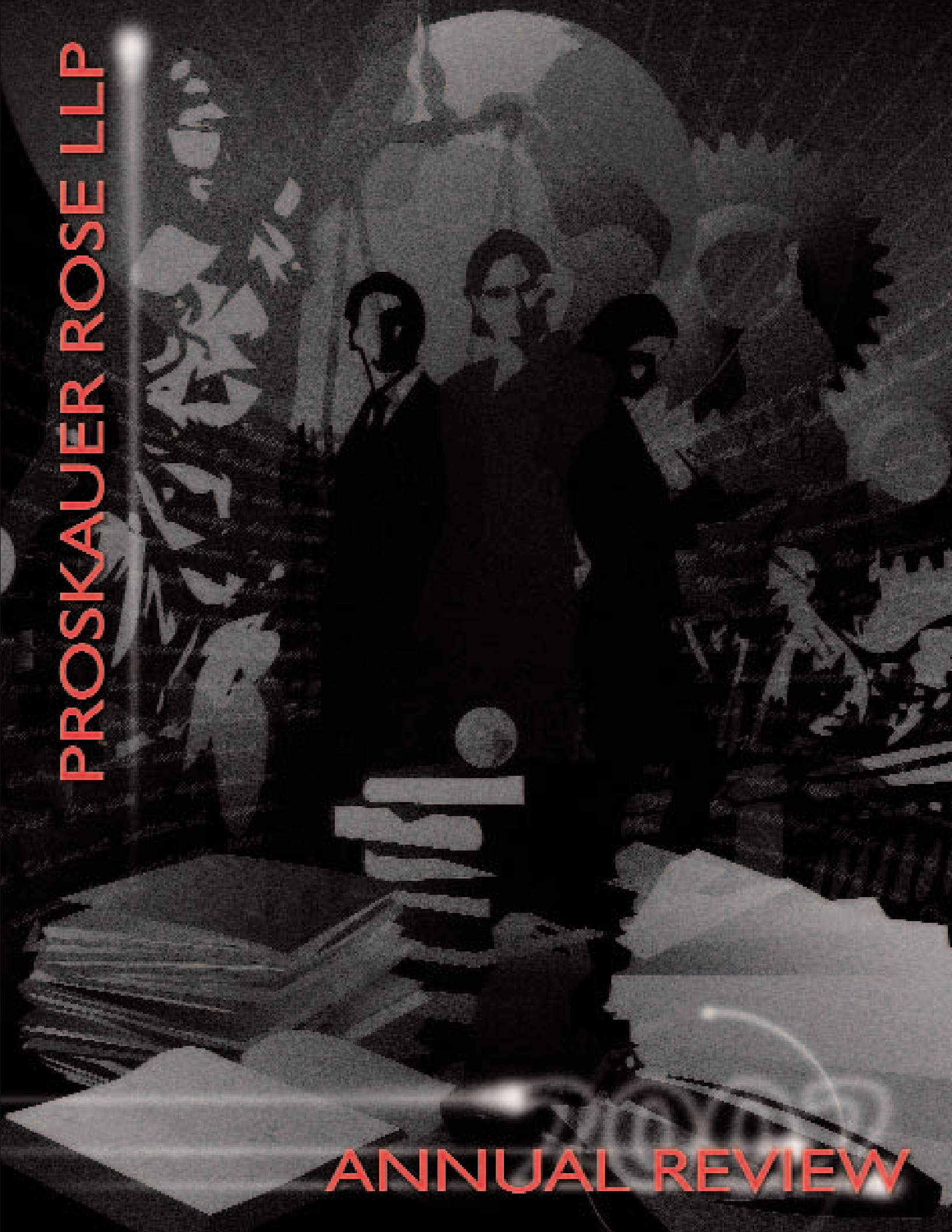


PROSKAUER ROSE LLP

ANNUAL REVIEW



Dear Friends:

We at Proskauer Rose have always counted among the Firm's many strengths our diversified practice and depth of legal talent.

Never was that more apparent than in the year 2002. As you will read in the following pages, during the past year our clients faced a wide variety of unique situations seeking our guidance. From "Sarbanes Oxley" to "stem cell treatment" to "NYC transit strike" – on the issues that made the headlines – our attorneys were often behind the scenes hard at work.

In many ways, the eyes of the world became more vigilant in 2002. We counseled clients proactively to examine their corporations to comply with new federal accountability and disclosure laws; to safeguard their copyrights, trademarks and patents against possible infringement and to challenge violations of First Amendment rights. We were assisted in these efforts by nine new lateral partners from six different practice areas who joined us on both coasts and in Paris.

We also reached out to those in need of our assistance – particularly the victims of September 11th, in keeping with the Firm's long-standing commitment to *pro bono* activities and public service. On November 25, 2002 the Firm was honored with an award from the Legal Aid Society, presented by New York Chief Judge Judith S. Kaye in recognition of this work.

What will we remember most about the year 2002? Probably that it was a year of adjustment to the post-9/11 environment of uncertainty with a slowly recovering economy – and of hope for a safer and more prosperous world in 2003.

On behalf of our attorneys and staff I am pleased to present Proskauer Rose's 2002 Annual Review.

