individuals in internal investigations and prosecutions brought by the U.S. Attorney's Office for the Southern District of New York, the U.S. Department of Justice and the U.S. Securities and Exchange Commission. He has significant experience in matters related to the Foreign Corrupt Practices Act (FCPA) and the regulations promulgated by the Office of Foreign Asset Controls (OFAC). His recent work also includes the representation of a taxpayer who was prosecuted in federal and state court for having an undisclosed offshore bank account, the representation of claimants in a multi-million dollar civil forfeiture action, and the representation of a major investor in Bernard L. Madoff Investment Securities LLC in the recent investigation conducted by prosecutors and regulators.

Matthew J. Shepherd, Counsel. Matt Shepherd is a litigator who represents clients in all aspects of commercial litigation in federal and state court, with a focus on complex commercial matters, law firm defense, intellectual property, and advertising disputes. Matt's recent experience includes the representation of a financial guaranty provider in a breach-of-contract and fraud litigation against a major financial institution stemming from the current mortgage crisis. His law firm defense experience includes defending several major law firms and lawyers in malpractice and related cases, as well as intra-firm disputes. His advertising experience includes traditional litigation, initiating and defending network and NAD challenges, as well as advising clients regarding their advertising practices. Matt's experience also includes securities litigation, contract and corporate disputes, probate contests, trade dress litigation, criminal appellate work, and alternative dispute resolution.

Edward H. Smoot, Counsel. Ted Smoot is a corporate attorney who represents public and private companies as well as individuals in matters including mergers, acquisitions, private equity and venture capital, commercial agreements and employment contracts. His practice includes all aspects of the formation, operation, financing, disposition and acquisition of businesses, including purchase and sale transactions, debt

and equity financings and employment and severance agreements. Ted also represents public companies in securities offerings, disclosure and regulatory compliance and corporate governance matters.

Carrie A. Syme, Counsel. Carrie Syme practices in the areas of complex commercial litigation, false advertising, trade dress, and intellectual property law. She handles all aspects of disputes in state and federal court, as well as in domestic and international arbitration. Carrie currently represents several of the world's largest bond insurance companies in a series of contract and fraud litigations stemming from the 2008 economic crisis. Her false advertising, trade dress and intellectual property clients include a leading consumer health publication company, a major medical device manufacturer, a major soft drink company and a packaged sweetener company.

ACHIEVEMENTS & RESULTS

Anti-Counterfeiting. Our Anti-Counterfeiting Practice has continued its successful representation of companies in a broad range of industries. Last year we collected millions of dollars for our clients. For one client, we collected what is believed to be the largest total dollar recovery obtained from businesses selling counterfeits. For another client, we presented to state and federal prosecutors evidence developed in a civil anti-counterfeiting action which resulted in five individuals being incarcerated for sentences totalling more than a dozen years. For other clients, we provided advice on proactive methods to secure products and packaging against counterfeiters and diverters and on the development of programs to guard and monitor distribution channels.

Antitrust. Patterson Belknap's Antitrust group was pleased to welcome back Bill Cavanaugh who returned to the firm in 2010 after serving as Deputy Assistant Attorney General of the United States for Civil Enforcement in the Antitrust Division of the Department of Justice. During his time in Washington, Bill directly supervised the Division's work on a number of high-profile matters, including the Google Book Search settlement agreement and the Ticketmaster and Live Nation merger.

The firm continues to represent a variety of clients in high-stakes antitrust litigation, including a financial institution in the payment card interchange case, a pharmaceutical company in a case alleging anti-competitive pricing, a financial guarantee insurance company in a group of cases alleging collusion in the municipal bond insurance industry, and pharmaceutical companies in cases involving generic competition.

Art and Museum Law. Patterson Belknap's Art and Museum practice continues to offer sophisticated and focused services to art market participants, museums and other cultural institutions. In 2010, the group worked with museums, collectors and galleries affected by the challenging economic environment. This work included advice related to bankruptcies, refinancing, judicial relief, loans and lines of credit. The group also works with a large field of international buyers and sellers in cross-border art transactions in both private and auction sales. Among 2010's other notable accomplishments, the group:

- ▶ Successfully defeated a high-profile claim brought by a collector against our client, a major contemporary art dealer. The claim alleged that the dealer had wrongfully refused to sell the collector a work of art.
- ▶ Counseled museums and collectors with respect to loans, gifts of art, estate planning and estate administration involving world class art collections and estate related disputes.
- ▶ Advised numerous artists' estates, foundations, museums and other not-for-profit institutions on transactional, administrative and governance issues.

