



The past year has been a busy and memorable one for Mandelbaum Salsburg. After 30 years at our home in West Orange, we have moved our headquarters to a brand new, larger, state-of-the art facility in Roseland.

Relocation, however, has hardly been the only way we have grown in recent months. We have continued to expand in other ways as well, by building exciting, cutting-edge practice areas, such as cybersecurity and privacy, as well as intellectual property. By adding to those areas and others, we have brought experienced and well-respected practitioners to the firm.

Our 2014-2015 "Review" highlights many of our professional accomplishments, which we are pleased to share with you.

This year we celebrate our 85th anniversary. In looking back, we are proud of our many accomplishments and our many long-standing, sometimes multi-generational relationships with clients. Most importantly, we take this opportunity to look forward to continuing to serve our clients and our community.

Barry R. Mandelbaum
Chief Executive Officer

Darry Ph fandellearm

William S. Barrett
Chief Operating Officer

W. S. Bout

Travelling a Long Road with Tumi





Tumi, Inc., the worldwide premiere brand of high-end luxury luggage, leather goods, bags and business

accessories, continues to be one of Mandelbaum Salsburg's most well-known clients. Tumi has engaged the firm as outside counsel for more than 20 years, under the direction of relationship manager **Steven Holt**, who supervises all of the legal matters that Tumi brings to the firm. Steven and **Elizabeth Lai Featherman** provide counsel regarding Tumi's vast trademark portfolio, and **Khizar Sheikh** consults on data protection and cybersecurity compliance. The firm also continues to handle various employment matters, as it has done for many years, under the supervision of **Dennis Alessi**.

In 2014, **Michael Saffer** successfully managed and resolved a complex commercial collection matter initiated by a former employee and consultant, which included allegations of fraud on the part of the plaintiffs.

Tumi also launched a new website and ecommerce business, under its direct operation, having previously outsourced these operations to a third-party vendor. This change will allow Tumi to improve the customer shopping experience through numerous state-of-the-art innovations and technical advances. Steven worked closely with Tumi's Chief Information Officer and his team and Tumi's General Counsel throughout the year-long transition process. He reviewed and negotiated many agreements with the dozens of vendors that helped build and will support Tumi's innovative website.



Building Opportunities for Multi-Family Housing

Successfully raising capital for construction projects

Fairfield, NJ-based Woodmont Properties is a regional real estate company that develops, builds, markets and invests in a diversified range of real estate, with a 50+-year history in commercial real estate. For nearly 40 of those years, Woodmont's management team has worked with **Barry Mandelbaum** and our Real Estate Practice Group on a wide range of real estate projects. In 2014, for example, Owen Hughes prepared the offering documents for Woodmont's successful effort to raise capital for construction of multi-family projects in Hanover, Cranford and Red Bank; we also closed the development loan with U.S. Bank. The Atkins Group, another long-time firm client that we introduced to Woodmont Properties, sold land to Woodmont Properties that was approved for 300 multi-family units, 56 townhouses and 10 single-family homes. Barry Mandelbaum and Craig Alexander also provided legal assistance to Woodmont and Atkins in their development of a project in Gloucester County involving 300 multi-family units, medical offices and townhouses.



Craig Alexander, Barry Mandelbaum, Owen Hughes





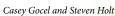
Engineering a Sale Behind the Scenes of Fashion Week

Everyone is familiar with New York's Fashion Week, which now encompasses more than 350 fashion shows and events. Only fashion industry insiders know – and have come to depend on – the Fashion Calendar, which was founded by Ruth Finley

Lein in 1945 and became the preeminent organization for the scheduling of those events. Its 700+ subscribers include designers, photographers and other fashion industry leaders. In October

2014, **Steven Holt**, with the assistance of **Casey Gocel**, represented the Fashion Calendar and its founder in structuring and negotiating its sale to its longtime collaborator, the prestigious Council of Fashion Designers of America (CFDA).

"The Fashion Calendar has been one of the foundations of our industry, ensuring that the press, retailers and designers are able to come together in an efficient manner," CFDA President Diane von Furstenberg said in a press release announcing the acquisition. "Now that it is part of the CFDA, we are prepared and excited to take it into the new world." As Ms. Lein's son, Larry Lein, noted, "Ruth never wants to stop working. She is over 90 now and still very much going strong. The Fashion Calendar has been her life, so we had to figure out a transition that would enable her to keep staying involved." Steven, who has represented Ms. Lein for more than 20 years as her personal estate planning and business advisor, collaborated with her son to creatively plan the transition and her ongoing involvement, consistent with her desire to preserve her legacy.