Sincerely,



Alan S. Jaffe
Chairman

Produces
Results

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Labor 20



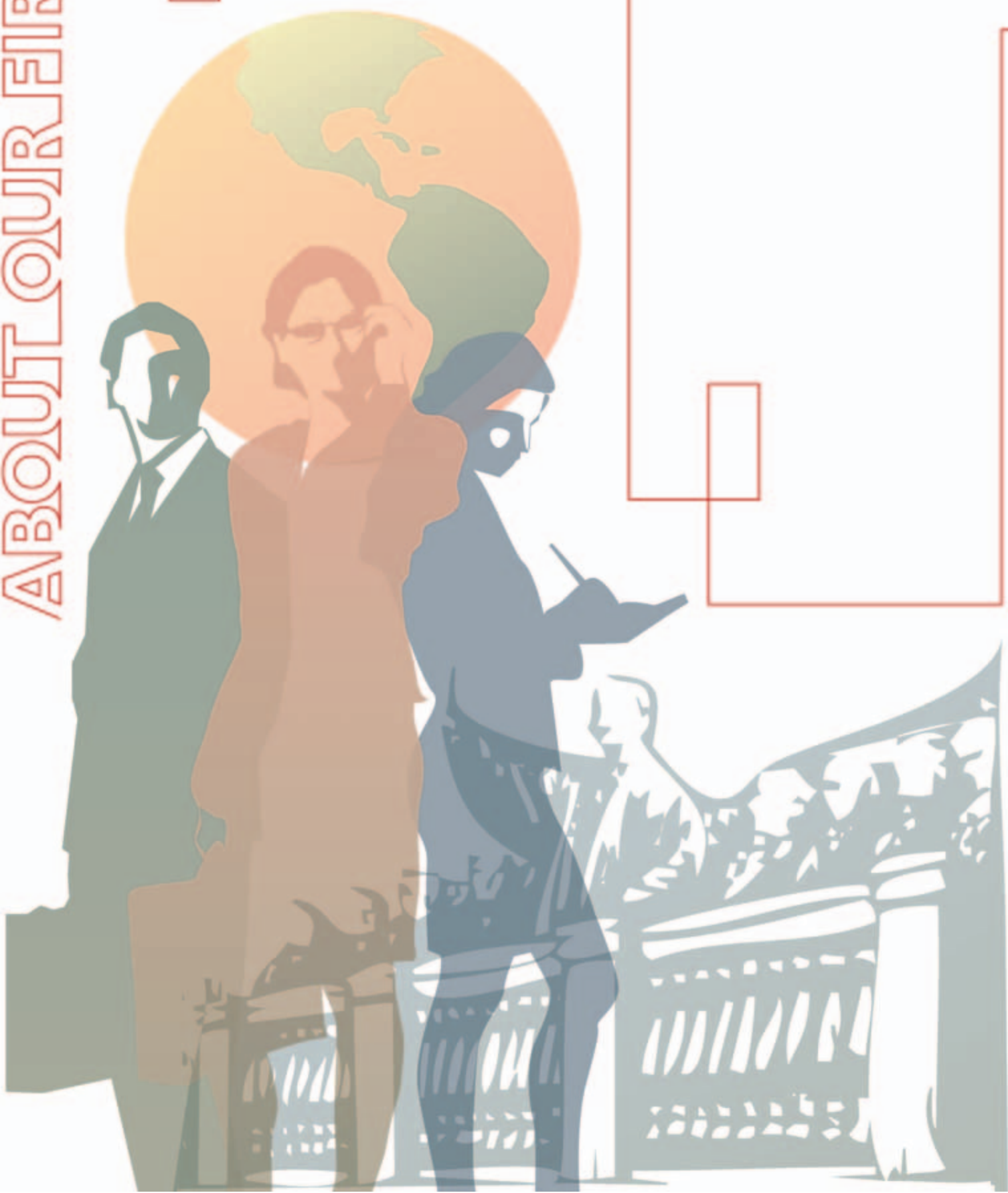
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ABOUT OUR FIRM



Proskauer Rose LLP is one of the largest law firms in the United States, providing a wide variety of legal services to major corporations and other clients throughout the United States and around the world. We are dedicated to producing results for individuals and businesses through the effective application of talent and experience. Founded in 1875 in New York City, the Firm employs approximately 600 attorneys in five domestic offices (New York, Los Angeles, Washington, Boca Raton and Newark), as well as internationally, in Paris.

We have wide experience in all areas of practice important to businesses, including corporate finance, mergers and acquisitions, real estate transactions, bankruptcy and reorganizations, taxation, litigation and dispute resolution, intellectual property, and labor and employment law. Our clients include participants in many industries, including chemicals, entertainment, financial services, health care, hospitality, information technology, insurance, Internet, manufacturing, media and communications, pharmaceuticals, real estate, sports and transportation.

Trained at leading law schools, Proskauer lawyers are also active in important civic, philanthropic and trade organizations, often holding significant leadership positions. These community leaders are also frequently called on for advice and service by government agencies, the judiciary, bar and charitable organizations and corporate boards of directors.



Corporate

Restructuring
& Refinancing

Venture
Capital

Understanding

Securities
Offerings

Technology, Media &
Telecommunications



In 2002, our clients benefited from our ability to address both their legal challenges and their business needs. We assisted large public companies, private equity and venture capital funds, medium- and small-cap companies and entrepreneurs. Our client base crosses industries as well as borders, and we've developed an extensive practice in areas such as private equity, media and publishing, telecommunications, pharmaceuticals and hospitality. Highlights of some of our recent activity follows:

When **The New York Times Company** acquired *The Washington Post's* interest in Paris' legendary daily newspaper, *The International Herald Tribune*, we counseled *The Times* on complex questions of French labor and antitrust law.

Other media clients also found opportunities for acquisition, including **Gray Television, Inc.**, whom we represented in its public offering of high-yield bonds and its follow-on underwritten public offering of common stock to finance its acquisition of Stations Holding Company, Inc. for roughly \$500 million. As a result of the transaction Gray acquired Stations' 15 network affiliates, making it the largest independent owner of CBS affiliates in the country. We also assisted **24/7 Media, Inc.**, a leader in interactive marketing, as they acquired Real Media, Inc., an international

provider of marketing services to the digital advertising industry. The combined companies, now called 24/7 Real Media, will have the largest on-line advertising network and locally installed customer base for ad-serving technology in the world.

We represented **Price Communications Corporation** in the transfer of its cellular wireless business, valued at \$1.7 billion (including the assumption of \$550 million of net debt), to a partnership controlled by Cellco Partnership. Cellco, a joint venture of Verizon Communications, Inc. and Vodafone plc, is the largest provider of cellular wireless services in the United States.

For consumer products companies, our efforts included completing a first-of-its-kind duel tender offer in the U.S. and Mexico involving our client, **The Pepsi**

Bottling Group, Inc., in its \$890 million acquisition of Pepsi-Gemex S.A. de C.V., the second biggest soft drink company in Mexico, and the largest bottler of Pepsi products in the world outside of the United States. We also provided counsel for **WHAM-O, Inc.**, the leading innovator of outdoor fun (Frisbee®, Hacky Sack®, Hula-Hoop®, Slip 'n Slide®), in its acquisition of two divisions of Earth and Ocean Sports (BZ PRO BOARDS®, SLEDZ®) making WHAM-O the global leader in the surf and snow categories.

We assisted some of our French clients in their U.S. acquisitions. Long-time French client **Alcatel** acquired Astral Point Communications, Inc. of Boston, MA, and Telera, Inc., of Campbell, CA, both privately held telecommunications corporations. Another French client, **Bollere S.A.**, acquired the U.S.

assets of Thales E-Transactions, a manufacturer of airline ticketing products.

In Latin America we represented **Grupo Cinemex, S.A. de C.V.**, a leading movie theater exhibition company in Mexico, in the sale of all of the company's outstanding capital stock. The sale, to a group of investment funds and Onex Corporation, was for approximately 2.17 billion pesos (\$223.9 million) in cash plus the assumption of approximately 690 million pesos (\$71.3 million) in debt.

National retail home furnishings client **Bed, Bath & Beyond** relied on us in acquiring New Jersey-

nection with its acquisition by ACI Capital Co., Inc., a private investment firm based in New York, for approximately \$115 million.

Activity in the pharmaceutical industry included the closing of two transactions for **Celgene Corporation**, an independent biopharmaceutical company involved in the treatment of cancer and inflammatory diseases. Celgene acquired Anthrogenesis Corp., a biotherapeutics company that developed methods for processing and storing placental stem cells, and acquired the exclusive rights to the intellectual property covering thalidomide analogs from EntreMed, Inc. (plus a significant equity stake).

investors for investment in affordable housing and other public/private joint venture projects, we handled the investment of funds in over 60 residential projects.

We also advised **VS&A Communications Partners II, L.P.** concerning the sale of all of the issued and outstanding shares of The Official Information Company to US Investigations Services, Inc. for \$245 million.