Business Reorganization and Creditors' Rights. The firm's Business Reorganization and Creditors' Rights team worked with domestic and international clients across a variety of industries throughout 2010. For example, the group obtained a favorable result in its cross-border representation of the largest private bank in Brazil in the U.S. bankruptcy case of a Brazilian company. The group also represented former officers and directors of one of Iceland's largest banks – which had filed a Chapter 15 bankruptcy case in New York – in a lawsuit seeking \$2 billion in damages.

Prior to Borders' bankruptcy filing in early 2011, the firm's Reorganization team advised publishing houses with potential exposure. The team continues to advise its clients with respect to the Borders bankruptcy. The group is also representing the indenture trustee for \$1.4 billion of senior subordinated notes in the Washington Mutual bankruptcy case. The firm represented the Official Committee of Unsecured Creditors in the successful reorganization of Tarragon Corporation and its related debtors, 25 companies with \$840 million in assets and \$1 billion in liabilities.

Cross Border. In 2010, our Cross Border Team advised clients worldwide on transactions including public and private securities offerings. One of these transactions, which involved the listing on the New York Stock Exchange of a prominent Japanese financial institution, was named an Asian-Counsel Deal of the Year by an industry publication. In addition, our team provided tax advice to international clients, including a multinational

'One of the best false advertising practices around.'

- Chambers USA, False Advertising

industrial company that makes machine tools for the aerospace, automotive and alternative energy industries. On the litigation side, the firm obtained a dismissal on the grounds of forum non conveniens of a case in New York state court brought by an Icelandic bank claiming \$2 billion in damages against our clients.

Employee Benefits and Executive Compensation. During 2010, Patterson Belknap's Employee Benefits and Executive Compensation Group advised many clients with regard to new requirements under the newly enacted health care legislation, the Affordable Care Act. The group provided guidance and innovative solutions to a fund's large multiple employer plan in light of tighter funding rules under the Pension Protection Act as well as the challenging economic environment of 2010, and assisted other clients in assessing and implementing new funding-based restrictions on plan distributions required by law.

The Benefits Group worked with numerous tax-exempt organizations in 2010 to see that they were in tune with new retirement regulations issued by the IRS that were first effective in 2009, as well as new retirement plan and compensation disclosure requirements.

The group also worked on advising a client with respect to spinning off tax qualified plans requiring an analysis of tax authorities under both Puerto Rico and US Tax Law and, further, worked extensively in the plan investment field, including new projects and issues in the stable value fund and commingled fund areas.

In the course of 2010, the group also provided executive compensation advice to a myriad group of clients, including corporate entities and executives, including negotiation of CEO employment contracts involving complex consideration of deferred compensation Tax Code provisions as well as various executive compensation disclosure concerns.

Employment. Our Employment Law attorneys continued to litigate employment cases on behalf of employers and advise clients ranging in size from large corporations to small not-for-profit organizations. In a key litigation accomplishment, we obtained the dismissal on motion of a putative nationwide class

action against our client, which had alleged the failure to pay contractually promised wages. We also conducted numerous sensitive investigations involving allegations of misconduct by senior managers and other employees. On the counseling side, we were particularly active in advising clients with respect to federal and state wage and hour issues, state labor law audits, and the transition of senior management members from their positions. Our attorneys also continued to advise clients on issues related to economically-necessitated reductions in force, such as potential discrimination, WARN Act, and employee misclassification claims.

False Advertising. The firm's False Advertising practice continued to enjoy significant success in 2010. In addition to handling major Lanham Act false advertising cases in the federal courts, our practice has included: assisting clients with the development of claim substantiation for advertising campaigns and new product launches; representing clients in FTC investigations; handling network and regulatory clearance of advertising and packaging materials; and prosecuting and defending advertising challenges at the National Advertising Division of the Council of Better Business Bureaus. We represent advertising clients in many different sectors, including pharmaceuticals, cosmetics, travel, entertainment, food, beverage, alcohol, household products, finance and telecommunications. Notable highlights from 2010 include:

- ▶ We won an important case of first impression involving the intersection between FDA labeling rules and advertising law on behalf of our client, a major soft drink company. The court granted our motion for summary judgment that another beverage manufacturer was precluded by law from bringing a Lanham Act challenge to a product name and label expressly permitted by FDA regulations.
- ▶ We reached a favorable settlement on behalf of an online travel agency in a false advertising case brought by a competitor which operates multiple travel-related websites. In the suit, the competitor alleged that advertisements for our client's "opaque" hotel booking service promise consumers savings of "up to 50%" off of conventional travel sites without adequately disclosing the differences between "opaque" and conventional booking sites.

