

InternationalCounsel - 2010 Annual Review

This review is meant to better update our friends, clients and contacts on the kind of relationships and projects that have been part of our cross-border legal practice in 2010 and that we hope to become part of our future, whether with your organization or from those you think might benefit from speaking with us.

**we are a global law firm alternative
with a track record since the mid-1990s**

- We have sought to be a cost-effective alternative to the global law firm, and we believe our low-overhead approach to providing sophisticated cross-border legal services is well-positioned at a time when large traditional law firms are under pressure from increasingly cost-sensitive companies
- A key aspect of our model since our founding in the mid-1990's has been to gather the kind of team members that have been at the forefront of a more cost-effective and efficient delivery of cross-border legal services - former in-house counsel to major companies

Delivering Cross-Border Legal Services More Effectively and Efficiently

- The legal press has been abuzz in the last several months over the continued progress in "right-sizing" legal work, recognizing that fixed and alternative fee arrangements (no, not new, but now pursued with new-found urgency), legal process outsourcing from India (Thompson-Reuter's acquisition of Pangea3 is causing many skeptics to finally take serious notice), temporary lawyer services (in some cases delivered with increasing sophistication and marketing polish) and alternative law practices are part of a movement away from the traditional ways of doing legal business
- Welcome to our world, in our case by re-imagining how cross-border legal services can be delivered more effectively and efficiently. Not just since the beginning of this particular recession, but since our founding back in the mid-1990s



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International Legal Counsel - For A Flatter World

Cross-Border Methodologies – Beyond Simple Cost-Effectiveness

- While our low-overhead model of providing cross-border legal services allows us to keep our fees low, and while our use of lean teams is also a significant factor in keeping our work efficient, our overall methodology for the cross-border structuring, drafting and negotiating of international projects is the real key to our model
- These methodologies allow a senior, hands-on approach backed by our multiple local counsel resources in each of a large number of target countries (supplementing our team members in Europe and Asia), and we execute our projects and draw upon our collective judgment even for projects that may be led by a single team member
- Think of us as a brain trust of senior lawyers, most with more than 20 years of international legal experience across a minimum of 20 countries, each having lived and practiced in at least 2 major world centers and each having been in charge of the international legal or tax function for a multi-national corporation
- We can add value because each of us have executed a great many cross-border projects ourselves - not because some persons in some parts of the firm have worked on such projects over the course of many years, and not because "network" members have handled such projects - each of us has had personal and sustained cross-border project experience to bring to the table

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New Team Members in 2010

In 2010, we welcomed Tom Holden, a commercial attorney with more than 25 years of unusually broad in-house international and U.S. domestic experience in the outsourcing, consulting, pharmaceutical and telecommunications industries

- While with a major telecommunications company, Tom's roles included lead Asian counsel based in Asia for 6 years and divisional general counsel for 8, where he was responsible for all legal aspects of forming, managing and operating joint ventures in more than 25 countries in developed (such as Japan and Korea) and particularly developing economies (ranging from China and India to Latin and Central America, Asia and Africa)
- Tom then became senior international counsel with a major pharmaceutical company, with responsibility for international mergers and acquisitions, in-bound and out-bound licensing activity and general commercial counseling, and then outsourcing counsel for a major consulting and services company, responsible for the legal and regulatory support of a worldwide procurement services outsourcing business



- Continuing our tradition of working with attorneys with deep ties and experience with each other, InternationalCounsel had reported to Tom during a period of significant representation of one of his former companies, with project work together in Asia, the Mideast, Latin America and Europe

We wish our 2010 summer interns the best back in Ann Arbor and with the next steps in their international careers - Aaron Pittman and Rachel Lee, both Michigan Law School students, were a part of our team during the summer of 2010

