

GET to the POINT

Our clients tell us:
Finish the negotiation.
Close the deal.
Win the case.

We get it.

We get to the point so our clients can get on with business.

SCHULTE ROTH & ZABEL LLP (SRZ) was founded in 1969 on the premise that we succeed when our clients do. We have made it our business to internalize our clients' goals and to marshal the right mix of professional skills and business experience to help our clients meet those goals effectively. We know that expert and timely response to a wide variety of corporate and individual needs is what works for our clients, and our ability to draw on the expertise of our 300-plus lawyers in eight practice areas makes this possible. Our relationships are built on the trust earned by consistently meeting high expectations.

GET to the POINT

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CORPORATE

practice

SRZ's corporate practice provides a broad range of business services and transactional expertise to corporate, institutional and financial clients of every size. Our corporate practice includes business transactions, investment management, finance, structured products & derivatives and business reorganization. These practices are closely coordinated, enabling clients to tap into the breadth of SRZ's experience, as needed, while benefiting from focused, in-depth legal and business expertise.



BUSINESS TRANSACTIONS

Cerberus' acquisition of

ALAMO and NATIONAL

SRZ's transaction group quarterbacked Cerberus Capital Management, L.P.'s \$2.4 billion acquisition of the well-known Alamo and National car rental brands out of bankruptcy. Car rental businesses have huge fleet financing requirements. With the challenges inherent in bankruptcy reorganizations and the competing interests of different classes of creditors, the transaction required the legal skills and business know-how not only to effect the acquisition, but also to position the new company for financial success going forward.

Here's what the SRZ team negotiated:

- ▶ The acquisition agreement
- ▶ A key information technology outsourcing agreement
- ▶ Multiyear purchase agreements with GM and Chrysler and commitments for bonding capacity
- ▶ Compensation and incentive arrangements for the new management team
- ▶ Billions of dollars of vehicle and non-vehicle debt financing in a collaborative effort with other firms

Whether doing mergers and acquisitions, private equity transactions or accessing the high-yield market for financing, SRZ's business transaction clients have access to the skills and experience they need to achieve their objectives.

The business transactions group focuses on practical, innovative solutions that provide value for the client. As a result, SRZ has built a reputation as one of the preeminent law firms in the areas of:

- ▶ Mergers and acquisitions
- ▶ Leveraged buyouts and venture capital
- ▶ Special opportunity investments
- ▶ High-yield debt
- ▶ PIPEs
- ▶ Initial public offerings
- ▶ Proxy fights

Other Representations

Cerberus NCB Acquisition Makes Landmark Deal

When Cerberus NCB Acquisition, L.P. acquired a controlling stake in Aozora Bank, Ltd., it was the first change of control of a long-term credit bank to a foreign owner approved since the adoption of important new bank regulations in Japan. Aozora had been nationalized and subsequently sold to a group of investors by Japanese regulatory authorities. SRZ's business transactions group led the acquisition, which was accomplished through a tender offer to Aozora's shareholders. The tender offer followed Cerberus' exercise of first refusal rights that triggered when Softbank Corp. decided to sell its stock in Aozora. The transaction involved lengthy negotiations with Softbank, Aozora and various Japanese regulatory authorities. The transaction was valued in excess of ¥100 billion.

Morton's Restaurant Group Battles for Corporate Control

SRZ successfully defended long-time client Morton's Restaurant Group in a two-year battle for corporate control. The company came under attack in 2001 and 2002 and defeated a proxy contest. SRZ was critically involved throughout the proxy contest and subsequent sale of the company, including the special shareholder meeting at which the sale was approved after a bitterly contested vote.

Sport Brands International Ltd. Acquires Fila; Sells Enyce

SRZ represented Sport Brands International Ltd. in its \$351 million acquisition of the global footwear and sportswear business of Fila. The team led the due diligence effort, structured and negotiated the acquisition and coordinated with local counsel in Italy, other European countries and Korea. Concurrently, SRZ's finance group negotiated a \$100 million revolving credit facility, \$94 million in senior and junior subordinated notes and loans and a trade facility for Fila Korea of KRW66 million and \$80 million. After negotiating equity and employment agreements with management and closing the acquisition, SRZ represented Fila in the sale of its urban sports brand, Enyce, to Liz Claiborne Inc.

PIPE Transactions

The business transactions group represents a variety of investors and investment banks in private investments in public equity, commonly known as PIPE transactions, and related products such as equity lines, registered direct offerings and Rule 144A offerings. SRZ is involved in over 100 such transactions each year, aggregating billions of dollars in investments.

Private Investors Make Innovative Public Equity Investment in Xcel

In one of the most innovative PIPE structures done to date, SRZ's transaction team represented private investors in the public equity investment in Xcel Energy, Inc.

The transaction involved structuring the terms of six different notes for up to \$350 million, plus an option on a Rule 144A transaction structure for an additional \$57.7 million. The notes were convertible into the publicly traded common stock of Xcel Energy and required negotiation of redemption, conversion and derivative security issues as well as registration rights for the restricted securities.

BayStar Capital Leads Investment in XM Satellite Radio

SRZ represented BayStar Capital, one of the lead investors in a \$415 million PIPE investment in the senior secured convertible notes and warrants of XM Satellite Radio. This highly complex transaction involved a unique structure that included protections and restrictions more typical of Rule 144A offerings and debt coverage and restructured payment clauses similar to bank financings. Security interests were taken in a diverse group of assets, including FCC licenses. This PIPE transaction was consummated in conjunction with the amendment of the company's financing arrangements and the exchange of the company's existing high yield notes for other notes acceptable to the investors. Intercreditor arrangements were required, and the entire transaction was dependent on the successful high-yield note exchange offer and stockholder approvals.

