



CURRENTS NAVIGATING GLOBAL BUSINESS

Annual Review



ORRICK

World Rounded

TO OUR STAKEHOLDERS



The year 2007 was marked by powerful developments in the global economy that had a significant impact on the clients, communities and countries around the globe where Orrick's lawyers practice. As is explained in our Annual Review, it was a banner year for breaking records in key sectors of the global economy — cross-border investment increased, venture capital and private equity flourished, emerging markets grew at a record pace, workforces and supply chains globalized, international financial markets expanded, intellectual property advanced as a top tier asset, doing business with and in China were regular news headlines, and environmental preservation drove progressive business strategy. In other words, the world changed.

As 2007 came to a close, the year's precedent-setting business breakthroughs encountered new challenges with equal, and sometimes greater, force. Change continued, but it continued in the face of challenges that were unexpected in their degree of suddenness, potential for acceleration and depth of transformational consequence. It was most certainly a year of change, challenge and opportunity. At Orrick, we believe embracing and initiating change is good, necessary and exhilarating. Change is what powers business and change is what makes Orrick different. In 2006, Orrick changed through a continued global development of practices and offices. In 2007, clients relied on more than 1,000 Orrick lawyers worldwide to help them take advantage of the opportunities and resolve the challenges they faced. Our Annual Review outlines each of these powerful changes and the role Orrick played in helping our clients achieve success.

Our Annual Review is a story about our clients, including pro bono clients, and the assistance we provide to our local communities. Orrick's pride as an institution comes not only from the awards we receive for the work we do, but also from the honors we receive for who we are. Last year, Orrick lawyers donated more than 71,960 hours to pro bono clients, partnered with more than 95 nonprofit organizations, and contributed time and money to a broad range of community service projects worldwide. We also earned recognition for our commitment to diversity, including receiving the "Large Law Firm of the Year for Diversity" award from Morgan Stanley and a 100 percent rating in the 2007–2008 Corporate Equality Index Annual Survey conducted by the Human Rights Campaign.

We are proud of our achievements, proud of what we stand for and proud of the leadership role we have set for ourselves. Most importantly, we are unwavering in protecting what our clients tell us matters the most — the truly unique character of our lawyers and staff that reflects a spirit of comradery, mutual respect and enthusiastic devotion to our clients. Amidst the continuing change in the world, one core strategy remains the same at Orrick: exceed our clients' expectations of service, solutions and results.

Sincerely,
Ralph Baxter
Chairman and CEO

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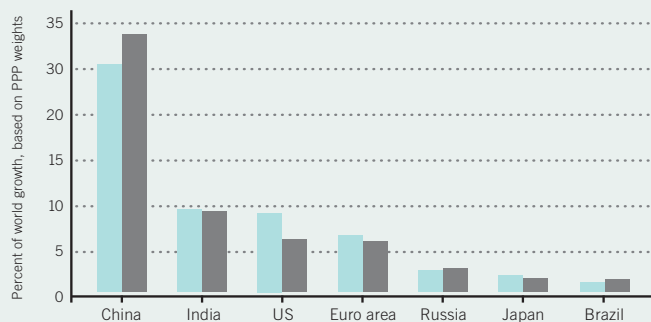
TRANSACTIONS34

EMERGING MARKETS



2007 was a record year for emerging markets as many countries exchanged years of economic challenge for the transformational opening and advancement of their economies. Unprecedented growth combined with increasing wealth in emerging markets significantly impacted the global demand for raw materials and changed the historic flow of capital as more money moved from faster-growing developing countries to slower-growing developed countries. The stage was set for a game-changing shift in global economic power and market influence.

- » Central banks in emerging countries added US\$1.2 trillion in Western currencies to their reserves, and emerging market sovereign wealth funds added an additional US\$150 billion.¹
- » Emerging market countries accounted for 44 percent of the funds raised in IPOs globally and acquired US\$172.1 billion of assets located in developed countries.²
- » The number of millionaires in emerging markets increased five times as fast as in the U.S., with Brazil, China, India and Russia growing 19 percent compared to 3.7 percent in the U.S.³
- » Non-U.S. entities and individuals purchased US\$920 million U.S. stocks, bonds and government securities; 39 percent originated from emerging market countries.¹
- » “China is now the single most important contributor to world growth, in terms of both market and purchasing-power-parity exchange rates.”⁴
- » 204 emerging market private equity funds collectively raised a record US\$59 billion, a 78 percent increase over 2006.⁵



Global Economic Growth: Emerging Markets' Contribution

The major emerging markets have become engines of world growth. For the first time, China and India are making the largest country-level contributions to global growth.

■ 2006
■ 2007

Source: World Trade Organization

CHINA: China passed Germany to become the third-largest economy in the world, after the U.S. and Japan. With a 26 percent rise in its merchandise exports to US\$1.2 trillion, China also surpassed the U.S. to become the world's second-

largest merchandise exporter after Germany. China's GDP growth rate of 11.9 percent was its fifth consecutive year of double-digit growth, facilitating a 47 percent increase in its global trade surplus to US\$262 billion. Milestones included China becoming the seventh-largest source of patent filings (a 38 percent increase over 2006), foreign direct investment rising 13.8 percent to US\$82.7 billion, and exports plus imports exceeding the combined trade of Japan and the Republic of Korea (the second and third largest merchandise traders in Asia).⁶

KOREA: Korea has become the seventh-largest trading partner of the U.S., fourth-largest economy in Asia and 13th largest economy in the world. Per capita GDP, only US\$100 in 1963, reached US\$24,583 in 2007 and private consumption increased 4.5 percent. Korea achieved the second-highest growth rate (19 percent) in annual patent filings after China (38 percent). Korea's 4.8 percent rate of

economic growth generated US\$700 billion dollars in trade in 2007 and a fifth consecutive year of double-digit export growth. Korea's major market index, the KOSPI, climbed over 2,000 for the first time, increasing 32.3 percent from 2006, its fifth consecutive yearly increase.⁷

VIETNAM: Vietnam has the world's second-fastest growing economy and last year was the third consecutive year of more than 8 percent annual economic growth. Vietnam received US\$20 billion in foreign direct investment applications, a record that was broken in the first six months of 2008 with US\$22 billion. Between January 2006 and December 2007, Vietnam's stock market more than tripled. Record investment and economic expansion are expected to continue due to the country's accession to the World Trade Organization in January 2007. In the summer, World Bank President Robert Zoellick noted Vietnam had achieved "one of the fastest improvements in living standards in the world." Deputy Prime Minister Pham Gia Khiem agreed, "[w]e've been able to totally alter the face of our country."⁸

RUSSIA: Russia's GDP grew 8.1 percent, its eighth-consecutive year of growth. Strong consumer confidence was reflected in a 13.1 percent increase in private consumption and a 30.4 percent increase in imports. Business sector confidence showed a 34.7 percent increase in inventory investment and a 20.8 percent increase in gross investment in fixed capital. Foreign direct investment reached US\$45.1 billion, up from US\$14.6 billion in 2005, and total equity capital market issuance set a record US\$32 billion, up from US\$6 billion in 2005.⁹

ORRICK IN CHINA: Orrick is one of the largest and fastest growing foreign law firms in the China region, adding nine partners and more than 70 lawyers and staff.