As part of our work in the hospital industry, our lawyers assisted **Boykin Management Company Limited Liability Company** ("BMC") in connection with the sale by BMC to Boykin Lodging

... sophisticated financial transactions understanding business and regulatory matters ...

based Harmon Stores, Inc., a health and beauty aid retailer. We also assisted national women's clothing retailer, **The Dress Barn, Inc.**, in its successful "Dutch Auction" tender offer for up to 8 million shares of its common stock at \$15 per share.

Children's clothing manufacturer **Happy Kids** sought our help in restructuring \$130 million in outstanding debt and its equity position. Housewares retailers **Lechters, Inc.** and **Tandycrafts** also used our services in their Chapter 11 bankruptcy proceedings.

We closed on the sale of the Weight Watchers business of our client, **Weight Watchers of San Diego and Inland Empire, Inc.**, to its franchisor Weight Watchers International, Inc. We also represented **Jenny Craig, Inc.** in con-

We also represented **MP TotalCare, Inc.**, a Charterhouse portfolio company that provides respiratory medications and diabetic supplies, when it acquired Express-Med, Inc.

We continued our long-standing representation of financial services clients, including **J.P. Morgan Chase** in private equity investments and **J.P. Morgan Investment Management** in connection with fund formation and placement activities. We helped **Lincolnshire Equity Fund II, L.P.** acquire the stock of ATC Logistics of Maryland, Inc., Grupo Centuri3n de Mexico, S.A. de C.V. and related entities, all of which are engaged in the automobile port processing and logistics business in the United States and Mexico. For **Related Capital Company**, who raised over \$775 million from institutional

Company (a NYSE hotel REIT) of membership interests in 16 companies holding leases for 25 hotel properties in 14 states. The sale enabled Boykin Lodging Company to benefit from the REIT Modernization Act by regaining control over its properties.

We counseled **Delaware North Companies Incorporated** in its acquisition from affiliates of American Classic Voyages Co. ("AMCV") of three paddlewheel riverboats, the Delta Queen, the American Queen and the Mississippi Queen, in a transaction valued at approximately \$80 million.

Litigation

Discrimination

Bankruptcy

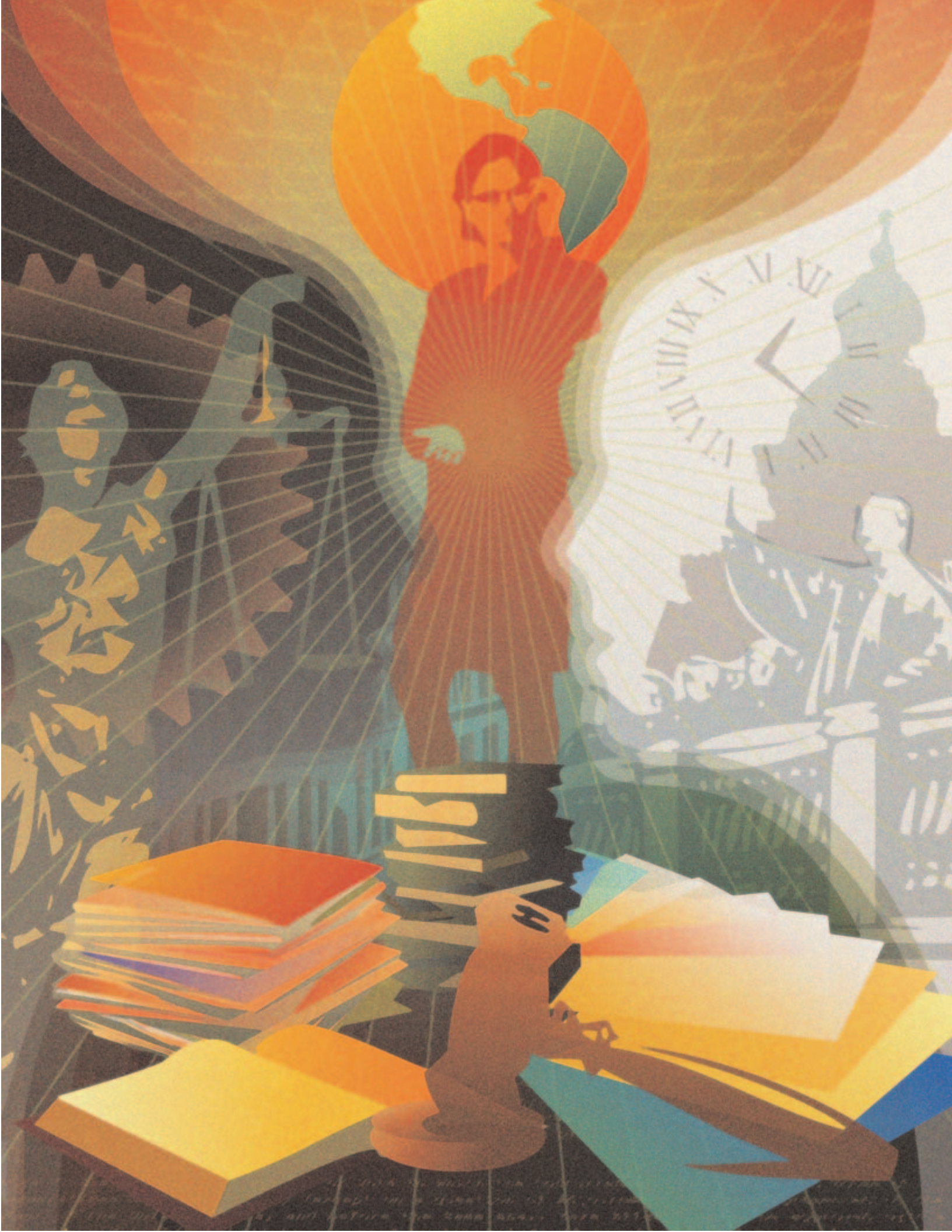
Dispute

Resolution

Copyright

Trade Secrets

Tax



Proskauer litigators continue to be active courtroom lawyers. During 2002, in addition to standard motion practice, we argued numerous appeals, tried five cases to verdict (including three jury cases), conducted emergency evidentiary hearings, and tried ten arbitrations to award. We practiced in a wide range of forums across the nation (and abroad), and in such mainstay complex practices as contracts, securities and antitrust matters Proskauer litigators continued to demonstrate their extensive experience in bankruptcy, criminal investigations and proceedings, civil forfeiture, computer law, condemnation, copyright, defamation and other publishing matters, employee movement, entertainment law, environmental law, franchising, health care, insurance coverage, lender liability, partnership, patent, real estate, RICO, sports law, tax litigation, trademark, and trade secrets matters.

We continue as co-counsel for **Silverstein Properties** and the corporate lessees of the **World Trade Center** in their insurance coverage action arising out of the tragic events of September 11, 2001. Silverstein purchased \$3.6 billion "per occurrence" property coverage from two dozen insurers for the Twin Towers and Buildings 4 and 5. The principal disputed issue is whether the events of September 11 that destroyed the insured's properties at the World Trade Center were one occurrence or two. If there were two occurrences, the insured could recover \$7.2 billion, which would be used to rebuild the World Trade Center.