INVESTMENT MANAGEMENT



premier
FUND
practice

Attorneys in SRZ's investment management group are dedicated to representing over 400 firms in the dynamic investment management industry. Over the past 30 years we have earned the trust of some of the largest, most sophisticated investment managers, with total equity capital of our fund clients estimated in excess of \$300 billion. These clients include global investment banking and advisory firms, hedge fund firms, mutual fund complexes and private equity firms such as:

The Bank of New York
Bear, Stearns & Co. Inc.
The Blackstone Group L.P.
Cerberus Capital Management, L.P.
Fortress Investment Group LLC
Lazard Freres & Co. LLC

Merrill Lynch & Co.
Och-Ziff Capital Management Group
Satellite Asset Management
UBS
US Trust
Viking Global Investors LP

SRZ has earned a reputation as a premier practice in investment management. Our investment management group is devoted to structuring hedge funds, private equity funds and mutual funds. It is supported by specialists in tax, ERISA, business transactions, structured products, employment, bank regulatory, real estate and litigation, all of whom have substantial expertise in the issues facing investment funds. SRZ's London office was opened in 2002 in anticipation of client needs and now provides invaluable assistance in international deals, offering both UK and US legal capabilities.

We have expertise in:

- ▶ Domestic and foreign hedge funds, including long/short equity, macro, risk, convertible, statistical and other arbitrage, market neutral, small cap, global and regional, distressed assets, multi-strategy and multi-manager funds of funds
- ▶ Investment adviser, broker-dealer, commodity pool operator and trading advisor organizations
- ▶ Domestic and foreign private equity funds, including leveraged buyout, venture capital, distressed assets, real estate and funds of funds and new and innovative fund products
- ▶ Mutual funds and closed-end registered investment companies, including registered hedge funds, commingled investment trusts for ERISA plans and commodity pools
- ▶ Principal protected funds, insurance products and other structured funds

Other Representations

Hedge Funds

SRZ offers unparalleled experience advising many of the world's leading investment funds at all stages of their business, from fund formation through advisor representation, seed capital arrangements, investor negotiations, investment firm acquisitions, divestitures and compliance programs.

Representative institutional clients include: Alliance Capital Management, Inc., Barclays Global Investors, Bear, Stearns Asset Management, The Blackstone Group L.P., Citigroup, Credit Suisse First Boston LLC, David L. Babson & Company, Lazard Asset Management, Loomis Sayles & Company, Merrill Lynch & Co., Morgan Stanley, PlusFunds Group Inc., Ramius Capital Group, LLC, The Rock Creek Group, The Rockefeller Foundation, Salomon Smith Barney, Schroder Investment Management North America Limited, UBS and Weiss, Peck & Greer, L.L.C.

Representative entrepreneurial clients include: Cerberus Capital Management, L.P., Cooper Hill Partners, LLC, Elysium Capital Group L.P., European American Investment Group or Euram Group, Fairfield Greenwich Group, Farallon Capital Management, Fore Advisors, Fortress Investment Group LLC, Highfields Capital Management, Jana Partners, Level Capital, Lone Pine Capital LLC, Malta Partners, Och-Ziff Capital Management Group, Paloma Partners, Perry Partners, L.P., The Rohatyn Group, Rx Capital Management, Satellite, Stark Investments, Sunova, Thunder Bay Capital, Wexford Capital LLC and Zpoint Partners.

Mutual Funds and Other Registered Funds

The investment management group has nationally recognized, 1940 Act expertise representing institutional clients seeking to organize mutual funds and other 1940 Act registered investment companies, including publicly traded closed-end funds, business development companies and registered hedge funds that pursue innovative investment strategies.

Representative mutual funds and other registered funds clients include: Banc of America Capital Management, The Bank of New York, Cadre Institutional Investors Trust, Excelsior Absolute Return Fund of Funds, LLC, Excelsior Directional Hedge Fund of Funds, LLC, Granum Value Fund, Hussman Funds, Lazard Asset Management, Lehman Brothers Asset Management, MVC Capital, Oppenheimer Asset Management Inc. and Robeco-Sage Capital Management, LLC.

Private Equity and Venture Funds

SRZ is actively involved in every aspect of the private equity investment process, from the formation of leveraged buyout, venture capital and other private equity and mezzanine investment funds to the representation of funds in investment acquisition and divestiture transactions.

Representative clients include: Athena Group, Black Diamond Capital Management, Brookside Capital Partners Management, Canadian American Investors, Castle Harlan, Inc., Cerberus Capital Management, L.P., Citigroup, Credit Suisse First Boston LLC, Cross Atlantic Capital Partners, Cygnet Capital Partners, Exeter Capital Partners, First Reserve Corporation, Fremont Realty Capital, L.P., MTS Partners, Oak Investment Partners, Pennsylvania Early Stage Partners, Pouschine Cook Capital Management, RFE Investment Partners, Signal Equity Partners, The Sprout Group, Tinicum Capital and Wexford Capital LLC.

London representative clients include: Bailey Coates Asset Management, Broad Peak Asset Management, Children's Investment Fund Management, Cognis Capital Management, Financial Risk Management, GMP Partners, Longview Partners, New Smith Asset Management, Northbay Investment Management, Olympus Capital Management, Pareto Partners Management, Polygon Investment Partners, Regent's Park Management, Rubicon Fund Management, SFP -Value Assets Management and Solent Capital Partners.

It takes significant experience and ongoing involvement to understand and anticipate change in the rapidly evolving investment management industry. It is critical to seek counsel who see a sufficient volume of new products to understand and anticipate change. SRZ has over 60 corporate and tax attorneys, exclusively dedicated to investment management, and who represent many of the largest and most sophisticated players in the field. The firm's heavy focus on the fund industry enables clients to obtain experienced support in whatever area their business requires, including transactional work, litigation, estate planning, structured products and derivatives.

FINANCE

Ableco financing enables

SOLUTIA INC.

to move forward

SRZ's finance group, on behalf of a syndicate of lenders arranged by Ableco Finance LLC, structured, negotiated and closed a \$350 million senior secured credit facility for Solutia Inc., a publicly traded company that manufactures and sells high-performance chemical-based materials. SRZ provided solutions to a myriad of structural issues, including issues related to Solutia's public indebtedness limiting the types and amount of assets of Solutia which may serve as collateral for the senior secured credit facility and evaluating risks to the lending syndicate related to environmental liabilities, litigation matters, pension exposure and tax liabilities. SRZ also coordinated obtaining liens on collateral in foreign jurisdictions. The final piece of the puzzle was the arrangement of a satisfactory deal between the working capital lenders and the enterprise value/"B" piece lenders, involving the apportionment of collateral and other "first-in" and "last-out" provisions.