Protecting Clients from Growing Threats to Their Information

Many of us do not think about how much of our most sensitive information - bank accounts, credit card numbers, Social Security numbers, health information, children's information, etc. - is entrusted to the companies with whom we do business and the government. This information is valuable to us. And the companies and governments that collect it are required to safeguard it under the law.



Standing, left to right: Richard Simon, Elizabeth Lai Featherman, Lauren Topelsohn, Steven Holt Seated: Dennis Alessi, Khizar Sheikh, Arla Cahill

Given the pace of technological change and our increasingly interconnected world, it is not always clear how, and if, it can be done. Seemingly every day, large and small companies are brought to their knees by data breaches, their officers fired from their jobs, their directors on the hook for not doing enough to protect against an ever-evolving array of cyber threats.

Mandelbaum Salsburg's Privacy, Cybersecurity & Information Management Group, headed by Partner **Khizar Sheikh**, helps clients navigate changing cybersecurity industry standards, and overlapping, and sometimes inconsistent, systems of international, federal and state laws and regulations. These present not only compliance challenges, but increased risks of potential civil and regulatory liability, financial penalties and reputational harm.

We help our clients understand these issues and how they may impact their businesses. We also identify and evaluate gaps in their understanding and current framework, help them implement legal requirements and best practices, and assist if and when they are faced with a data breach or a data incident. We work closely with them to help them achieve their business goals – being able to use data and harness its potential – but in a way that reduces their risk of violating the law or data breach or data misuse (whether from an internal or external source).

Equally important, we are a resource to help clients in virtually every industry and every line of business – since what business today is not impacted by data?



Expanding in Size, Scope and Reach

In business – and constantly growing - for more than 40 years, Eastern Contractor Services, in addition to its many offered products and services, has installed millions of square feet of insulation on some of the largest commercial projects in the country. Until recently, they worked primarily in the Northeast, but two strategic acquisitions in 2014 expanded not only their geographic reach but also the products they offer to their customers. With the help of Mandelbaum Salsburg, led by Partner Bill Barrett, who has served as the company's general corporate and business counsel since 2000, Eastern purchased Park Union Building Supplies, Inc., which has allowed them to expand into new product lines. Later in the year, they purchased Parker Service Company, a Texas-based operation, thus expanding their existing business to the South.





Arla Cahill and Michael Saffer

Persevering in a Battle Against a Corporate Giant

In addition to good lawyering, perseverance and stamina are also crucial elements in achieving a victory for a client. Back in 2000, New Jersey-based Metallix Refining Inc., a precious metals recycling company, sold a division to another party, which agreed to a partial cash payment upfront, but also to pay a royalty on every product the purchaser sold to Metallix's clients for a three-year period after the closing. When the purchaser quickly re-sold the division to a third party, Rhode Island-based Alpha Metals, Inc. (a subsidiary of a multinational conglomerate, Cookson, based in the UK), without informing Metallix, Metallix received none of the royalties it had been entitled to receive. Partners Michael Saffer and Arla Cahill sued Alpha for restitution in a "lost profits" case, as well as the initial purchaser's Rhode Island law firm, arguing that both had known about the royalty arrangement and re-sold the division without recognizing the royalty obligation to Metallix. In a case that required 54 days of depositions, eight different experts and numerous appeals to the Appellate Division, Mandelbaum Salsburg represented Metallix against the multinational electronics giant. Ultimately, Mandelbaum Salsburg was able to win for Metallix a settlement worth \$3.3 million.

Being Unprepared for Medicare Audits Can Cost a Medical Practice Millions of Dollars

Dennis Alessi, Chair of our Health Care Law Practice, was asked to represent a cardiology practice after its billing to Medicare had been audited. Though only 31 patient charts were audited, Medicare extrapolated from these few charts that it was entitled to recoup over \$1 million of payments to the practice in just one year. It claimed that the practice's clinical notes did not adequately support the need for the services it billed to Medicare.

With the assistance of billing and cardiology experts, Dennis was able to establish that all the patient charts included sufficient physician notes to support the medical necessity of the services provided, and the charges to Medicare. However, Medicare has certain additional coverage requirements that must be present when the patient is examined, and must be documented in the chart, before it will approve payment for a particular service the physician provided.