Prominent representations include:

- ▶ GCL-Poly Energy Holdings Limited, a China-based renewable energy company, as issuer in its US\$151 million IPO on the Main Board of the Hong Kong Stock Exchange.
- ▶ GSR Ventures, a China-based venture capital firm, in its investment in Sierra Solar, a California-based solar company.
- ▶ Yesky Technology Co., Ltd., a provider of consumer-oriented IT information, in its acquisition of www.52pk.com and www.52pk.net, a leading online game company in China.
- ▶ SINA Corporation, a China-based Internet company, in the design, drafting and implementation of a global equity plan.

ORRICK IN KOREA: According to *Asia Pacific Legal 500* (2007–2008), "[Orrick] fields a strong Korea practice across different jurisdictions," including a partner who is "highly regarded as a Korea-focused expert."

Prominent representations include:

- ▶ One of the largest independent private equity firms in the Asia-Pacific region, with offices in Seoul, Hong Kong, Shanghai and Tokyo, in the acquisition of cable system operators in Taiwan.
- ▶ A Korean chemical company in its joint venture with a U.S. innovator in the solar sector and in numerous polysilicon supply agreements with solar wafer manufacturers.
- ▶ Several NASDAQ-listed Korean companies in connection with their continuing reporting obligations with the U.S. SEC.

ORRICK IN VIETNAM: Orrick added a senior Vietnam specialist in our Hong Kong office who has more than 10 years experience working in Vietnam.

Prominent representations include:

- ▶ A Vietnamese electricity provider in the negotiation of power purchase agreements relating to a 1,200 MW build-operate-transfer coal-fired thermal power project.
- ▶ A Vietnamese telecom service provider in an undersea cable project spanning Hong Kong, Japan and Singapore.
- ▶ A Vietnamese Internet company in its potential sale to one of the world's largest Internet companies.
- ▶ A U.S.-listed company forming a US\$200–300 million private equity fund to invest in Vietnam.

ORRICK IN RUSSIA: Orrick's Moscow team continues to expand its cross-border transaction and litigation practices.

Prominent representations include:

- ▶ BTA Ipoteka, a mortgage company based in Kazakhstan, in the first publicly rated RMBS transaction from Kazakhstan.
- ▶ Coca-Cola Hellenic Bottling Company S.A., Europe's largest Coca-Cola bottler, in its €191.5 million (US\$280.7 million) acquisition of Russia-based Aqua Vision.



ALTERNATIVE ENERGY

Alternative Energy Takes Center Stage: On December 10, 2007, alternative energy officially joined the priorities of governments, businesses and citizens worldwide when the Intergovernmental Panel on Climate Change and former U.S. Vice President Albert Arnold Gore, Jr. were awarded the Nobel Peace Prize “for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change.”¹⁰

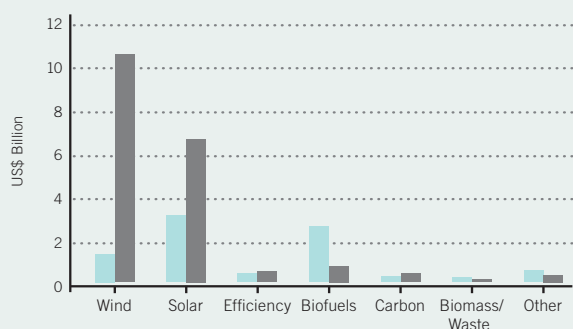
Renewable Energy Dominates Power Sector Investment: It was also the year alternative energy secured itself as a viable new global market with vast business opportunities — a market driven by escalating oil prices, high energy demand, concerns about energy security, increasing government incentives for alternative fuels, caps on carbon emissions and growing consumer support for renewable energy and energy efficiency. While renewable sources currently produce approximately only 2 percent of the world’s energy, they accounted for nearly 18 percent of the worldwide investment in power generation, thus setting the stage for the environment to become one of the great business opportunities of the 21st century.¹¹

Hong Kong IPO Expands Cogeneration: Orrick represented GCL-Poly Energy Holdings Limited, a China-based renewable energy company, as issuer in its HK\$1.18 billion (US\$151 million) IPO on the Main Board of the Hong Kong Stock Exchange. The funds will be used to acquire and expand cogeneration capacity. The retail tranche of the IPO was 904 times oversubscribed.

Suez Group Acquires 50.1% Stake in France’s Wind Energy Pioneer: Orrick represented Compagnie du Vent, the renewable energy pioneer that installed France’s first wind turbine in 1991, and its Chairman, founder and CEO, Mr. Jean-Michel Germa, in the transfer of 50.1% of Compagnie du Vent’s share capital to Suez Energie Europe. Through the investment, Suez will support Compagnie du Vent’s plan to increase its wind power production capacity to nearly 2,000 MW by 2015, and Suez will advance its Grenelle de l’environnement commitment to provide 18 percent of Europe’s renewable energy capacity starting in 2009, including 2,019 MW additional wind generated power in France by 2014. The transaction was valued at €321 million.

Third-Largest Q2 Financing: Orrick represented Advent Solar, Inc., a manufacturer of advanced technology solar cells and modules, in its US\$73 million Series D financing. Investors included Battery Ventures, @Ventures, Globespan Capital Partners and others. This financing was the third-largest U.S. financing in Q2 2007, according to VentureSource.

Solar as a Service Obtains US\$10 Million Financing: Orrick represented San Francisco-based Recurrent Energy in its US\$10 million Series A financing by Mohr Davidow Ventures and JEM Partners. Recurrent Energy pioneered the *Solar as a Service* turnkey business model in which Recurrent Energy develops, builds, owns and operates on-site solar power systems the company installs on the rooftops of large buildings. Recurrent Energy leases the rooftops and enters into a Power Purchase Agreement to charge the building’s owners for the reduced-cost energy the system produces, and the building owners do not incur the cost of purchasing the solar panel system or paying for installation and operation.