SRZ's experience in handling all of these issues in many different situations and its combined efforts on all fronts culminated in a senior secured credit facility which met the liquidity needs of the company in the future while ensuring protection to the lending syndicate composed of both working capital and enterprise value lenders.

Companies and institutions seeking to arrange financings and restructurings depend on a multidisciplinary SRZ team led by the firm's finance group. SRZ brings specialized industrial and market expertise to each assignment.

The SRZ finance group is a frontline player in the traditional asset-based and the non-institutional lending community for both lenders and borrowers. The practice addresses matters including:

- ▶ Asset-based loans to middle market companies
- ▶ Leveraged acquisitions and financings
- ▶ Debtor-in-possession and exit financings, restructurings and workouts
- ▶ "B-piece" financings and junior secured financings
- ▶ Unsecured corporate borrowings and private placements by investment-grade companies
- ▶ Specialty credits for investment funds, privately held companies and high net worth individuals

Other Representations

Silver Point - Foamex

SRZ represented Silver Point Finance in an \$80 million term loan B facility to Foamex L.P., North America's largest manufacturer and distributor of flexible polyurethane foam and foam products. Foamex used the proceeds from the facility, together with the proceeds of a simultaneous \$240 million working capital facility, to refinance existing indebtedness and provide funding for capital expenditures and working capital requirements.

JPMorgan Chase Bank - ProSieben

The firm represented JPMorgan Chase Bank in establishing euro credit facilities and related secured letters of credit totaling more than \$600 million to 11 borrowers sponsored by four leading U.S. private equity funds. The facilities provided bridge financing for the acquisition of Germany's largest commercial broadcaster, ProSieben Media, from insolvent KirchMedia. The equity provided by the funds supported the acquisition of ProSieben by Haim Saban, a dealmaker in the media sector.

When structuring and negotiating a debt financing, clients want assurance that their counsel has the depth of experience and a broad array of resources to effectively and efficiently complete the deal. The volume of highly diverse and complex loan transactions that the finance group handles ensures that we can satisfy our clients' primary goals: minimize risk while maximizing value.

About SRZ's Electronic Payments and Privacy Attorneys

SRZ's team of electronic payments and privacy attorneys routinely advise clients on electronic contracting, telephone and Internet-initiated electronic funds transfers, credit, debit and stored-value card products and payments, anti-money laundering and the Bank Secrecy Act, privacy programs and policies, co-branding, web site terms and conditions, licensing agreements, advertising, bank operations in the United States and abroad, bank deposit products and services, Fair Credit Reporting Act, fair lending, risk management, compliance, contract review, outsourcing arrangements, and affiliate transactions and Bank Holding Company Act matters.

The firm's clients include:

- Foreign and domestic bank and non-bank financial institutions
- Money transmitters
- Check sellers
- Emerging payments providers
- Consumer finance lenders
- Various other types of financial service providers

STRUCTURED PRODUCTS DERIVATIVES



Pioneering the

MAST II

collateralized fund obligation

SRZ pioneered the first use of a "master-feeder" structure, which permits additional Collateralized Fund Obligations (CFOs) to be established in the future to raise funds in the capital markets in order to invest in the master fund.

Recently, SRZ completed an issuance of notes by a CFO, backed by a portfolio of hedge funds. The notes were assigned ratings by Fitch, Moody's and Standard & Poor's.

The CFO, known as Man Glenwood Alternative Strategies II or MAST II, issued \$500 million in securities to investors. The portfolio is managed by Man Investments Limited, which is advised by Man-Glenwood GmbH. The proceeds from the issuance were used by the CFO to invest in the shares of a master fund which, in turn, invested in a managed portfolio of hedge funds. The MAST II CFO is one of the few CFOs to close to date. CFOs are new financial products which have attracted considerable attention in the financial press and industry conferences.

Our structured products & derivatives clients demand creative approaches and practical solutions. They rely on SRZ's skill and experience to keep a step ahead. It is unusual among firms to integrate a structured products and securitization group with a group focused on derivatives. This is just part of the innovative approach that has enabled our practice to be recognized as among the top players in this highly sophisticated industry.

SRZ's structured products & derivatives group has served key industry leaders with ground-breaking, innovative transactions. Our practice includes:

- ▶ CDOs, CLOs and CFOs
- ▶ Asset-backed and mortgage-backed securitizations
- ▶ Asset-backed commercial paper programs
- ▶ Derivatives products, such as credit (including total return swaps and credit linked notes), equity (including interest rate and currency swaps and repurchase agreements), derivatives and ISDA master agreements

Other Representations

Cash CDOs

The structured products & derivatives group has represented sponsors, issuers, placement agents and collateral managers in connection with a wide variety of cash CDO transactions, including both market value and cash flow deals.

Representative asset types have included high-yield debt securities, commercial loans, middle market loans, asset-backed securities, mortgage-backed securities and other CDOs.

Synthetic CDOs

SRZ has represented sponsors, counterparties, managers and placement agents in a number of synthetic CDO transactions.

Representative reference assets have included investment grade corporate debt, high-yield debt and mortgage-backed and asset-backed securities.

Derivatives Transactions

SRZ's diverse client base in the derivatives area includes investment funds, structured finance vehicles, investment banks, commercial banks and monoline insurance companies.

We represent those clients in a broad variety of derivatives transactions.

Arriving at the best solution in structured products & derivatives may mean traveling the road not ordinarily taken. Structuring transactions that maximize the benefits of each vehicle requires a combination of creative thinking and thorough knowledge of the marketplace and the rating agencies. SRZ clients rely on our structured products & derivatives group to be their pathfinder.



BUSINESS REORGANIZATION

LEUCADIA

completes complex transaction

SRZ's business reorganization group led the firm's representation of Leucadia National Corporation in a complex Chapter 11 reorganization of Williams Communications Group, Inc. The multidisciplinary legal team brought their experience in mergers and acquisitions, finance, tax, real estate and litigation needed to help structure, negotiate and close this deal effectively in four months.