Unfortunately for our client, many of its patient charts did not address these additional coverage requirements, and there was no means by which this defect could be remedied after the audit had been completed, and our firm was retained. Consequently, Dennis was able to affect only a partial reduction of the payments Medicare sought to recoup.

As this cardiology practice will definitely be a target for further Medicare audits, Dennis is implementing a clinical recordkeeping and billing compliance plan to ensure that future audits will not result in further financial losses for our client.

This case is a lesson to all health care providers that they must have such compliance plans in operation to avoid Medicare audits that can result in significant monetary losses.



Dennis Alessi



Digging Deep:

Getting to the Bottom of Student Cheating

Mandelbaum Salsburg is at the forefront of conducting internal investigations for its business clients. **Dennis Alessi**, Co-Chair of the Employment Law Group, has directed teams of attorneys in conducting investigations of diverse claims of improper business conduct, including sexual harassment, violations of state education laws by school administrators, and fraudulent medical billing to Medicare and to private insurance carriers. Recently, one investigation focused on alleged student cheating on examinations at a college of nursing.

Dennis was retained to assist the college in investigating the alleged cheating. In the course of the investigation, other allegations of student cheating were raised, including that the faculty had participated in exchange for lavish gifts. In the end, the two ringleaders of the cheating were identified and expelled, and their expulsions were affirmed on appeal through the college's internal disciplinary appeal process. Most of the remaining class members, whose scores on the assessment examination were significantly higher than their classwork test scores, have had their results invalidated. All the affected class members have been advised of these adverse actions as a result of the investigation, and to date none of them, nor any of the expelled students, have initiated any litigation.

Dennis Aless

Coming to the Aid of Green Gobbler



Protecting the intellectual capital of clients across many industries

Intellectual property protection can provide a significant competitive advantage for companies and entrepreneurs. Intellectual property such as patents, trademarks, copyrights and trade secrets are key business assets, and can often provide a company some form of exclusivity, and potentially a barrier to entry used to block competitors from a marketplace. Elizabeth Lai Featherman and Michael Kochka help our clients to manage and protect such valuable business assets. They help clients to devise patent and trademark strategies; protect their inventions with patents; protect their company names, logos and product branding with trademarks; and enforce their exclusive patent and trademark rights on infringers when necessary. When our client EcoClean Solutions decided to launch its Green Gobbler Drain Opening Pacs, a new product line of environmentally-friendly drain openers, Elizabeth and Michael helped them protect all aspects of this new product and product packaging, including securing

patent and trademark rights and successfully enforcing its trademark and trade dress rights against an infringer that used a similar brand name and product packaging in an attempt to undermine EcoClean Solutions' goodwill.



Navigating Employment Matters Intertwined with Commercial and Business Litigation

The variety of matters handled by the Employment Law Practice Group last year illustrates the breadth of the practice and its involvement in cutting-edge issues in this ever-expanding area of the law. For example, Steven Adler, practice Co-Chair, and Partner Lauren Topelsohn, in a lengthy arbitration, obtained an award in excess of \$3.5 million for a client against its former IT director, who was found to have misappropriated confidential documents and violated the Computer Fraud and Abuse Act. When client Asta Funding, Inc. needed assistance running a new line of business, Mandelbaum Salsburg "loaned" the company our Counsel, Michael Kalmus, to help operate GAR, which has now become one of the nation's leading companies handling Social Security disability claims. Throughout the year, Partners Michael Saffer, Arla Cahill and Steven Adler, and Associates Mara Codey and Joseph Lo Galbo all were involved in complex, multi-million-dollar wage and hour collective and/or class actions in federal courts in the Southern and Eastern Districts of New York as well as the District of New Jersey.

But what sets the practice group apart from those of other law firms is its ability to handle employment matters that are increasingly intertwined with commercial and business litigation. For example, **Steven Adler**, Partner **Richard Simon** and Associate **Michael Sarno** represented Pegasus Funding, LLC, a large litigation funding company, in matters simultaneously pending in New York Supreme Court and the Chancery Court in Delaware, pursuing claims against other members of the LLC arising out of their employment agreements and the company's operating agreement. We were able to obtain injunctive relief from the Delaware court to protect Pegasus' eight-figure investment in their business as well as approval from the New York court to conduct a detailed audit of Pegasus' operations, which other LLC members had opposed.