Alternative Energy: Record-Breaking Year for Public Investment

2006
2007

Source: New Energy Finance
("Other" includes fuel cells,
power storage, geothermal,
marine and mini-hydro)

**"It's like a buffalo
run coming across
the horizon. You can't see
it now, but you can
feel the ground beginning
to rumble."**

—Michael Eckhart²⁰

WIND SECTOR BEATS TOTAL

2006 CLEAN TECH INVESTMENT:

Clean energy companies raised US\$23.4 billion on public markets, more than double the 2006 amount. The largest recipient was the wind sector (US\$11.4 billion), raising more than the total amount all clean energy companies raised on public markets in 2006.¹²

US\$10 BILLION TO BE INVESTED IN CLEAN ENERGY IN 2008–2010:

In February 2008 at the Investor Summit on Climate Risk held at the United Nations headquarters in New York, more than 50 U.S. and European institutional investors managing US\$1.75 trillion in assets pledged to collectively invest US\$10 billion in additional clean technology opportunities during the next two years.¹³

CARBON TRADING GOES GLOBAL:

In October, more than 15 governments launched the International Carbon Action Partnership to establish a global cap and trade carbon market. The value of carbon traded worldwide grew from US\$33 billion in 2006 to US\$60 billion in 2007.¹⁴

INVESTORS EMPHASIZE ENVIRONMENTAL IMPACT:

In a July survey, more than half the 200 signatories (representing total global assets under management in excess of US\$9 trillion) of the "Principles for Responsible Investment" had asked the companies they invested in to report on the environmental and social aspects of their business.¹⁵

CORPORATE FOCUS ON ENERGY CONCERNS:

In the Economist Intelligence Unit's global survey of 1,200 senior executives, 40 percent stated that reducing greenhouse gas emissions and/or waste and pollutants over the next five years is a leading or important priority for their companies. In PricewaterhouseCoopers' 2007 Annual Global CEO Survey, 64 percent expressed concern about rising energy costs, 39 percent are concerned about increased carbon emissions regulations, and 45 percent are concerned about energy security issues threatening growth prospects.¹⁶

LARGEST RENEWABLE ENERGY IPOs:

Five of the world's 10 largest renewable energy IPOs were completed in 2007, the largest being a US\$6.56 billion IPO in Spain.¹⁷

RECORD INVESTMENT IN CLEAN ENERGY:

Globally, new investment in clean energy (excluding mergers, acquisitions and buy-outs; including venture capital, private equity, project finance, public markets, asset finance and research and development) reached US\$148.4 billion, 60 percent higher than US\$92.6 billion in 2006.

- ▶ Venture capital and private equity grew by 34 percent to US\$9.8 billion.
- ▶ Asset finance increased 68 percent to US\$84.5 billion.
- ▶ Equity finance provided by public markets increased 123 percent to US\$23.4 billion.¹⁸

GLOBAL BIOFUEL INCREASES:

The global output of biofuel is increasing annually by the equivalent of approximately 300,000 barrels of oil per day.¹⁹

US\$161 Million in Bonds Finance Biosolids Project: Orrick represented the California Statewide Communities Development Authority as bond counsel in the private placement of approximately US\$161 million in bonds to finance the EnerTech Regional Biosolids Project. EnerTech's primary product is the SlurryCarb™ process, which converts sewage sludge generated by wastewater treatment plants and municipalities into a useful renewable fuel product.

Cogeneration Plant Wins Best Practices Award: Orrick represented the City of Klamath Falls, Oregon on its US\$291 million sale of the 506 MW Klamath Cogeneration Power Plant to green energy generator PPM Energy, Inc., the North American subsidiary of Spain-based Iberdrola Renovables, S.A., the world leader in the renewable energy sector. PPM Energy worked closely with the City of Klamath Falls to develop the energy-efficient, gas-fired cogeneration power plant, which was awarded "Best of the Best" honors for operations and maintenance and was also recognized for its safety and environmental stewardship in the "Best Practices Awards" sponsored by *Combined Cycle Journal*.

European Fund Promotes Renewable Energy: Orrick represented NovEnergia II Fund, a European company created to support the development of new energy sources around the world, in reviewing several possible investments in wind farms and photovoltaic plants in Italy.

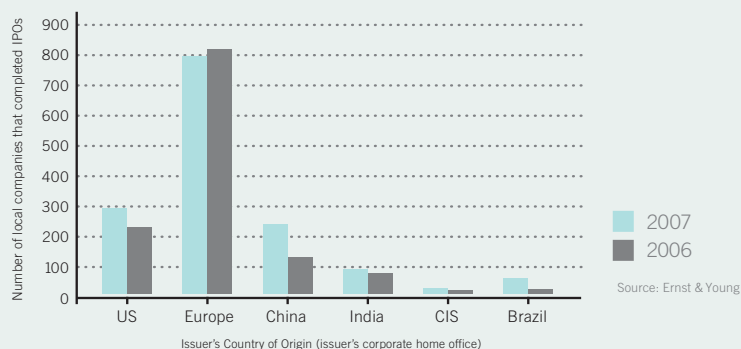
Two Term Financings Completed for Wind Projects: Orrick represented Babcock & Brown, in collaboration with its development partner BP Wind Energy North America, Inc., to close two term financings for the Cedar Creek wind energy project, a 300 MW facility located in Colorado. BP Wind, four institutional investors and Babcock & Brown Wind Partners, one of the infrastructure funds managed by Babcock & Brown, invested in the project.

Chinese Investment in U.S. Solar Power: Orrick represented GSR Ventures, a China-based venture capital firm, in its US\$6.86 million Series A investment in Sierra Solar Power, Inc., a California-based solar company.

FUNDING BUSINESS GROWTH



Companies Go Public
in Local Markets



“The increased activity across the emerging markets stems from the growth of their economies and the ongoing globalisation of the capital markets ... and the continuing trend of companies looking to list on domestic exchanges — almost all of the top 20 IPOs in 2007 went public in their home countries”
—Ernst & Young²¹

FUNDING BUSINESS GROWTH AT ORRICK IN 2007

Advent Solar in its US\$73 million Series D financing, investors included @Ventures, Battery Ventures, Globespan Capital Partners and others. This financing was the third largest U.S. financing in Q2, 2007, according to VentureSource.

ANTA Sports Products Limited in its HK\$3.64 billion (US\$467 million) IPO on the Main Board of the Hong Kong Stock Exchange. ANTA sold 600 million new shares, a 25 percent stake, valuing the company at US\$1.6 billion. The IPO was 183 times oversubscribed.

Cazenove Asia Limited, the sole global coordinator, bookrunner, sponsor and lead manager in the IPO of DaChan Food (Asia) Limited on the Main Board of the Hong Kong Stock Exchange. The company, composed of Great Wall Enterprise Co., Ltd., a Taiwan-based public company and its spin-off, raised HK\$899 million (US\$116 million) in the IPO.

CCB International Capital Limited, the investment banking arm of the China Construction Bank, as the sole global coordinator, bookrunner, sponsor and lead manager on the IPO of China Starch Holdings Limited, one of the leading cornstarch manufacturers in the PRC, on the Main Board of the Hong Kong Stock Exchange. The company raised more than HK\$380 million (US\$48.7 million), with the 15 million shares initially earmarked for Hong Kong investors oversubscribed more than 138 times.

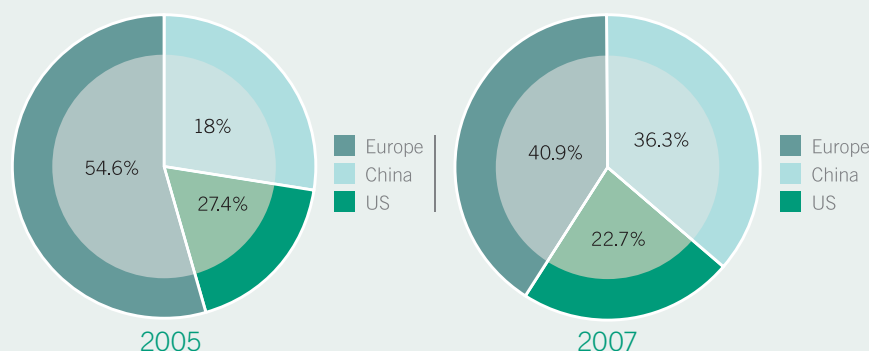
China Sunshine Paper Holdings Co. Ltd., the largest white-top linerboard manufacturer by production output in China, on its HK\$535 million (US\$68.6 million) IPO on the Main Board of the Hong Kong Stock Exchange.