As a result of Leucadia's investment:

- ▶ Public noteholders of Williams received 55% of the reorganized company's stock
- ▶ Lenders received repayment of \$375 million in debt
- ▶ Trade creditors were paid in full
- ▶ The Williams Companies, former parent of Williams Communications, received releases of all claims against it, plus Leucadia's payment of \$180 million
- ▶ Williams Communications discharged \$4.8 billion of debt

Participants in debt restructurings, such as acquirers, lenders, other creditors, investors and financially troubled businesses, rely on the experience and focused advice of SRZ's business reorganization group.

SRZ's business reorganization group serves a wide range of clients, including secured and unsecured creditors, financial institutions, banks, investment banks and creditors' committees. Matters addressed include:

- ▶ Debt restructurings, workouts and reorganizations
- ▶ Acquisitions of troubled companies
- ▶ Financing (debtor-in-possession and exit financing)
- ▶ Bankruptcy litigation, including fraudulent transfers, preferences and contract disputes

Other Representations

Rabobank International Gets Favorable Settlement

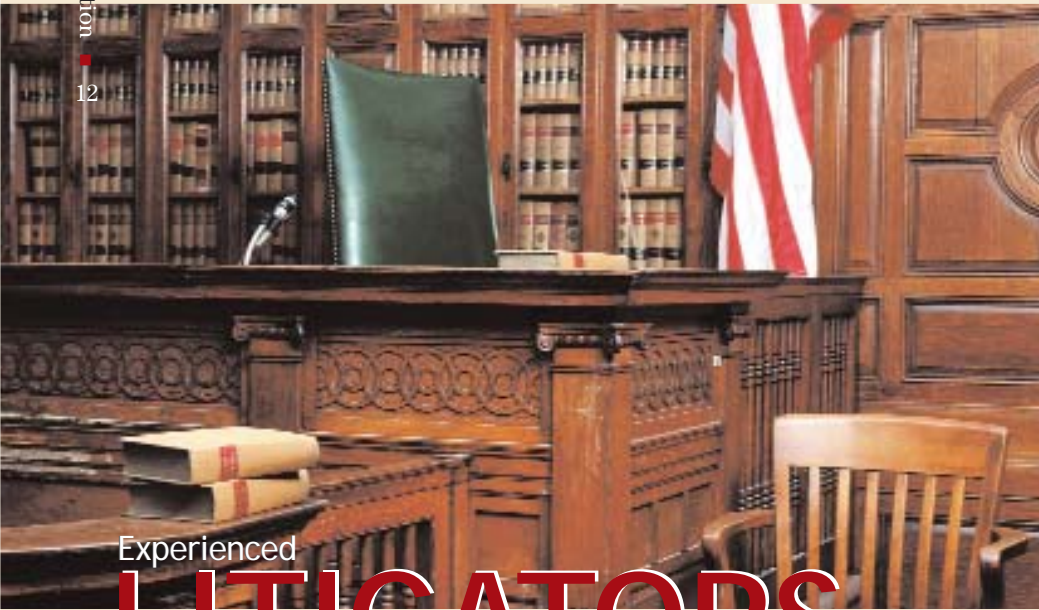
SRZ represented Rabobank International in the Enron Chapter 11 cases regarding multiple parties' claims to the ownership of a \$442 million cash escrow account representing the proceeds of the sale of publicly-traded common stock, the estate's single largest cash asset. Prior to the Enron bankruptcy filing, Rabobank entered into a transaction with Enron and the Royal Bank of Canada, among others, involving a securitization of the common stock of a publicly-traded company which had a market value in excess of \$517 million. After Enron's bankruptcy, Rabobank, RBC, Enron and the Enron Creditors' Committee challenged the validity of the transaction and asserted superior rights to the stock and the issuer asserted that material restrictions governed its sale. In the face of these challenges and competing claims, SRZ first negotiated and obtained Court approval of an interim settlement to sell the stock and an agreement to put the proceeds (about \$442 million) into escrow until the competing claims could be resolved, thus insulating the stock from market volatility. SRZ then negotiated and obtained Court approval of a settlement, resulting in a distribution of the cash proceeds to Enron and for the benefit of the banks that also resolved all of the competing claims without litigation.

Metrocall Makes the Right Call

After 18 months of complex negotiations with its senior lender group, Metrocall, Inc. and its SRZ attorneys concluded a pre-negotiated Chapter 11 reorganization. The plan involved a recapitalization in which approximately \$900 million of debt was exchanged for a combination of equity and \$80 million in new debt instruments. The reorganization has enabled Metrocall to continue as a leader in the communications industry, emerging from Chapter 11 with a strong capital structure.

Businesses often look to restructuring and refinancing strategies to alleviate debt and cash flow challenges. Achieving those objectives requires fully understanding both the value of the enterprise and the restructuring process. Overcoming obstacles that arise takes business and legal acumen. SRZ's business reorganization group puts solid legal skills and in-depth business experience to work helping clients achieve their goals.

LITIGATION



Experienced

LITIGATORS

SRZ's general litigation group is comprised of experienced trial lawyers, with extensive experience before state and federal courts, regulatory agencies, and arbitration panels. We handle complex matters in the following areas:

- ▶ Class actions alleging securities, RICO, consumer and common-law claims
- ▶ SEC, CFTC and state attorney general investigations of securities and private investment fund matters
- ▶ Arbitrations before the AAA, NYSE, NASD and ICC
- ▶ Defense of white collar criminal cases, including accounting fraud, securities violations, money laundering charges and tax and healthcare fraud
- ▶ Contests for corporate control, including proxy fights and governance issues
- ▶ Internal investigations of employee misconduct and financial fraud
- ▶ Anti-money laundering and Patriot Act issues
- ▶ Professional liability, including defense of accounting and law firms
- ▶ General commercial litigation, including bankruptcy and insurance matters
- ▶ Real estate litigations and appraisal proceedings
- ▶ Will and trust disputes, representation of executors and trustees, other family or business disputes
- ▶ Antitrust litigation and counseling
- ▶ Derivative actions

There are more than one hundred litigators at SRZ — some in our general litigation group, others in highly specialized areas such as employment and intellectual property — all dedicated to helping clients achieve their goals.