The United States Supreme Court will hear arguments this term in **American Library Association Inc. v. The United States**, challenging the Children's Internet Protection Act ("CHIPA"). Under CHIPA, public schools and

libraries receiving federal technology funds must install Internet filtering systems to prevent minors from accessing pornographic, obscene or otherwise harmful information. We are co-counsel representing the plaintiff in the Multnomah County Public Library (Oregon) case and argue that CHIPA is a violation of First Amendment rights by blocking adults from accessing information on the Internet, and that it would discriminate against libraries in poorer communities which cannot afford the filtering systems.

Our litigators also worked with some of the most recognizable names in American business on a variety of issues. We recently won a jury verdict in New York Supreme Court for our client, **The New York Times**, against various Bovis entities for the repair costs to the underground sanitary sewer and fire protection system at *The Times'* newest plant.

We represent major motion picture studios (**Disney, Fox, MGM, Paramount** and **Universal**) and major television networks (**ABC, CBS, Fox Broadcasting** and **NBC**) in a significant dispute involving the intersection of consumer electronic technology and the rights of copyright owners in the digital age. This test case constitutes the entertainment industry's challenge to those features of digital video recorders which are considered to infringe copyrights in television programming and movies transmitted by cable, satellite and broadcast television.

Music industry personalities **Eminem** and **Dr. Dre**, along with **Interscope Records** (a

their recordings over the Internet and through other digital means. We also represented multi-platinum recording artist **Shania Twain** in contract issues. And we represented **BMG** in its acquisition of J Records and the signing of music legend Clive Davis to be the Chairman of the RCA Records Group.

Our trademark and false advertising practice continues to achieve outstanding results for our clients. For consumer products manufacturer **S.C. Johnson**, we achieved a series of victories against competitors Avon, Clorox and Applica in false advertising proceedings before the NAD, the advertising industry's self-regulatory body. In

Work in the pharmaceutical industry continued to be an important component of our litigation practice. We are representing our client **Biovail Corporation** in antitrust litigation against Mylan Pharmaceuticals and Pfizer, Inc., where Biovail contends that its generic Procardia was kept off the market through a misuse of the Hatch-Waxman Act. We also represent Biovail in litigation against Eli Lilly & Co. for Lilly's failure to

... creative approach, which emphasizes the client's needs ...

Universal Music Group label), used our representation in a copyright infringement suit brought by a popular French jazz composer in the Southern District of New York. We also defended **Britney Spears, Zomba Recording Corp.'s Jive** label and **BMG Music Publishing** against a copyright infringement claim. We represented **The Island Def Jam Music Group** (also a Universal label) in litigation against a competitor concerning the services of the multi-platinum recording artist known as Ja Rule. We also represented **Arista Records** in obtaining a court order prohibiting a group known as "112" from recording for another record label. We defended **The Bertelsman Music Group** in class actions brought by certain recording artists challenging the right of BMG and the other major record companies to engage in the exploitation of

addition, a false advertising lawsuit we brought for S.C. Johnson in the Southern District of New York resulted in Clorox permanently withdrawing all of the challenged advertisements.

For **Bolloré, S.A., North Atlantic Operating Company, Inc.** and **North Atlantic Trading Company, Inc.**, we seized thousands of cases and cartons of counterfeit, inferior products bearing counterfeit Zig-Zag® trademarks and obtained permanent injunctions and a verdict for damages for trademark infringement, false designation of origin and unfair competition. And, on behalf of **Guinness UDV**, we successfully obtained a preliminary injunction against Anheuser-Busch's use of the trademark "RED LABEL from Budweiser" for an upscale beer product, in view of Guinness' longstanding and prior use of the mark "RED LABEL" for Johnnie Walker brand Scotch whisky.

supply Biovail with Keftab as required by the parties' distribution agreement. Additionally, after almost 8 years, we settled an SEC enforcement action, which was the last piece of parallel litigation and governmental

Health Care

Research & Development

Care Facilities

Stem Cell

DNA

Hospitals

FDA



In 2002, Proskauer's Health Care Department continued to represent almost every type of participant in the health care industry and has combined practical industry knowledge, unsurpassed regulatory and compliance awareness with skilled lawyers to create one of the leading health care practices in the country. Our engagements have ranged from representation of academic medical centers, community hospitals, physician groups and individual practitioners to general representation of large publicly held corporations.

The Health Care Department acted as underwriter's counsel for **Salomon Smith Barney** in the sale of \$340 million of hospital revenue bonds by the **Ochsner Clinic Foundation** in New Orleans. We are currently in the process of finalizing a 16-year agreement between **NYU Medical Center** and Salick Health Care, Inc. (a subsidiary of Astra-Zeneca), under which NYU will develop a \$100 million outpatient cancer center for which Salick will provide support services.

We continued our representation of the **Continuum Hospitals** with a number of important litigations this past year, including a defense against claims regarding St. Luke's - Roosevelt's administration of the

Smithers alcoholism center. We also worked with the **Hospital for Special Surgery** to improve intellectual property development and financing, and represented **Mt. Sinai/NYU Hospitals** in regard to regulatory issues raised by modifications to their relationship.

Proskauer represented the **Alabama Hospital Association** in notice and comment rulemaking proceedings conducted by the Center for Medicare & Medicaid Services ("CMS") in its development of regulations governing payments to providers for services furnished to Medicare beneficiaries. The comments submitted to CMS persuaded the agency to modify the proposed rules, yielding an estimated \$3.6 million in

additional payments to our client's members in the upcoming fiscal year.

Our work on behalf of various state agencies included our representation of the **State of Alabama's Medicaid Agency**, the **Alabama Department of Mental Health** and the **Alabama Department of Finance** with respect to various disputes with the United States Government regarding the proper interpretation and application of the laws and regulations governing federal

affiliates, thoroughly changing the manner in which the national body operates.

We obtained a favorable settlement of a statewide consumer class action filed in Minnesota state court against our client **Beverly Enterprises, Inc.** The class alleged that Beverly had breached its fiduciary duties to residents and made various fraudulent misrepresentations regarding the sources of pharmaceutical products available to residents and the cost of products purchased from a

research & development *... fifty years of public service ...*

matching funds programs. In providing this representation, Proskauer attorneys have been retained as Deputy Attorneys General of the State of Alabama.

We worked with organizations such as **Alterra Healthcare Corporation**, which manages a nationwide network of assisted living facilities, in a novel lawsuit against the New York State Department of Health; **Care Realty LLC**, which was involved in a series of acquisitions and re-leasing of nursing facilities; and the **YWCA** and its affiliates, which used our services over a long and difficult process of reorganization of governance which gave more control to local

Beverly pharmacy subsidiary. We succeeded in reducing the class from 40 to 15 and having class certification denied on the two principal issues in the case, after which a very favorable settlement was negotiated on the remaining claims.

We also represented the **American Association of Health Plans** ("AAHP"), the national trade association for managed care organizations, in connection with a non-party subpoena served upon AAHP. The subpoena was issued by the "provider class" in a large class action litigation against managed care organizations currently pending in a Florida federal court.