GCL-Poly Energy Holdings Limited, a China-based renewable energy company, in its HK\$1.18 billion (US\$151 million) IPO on the Hong Kong Stock Exchange. The retail tranche was 904 times oversubscribed.

Venture Capital: 2007 experienced the most activity in venture capital since 2001, with more than US\$40 billion invested globally: U.S. companies received US\$29.8 billion; Indian companies received a record US\$928 million (up from US\$349.2 million in 2006); Chinese companies received US\$2.5 billion (largest amount since 2001); and European companies received €4.56 billion (largest amount since 2002). The market is poised for continued activity in the coming years: through the end of 2007, U.S. venture capital firms raised US\$34.7 billion for 55 new and 180 follow-on funds.²²

Initial Public Offerings: Initial public offerings around the world raised a record US\$304.4 billion, up from the previous record of US\$264.6 billion in 2006. The number of IPOs approached the 2000 record, with 1,517 IPOs compared to 1,883 in 2000. Of note: (1) companies from emerging markets represented 10 of the 20 largest IPOs and raised nearly half of the total global IPO volume, and (2) more companies listed on home market exchanges, with IPOs in China, India, Russia and Dubai being some of the largest of the year.²²

China Increases Its Share of Global IPO Proceeds



Greater China includes Hong Kong, Shanghai, Shenzhen and Taiwan Source: PricewaterhouseCoopers

“Globally, China continues to increase its share of the IPO market. China’s domestic exchanges continue to grow, grabbing share from the more established Hong Kong IPO market.”

– PricewaterhouseCoopers LLP²³

Great River Energy in connection with a US\$1.3 billion 144A capital markets offering. The offering occurred as part of GRE’s US\$1 billion buyout of its participation in USDA Rural Utilities Service loan and guarantee programs. The offering was the largest capital markets offering and the largest RUS buyout by a generation and transmission cooperative.

GSR Ventures, a China-based venture capital firm, in its US\$6.86 million Series A investment in Sierra Solar Power, Inc., a California-based solar company.

Lightspeed Venture Partners in its US\$10 million Series B financing in 4Interactive, the parent company of Web site AskLaila.com, a search engine and review site for entertainment and services based in Bangalore, India.

RockYou, Inc. in its US\$11 million Series B financing led by Partech International, Sequoia Capital and Lightspeed Venture Partners. RockYou created the SuperWall, an application on social networking site Facebook.

Trion World Network in its US\$30 million Series B financing. Investors included venture capital firms Trinity Ventures, Doll Capital Management and Rustic Canyon Partners, and strategic investors Time Warner Investments, NBC Universal and Bertelsmann Digital Media Investments (BDMI).



INTELLECTUAL PROPERTY

IP's Strategic Role: Throughout the world, individuals, businesses, universities and governments rushed to develop, acquire, protect and leverage their intellectual property. IP influenced international politics, led renewed efforts to coordinate regulatory regimes, changed the way companies valued their assets and provided a new benchmark for global business strategy. The effective management of a company's intellectual property will be a key driver of success in the 21st century.

IP's Economic Power: The strategic position IP played in the global business community was clearly established by the many IP records that were set during the year, including the highest annual global sales of IP assets (US\$200 billion by May 2007, up from a total US\$10 billion in the full year of 1990),²⁴ the largest patent suit damage award (US\$1.5 billion),²⁵ and the largest number of patent application filings (more than 156,000) under the World Intellectual Property Organization Patent Cooperation Treaty.²⁶ Most importantly, the trend toward the globalization of innovation continued as new centers of innovation emerged outside the traditionally dominant regions of North America and Europe. With the rapid and continued rise of patent activity from developing nations, intellectual property is proving to be a strategic tool for wealth creation that is transforming the future direction of global economic growth.

INTELLECTUAL PROPERTY AT ORRICK IN 2007

PATENT CASE DISMISSED WITH PREJUDICE: Orrick represented Canadian company Protus IP Solutions in a patent infringement suit in the Central District of California. The plaintiff, Catch Curve, accused Protus' Internet fax service (myfax.com) of infringing five patents. The matter was closed pursuant to the plaintiff offering to dismiss its case with prejudice in exchange for Protus agreeing not to seek reimbursement of attorney fees and costs Protus incurred defending itself.

TRADE SECRETS AND LICENSING CASE SETTLED BEFORE VERDICT: Orrick represented UPEK, a U.S. manufacturer of biometric fingerprint sensors, in a case tried in the United Kingdom. IDEX, a Norwegian company, alleged breach of a joint development and patent license agreement, as well as theft of trade secrets. After a trial in the U.K. action and before a verdict was read, Orrick obtained a successful settlement of all litigation.

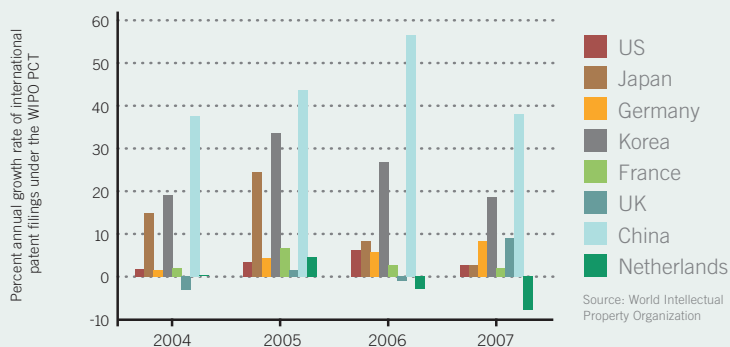
SUCCESSFUL PRETRIAL MOTIONS DELIVER SETTLEMENT: Orrick represented Intel Corporation in the successful defense of patent infringement claims brought by BIAx Corporation in the Eastern District of Texas for more than US\$350 million in damages. Intel won several critical pretrial motions, including a partial summary judgment that removed more than US\$200 million from

BIAx's damages claim. The case settled after a jury was selected and only 30 minutes before opening statements began.

WORLDWIDE SETTLEMENT OF A U.S. ITC MATTER: Orrick represented Power Dekor Group Co., Ltd., the largest high-tech flooring manufacturer in China, in reaching a successful worldwide settlement agreement with the Unilin Group, a member of The Mohawk Group, regarding an underlying Section 337 patent infringement case filed before the U.S. International Trade Commission. The settlement permits the continued global export and expansion of Power Dekor's products.