'They are one of the best litigating firms in the United States'

- Euromoney / Institutional Investor's Benchmark Survey (Litigation)

- ▶ We mounted a successful defense in an NAD against a major cosmetics company. Based upon a consumer survey that we commissioned, NAD found that our client's performance claims did not convey an overly broad message about the product's benefits.

False Claims Act and Whistleblower Defense. In 2010, corporations remained a common target of alleged "whistleblowers" purporting governmental fraud, and Patterson Belknap's False Claims Act and Whistleblower Defense team--comprised of complex commercial litigators, former prosecutors, a former state Attorney General and corporate and securities attorneys--continued to represent clients from a wide range of industries.

Our team is currently acting as pool counsel for employees of a hospital consortium in a False Claims Act investigation conducted by the U.S. Attorney's Office in New York, an investigation involving allegations of "upcoding" the severity of patients' conditions. We are representing a global manufacturing and engineering company in a qui tam action based on claims by a former employee that the company misrepresented discounts to commercial customers. We are also defending a pharmaceutical manufacturer accused of violating the federal anti-kickback statute in a False Claims Act action brought by the U.S. Department of Justice. Besides our litigation work, we also conducted an internal investigation of purported fraud in our client's performance of government contracts and worked with clients to strengthen internal compliance programs to avoid future problems.

Intellectual Property Transactions. Throughout 2010, our Intellectual Property Transactions Group worked with and provided advice to major financial institutions, colleges and universities, telecommunications companies, entertainers, art collectors, publishers and museums. The firm represented several clients in publishing agreements, agency representation arrangements for significant licensed properties, online entertainment programming, digitization of archives, participation in the Google Art Project, and licensing of content in a variety of media, including an educational curriculum for use in international and domestic markets. Other specific highlights from 2010 include:

- ▶ Representing a large financial services company in its sponsorship agreements with various professional sports leagues.
- ▶ Representing a telecommunications company with respect to technology outsourcing, licensing and services arrangements in seven separate deals.
- ▶ Handling major IP agreements for entity created to compile databases of physicians' actual customary rates to make data transparent to the public and available for research.

Law Firm Defense. In 2010, Patterson Belknap's Law Firm Defense team assisted the country's largest law firms, as well as local and regional firms, in large and complex liability claims. We are lawyers' lawyers – the trusted firm when law firms need to defend themselves. Notable highlights from 2010 include:

- ▶ Obtaining the dismissal of a complaint in its entirety with prejudice on behalf of a New York law firm after they were sued by a former client for malpractice and fraud allegedly committed during our client's representation of the former client in bankruptcy proceedings.
- ▶ Winning the appeal from summary judgment dismissing claims against our client for legal malpractice by the widow of a deceased client for negligent preparation of the client's will and estate plan.
- ▶ Defending a law firm against claims of legal malpractice and fraud brought by a Texas-based hedge fund, its related entities, and its three principals. These claims arose out of the law firm's former representation of the hedge fund, in connection with its trading practices, as well as in a subsequent investigation into those practices by the New York Attorney General and the Securities and Exchange Commission. After months of preparing a comprehensive defense for our client, the case settled on favorable terms.

M&A/Private Equity and Venture Capital. Patterson Belknap's M&A and Corporate Finance practices were active in several areas in 2010 as the market and many of our clients experienced a rebound in deal-making. We represented our private equity, venture capital and mezzanine clients in their invest-

'smart and aggressive litigators who deliver excellent results time and time again'

- Chambers USA, Media and Entertainment Litigation

ments in both existing portfolio companies and, increasingly, in new investments. These investments occurred across all industries, including information technology, health sciences, high-tech, manufacturing, media, sporting goods, wholesale food and retail. In addition to private equity investors, we represented a variety of strategic buyers in 2010, including a major publishing client in acquisitions in the media space.