Standing, left to right: Richard Simon, Joseph Lo Galbo, Michael Saffer, Mara Codey, Michael Kalmus, Dennis Alessi

Seated: Lauren Topelsohn, Steven Adler, Arla Cahill

Handling cuttingedge issues in an ever-expanding area of the law





Challenging a Denial of Insurance Coverage



Gordon Duus and Douglas Eilender

The Environmental Law Practice Group represented a commercial oil company in its challenge to a denial of coverage by its insurance carrier. The client submitted a claim under a policy that covered an on-site leaking underground storage tank system.

The original named insured under the policy assigned its rights under the policy to our client. The carrier was actively managing the claim and afforded coverage for the cleanup.

Our client then sold the property to a buyer who agreed to perform the cleanup and accept responsibility for cleanup costs exceeding \$1 million. As the policy limit was \$1 million and our client had been reimbursed approximately \$300,000 for cleanup costs under the policy, the purchase price was reduced by \$700,000 so that the risk that the policy would not pay the claim would be on the seller. The contract provided that our client would be reimbursed from the insurance proceeds for cleanup costs the buyer incurred until the seller was reimbursed for this reduction in the purchase price. After the sale, the carrier denied coverage on the ground that our client was not the party incurring "cleanup costs."

We convinced the insurer, without need for litigation, that there was no legitimate reason to deny coverage, saving our client both time and expense.



Navigating the (Sometimes Rough) Waters of Divorce

Re-visiting divorce settlements to account for new alimony statutes

Mandelbaum Salsburg's growing Family Law Practice, led by Chair Lynne Strober and Partner David Carton, has a strong reputation and a roster of very satisfied clients. To continue to obtain the best possible results for our clients efficiently and cost-effectively, our team includes retired Superior Court Judge Michael Diamond, who handles a variety of family law mediations and arbitrations, and Associate Jennifer Presti, who joined our firm this past year. In particularly complex matters, we have the resources to call on all the attorneys in our Family Law Practice, as well as from other practice areas in the firm, to help address clients' needs.

For example, in almost all cases in which a divorced parent wishes to move out-of-state, a trial is required. This year, however, we were able to obtain a court order for removal from New Jersey to Maine without a hearing. We also helped many long-time clients re-visit their settlements to consider modifying their obligations in order to take advantage of the new alimony statute, amended in 2014, which affects cohabitation and retirement.

We had a very active year of thought-provoking work. We also successfully prosecuted a domestic violence matter over the course of a four-day trial in which the victimized client was awarded a Final Restraining Order.

Confidentiality is a priority for our clients, so the results we achieve are often known only to our client and attorneys. In 2014, one very satisfied client invited the entire Family Law Practice and the expert team to a dinner and musical performance at her home to celebrate the excellent result obtained in her case.

Helping Entrepreneurs Find Capital to Start New Businesses

When an AT&T executive left the company, he wanted to establish his own business. But, like many entrepreneurs, he needed capital to do so. Partner Martin Hauptman introduced him to the concept of "ROBS," or Rollovers as Business Start-ups, a vehicle that permits a businessperson to tap into his or her 401(k) account to start a business or buy a franchise without incurring income tax and, possibly, excise taxes. Martin, whose practice is concentrated in the Employee Retirement Income Security Act (ERISA), employee benefits, pension plan design, IRS and Department of Labor representation, and tax planning, and is an

experienced attorney in ROBs, guided his client through the minefield of code sections and regulations, so he could understand the benefits and attendant risks. The former AT&T executive is just one of many clients Martin has helped successfully guide through the ROBS gauntlet.



Going the Distance for National Dental Management

We at Mandelbaum Salsburg take pride not only in assisting our clients in completing a transaction, but also in realizing their potential.

NDMG

National Dental Management Group

Last Year, **Dennis Alessi**, Chair of the Health Care Law Practice, and Partner **Richard Simon** worked with our client,

National Dental Management Group, in developing, financing and implementing a new business model for the multi-state corporatization of dental care practices that fully complied with both federal healthcare laws and regulations and applicable state dentistry board requirements. National Dental Management Group has grown rapidly to almost \$10 million in revenues in a short period under the leadership of CEO Prasad Karanam, President Mustapha Shaikh and CFO Ranjan Sharma. Under the model, NDMG acquires all non-professional assets of an existing practice and a pre-approved dentist purchases the practice assets. The acquiring dentist then enters into long-term management, billing and leasing agreements with National Dental under which National Dental provides all management, staffing, billing, facilities, equipment and general office expenses and oversight on a turnkey basis at costs that reflect National Dental's efficiencies of scale in both purchasing and negotiating with third-party providers.