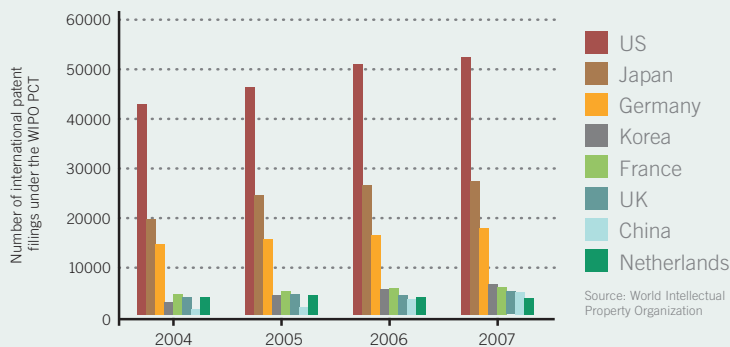
SUCCESSFUL SETTLEMENT OF PATENT CASE ON FOUR FRONTS: Orrick prosecuted and defended a patent infringement action on behalf of Foundry Networks in *Alcatel v. Foundry Networks*, involving nine patents on Local Area Network, Asynchronous Transfer Mode and Voice-over IP technologies. Orrick litigated the case on four fronts: the main patent case, a reexamination proceeding in the U.S. Patent and Trademark Office, a lawsuit filed by Alcatel in the Eastern District of Virginia related to the reexamination proceeding and a lawsuit filed by Foundry in the District of Delaware alleging antitrust violations by Alcatel. The case settled favorably before trial.

PATENT INFRINGEMENT DISMISSAL IN THE EASTERN DISTRICT OF TEXAS: Orrick obtained a dismissal for NVIDIA Corporation in a patent infringement suit filed by Scanner Technologies Corporation in the Eastern District of Texas, alleging infringement of two patents in the field of three-dimensional optical inspection of electrical connectors, specifically ball grid array devices.



Patent Filings: Annual Growth Rates

Highest Growth Rates
are in China and Korea



Patent Filings: Annual Number of Filings

North-East Asia Files
25.3 Percent of Total



REAL ESTATE

Real Estate's Record Globalization: The globalization of direct commercial real estate investment set new records, despite it being a year with two distinct halves. In the first half of 2007, real estate transaction volume reached record levels in all regions of the world at a total of US\$398 billion, a 25 percent increase over the first half of 2006. In the second half of the year, the U.S. subprime-initiated credit crunch and the turmoil in the global debt markets dramatically reduced investor confidence and caused a repricing of assets in some markets, resulting in real estate volume dropping 9 percent from the first half of the year and down 8 percent compared to the second half of 2006. Nonetheless, the year closed with an 8 percent increase (US\$59 billion) over 2006 to achieve a year-end record global total of US\$759 billion.²⁷

» Cross-border investment increased by US\$58 billion to US\$357 billion, accounting for 47 percent of total real estate transactions for the year. Cross-border volume accounted for 63 percent (US\$209 billion) of transactions in Europe, 47 percent (US\$57 billion) in the Asia-Pacific region and 30 percent (US\$91 billion) in the Americas.²⁷

» The Asia-Pacific region countered the global slowdown in the second half of the year, reaching a record US\$121 billion for the year, an increase of 27 percent from US\$95 billion in 2006, and expanded the region's share of global real estate volume to 16 percent.²⁷

» Europe experienced a 3.5 percent increase over 2006, reaching US\$333 billion in direct commercial real estate investment.²⁷

» The Americas realized an 8 percent increase over 2006, totaling US\$304 billion.²⁷

Real Estate's Global Financial Clout: Real estate leapfrogged from being an ad hoc business opportunity to becoming a sophisticated and strategic asset class with the power to cause significant shifts in the global economic landscape. Global real estate capital influenced the integration of worldwide financial markets by encouraging investors to source capital globally.

» 60 U.S.-focused private equity real estate funds raised an aggregate US\$36.5 billion.²⁸

» 37 Europe-focused real estate funds raised an aggregate US\$20.6 billion.²⁸

» 29 funds focused on Asia and the rest of the world raised an aggregate US\$21.6 billion.²⁸

CROSS-BORDER:

Westbrook Partners: Orrick represented Westbrook Partners, a real estate opportunity fund manager investing on behalf of its funds in the United States, Europe and Asia, on multiple

transactions totaling in excess of US\$1 billion, including acquisitions, joint ventures, financings and refinancings for hotel, office, retail, residential and development land properties located in France, Japan and the United States (California, Hawaii, Oregon and Washington).

Colyzeo Investors II: Orrick represented Colyzeo Investors II, a Colony Capital-sponsored European investment fund based in the United Kingdom, in connection with its €250 million (US\$368 million) revolving secured credit facility from J.P. Morgan Europe Limited and Natixis. Colyzeo Investors II, formed in 2007 to invest in real estate assets throughout Europe, has nearly €1 billion (US\$1.47 billion) in capital commitments.

Proudreed: Orrick represented Proudreed in the establishment of its investment and financing structure (United Kingdom/Luxembourg/Germany structure) for tax-efficient investments into Germany.

EUROPE:

Capital Shopping Centres PLC: Orrick represented Capital Shopping Centres PLC on the active management, redevelopment and extension of a portfolio of 13 major shopping centres across the United Kingdom.

Real I.S.: Orrick represented Real I.S. in multiple sales totaling in excess of €427 million (US\$633 million), including its €190 million (US\$282 million) sale of the shares of the “53, Ave des Champs Elysées SAS” company to a local operating partner and international opportunity fund.

ASIA:

Morgan Stanley: Orrick represented Morgan Stanley on more than 100 transactions totaling more than US\$9 billion in Japan.

Lehman Brothers Japan: Orrick represented Lehman Brothers Japan on more than 45 financings, refinancings, acquisitions and joint ventures of office, industrial, residential, retail and hotels totaling more than US\$4.5 billion.

Deutsche Bank AG: Orrick represented Deutsche Bank AG, the subordinate lender, on a subordinate loan in a complex, multilevel loan structure. The loan was secured with second mortgages on seven office and light industrial properties in Hong Kong, in addition to other forms of security. Orrick also represented the subordinate lender in negotiating an intercreditor agreement with the senior lender.

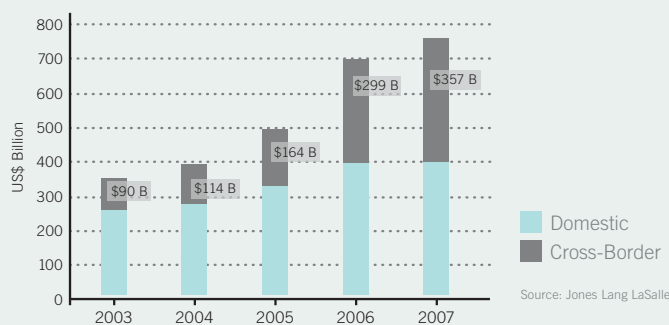
UNITED STATES:

MacFarlane Partners: Orrick represented MacFarlane Partners, a real estate investment management firm, in a US\$10 billion joint venture development project, the company’s largest transaction at the time. MacFarlane Partners, along with a fund managed by Morgan Stanley and JBG Companies, formed a joint venture investment vehicle to develop and redevelop a portfolio of 93 institutional-quality properties on 42 separate sites located in the District of Columbia, Maryland and Virginia.