Cases

Kaydon Corporation

SRZ has represented Kaydon Corporation in various matters arising out of the asbestos-related bankruptcy of Keene Corporation. One noteworthy fraudulent conveyance lawsuit in the Southern District of New York was brought by the Trustees of the Keene Creditors Trust, a trust established in Keene's bankruptcy and the successor to all rights to assert fraudulent conveyance and other claims arising from a series of transactions in which Keene sold assets to Kaydon and other entities. The plaintiffs had sought over \$2 billion in damages from the defendants. With the trial scheduled to begin just two weeks later, Judge Denny Chin granted our motion for summary judgment on behalf of Kaydon and dismissed the case in its entirety, a decision affirmed by the Second Circuit.

"Big Four" Accounting Firm

SRZ defended a "Big Four" accounting firm auditor in an SEC enforcement action for alleged securities law violations relating to the financial statements of a large and prominent health care entity. The case, heard before a federal district court, involved many complex accounting and auditing issues, and presented issues of law regarding the secondary municipal securities market and the scope of primary liability under the federal securities laws.

JPMorgan Chase

For several years, SRZ has represented JPMorgan Chase, as well as other corporate and individual fiduciaries, in their capacities as executors or trustees of large estates or trusts. Our work has involved all aspects of litigated estate administration, including defense of claims by beneficiaries and third parties, and prosecution or defense of contested accounting proceedings.

Bear, Stearns Securities Corp.

SRZ is representing Bear, Stearns Securities Corp. in an adversary proceeding arising from the highly publicized collapse of Manhattan Investment Fund, Ltd., a hedge fund for which Bear, Stearns acted as clearing broker. The adversary proceeding — brought by the Fund's Chapter 11 Trustee in the wake of a guilty plea by the Fund's principal to criminal charges — is currently pending in the United States Bankruptcy Court for the Southern District of New York. To date, SRZ has succeeded in obtaining dismissal of several billion dollars worth of claims alleged against Bear, Stearns by the Trustee and dismissal of related claims brought against Bear, Stearns by the Fund's investors.

High-stakes litigation can be costly, time-consuming, burdensome and unpredictable. True success is a cost-effective resolution that advances the client's business or personal interests. While many cases are settled or submitted to some form of alternative dispute resolution, sometimes the most successful outcome can only be achieved by taking the case to trial. In those cases, SRZ moves forward with the full commitment of our personal and technological resources.



ROCKEFELLER CENTER

location, location, location

SRZ's involvement with Rockefeller Center began in 1996 when the landmark complex was going through a long and bitter bankruptcy proceeding. The owner, unable to meet its obligations, was walking away from its massive investment in the complex.

An investor group consisting of Tishman Speyer Properties, L.P., Goldman Sachs & Co., the Niarchos and Agnelli families and David Rockefeller purchased the complex. SRZ's role was to create a viable commercial condominium structure in the building and simultaneously negotiate complex agreements with the National Broadcasting Company, and its parent, General Electric, that enabled the investor group to complete its acquisition of the Center. After the investor group purchased the complex, SRZ represented long-time client, Tishman Speyer Properties, L.P., the new manager of Rockefeller Center, in its successful effort to reestablish the Center as New York City's most prestigious business address.

Years later, in one of the largest real estate transactions in the U.S., Tishman Speyer Properties, L.P. purchased the interests of the rest of the Center's investor group. SRZ handled all aspects of this transaction, including the acquisition of the Center for a purchase price in excess of \$2 billion, a \$1.21 billion securitized first mortgage loan financing, a \$140 million mezzanine loan financing and an extraordinary series of transfers of ownership interests to new, single-purpose bankruptcy-remote entities.

SRZ real estate practice clients are a diverse group, including major commercial property owners and developers, commercial and investment banks, private lenders, real estate investors, private equity funds and other businesses, institutions and individuals with significant real estate needs and aspirations.

SRZ's real estate practice includes:

- ▶ Securitized mortgage loans, construction loans, mezzanine financings and other creative financings
- ▶ Sales and acquisitions of commercial properties
- ▶ Development of real estate parcels for multi-family, office, hotels and industrial use
- ▶ Joint ventures, limited liability companies, REITs, partnership and tenancy-in-common structures
- ▶ Real estate equity funds
- ▶ Leasing of office, retail and other commercial properties
- ▶ Construction and architectural agreements
- ▶ Cooperative and condominium ownership structures

Other Representations

11 Madison Avenue - CSFB Headquarters

With SRZ's assistance, ZAR Realty purchased 11 Madison Avenue, a 2.2 million square foot office building in Manhattan and the national headquarters of Credit Suisse First Boston LLC. The deal was among the largest real estate acquisitions in New York City in recent years with a purchase price in excess of \$675 million. SRZ also handled the acquisition financing which included a \$515 million mortgage loan, and the simultaneous \$230 million refinancing of another Manhattan office building owned by ZAR Realty, 260-261 Madison Avenue.