PROSKAUER ROSE

2002

TELEVISION



2002 has been an exciting year for the Firm as we expanded our presence in all forms of media. The experience and expertise of our attorneys continued to be in high demand as they gave their legal perspective on hot topics of the day during nationally televised discussion panels and interviews, and they were seen in action litigating on behalf of our clients in high-profile cases.

IN THE MEDIA

During the past year we maintained and augmented our traditional print campaigns, which ran in various periodicals and trade magazines. Our ad campaign emphasized our approach to serving our clients' needs.

Spring 2002 witnessed the launch of the new, award-winning www.proskauer.com. On the site you can easily find information about our lawyers and the scope of our practice, download our latest publications, register for one of our seminars, view the schedules of upcoming events, learn about our recruiting program, and more.

INTERNET



Labor

entertainment

Unions

Experience

Government

Philanthropic

Manufacturing

Retail

Employee



Preference shall be given by any Regulation of the Ports of one State over those of another, and Vessels from, one State, be obliged to enter, clear, and pay Dues

The Vault Guide to the Top 100 Law Firms 5th Edition ranks Proskauer among the best, and describes our Labor and Employment Department as “stellar.” In 2002, our Labor & Employment Group worked on a number of high profile issues for every form and size of organization, ranging from multinational corporations to educational institutions. On a continuing basis, we provide advice concerning all aspects of labor, employment, employee benefits, executive compensation and immigration and nationality law.

Proskauer played a crucial role in averting a New York City transit strike and obtaining a responsible settlement from the Transit Workers Union. On behalf of our client, the **Metropolitan Transit Authority**, we successfully fended off a preemptive lawsuit filed by the Union in federal court, then obtained a broad preliminary injunction against both the local and the international Unions in state court. The negotiators subsequently reached a settlement which was ratified by the Union membership.

Our representation of the **City of New York** dates back more than three decades. Recent activity includes:

- A fact-finding decision against the Union representing 110,000 public school teachers and other school personnel, resulting in a widely praised agreement that provided both across-the-board wage increas-

es and additional increases in return for a much-needed lengthening of the school day.

- An interest arbitration initiated by the PBA, the Union that represents the City’s 25,000 police officers. The PBA, relying on an alleged disparity between police pay in the City and in the suburbs, as well as sympathy from the World Trade Center tragedy, sought a 21.9% salary increase. We responded with the testimony of Mayor Michael Bloomberg, who persuasively explained the City’s financial distress and the severe limitation on its ability to pay. The arbitration panel rejected the Union’s request and adopted wage increases similar to that of other uniformed groups.

In an important victory for our client **Lincoln Center for the Performing Arts, Inc.**, our efforts led to a decision allowing

Lincoln Center to continue enforcing its policy of limiting organized activity on the Lincoln Center Plaza to artistic and performance-related events. The decision by the Second Circuit affirmed the district court's ruling that the Plaza is, at most, a limited public forum, which may permissibly be programmed in the exclusive service of arts- and performance-related activities.

In the exploding area of employment law, we continued our representation of employers such as **Bristol Myers Squibb** and **Metropolitan Life Insurance Company**, to whom we serve as counsel for employment litigation matters throughout the United States.

We continue to represent **Willis Group Holdings**, one of the largest insurance brokers in the

Corporation. The case, *Domurat v. Ciba Specialty Chemicals Corporation*, involved a handicap discrimination claim brought under New Jersey's Law Against Discrimination ("LAD"). The jury found that the plaintiff was not handicapped under the LAD, notwithstanding the fact that he had been diagnosed with Attention Deficit Disorder. The Appellate Division upheld the jury's verdict, determining that the evidence supported a finding that he was not limited by the diagnosed condition.

Our Immigration Group guided clients through a myriad of post-9/11 procedural and statutory changes which affected the transfer of foreign nationals to executive and research positions in the United States. Clients including **Samsung Electronics America, Inc.**, **IDT**, **American Eagle**

active. We defended **Metropolitan Life Insurance Company** in a class action lawsuit that involved cutting-edge legal issues on the scope of relief permitted under ERISA, the federal law governing employee benefits. We began providing employee benefits advice to **AOL TimeWarner**, including the negotiation of a number of complex agreements with the service providers to their health benefits program. We also continued our extensive representation of high profile multi-employer pension and welfare funds including the Firm's continued general representation of the **AFTRA Health & Retirement Funds**, and of the **Plumbers & Pipefitters National Pension Fund** with respect to its investment in the Westin Diplomat Resort and Spa and the Diplomat Country Club in Florida.

... reputation for the quality and depth of our practice ...

U.S. and globally. Willis is involved in a class action gender discrimination "glass ceiling" suit. The plaintiffs seek to represent a nationwide class of employees, but in the preliminary stages the court has limited discovery to the geographic areas where the named plaintiffs work.

We were very active in the entertainment industry representing, among other clients, **CBS** in two high-profile suits involving on-air talent who claimed discrimination as a result of being removed from their assignments and, in one case, terminated. In Los Angeles, we continued our representation of **Creative Artists Agency** in an entertainment industry-wide class action that was filed by television writers over the age of 40.

The New Jersey Supreme Court found in favor of our client, **Ciba Specialty Chemicals**

Outfitters and **Bristol Myers Squibb** have benefitted from the Group's expertise in the past year.

The Group also resolved a number of sensitive INS I-9 audits and Department of Labor investigations of H-1B wage compliance for an assortment of corporate clients. Work for individual clients included getting political asylum for citizens of Columbia and Albania, St. Cyr relief for a citizen of China, waiver of the two-year J-1 foreign residence requirements for medical researchers, and extraordinary alien petition approvals for individuals in business, science and the arts. Our pro bono work included continued efforts to reunite children overseas with mothers in the United States.

During 2002, our Employee Benefits and Executive Compensation Group was quite

In the Executive Compensation area, in addition to providing advise to innumerable corporations on executive compensation issues and agreements, we represented senior executives with respect to their employment arrangements in companies such as the following: **Ameritrade Holding Corporation**, **AT&T**, **The Dun & Bradstreet Corporation**, **J. Crew Group Inc.**, **Kinko's, Inc.**, **Motorola, Inc.**, **Northrop Grumman Corporation**, **Qwest Communications International Inc.**, **Thomas Weisel Partners LLC**, **Travelers Property Casualty Corporation**, **Vodafone Group Plc**, **Wellpoint Health Networks, Inc.**

Real Estate

Building Management

Financing

Partnerships

REITS

Leases

Transactions

Properties

Contracts



Proskauer Rose's Real Estate practice is exceptionally diverse and well-balanced. In 2002, our clients included property owners, developers, mortgage and mezzanine lenders, debt and equity investors, tenants, brokers and managers.

We worked with **Wachovia Bank, National Association** to develop documentation for large floating rate mortgage loans to be securitized in the commercial mortgage-backed securities market, and in connection with the origination of numerous mortgage loans aggregating approximately \$1 billion. Many of these transactions included the sale of junior participating interests and/or the simultaneous origination of one or more mezzanine loans secured by pledges of equity.