Last year under the model, Mandelbaum continued to assist National Dental in executing upon its business plan for continued expansion. Partner **Bill Barrett** represented NDMG in transactions with the selling dentist and in entering into the turnkey agreements with the acquiring dentist. During this time, National Dental entered into four transactions in two different states; it is presently evaluating or negotiating several additional transactions and is expanding the model into other states. Under a previously negotiated and closed Acquisition Line of Credit, National Dental was able to quickly secure financing for the transactions and expeditiously close deals with far greater efficiency than other potential purchasers.





Recognized for Efforts to Support the Community



The attorneys and staff of Mandelbaum Salsburg dedicate their time and talent to a wide array of community service and charitable organizations. Our philosophy is simple: we are very fortunate and we want to give back to those who are not as lucky as we are.

The firm's efforts are guided by a Charity Committee comprised of attorneys and staff members. The Committee seeks the input of all attorneys and employees in selecting the organizations that will benefit from the firm's efforts. As a result, there is a personal connection to virtually all of the firm's charitable efforts, which helps inspire participation and enthusiasm. The firm's organized efforts center on two primary initiatives, which engender widespread participation and contribution:



Outgoing Charity Committee Chair Robin Lewis, Barry Mandelbaum, Incoming Charity Committee Chair Casey Gocel

- Monthly "Denim Days" where, for a donation to a selected charity, all firm employees can wear denim to work on the designated day. Denim Days have raised money for a wide variety of causes, including the American Heart Association, the American Lung Association, the Valerie Fund and Project Backpack, which provides school supplies for children who may otherwise not have what they need for school.
- Collections of necessities for local organizations. Over the last several holiday seasons, our people have donated hundreds of coats, toys and food items to needy families in Northern New Jersey. We also have a relationship with a local shelter, to which we donate on an ongoing basis.

The firm was recognized for its efforts with the 2014 Primerus Community Service Award, presented by the International Society of Primerus Law Firms, a worldwide society of independent boutique law firms in which Mandelbaum Salsburg is an active member.



Peter Tanella, Cheryl Burstein, Bill Barrett, Manny Grova, Jr.

Serving Their Communities as Well as Their Clients

Mandelbaum Salsburg attorneys don't spend all their time serving their clients. Increasingly, they are spending time serving their communities – in three different counties – as well. **Manny Grova, Jr.** is a City Councilman at large for Elizabeth, in Union County. He was first elected to the City Council 20 years ago, and recently completed a term as City Council President.

In Essex County, **Peter Tanella** is currently a councilman for the Township of Cedar Grove, and has been since 2004; he has served two terms as the township's mayor. **Cheryl Burstein** was recently elected Committeewoman on the Millburn Township Committee.

Also, in November 2014, **Bill Barrett** was elected to his first term as Councilman for the Borough of Mountain Lakes in Morris County.

Networking Builds Ties Among Professional Women

Since it was started two years ago, Mandelbaum Salsburg's Women's Initiative has grown to be a popular and well-regarded program. Comprised of the firm's women attorneys and professional staff, the Initiative hosts several networking events each year, bringing together women from all areas of business to meet and build professional relationships. The most recent event, a cocktail reception held in Cedar Grove, was attended by nearly 100 businesswomen. In keeping with the firm's philosophy and emphasis on community service, each of the Women's Initiative events includes a charitable component. In 2014, the Initiative collected money and supplies to benefit the New Jersey Community Food Bank, the Mt. Pleasant Animal Shelter and the Morris County Dress for Success Program. The response to the Women's Initiative events has been extremely positive and we look forward to continuing with more programs in 2015.



Standing in rear, left to right: Arla Cahill, Andrea Alexander, Mara Codey, Elizabeth Lai Featherman, Robin Lewis, Tanya Babalievska

Standing in front: Jennifer Presti, Cheryl Burstein, Lynne Strober, Lisa Factor Fox, Casey Gocel, Robin Karpel, Deborah Greene



We're proud of our brand new, larger, state-of-the-art facility in Roseland.



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