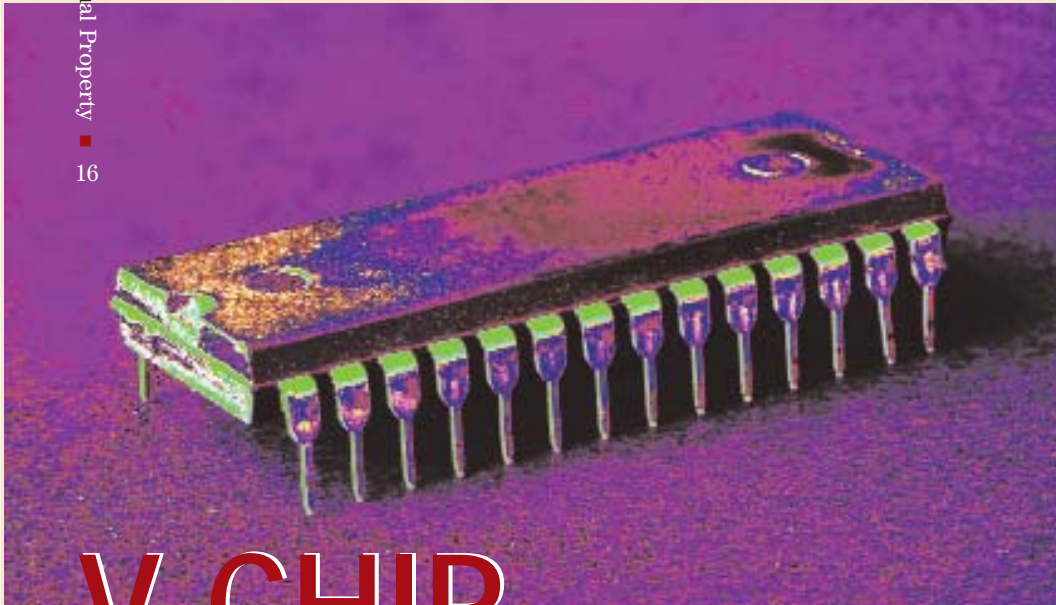
Chelsea Headquarters Development

SRZ represents The Georgetown Group in the acquisition, development and construction of the new national headquarters for InterActiveCorp, the company headed by Barry Diller, and the owner of USA Networks and Expedia. The building, designed by Frank Gehry, is the first commercial building in New York to be designed by the famous architect.

Rothschild-OPERS Portfolio

SRZ represented Rothschild Realty, Inc. and Charter Oak Group, Ltd. in the \$490 million sale of twelve large outlet shopping centers, located in eight different states, to a venture that included The Blackstone Group L.P. and Tanger Outlets. The transaction included the assumption of a \$200 million cross-collateralized first mortgage loan held by GMAC.

INTELLECTUAL PROPERTY



V-CHIP LITIGATION

averts disaster for manufacturers

A group of consumer electronics manufacturers was faced with a patent infringement suit on V-Chip technology, which permits parents to block offensive television programming based on program content. Under Federal law, all televisions sold in the United States are required to include this parental control technology. Losing this suit could have had devastating consequences in the awarding of tens of millions of dollars in damages, as well as a possible immediate injunction effectively prohibiting this group from selling televisions in the United States. SRZ's intellectual property practice was able to negotiate a highly favorable settlement for our clients with essentially no incremental cost to them.

The intellectual property created by many of SRZ's clients is among their most valuable assets. SRZ's intellectual property practice approaches the protection of those assets with the same creativity, vigor, originality and entrepreneurship that go into creating this capital.

SRZ's practice covers every aspect of intellectual property and information technology law, including patents, trademarks, copyrights, unfair competition, trade secrets and information technology licensing, development and outsourcing. In addition to seeking our assistance with litigation and prosecution matters, we are often in demand as part of the firm's multidisciplinary teams working to achieve coordinated transactional solutions. Services include:

Litigation

- ▶ Patents
- ▶ Trademarks
- ▶ Copyrights
- ▶ Trade secrets

Opinions and Counseling

- ▶ Validity
- ▶ Infringement
- ▶ Valuation

Patent and Trademark Prosecution

- ▶ Electronics
- ▶ Medical devices
- ▶ Computer software and hardware
- ▶ Business methods
- ▶ Chemical formulations and processes

Business Transactions and Information Technology

- ▶ Licensing
- ▶ Development
- ▶ Outsourcing

Other Representations

Patent Filing, Litigation and Licensing Activities

SRZ's patent litigations have included business methods, computer hardware, manufacturing processes and consumer electronics. The intellectual property practice is actively involved in licensing activities in these technologies as well as in the office equipment, healthcare, financial services and software industries. Both domestic and foreign clients have engaged our practice to launch and coordinate major patent filing programs in these areas.

Vanguard Car Rental USA, Inc.
SRZ represented Vanguard Car Rental USA, Inc. in outsourcing its information technology (IT) functions to Perot Systems Corporation. This complicated transaction has served our client's business goals by containing IT costs and integrating disparate technology platforms.

Credit Suisse First Boston LLC
SRZ has represented Credit Suisse First Boston LLC (CSFB) in many IT licensing and development transactions as well as in the IT integration issues raised by CSFB's acquisition of

Donaldson Lufkin & Jenrette and the sale of Pershing Securities Clearing Division.

Other Matters

Representative intellectual property and information technology clients include Credit Suisse First Boston LLC, Kyocera Corporation, Memorex Electronics, Minebea Co. Ltd., New Hampshire Ball Bearings, Inc., Reuters America, Solutionary, Inc. and Vanguard Car Rental USA Inc.

Protecting ideas, new technologies and even entirely new industries requires specific skills and new strategies combined with proven tools and experience. SRZ intellectual property attorneys typically have technical degrees, and many also have industry experience. They have devoted their professional careers to patent, trademark, copyright, trade secret and information technology law.

EMPLOYMENT EMPLOYEE BENEFITS



the EMPLOYMENT

relationship from A to Z

The potential merger benefits were clear to one major international bank. To realize those benefits, the bank turned to SRZ's employment group for legal assistance. The team devised appropriate departure packages, conducted the necessary analyses under applicable anti-discrimination laws, and resolved the threatened and actual lawsuits that often result from reorganization and downsizing.

Once the merger was complete, SRZ again stepped in to redesign the bank's employee severance plan, reclassify employees to comply with U.S. Department of Labor regulations, and resolve inconsistencies among the new bank's predecessor entities' employment policies and procedures.

SRZ combines employment law, employee benefits and executive compensation experts in one employment and employee benefits group. This comprehensive approach to the employment relationship enables SRZ to effectively serve and anticipate the practical needs of employers, pension and welfare plan trustees and senior executives.

When is the best time to seek out expertise in the complex, high-profile issues of employee retirement and health benefits, executive pay, workplace discrimination and harassment, and other crucial aspects of laws affecting the workplace? Before the transaction sours, before regulators investigate and before someone sues.

SRZ's employment and employee benefits group puts its experience to work providing clients — from worldwide financial institutions and multi-employer pension and health funds to private schools — with the practical answers they need. Although much of our work is preventative, we often litigate. Whether in court, with government agencies or in the boardroom, our attorneys are strong, capable advocates. Our team regularly litigates the latest, high-stakes employment and benefits issues.

Other Representations

Representative Litigation: ERISA Matters

SRZ has successfully defended clients against numerous actions, including class action and putative class action lawsuits, alleging ERISA violations. One, alleging ERISA violations by the board of trustees of a large welfare benefit fund, sought the return of more than \$77 million plus interest. Another involved claims by 108 retirees challenging reductions to their life insurance benefits. A third putative class action was brought against a multi-employer pension plan and its trustees, alleging violations of ERISA's anti-backloading and minimum benefit accrual provisions.