DLJ Real Estate Capital Partners, Inc. used our services in a number of matters last year, including:

- A recapitalization and financing of Library Square, LLC, an entity that owns the Library Tower building located in downtown Los Angeles. The transaction included a reorganization of the entities owning Library Tower, a buy-out of some of its pre-

transaction owners, a simultaneous loan made in two separate parts (to two separate Library Square entities) by Credit Suisse First Boston and a preferred stock investment by DLJ. The transaction included complicated corporate, real estate, bankruptcy and tax matters.

- Its acquisition from certain Puerto Rican government agencies of approximately \$105 million of reimbursement obligations relating to Puerto Rican Tourism Revenue Bonds used to fund the development of, and secured by, the Ritz-Carlton San Juan Hotel, Spa & Casino in San Juan, Puerto Rico.
- Acquisition by an affiliate of DLJ Real Estate Capital Partners of the Wales Hotel, an 87-room boutique hotel in Manhattan.

In addition, we are representing DLJ in connection with the bankruptcy of the debtor of the obliga-

tions and DLJ's proposed acquisition of the Ritz-Carlton San Juan Hotel, Spa & Casino in connection with the bankruptcy.

We represented **GMAC Commercial Mortgage Corporation** in a \$150 million preferred capital investment in ARC Real Estate Holdings, LLC, an entity engaged in the ownership and operation of manufactured housing communities and manufactured home rental units. The financing was provided by GMAC in connection with a transaction involving a

Charter Municipal Mortgage Acceptance Company, which finances apartment building developments, used our services in the acquisition of 80% of PW Funding Inc. PW originates and services multi-family apartment mortgage loans. Charter Mac Corporation, a wholly owned subsidiary of Charter Municipal Mortgage Acceptance Company, an affiliate of the Related Companies, will pay between \$37 million and \$47 million, depending on the costs of certain new servicing contracts on PW mortgages.

agreement. Hotel Pennsylvania is owned by Vornado Realty Trust, one of the largest property owners in New York City.

An affiliate of **Alexander's Inc.** used our services in connection with a \$490 million construction loan for the new mixed-use project that is currently under construction at Lexington Avenue and 58th Street. We also represented three pension funds, clients of **U.S. Realty Advisors, LLC**, in connection with the \$40 million acquisition of a newly constructed office build-

... professionals who produce excellent results ...

restructuring of ARC IV REIT, Inc., the parent entity of ARC, and a simultaneous senior financing by Morgan Stanley of \$560 million.

Our client **Mendik Realty Company, Inc.**, and related persons, were involved in the sale to an affiliate of Vornado Realty Trust of the equity of Building Maintenance Service LLC, Guard Management Service Corp., and BMS Facilities Group LLC, all engaged in the building maintenance, cleaning and security businesses. Although the transaction was structured as a straightforward sale of equity for approximately \$17.5 million in cash, the closing documentation was substantial as the transaction involved three separate target companies and numerous seller parties.

Related Capital Company closed a transaction involving the largest allocation of Low Income Housing Tax Credits ever in California. Related committed to invest almost \$50 million in a partnership which is demolishing and redeveloping a former public housing project in the North Beach section of San Francisco. Citibank, the San Francisco Housing Authority and the City of San Francisco are also providing financing for the project.

We represented New York's **Hotel Pennsylvania**, a 1,700-room hotel with 400,000 square feet of commercial space, in connection with various meeting space, food and beverage, group room and other commercial agreements, including a pay-per-view system agreement and a central reservation system

ing in Memphis, TN, which is fully occupied by International Paper Company.

We worked with **1515 Broadway Associates** in the sale of 1515 Broadway (the Viacom Building in Times Square) to an entity owned by SL Green Realty Corporation through a pre-packaged Chapter 11 plan of reorganization for consideration in the approximate amount of \$484 million.

Sports

NBA
baseball
management
franchises
venues
events
Negotiations
NHL



FRANCHISE

1997-1998

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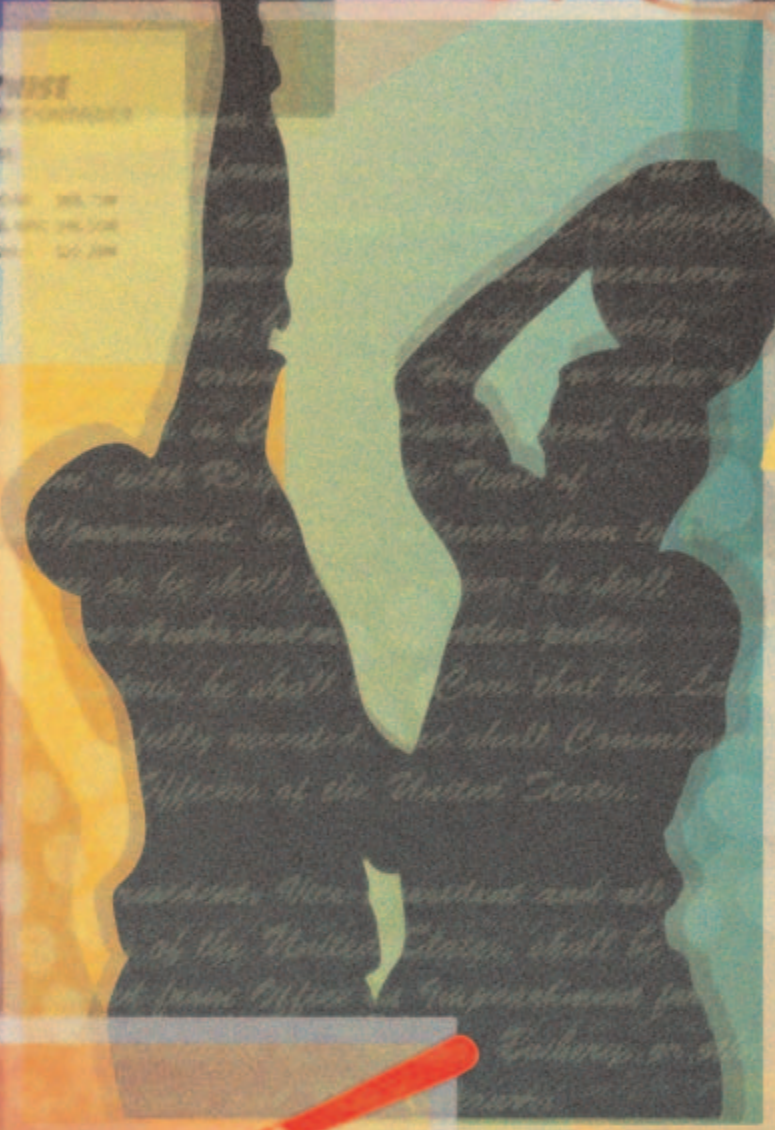
HT: 5'8"
WT: 205
AGE: 22
DOB: 7/6

W. JONES

SALARY: \$1,200,000
TEAM SALARY: \$1,500,000
CAP: \$1,000,000

Additional information:
This player is not a franchise player, but he
is a franchise player in the
National League.