RREEF America LLC: Orrick represented RREEF America LLC and its affiliates, a real estate advisory firm owned by Deutsche Bank AG, on more than US\$8 billion in transactions, including advising RREEF America REIT III through a joint venture with Sand Hill Properties in the acquisition and redevelopment of Sunnyvale Town Center, a more than 1 million square foot, mixed-use project in Sunnyvale, California.

Cisco Technology, Inc.: Orrick represented Cisco Technology, Inc., a subsidiary of Cisco Systems, Inc., the worldwide leader in networking for the Internet, in connection with its sale of a 152 acre parcel of land in Fremont, California, to the Oakland Athletics (A’s) baseball team. The A’s intend to partner with Cisco to build the world’s most technologically sophisticated baseball park.

2007 Global Direct Commercial
Real Estate Investment



“The real estate universe, at \$23tn, is large and growing as wealth increases globally and urbanization spreads. Within this, globalization continues to be one of the most significant trends.”
—Jones Lang LaSalle²⁷



CROSS-BORDER M&A

Record Year: The volume of worldwide mergers and acquisitions set a new record with US\$4.83 trillion in announced deals, an increase of 23 percent over 2006. Cross-border deals also set a new record of US\$1.99 trillion (78 percent higher than 2006), a new record representing 41 percent of total global M&A activity. The United States was the most targeted nation with US\$363.3 billion announced, a 67 percent increase over 2006. M&A targeting emerging markets was up 43 percent from 2006, setting a new record of US\$909.1 billion.²⁹ Accelerated interest from multinational corporate acquirers, private equity firms and sovereign investment funds led the unprecedented level of M&A activity.

Fundamental Change: Orrick's global M&A team was a strategic advisor in an international M&A environment that experienced fundamental change as powerful new financial and commercial dealmakers from emerging markets rapidly increased the number and size of businesses they acquired outside their home countries and increasingly located in developed countries, particularly the United States. In 2003, companies from developing countries acquired US\$14 billion of assets located in developed countries. In 2007, that figure reached nearly US\$128 billion, almost matching the US\$130 billion companies from developed countries spent on acquiring assets located in developing countries.²⁹

CROSS-BORDER M&A AT ORRICK IN 2007

Acer Inc. of Taiwan Acquires U.S. Computer Maker Gateway Inc.:

Orrick represented Taiwan-based Acer Inc., the world's No. 3 branded personal computer (PC) vendor and No. 2 branded notebook vendor, in its US\$710 million acquisition of NYSE-listed Gateway, Inc., one of the world's top 10 PC companies, and its acquisition of Packard Bell BV, a leading European PC vendor. Orrick's advice also included assisting Acer in the merger control procedure in its acquisition of Packard Bell BV.

Global Combination of Three Companies: Orrick represented Corgi International Limited, a NASDAQ-listed Hong Kong company with principal offices in England and California. Orrick represented Master Replicas Inc., a California-based industry leader in developing and marketing movie prop replicas and high-end pop culture collectibles, in the global combination of three companies: Master Replicas, Corgi and U.K.-based Cards Inc. Orrick represented Corgi in a number of transactions including cross-border financings with Burdale Financial Limited, Coface and the Synergy Group; the spin-off of Corgi Classics to U.K.-based Hornby Hobbies Ltd.; and the Corgi spin-off of the Zindart Manufacturing facility in China.

US\$1.2 Billion Acquisition of U.S. Agency-Broker by Japanese Financial Services Company:

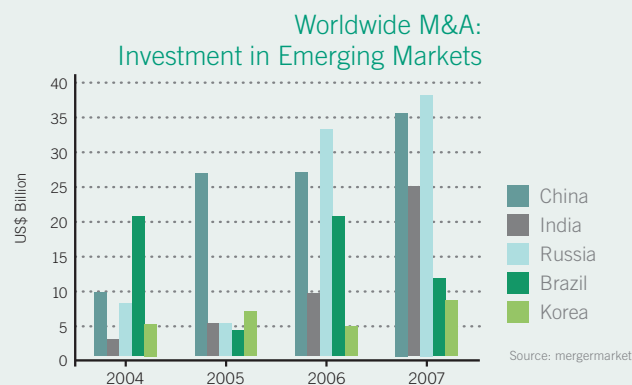
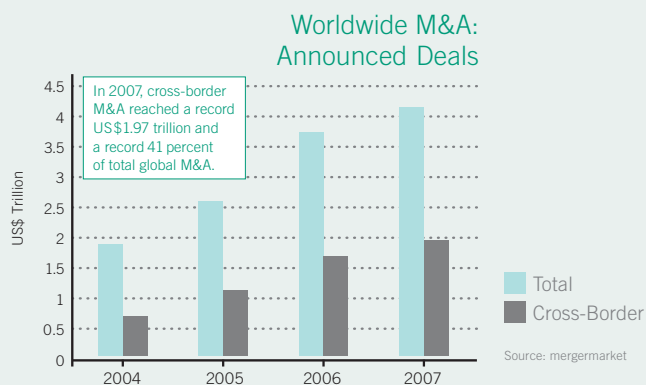
Orrick represented Nomura Holdings, Inc., a global financial services company headquartered in Tokyo, in its US\$1.2 billion acquisition of U.S.-based agency-broker Instinet, Inc., a global provider of electronic trading services for institutional investors, from Silver Lake Partners, a leading U.S. private equity firm.

Europe's Largest Coca-Cola Bottler Acquires the Largest Soft Drink Plant in Russia:

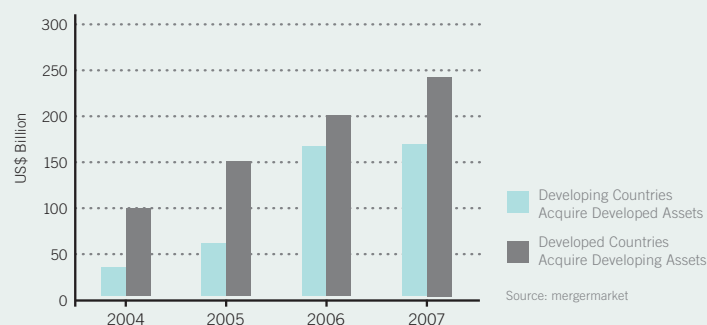
Orrick represented Greece-based Coca-Cola Hellenic Bottling Company S.A., the largest Coca-Cola bottler in Europe and the second largest in the world, in its €191.5 million (US\$280.7 million) acquisition of Aqua Vision, a Russian limited liability company that constructed the largest soft drink production plant in Russia.

Sweden-Based Hexagon AB Acquires Canada-Based NovAtel, Inc.:

Orrick represented NovAtel Inc., a Canada-based, NASDAQ-listed leading provider of precision global navigation satellite system components and subsystems, in its US\$431 million acquisition by Hexagon AB, the listed Swedish provider of engineering technology products and services.