When a former employee of the New York City District Council of Carpenters Benefit Funds alleged he had been wrongfully terminated because he had cooperated with various federal agencies, the organization turned to SRZ's employment and employee benefits group for representation. In a four-day trial, the court found no merit in the allegation that the organization had violated ERISA's anti-retaliation provision.

A major university was pleased when SRZ's employment and employee benefits group obtained an order dismissing upon summary judgment claims

of its workplace discrimination and violations of the Family and Medical Leave Act. Not only did the United States Court of Appeals for the Second Circuit affirm the decision, but the district court awarded our client partial attorneys' fees and costs.

Representative Counseling and Other Advocacy

SRZ has successfully negotiated the terms of the departure for senior executives from major institutions and the hiring of their replacements. Helping clients avoid the acrimony, publicity, and risk of a lawsuit, while protecting its goodwill, trade secrets, and other confidential information is both a science and an art.

A major investment bank's underwriting and foreign securities lending activities required that SRZ obtain several prohibited transaction exemptions from the Department of Labor.

One of New York's most prestigious independent schools worked with SRZ's education law practitioners to complete a comprehensive risk-management assessment. Its administration, faculty and board of trustees worked closely with an SRZ team to develop a consistent set of policies and procedures suitable for today's academic environment.

Whether you need employment law advice, assistance in complying with ERISA or other benefit laws and regulations, or capable counsel for complex litigation, SRZ provides the optimal mix of real workplace solutions and effective advocacy.

INDIVIDUAL CLIENT SERVICES

Discreet representation of

HIGH PROFILE

clients

While most of the work done by SRZ's individual client services practice is highly confidential, it often deals with matters that become a matter of public record. The practice's representation of Jane Beasley Welch in her divorce from Jack Welch, the former CEO of General Electric, is now public. It is also a matter of public record that SRZ has successfully represented the family of Avery Fisher in the enforcement of Mr. Fisher's 1973 gift agreement with Lincoln Center establishing a home for the New York Philharmonic at Lincoln Center. When the Harold and Mimi Steinberg Charitable Trust made a substantial gift to Roundabout Theatre to name a new Center for Theatre in Manhattan's theater district, SRZ's individual client services department represented it.

SRZ's individual client services practice offers skillful tax and personal advice that is designed for each client's particular circumstances. Our goal is to enhance each client's ability to transfer wealth at the lowest tax cost, while at the same time maximizing family harmony.

SRZ's individual client services practice is one of the most sophisticated, extensive and diverse of any major law firm. Our group represents many of the wealthiest individuals in the country on their personal legal matters, and has broad experience in counseling entrepreneurs, including managers of large investment funds, as well as those who have inherited substantial wealth. Our individual client services practice encompasses much more than a conventional "trusts and estates" department. With the assistance of other practice groups at the firm, we are able to provide a full range of legal services to individual clients.



GET to the POINT

Creative Tax Planning

Clients count on SRZ's individual client services practice for the most creative and innovative income, estate, gift and generation-skipping transfer tax planning techniques available and appropriate to their individual needs. We create and administer vehicles that result in significant tax savings for our clients, including grantor retained annuity trusts, qualified personal residence trusts, dynasty trusts in tax-favored jurisdictions, life insurance trusts, charitable trusts, installment sales, private annuities and family limited partnerships.

Succession Planning

Owners of family-owned or other closely held businesses seek our extensive expertise in special aspects of estate planning, including buy-sell agreements, voting trusts and restructuring techniques that enable them to achieve their overall business and personal objectives tax efficiently.

Litigation

SRZ represents fiduciaries and individuals in complex litigation including Will contests, other estate controversies, contested accounting proceedings, and family and business disputes, as well as in litigation and negotiations with the Internal Revenue Service and other taxing authorities.

Charitable Giving

Our broad range of experience includes creating and administering non-profit entities, negotiating gifts to charitable institutions and creating charitable split-interest trusts.

Family Law

SRZ's family law practice is very diverse. We negotiate and prepare cohabitation, prenuptial, postnuptial and separation agreements. We have also conducted numerous mediations of large divorce matters.

It is not enough to tailor personal, tax and estate planning to each individual's needs and objectives. That is just the beginning. Effective planning must anticipate and reflect changes in personal circumstances and keep current as tax and estate planning laws change. SRZ counseling is based on years of experience in developing solutions that satisfy our clients' tax, business and personal objectives.

TAX



contributing to the

RESULTS

The emphasis of the tax practice at SRZ is not on creating its own product but rather on making the products of other firm practice areas better. No other group within the firm is called upon as frequently to work with other attorneys. Typically, one or more of the firm's tax law specialists will consult on each corporate, partnership, real estate and bankruptcy and workout transaction. Because tax considerations affect so many transactions, SRZ tax attorneys have a clear understanding of complex tax rules for acquisitions, dispositions, reorganizations and financings of all types.

Whether structuring a domestic or international corporate or real estate acquisition or a sophisticated investment fund, designing an asset-backed security or crafting a complex workout transaction, our clients rely on SRZ's tax practice to help them achieve their business objectives while managing their tax exposure.

As a result of the rapid globalization of the financial markets, many transactions also involve an international element. Understanding the relationship between the U.S. tax rules and those of other countries relevant to a transaction is essential to an efficient tax structure. SRZ's tax lawyers have mastered the coordination of the international tax aspects of all types of significant financial, corporate and real estate transactions.