Salary: \$1,200,000
Team Salary: \$1,500,000
Cap: \$1,000,000



The efforts of our Sports Law Group continued to be seen and felt throughout all aspects of our national pastimes. Our attorneys apply broad interdisciplinary skills needed to resolve the business issues and disputes that affect sports clients in the highly competitive entertainment and media marketplace. The Group consists of numerous transactional, tax, labor, litigation, antitrust, real estate, bankruptcy, and intellectual property lawyers with extensive experience in sports matters.

We helped make history by assisting **Major League Baseball** (“MLB”) in the collective bargaining negotiations between the Clubs and the Major League Baseball Players Association that, for the first time in more than 20 years, produced a new agreement without a work stoppage. The bargaining went right down to the deadline, but concluded successfully and without any interruption of the regular season, playoffs or World Series. Among the issues resolved at the bargaining table was the dispute over MLB’s announced intention to “contract” two clubs, a dispute that had been the subject of a lengthy arbitration in which we also represented MLB. We also continue to represent MLB in a variety of other matters, including litigation and NLRB proceedings involving the labor union that now represents major league umpires. In the salary arbitration arena (representing several individual clubs), we maintained our perfect record – winning the cases we handled that went to hearing.

We represented the owners of the **Montreal Expos** in a complex,

three-party transaction with Major League Baseball and the former owner of the **Florida Marlins** that resulted in an exchange of the Expos for the Marlins. We continue to represent the Florida Marlins on a variety of matters, including our defense of multiple proceedings brought by the club’s limited partners, who have commenced a RICO litigation in Florida federal court against its principals – which the Court has stayed in its entirety – and an international arbitration proceeding against the general partner and certain related parties.

The **National Basketball Association** (“NBA”) and the **Women’s National Basketball Association** (“WNBA”) sought our representation on a variety of corporate and labor/employment matters. We handled the NBA’s grant of an expansion team to represent Charlotte, NC beginning in the 2004-05 NBA season. The team will be owned by Robert Johnson, the founder of Black Entertainment Television (“BET”). In connection with the expansion transaction, we represented the League in the negotiation of definitive develop-

ment and operating agreements with the City of Charlotte for a new state-of-the-art arena in downtown Charlotte. We also assisted the NBA in successfully fending off a challenge by the National Basketball Players Association to the League's application of the escrow/tax system provided for by the collective bargaining agreement with the players' union. For the WNBA, we are involved in the ongoing collective bargaining negotiations with the Women's National Basketball Players Association. We also advised the WNBA on its recent restructuring, which will allow both NBA and non-NBA owners to own WNBA teams.

efit of an income tax imposed on NHL players by the Government of Alberta, the proceeds of which were directly earmarked to the two Alberta-based clubs. Our litigators also successfully defended against an antitrust challenge brought in California federal court as a class action by subscribers to the NHL's Center Ice package. That suit attacked the right of the League and its member teams to secure agreements for the packaging and distribution of out-of-market NHL games via satellite and cable television.

In football, we continue to advise the **Philadelphia Eagles** on a number of matters relating to the development of its new football-

ments, which challenged certain fundamental elements of the operation of the Tour, including its right to set the annual calendar of events. Proskauer lawyers also have been involved in a variety of corporate, tax, litigation and other issues regularly confronted by ATP.

We represented **Major League Soccer** ("MLS") in what was an extremely busy and successful year. To begin with, we continued our successful defense of the long-running antitrust suit brought by a class of former and current players by arguing that the United States Supreme Court should decline to hear the plaintiffs' efforts to appeal MLS's victories in the courts below. The Supreme

... understanding the business of sports and media ...

The **National Hockey League** ("NHL") used our services on a wide range of labor, litigation, contractual, licensing, antitrust, tax and bankruptcy issues. In our role as labor counsel to the League, we defended a series of complex grievance arbitrations, including *Uwe Krupp v. Detroit Red Wings*, in which the player's claim for \$12.3 million in guaranteed salary for an alleged hockey-related injury was undermined by his participation in competitive dog sled racing while allegedly injured and rehabilitating (our labor lawyers became experts in the world of "mushing" and the biomechanics of that sport, as well as learning how to read MRI films with orthopedic surgeons). We assisted in the Alberta Tax case, in which the Players' Association challenged the right of two Canadian clubs to receive the ben-

based stadium, which is scheduled to open in August 2003. These matters included the Eagles' \$140 million naming rights deal with Lincoln Financial, as well as a number of other significant marketing, sponsorship, media and concessions transactions. We also have continued to represent the **New York Jets** on a broad range of matters, including its stadium development efforts.

Proskauer continues to serve as general outside counsel to the **ATP Tour**, which operates the international circuit for men's professional tennis. During the past year, we represented ATP in its defense and successful resolution of antitrust litigation brought in Indiana federal court by the owners of the RCA Championships and the Legg Mason Tennis Classic tennis tourna-

Court agreed, and declined to grant the plaintiffs' request for a writ of certiorari. Meanwhile, we also represented MLS in its defense and successful resolution of various antitrust claims brought against the League and the United States Soccer Federation by the Los Angeles Memorial Coliseum Commission. Finally, we successfully represented MLS in the arbitration of grievances brought by three former MLS players, whose standard player contracts were terminated following the elimination of two MLS teams, thereby affirming the right of the League to reduce the number of its teams without incurring continued obligations to its players. We also have continued regularly to advise MLS in connection with a variety of corporate, tax, litigation and labor issues.

With the help of almost 50 Proskauer attorneys and staff, we assisted over two dozen companies still struggling to overcome the effects of September 11, 2001 through the **Adopt-a-Company Program**. One of our Adopt-a-Company clients, 150 Lafayette St. Property Investment Co., owns and manages a building in Chinatown that historically housed garment factories, but has over the past few years been in the process of converting rentable space into more upscale commercial space, renting to tenants such as advertising firms, computer consultants and an HIV advocacy group. In the weeks immediately following September 11, five major tenants abandoned their leases because they were unable to receive supplies (as the road was closed to non-emergency traffic). Our client applied for a Small Business Administration loan, but was initially rejected. We assisted the company in appealing the SBA's decision and have been informed that the SBA has overturned its initial decision, granting our client a loan of over \$325,000 at outstanding terms.

The **Cyber Security Summit** held in New York City from November 20-22, 2002, was sponsored by Proskauer and brought together the leading industry experts to discuss protecting the financial services industry from the impact of a major cyber attack. **Chris Wolf**, Chair of Proskauer's Computer Security Practice Group, discussed the potential legal risks from inattention to computer security issues. Other speakers and participants from both the government and private sector discussed

issues ranging from privacy and vulnerability management to business continuity and incident response. Some of the many participants included executives from CSFB, the Department of the Treasury, Merrill Lynch, IBM, Lucent Technologies, Ernst & Young, Morgan Stanley, the Federal Reserve Bank of New York and PriceWaterhouseCoopers.

Proskauer co-sponsored the **Deloitte & Touche New York Fast 50 Awards Dinner** on October 10, 2002. This award honors the area's fastest growing technology companies based on percentage revenue growth over the past five years. Our clients who were honored include 24/7 Real Media, Inc., Bristol-Meyers Squibb, L-3 Communications and Price Communications.