**Worldwide M&A:
Developing Countries Acquire
Assets in Developed Countries**



Italian Acquisition of U.K. Company: Orrick represented Buongiorno S.p.A., a leading multinational operating in the market of digital entertainment, in the acquisition of 100 percent of the shares of Flytxt Limited, a leading mobile marketing and advertising company with businesses in the United Kingdom and the United States, through the Dutch-controlled company Buongiorno Marketing Services Nederland B.V. Orrick represented Buongiorno on U.K. and U.S. due diligence activities, as well as negotiation and drafting of the share purchase agreement. Orrick also advised in the negotiation of a spin-off agreement for a going concern of Flytxt before the share transfer.

U.S. Acquisition of France-Based Automotive Diagnostics Business: Orrick represented SPX Corporation, a U.S.-based Fortune 500 multi-industry manufacturing leader, in its acquisition of the European Automotive Diagnostics Division (located in Pontoise, France) of Johnson Controls Inc.

Eastman Kodak Company Divests a China Investment: Orrick represented the Eastman Kodak Company and its China subsidiaries in their divestment from China's largest listed photo film manufacturing company, Lucky Film Company Limited. Orrick advised Kodak on a broad range of securities and M&A issues and assisted in the preparation of termination and amendment agreements for more than 30 contractual arrangements. This divestiture was regarded as one of the most complicated transactions in China in 2007.

Italy and U.S. Joint Venture Acquires Famous Napa Valley Winery: Orrick represented California-based Stag's Leap Wine Cellars in its US\$185 million cash sale to an international joint venture between Italian winemaking icon Marchese Piero Antinori and Ste. Michelle Wine Estates, the 10th largest U.S. wine company and the largest wine company in the state of Washington.

LITIGATION



The Globalization of Litigation: It was a transformational year for business litigation. It was the year the scope and scale of potential litigation caught up with the realities of economic globalization. Resolving international disputes reached a record level of activity as managing cross-border legal risks, financial exposure and corporate reputations in courtrooms and public opinion venues around the world were top priorities for business executives.

The year's record volume of global trade and investment rapidly created powerful new cross-border relationships among consumers, companies, governments and public interest organizations. A new set of complex risks was also created as businesses quickly expanded their competitive position on the global stage through innovative and sophisticated commercial transactions, investment arrangements and government partnerships. General counsel in all countries faced an increasing range of bet-the-company concerns, including:

- » Extraterritorial application of national laws
- » Product liability arising from global supply chains
- » Compliance and regulatory enforcement in multiple jurisdictions

- » Employment issues relating to a mobile and multinational workforce
- » Developing and protecting intellectual property rights in emerging markets

- » Challenges to creating and implementing cross-border business agreements
- » Media and NGO scrutiny of corporate governance and environmental practices

CROSS-BORDER BET-THE-COMPANY SHAREHOLDER DISPUTE

VICTORY: Orrick secured an important victory for Norway-based Telenor Mobile Communications AS in a New York arbitration against Alfa Group subsidiary Storm, LLC. The dispute involved

Storm's violations of a Shareholders Agreement relating to the parties' joint investment in Kyivstar GSM, the largest mobile operator in Ukraine. Alfa Group, a financial and industrial conglomerate, is controlled by Russian oligarch Mikhail Fridman. Among other relief obtained by Telenor, the arbitration tribunal ordered Alfa to sell its Kyivstar shares within 120 days to an unaffiliated entity or divest itself of its holdings above 5 percent in Turkcell and Ukrainian High Technologies, competing Ukrainian wireless operators.

DISMISSAL OF PUTATIVE CLASS ACTION UNDER U.S. ALIEN TORT CLAIMS ACT:

Hundreds of Ivory Coast plantation workers brought a putative class action against The Dow Chemical Company under the Alien Tort Claims Act, a federal statute which has been used to allow non-U.S. citizens and entities to bring claims in U.S. federal courts against U.S. corporations for alleged wrongs committed abroad. The plaintiffs claimed that Dow and other companies

manufactured and sold a fumigant that was allegedly used on banana plantations where workers were exposed. The U.S. District Court for the Central District of California granted Dow's motion to dismiss with prejudice on the grounds that plaintiffs failed to allege requisite intent or state action necessary to allege a claim for violating international law. Orrick also secured a stay of discovery pending the ruling on the motion to dismiss, which resulted in the case being won at the initial pleading stage without extensive and costly discovery.

SUMMARY JUDGMENT FOR TAIWAN COMPANY IN DRAM ANTITRUST CASE:

Commencing in June 2002, the U.S. Department of Justice conducted a criminal investigation of price fixing in the DRAM industry and collected more than US\$700 million in fines. Related private class actions were consolidated in the Northern District of California and were certified as a nationwide class of direct purchasers of DRAM. Most defendants settled with the direct purchaser class for an aggregated total of approximately US\$300 million. Orrick clients Nanya Technology Corporation and Nanya USA filed motions for summary judgment. The judge granted Nanya's summary judgment motion in full, finding there was no evidence that Nanya had engaged in price fixing or in a collusive reduction of output. The court also rejected plaintiffs' arguments that Nanya was vicariously liable for the activity of its subsidiary, Nanya USA. Following a court-ordered mediation, Nanya USA agreed to make a modest payment to settle the direct purchaser case.

CROSS-BORDER ARBITRATIONS INCREASE IN NUMBER AND VALUE:

- ▶ The number of cases administered by the International Centre for Settlement of Investment Disputes increased 210 percent from 2000.³⁰
- ▶ Since its inception in 1923, the number of cases received by the International Chamber of Commerce's International Court of Arbitration reached 15,000 in 2007 and has increased twentyfold over the past 50 years.³¹
- ▶ 1,356 claims in excess of US\$1 million were filed with the International Centre for Dispute Resolution (the international division of the American Arbitration Association) in 2006.³²

ASIA-RELATED DISPUTES EXPERIENCE RAPID RISE:

- ▶ The China International Economic and Trade Arbitration Commission handled 1,118 arbitrations (compared to 543 in 2000), and nearly 40 percent involved at least one foreign party.³³
- ▶ The Asian caseload at the International Centre for Dispute Resolution increased 34 percent between 2005 and 2006.³⁴
- ▶ Two-thirds of the cases handled by the Singapore International Arbitration Centre involve non-Singaporean parties.³⁴

U.S. LAWS EXPAND GLOBAL REACH:

- ▶ The number of U.S. federal securities class actions against non-U.S. filers almost doubled, and more cases were filed against Chinese foreign private issuers than any other regional group.³⁵
- ▶ Records were set for the number of proceedings brought by the U.S. DOJ and SEC alleging violations of the U.S. Foreign Corrupt Practices Act (FCPA). The number of enforcement actions doubled over 2006; the DOJ and SEC imposed the largest combined FCPA criminal and civil corporate penalty, US\$44 million; and the most enforcement actions were brought against individuals.³⁵

EUROPE ADDS EXTERNAL FUNDING FOR LITIGATION:

- ▶ Third-party funding prominently entered dispute resolution in the U.K. with "[e]ight out of 10 of London's top law firms already using or assessing external funding for litigation and arbitration cases."³⁶
- ▶ Litigators are preparing for a predicted increase in class action claims and general litigation, which has attracted attention from specialty financiers, hedge funds and brokers who deliver outside investors interested in funding litigation in return for a portion of the damages.³⁶