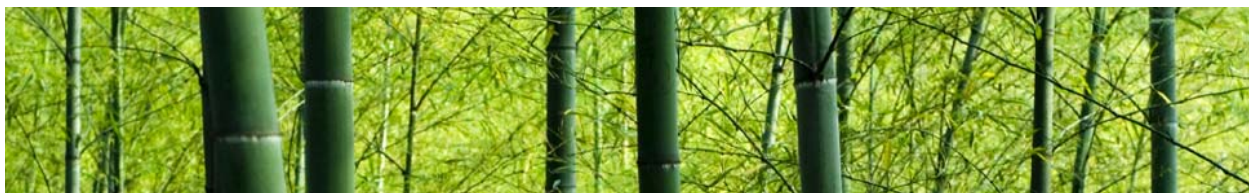
- Aaron had participated in Michigan Law School's innovative international transactions clinic, a program that handles live client work on behalf of the World Bank, Grameen Bank (the Nobel Peace Prize-winning microfinance institution, where Aaron had previously interned while based in Dhaka, Bangladesh) and other microfinance institutions – drafting and negotiating finance and investment agreements
- Rachel came to Michigan after having earned an undergraduate aeronautic and astronautic engineering degree from the Massachusetts Institute of Technology and having received NASA space station training. We often say that cross-border legal work does not need to be treated (and priced) like rocket science, but it was nice to have a rocket scientist lend a hand!

2010 Client Activities

- Overall, as with 2009, we continued to find that clients favored expansion through the non-equity and low-cost approaches of agency and distribution relationships, technical assistance and technology agreements
- Yet, 2010 saw a revival in our input on expansion through new subsidiaries and equity investments by way of joint ventures and acquisitions, such as 2010 advice to Indian companies re-visiting US acquisitions, advice on the establishment of a Hong Kong joint venture company with a mainland China operating company, and our establishment of subsidiaries for clients in Asia and for non-US companies in the US
- Our ability to attract such projects, often from substantial companies, is consistent with our model of providing sophisticated and cost-effective legal advice on cross-border agreements and market entry matters
- Again in 2010, we were able to draw on our particular strength in handling the local law aspects of projects in multiple countries, whether for distributor and agency agreements that need to be tailored for use in several countries or due diligence matters in several countries
- Our back-up support from our web of local counsel relationships throughout the world exceeds that of virtually any law firm "network" and is likely without precedent for a team of our size and fee range
 - Established **US subsidiary for a North African company**, including review of pros and cons of establishing an LLC vs. a corporation
 - Assisted a major US company with **entity establishment, distribution and related labor issues in Panama**, a regional distribution center for many companies

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- Evaluated **market entry and subsidiary establishment issues in Japan**, including the relative advantages of the standard corporate form vs. a form more akin to a US LLC which offers partnership-like flow-through tax treatment
- Assisted a **major US franchisor with tax, agreement changes and real property issues** in countries as diverse as **Argentina, Israel, India, Pakistan, Taiwan, Indonesia, Thailand, Greece and Egypt**
- **Established a Japan entity** along with back-up support form a Tokyo firm and advice in connection with related issues
- Revised and tailored **distribution agreements for Latin America, Central America and the Caribbean** for one of the largest US privately-held companies, including for **Panama, the Bahamas, Guatemala, Trinidad, Puerto Rico, Peru, the Dominican Republic, Chile and Mexico**
- Advised a US company on matters related to **contractual relations in Greece**, including potential dispute resolution options and ways to smoothly resolve issues between the parties, including under Greek law and the UN convention on sales
- Assisted in establishing the next stages of a **relationship for Korea** potentially leading to an equity investment, including use of confidential information
- Advised a US \$500 million transportation company on the **establishment of an Indian entity** and matters leading to potential equity investments
- **Counseled an Indian company** on shareholder rights and added issues arising out of a US acquisition deal we handled a few years back
- Consulted further with an **Indian company on its potential acquisition** of a US publicly-traded company
- Provided preliminary advice on the **import of clothing products** from a Southeast Asian country
- Advised a US company on the **U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) regulations** as they apply to individuals and designated governmental and private organizations that US companies are restricted from doing business with
- Advised a senior executive of a US high-technology company on options related to **international non-competition issues** and other aspects of employment agreements and compensation package arrangements
- Advised a senior professional on insurance and related options in connection with a US lawsuit
- **Assisted a US-based Chinese intermediary** on issues in connection with assisting a Chinese company with acquisitions in the US, including on the structuring of an intermediary agreement
- Advised an **international internet service provider** on Europe/EMEA credit card payment structures
- Advised European-based individuals on **tax issues related to international gaming**
- Performed an advisory role for governments on **tax treaty issues, especially in Asia**
- Structured **tax-efficient real estate investments** in several countries
- Advised on **cross-border cash pooling structures**
- Advised a US company on its **structure and documentation of a China joint venture being held by a Hong Kong company**, both of which we are establishing