On the sell side, we advised a leading electronics company in the divestiture of one of its significant manufacturing business units. Other significant disposition representations included the largest independent regulator of securities firms in a sale of assets related to a proprietary trading system and the sale of a major consulting firm to a global insurance and consulting company. We also represented the special committee of a public company in the company's "going private" sale to a private equity investor. We advised several clients in both their public equity offerings and Rule 144A/Reg S private capital raises. We also represented several of our start-up and emerging growth clients in successful 2010 financings.

Media & Entertainment. Major media and entertainment entities called upon our highly regarded Media and Entertainment team to handle complex commercial and intellectual property litigation throughout 2010. In a case which garnered significant press attention this last year, we represented a well-known news publisher in a copyright and "hot news misappropriation" claim against a website operator that was systematically republishing items from our client's newswire. The case ended when the defendant made a public acknowledgement of liability, agreed to a permanent injunction and paid a substantial sum in damages to our client. Our team was also retained by two major cable operators in connection with high-profile contract and advertising issues surrounding their negotiation of retransmission agreements with broadcast television networks. We represented Fortune 500 media companies as plaintiffs and defendants with respect to corporate espionage and theft of trade secrets.

Mortgage and Credit Crisis. Our Mortgage and Credit Crisis Litigation Team continues to play a critical role in cutting edge matters arising out of the recent economic crisis. Last year, we remained the leading law firm representing the monoline

insurance industry in its efforts to recover against financial institutions and other sponsors of residential mortgage-backed securities transactions (RMBS) for breaches of representations and warranties and other claims relating to the quality of the residential mortgage loans included in these transactions. These matters relate to dozens of separate RMBS transactions, and include investigation and prosecution of billions of dollars in claims against some of the world's largest financial institutions.

We also continue to lead the profession in the defense of monoline insurers against legal actions seeking to impose liability for ratings downgrades. We have prevailed in dispositive motions in every such action in which a motion has been made and decided. In addition, we represent monoline insurers and other public and private institutions in litigation involving swaps and other derivatives, credit default swaps, collateralized debt obligation structures, and other structured finance disputes. Many of these disputes have been resolved in our clients' favor by motion.

Patent Litigation. Our Patent litigation group started 2010 by securing a settlement of \$1.725 billion, the largest settlement ever of a patent infringement case in the United States on behalf of Cordis, Johnson & Johnson's coronary device unit. The settlement follows more than a decade of highly-publicized coronary stent patent litigation. Combined, the team has obtained over \$3.6 billion for our client in these matters. The team also won an important victory for a major software company when the court granted summary judgment and dismissed a patent infringement case against our client prior to trial. The firm's patent team also obtained nearly \$5 million in attorneys fees for our client in meritless litigation, an unusually large award, possibly to send a message to patent plaintiffs often called "trolls."

Personal Planning. For the fourth year in a row, Best Lawyers in America ranked our Personal Planning Group #1 in New York City and New York State, selecting several of our partners for recognition. In 2010, our attorneys continued to work closely with clients to handle effectively the uncertainty surrounding the recent important changes to the estate, gift and generation-skipping transfer tax regime. After the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of

'Patterson Belknap's real estate team inspires the utmost confidence in its clients.'

- Chambers USA, Real Estate

2010 was signed into law on December 10, we mobilized quickly to assist clients in availing themselves of the most beneficial aspects of the new law that required action to be taken by year end.

Products Liability. In 2010, Patterson Belknap's Products Liability team continued to represent some of the nation's largest pharmaceutical companies and manufacturers of various products. The group was retained by several major pharmaceutical companies to supervise and manage Multiple District Litigations involving prescription medicines and consumer products. Our attorneys also advised clients on complex regulatory and risk management issues for marketed medicines and medicines still in clinical development. In addition to a successful year for the practice, firm Partner John Winter was nationally recognized as a leading Products Liability practitioner in Chambers USA.

Real Estate. Our Real Estate department continued its active practice of handling major office leases in New York City including continued representation for landlords such as The Durst Organization, The Port Authority of New York and New Jersey, The Winter Organization and major institutional pension fund managers. In addition, we expanded our representation of major law firms in their leasing of office space in New York City including Seward & Kissel LLP and Friedman, Kaplan, Seiler & Adelman LLP, as well as a major media company in all of its domestic and international real property matters. Other diverse work included representation of the Official Committee of Unsecured Creditors in the Tarragon Corporation (a publicly-held real estate company) bankruptcy case; a hotel developer in creating a gay themed hotel resort in Manhattan; the relocation of the Hunter School of Social Work in an award winning complicated four-party transaction; and serving as temporary receiver of an office building being foreclosed in the Chelsea area of Manhattan.