- ▶ **Mergers and Acquisitions** - Provide tax planning for mergers, sales and other dispositions, acquisitions, leveraged buyout arrangements and workouts, including analysis of cross-border financing and transfer pricing issues, and coordinating planning designed to reduce the effective global tax rate for international operations
- ▶ **Finance** - Structure sophisticated financing transactions with corporate, institutional or individual lenders or borrowers; design tax-efficient structures for transactions involving CLOs, CBOs, mortgage-backed securities and other asset-backed securities; counsel on tax aspects of swaps and derivatives
- ▶ **Real Estate** - Tax structuring of all aspects of real estate investing, including joint ventures and REITs. Specific expertise in foreign investment structures
- ▶ **Investment Funds** - Structure domestic and foreign private investment funds, private equity funds and mutual funds and provide tax advice to managers of funds
- ▶ **International Tax** - Advise on special tax issues confronting foreign investors making corporate, portfolio securities and real estate investments in the United States, and work with foreign advisers to structure investments abroad to optimize tax results both in the United States and within the country in which the investment is made

Effective tax planning is about maximizing opportunities while managing risks. The tax practice works closely with all SRZ practice groups to assist clients with domestic and international tax considerations of financial, corporate and real estate transactions.

ENVIRONMENTAL

Keeping complex

ENVIRONMENTAL

issues from derailing a deal

When faced with the environmental issues surrounding its transaction with a large chemical company, a lending group engaged SRZ's environmental practice to represent it. The manufacturer and seller of a high-performance chemical-based materials company had significant current and legacy environmental issues, which required focused due diligence.

SRZ's attorneys retained the consultants needed to investigate and estimate the potential liabilities, and worked closely with the company's management to ensure the maximum financial flexibility to address future environmental expenditures, estimated to be over \$120 million. The transaction also required fashioning creative solutions to difficult environmental issues, including assessing the ability to discharge certain legacy issues through a bankruptcy process.

In an era of business consolidation and reorganization, environmental liability is frequently a key economic issue in financial, corporate and real estate transactions. SRZ's environmental practice counsels major institutions, real estate firms and private equity companies on a wide range of local, national and international environmental issues.

Business and real estate transaction services:

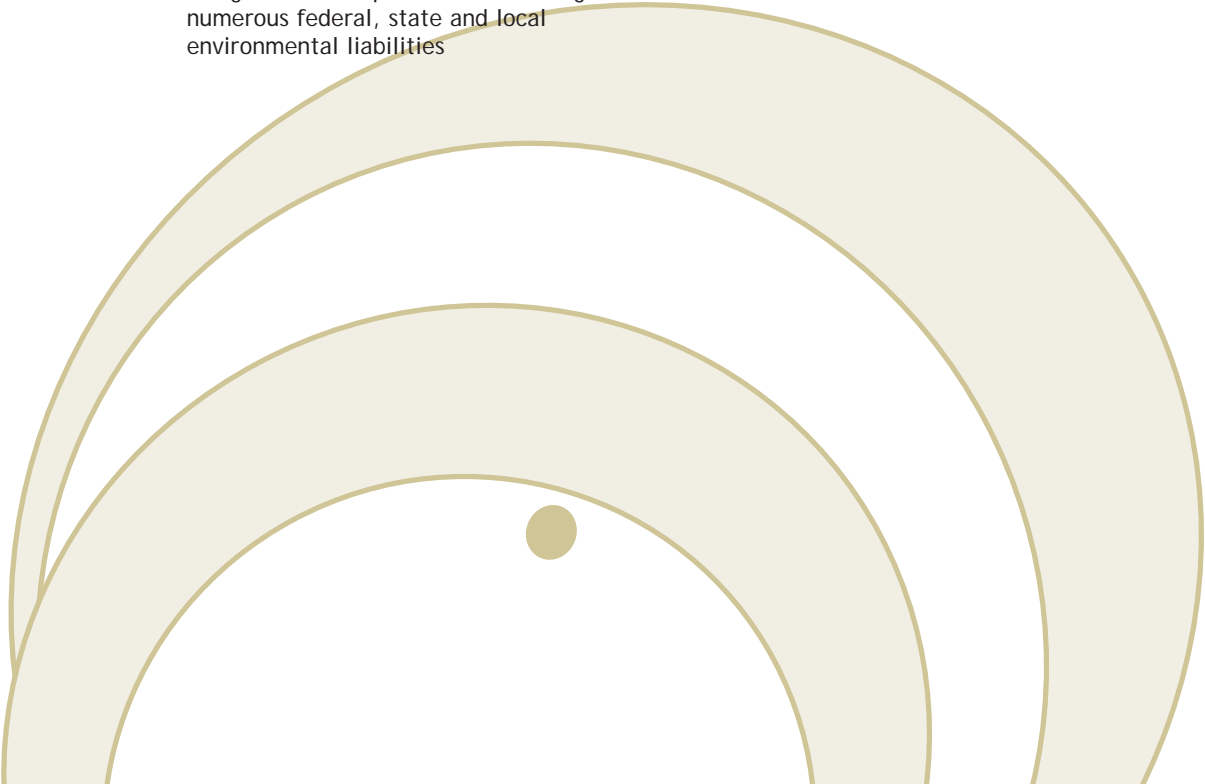
- ▶ Advising on environmental risks and disclosures in mergers, acquisitions, public offerings and real estate transactions
- ▶ Organizing and managing individual and multi-site environmental due diligence investigations
- ▶ Counseling lenders and other financial institutions at loan origination and in workouts, foreclosures and liquidation
- ▶ Providing regulatory advice on environmental compliance issues
- ▶ Structuring and negotiating specialized environmental insurance products to facilitate business transactions

Litigation services:

- ▶ Litigation and general advice to corporations and financial institutions regarding "Superfund" (CERCLA) liability and related state and local laws
- ▶ Prosecution and defense of private cost recovery and environmental contribution litigation
- ▶ Litigation involving insurance coverage for environmental liability
- ▶ Alternative dispute resolution for environmental liabilities based on value protection programs

Other Representations

SRZ's environmental clients also include:

- ▶ The lead lender in the refinancing of the country's largest waste oil and solvent recycler
 - ▶ The purchaser of one of the world's largest manufacturers of automobile accessories
 - ▶ A chapter 11 debtor whose reorganization depended on resolving numerous federal, state and local environmental liabilities
 - ▶ One of the world's largest commercial banks as principal outside environmental counsel responsible for review of more than 300 real estate loans, many involving multiple parcels as well as foreclosure and workout liability issues
- 

Closing a business or real estate transaction often means quantifying environmental liability and putting potential environmental risks into proper industry perspective. Clients count on SRZ's experience representing institutions and industry in the defense of environmental claims, the implementation of environmental audit programs and effective risk transfer using pollution insurance.