This last project makes good use of our China experience, using our Netherlands-based colleague's cross-border tax capabilities, our Hong Kong colleague's corporate set-up input, and one of our US lawyer's long history with China, including while based in Hong Kong as head of Asia-Pacific legal for a major telecommunications company

We also assisted clients and other contacts with their acquisition and sale efforts through introductions to capital and deal partners, with a focus on investments of under U\$30 million

2010 Leadership Activities

- As a senior officer and council member, David contributed to the Inter-Pacific Bar Association's Mid-Year Meetings in Stuttgart, Germany in early October
- In May, 2010, David participated in the IPBA's annual conference in Singapore. Over the past few years, he had been leading an IPBA initiative to increase corporate counsel membership (leading to a vote to reduce in-house counsel membership rates and conference attendance fees)
- David Laverty is chairing the Association for Corporate Growth's Global Expansion Committee, which is looking into establishing new international chapters of this private equity and dealmaker association with more than 13,000 members in North America, Europe and Asia
- Two US M&A briefings and receptions were held during the first week of October in Mumbai to further explore the potential for an ACG chapter in Mumbai. David had organized the first of such briefings at the Four Seasons Hotel in Mumbai in late April, 2010, where he spoke on Indian investment and acquisition issues for US deals
- David was also asked to extend his board role with Chicago chapter of the Association for Corporate Growth (he remains an international committee member)
- Jan Kooi continued his role as European, Middle East and Africa coordinator for the IPBA, and he is also a member of the editorial board of the IPBA Journal
- Jan was a co-founder and treasurer of a cultural exchange foundation between the Netherlands and Japan
- Jan plays a supporting role with the Dutch government in attracting investment into Europe through the Netherlands from Japan and other Asian countries, especially India
- Tom has given back to the legal community through teaching a law school international competition law class
- Tom also resolves disputes as a mediator
- InternationalCounsel gave back to the Asia-Pacific legal community in 2010 by contributing a silent auction donation to the IPBA Scholars Fund, and solicited others' donations, to benefit young Asia-Pacific lawyers from countries such as Cambodia, Laos and Myanmar by enabling them to attend the IPBA annual conference

we believe that time invested in outside leadership roles can give something back to our networks and also help our legal practice, even if indirectly

2010 Conferences, Seminars and Gatherings

As with our leadership roles, we invest time in organizing and presenting at conferences and other gatherings.

- Jan Kooi spoke in Geneva, Switzerland at the Economist Group's EuroFinance 19th annual conference on International Cash and Treasury Management, 6-8 October 2010.

Billed as "the most senior treasury event in the world," Jan was part of three separate panels on Asia, Eastern Europe and Latin America, with a focus on tax and cross-border funds transfers

- Jan also presented for EuroFinance this past summer at Cambridge University on tax and legal aspects of cross border financing
- Jan participated in a series of meetings in Chicago to address cross-border tax and legal issues in Europe and Asia, including India
- In late April, Jan and David presented to groups of business people in Mumbai,

including to the Federation of Indian Export Organisations (FIEO) on acquisitions and other forms of doing business in the US and Europe

- David also delivered a separate presentation at the Four Seasons Hotel, Mumbai, entitled "Indian Companies Entering the United States: Acquiring US Companies - Key Legal Risk Issues"
- David organized a Korea roundtable discussion for ACG Chicago which included business leaders experienced in Korea and the participation of KOTRA (the Korean Trade-Investment Promotion Agency)
- In March, Tom and David presented on cross-border agency and distribution agreements at a Chicago Bar Association function

2010 Articles, Blog Entries and Newsletters

We continued our dialogue on topics such as US-India investment, published an analysis of tax-efficient investment approaches for foreign investors in Europe, with a focus on Indian investors ([The Netherlands as a Holding Company Destination](#) in CFOConnect, September 2010), blogged on topics such as "Right-Sizing" Legal Services and Our Approach to Cross-Border Legal Practice, and contributed the 2010 Netherlands section to the well-known series published in London, [Getting the Deal Through, Tax on Inbound Investment in 40 Jurisdictions Worldwide](#)