Sports. Throughout the year, Patterson Belknap's interdisciplinary Sports group advised on high-profile industry matters, including representations involving professional basketball, hockey, tennis and golf. We advised clients in the negotiation of sponsorship agreements, conducted important internal investigations and worked with one of the largest owners and

operators of fitness clubs, a longstanding litigation client, in connection with numerous intellectual property and technology-related matters. In addition, we continued to represent tax-exempt sports organizations in their operational activities.

Tax. During 2010, the firm's Tax Group continued to provide innovative and tax efficient solutions in addressing the business needs and individual wealth planning goals of our clients. For example, we are tax counsel for a multinational industrial company that makes machine tools for the aerospace, automotive and alternative energy industries. This representation includes advising on internal consolidations and mergers, financings, compensation planning, tax treaty issues, as well as complicated tax planning and reporting issues facing controlled foreign corporations and their U.S. shareholders. We also advised a consulting company on the tax structuring and consequences, including state and foreign tax issues, resulting from a major sale.

We continue to work hand-in-hand with our Personal Planning Group with respect to the tax issues arising from "family offices" and to structure tax-efficient domestic and foreign trusts to transfer family wealth. Our attorneys counseled on the evolving U.S. tax reporting laws involving offshore companies and bank accounts. Litigators both within and outside the firm have called on our tax expertise to bolster their cases; in one situation we assisted counsel in a multi-billion dollar dispute involving a business acquisition.

Tax-Exempt Organizations. Our tax-exempt organizations practice group worked with a wide range of clients, including public charities and private foundations, museums and other cultural institutions, colleges and universities and advocacy organizations, throughout 2010. We structured a number of multi-funder initiatives focused on community and economic development in urban areas, including a unique project that focused on creative place-making development strategies utilizing the arts. We worked on a project to create an international network of microfinance entities and have been working with clients on grantmaking in connection with the new Social Innovation Fund.

'A group that deserves praise; they do things the right way.'

- Chambers USA, IP Trademark, Copyright, Patent Litigation

Throughout the year we also counseled many organizations on various legal aspects of their investment activities, including impact and social investing strategies, program related investment activities (both domestically and abroad), and fiduciary and compliance issues associated with endowment management. The EO group was very active in working with clients on complying with New York's unique version of the Uniform Prudent Management of Institutional Funds Act, including the New York-specific provisions of UPMIFA that govern endowment fund appropriations, investment policies, and charitable solicitations. In addition, the EO group helped organizations structure and negotiate complex charitable gifts, navigate disputes in a variety of areas including governance and charitable bequests, and develop creative strategies for relaxing the restrictions on endowment funds.



Trademark and Copyright Litigation. Our work in trademark and copyright litigation is recognized by legal and industry publications both nationally and internationally. In 2010 we won a plaintiff's summary judgment for our client, one of the largest stock index providers, in a misappropriation case involving unauthorized options trading, persuading the court to reject the defense of copyright preemption. We are also involved in litigation over trademark and copyright protection for famous cartoon characters and in a contract dispute involving royalties arising from music commissioned for original television productions.

White Collar and Investigations. Over the past year, Patterson Belknap's White Collar and Investigations team represented companies and individuals with exceptional success. Our White Collar team continued to represent the National Hockey League in conducting investigations on important League matters. The team also conducted investigations on behalf of media, publishing, and not-for-profit clients concerning potentially unlawful conduct in their domestic and overseas operations, and counseled these clients as to the appropriate responses to the findings. The allegations under review included corporate espionage, theft of trade secrets, procurement fraud on the U.S. government, and violations of the Federal Acquisition Regulations and Foreign Corrupt Practices Act, among others.

Our White Collar team was also active in representing individuals and entities in investigations being conducted by federal and state prosecutors and securities regulators. In the past year, we have successfully guided clients through tax and antitrust investigations without enforcement action having been taken against them. Our team has also spent a substantial portion of the last year counseling clients in connection with pending insider trading investigations by the Department of Justice and Securities and Exchange Commission.

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