On November 25, 2002, at the annual Legal Aid Society Pro Bono Awards ceremony, Proskauer received an award in recognition of outstanding pro bono assistance provided to the victims of the WTC tragedy. Proskauer partner **Bruce Fader**, a Legal Aid Society Board Member, accepted the award for the Firm from New York Chief Judge Judith Kaye.

Attorneys **Stacey O'Haire Fahey** and **Anthony Wladyka** helped to establish The Bear Search and Rescue Foundation. This not-for-profit corporation works to improve lives of search and rescue animals, and is named in memory of Bear, a golden retriever who searched for survivors in the aftermath of the September 11th attacks on the World Trade Center.

our people

Our Chairman **Alan Jaffe** was named one of the best law firm leaders in an *Of Counsel* survey of legal consultants and recruiters.

Partner **Mark Biros** received the Vicennial Medal from Georgetown University for his 20 years of distinguished teaching and service as an Adjunct Professor of Law at the school's Law Center.

Partners **Wayne Katz** and **Joseph Leccese** were recognized by their peers in various publications. Wayne was named for a third year as one of the Top 40 Under 40 by

while working with the organization's senior staff and General Counsel. Established in 1957, the National Academy of Recording Arts & Sciences, Inc., also known as the Recording Academy®, is dedicated to improving the quality of life and cultural condition for music and its makers, and comprises 18,000 musicians, producers and other recording professionals.

Partner **Katharine Parker** was honored at the YWCA-NYC's "29th Annual Salute to Women Achievers" luncheon. Katharine is one of a select group of women

and Certified Public Accountants is the official liaison between the American Bar Association and the American Institute of Certified Public Accountants. (The Conference consists of nine members from each profession appointed by the Presidents of the respective organizations.) Its purpose is to encourage excellence in professional performance by providing a forum for identifying, discussing and resolving issues of concern between the two professions.

Partner **Paul Salvatore** received the Judge William B. Groat Alumni

recognition ... service, distinction, community ...

Sport Business Journal, and Joseph was one of the 45 Under 45 as reported in the *American Lawyer Magazine*.

Our partner **Chuck Ortner** has been appointed to the position of National Legal Counsel for the National Academy of Recording Arts & Sciences, Inc., the organization internationally known for the GRAMMY® Awards. In this newly created position, Chuck will assist in the development and implementation of the GRAMMY's legal strategies and policy positions,

throughout the New York metropolitan region chosen for recognition of both their career achievements and community service. The Salute luncheon is the city's largest tribute to professional women.

Our partner **Richard Rowe** has been appointed to a three-year term as the representative of the American Bar Association's Section of Business Law to the National Conference of Lawyers and Certified Public Accountants. The National Conference of Lawyers

Award from the Cornell University School of Industrial and Labor Relations. The Groat Award, named for one of the school's founders, is the school's highest award for an ILR graduate who has demonstrated exceptional professional accomplishment in the field and outstanding service to the school. This year, clients **Dick Grasso**, Chairman and CEO of the **New York Stock Exchange**, and **Jack Rudin**, Co-Chairman of **Rudin Management, Inc.**, presented the award on April 25.



About our offices

NEW YORK

For over 125 years, as long as Proskauer Rose LLP has been in existence, its headquarters office in New York City has been in operation. The office has grown during this time from less than a dozen lawyers to over 400, making it one of the ten largest in New York City.

The New York Office clientele represent many national and international business leaders among the Fortune 1000 and the BusinessWeek Global 1000. Our clients are served by corporate, health care, labor and employment, litigation, real estate, tax and personal planning departments whose breadth and depth of general and specialty law assures world class services. As an office of the Firm operating in a nexus of international business, the New York Office takes pride in its rich legal history and technological savvy in serving clients.

LOS ANGELES

Proskauer Rose LLP's Los Angeles Office services both nationally and locally originated clients. As part of an international law firm, the office has the ability to handle large, sophisticated matters which ordinarily are beyond the capabilities of most offices its size.

The Los Angeles Practice is organized into three practice group designations. The Litigation and Dispute Resolution Group represents clients in areas as diverse as public accounting entertainment, real estate and financial services. The Business Group includes corporate, securities, real estate, bankruptcy, entertainment, tax and related business planning. The Labor Group represents and advises employers in the full spectrum of labor and employment law.

WASHINGTON DC

Proskauer has maintained an office in the nation's capital since 1978. Concentrating its practice in the areas of complex commercial litigation, health care, intellectual property and new media law, labor and employment, securities regulation and white-collar crime, the Washington Office also provides the Firm's clients convenient access to major federal agencies.

Among Proskauer's partners in Washington are the former Director of Corporate Finance of the Securities and Exchange Commission, the former General Counsel of the U.S. Copyright Office, a former Deputy Assistant Secretary of Labor, a former Executive Assistant to the Secretary of Commerce and several former U.S. Department of Justice trial lawyers. The experience of these lawyers extends the capacity of the Firm to represent clients' interests in matters involving the federal government.

The latest additions to our staff in 2002:



Jean-Luc Cuadrado
Partner

Anthony Oncidi
Partner

David Weinberger
Partner

Kristin Neuman
Senior Counsel

Lloyd Chinn
Senior Counsel

Mark Theodore
Partner

Matthew Triggs
Partner

BOCA RATON

Opened in 1977 to provide personal planning advice to high-net-worth individuals relocating to Florida, the Boca Raton Office has matured into a full-service law practice as more and more major corporations have established corporate headquarters and other significant business installations in southeast Florida.

In addition to the personal planning practice, which provides estate planning and administration, trusts and probate services, the Boca Raton Office is organized into three other practice groups: Transactional, Labor and Employment, and Litigation and Dispute Resolution. These groups work closely with their counterparts in New York and Los Angeles to provide seamless service in corporate and real estate transactions, matters affecting employers and employees, and commercial litigation of all types.

NEWARK

Proskauer's New Jersey Office represents New Jersey and metropolitan New York area corporations, large and small, and also serves as local counsel for New Jersey-based actions emanating from Proskauer's other offices.

Proskauer's New Jersey Office handles only labor and employment matters. The attorneys advise employers in all areas of labor and employment law and represent them in state and federal court, before administrative and quasi-judicial agencies, and in negotiations, arbitrations and union organizing campaigns.

The office's clients span a broad range of industries including finance, insurance, publishing, transportation, entertainment, pharmaceutical and chemical manufacturing.

PARIS

Keeping with its more than 80-year history of representing French and other European clients, Proskauer maintains an office in Paris. Our partners in the Paris Office provide an understanding of global markets and the transnational needs of the Firm's clients.

The Paris Office, with experience in international transactions and arbitrations, foreign licensing arrangements, corporate finance, restructuring European operations, employment law and labor negotiations and disputes, represents a wide variety of American and other multinational companies with business activities in France, as well as some of the largest French companies in the financial, oil, chemical, pharmaceutical, consumer products and leisure sectors.



Stephen Ratner
Partner

James Shalek
Partner

Howard Robbins
Senior Counsel

Howard Wilson
Partner

Ian Levin
Senior Counsel

Scott Eggers
Senior Counsel

Kimberly Barbar
Senior Counsel

Robert Cleary
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James Gerkis
Partner

Bernard Husson
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