"The [U.S. Foreign Corrupt Practices Act] has now surpassed Sarbanes-Oxley for being at the nerve endings of corporate general counsels and executives."
—Daniel E. Karson³⁷

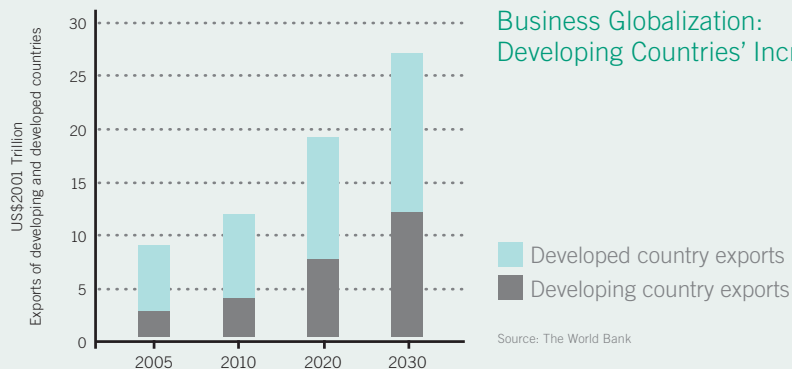
"The securities litigation system in the U.S. is creating such a risk—a risk that soon could metastasize from ... hazards that flow from being listed in the U.S. to potentially any British or European company doing business with any U.S.-listed company ... anywhere in the world."
—Norman Lamont³⁸

BUSINESS GLOBALIZATION



The No. 1 Strategy: The pace of economic globalization set records in every key measure: cross-border trade, foreign direct investment, integrated financial markets, worldwide supply chains, information technology exchange and global application of commercial and legal standards. In 2007, established and emerging companies found themselves closer to the reality of operating in one interdependent global common market, and their success depended on taking advantage of globalization.

The No. 1 Challenge: The strategy of business globalization entered its next phase of development, moving from a low-cost supply and production strategy to tapping those same countries for research and development purposes and as new markets for goods and services. To succeed, companies had to change from setting up limited country-by-country operations to embracing the vision of a truly global operating model with innovation, administration, management, sourcing, manufacturing and sales transcending the limits of national borders. To execute this new strategy, companies faced many new challenges relating to tracking, interpreting and complying with a comprehensive range of ever-changing laws and regulations in multiple jurisdictions throughout the world.³⁹



“Globalization and open markets offer great opportunities for our societies, emerging economies and developing countries. We are strongly committed to use these opportunities for the benefit of our citizens and global growth.”
– G8 Summit⁴⁰

ORRICK'S GLOBAL CORPORATE SOLUTIONS

To help clients navigate the challenges of business globalization, Orrick created a unique set of Global Corporate Solutions focusing on the mission critical areas of corporate secretary compliance, equity compensation plans and corporate governance matters. Following are examples of Global Corporate Solutions we provide to our multinational clients.

BUSINESS GLOBALIZATION AT ORRICK IN 2007

Cisco Systems, Inc.: Orrick is partnering with Cisco Systems to outsource our client's global corporate secretary compliance functions to a dedicated team of Orrick lawyers, compliance specialists and data entry clerks who are supported by an established network of legal counsel in more than 100 local jurisdictions.

SINA Corporation: Orrick advised on the design, drafting and implementation of a multi-jurisdiction equity plan for SINA Corporation, a NASDAQ-listed, China-based Internet company with operations in Beijing, Guangzhou, Hong Kong, Shanghai, Silicon Valley and Taipei.

NVIDIA Corporation: Orrick provided NVIDIA, *Forbes'* 2007 “Company of the Year” and a leading designer of high-definition graphics processors for gaming and industrial design applications, with advice on its data privacy issues in Europe, its global equity plans in the Asia-Pacific region and certain cross-border transactions involving the formation of a subsidiary in Singapore.

SanDisk Corporation: Orrick supports SanDisk, the world's largest supplier of flash memory storage products, with its global corporate secretary compliance activities in more than 30 jurisdictions.

Halliburton Company: Orrick advises Halliburton, one of the world's largest providers of products and services to the energy industry, on all aspects of its global equity program.

INNOVATIVE FINANCE



Exuberant Financial Innovation:

Access to and availability of new financial products altered the landscape of global capital markets. Innovation came from new structures, vehicles and investment instruments. “New” was not the only benchmark for innovation in 2007; financial innovation also took place in terms of the complexity and sophistication of existing investment instruments and strategies.

In January 2008, Christian Noyer, the Governor of the Banque de France, spoke at an IMF conference about “the recent years of exuberant financial innovation, what might be seen in retrospect as the golden age of structured finance.”⁴¹ In addition to structured credit products, other financial innovations included public-private partnerships for infrastructure, microfinance for growth in developing countries, project finance for energy initiatives and financial restructurings and capital raising for multinational corporations operating in stressed credit markets.

Financial Turmoil Concomitant to Innovation:

In the summer of 2007, the global financial markets were characterized by a sudden and significant disruption in credit and liquidity that began in the U.S. subprime market and spread, with varying degrees of intensity, to other financial centers and financial instruments around the world. The global economy slowed and extensive debate ensued regarding the causes, the remedies and the lessons of the dramatic change in the economic environment between the first and the second halves of the year. Amidst the debate, one compelling message stood out: the undeniable value of innovation in financial markets.

In the 2007 Annual Report from the Federal Reserve Bank of Chicago, President and CEO Charles L. Evans stated, “[g]iven these risks going forward, the Fed must be diligent in applying the risk-management approach to policy formation, in order to ensure that the economy is well cushioned against the financial turmoil that seems to be an occasional concomitant to the beneficial process of financial innovation.”⁴²

BEN S. BERNANKE

Chairman of the Board of Governors of the U.S. Federal Reserve System⁴⁴

ANTHONY W. RYAN

Assistant Secretary for Financial Markets of the U.S. Department of the Treasury⁴³

CHARLES L. EVANS

President and CEO of the Federal Reserve Bank of Chicago⁴²

CHRISTIAN NOYER

Governor of the Banque de France⁴¹

BENEFITS

“In addressing the challenges and the risks that financial innovation may create, we should also always keep in view the enormous economic benefits that flow from a healthy and innovative financial sector.”

“[L]et’s recognize that over the long-term, financial innovation is integral to enhancing capital markets’ competitiveness. Innovative markets become more efficient, ultimately strengthening the economies they serve by facilitating job growth and improving productivity.”

“Continuous innovation is one of the key strengths of our economy. Financial innovation enhances markets’ ability to allocate capital and risk.”

“[A]fter two or more decades in which major, multifaceted financial innovation has brought about far-reaching changes in the global economic environment, it would be unfair to forget the benefits economic agents have collectively reaped from tools that are fundamentally aimed at allowing an easier and broader access to funding and a more efficient risk allocation.”

CHALLENGES

“When proposing or implementing regulation, we must seek to preserve the benefits of financial innovation even as we address the risks that may accompany that innovation. ... These risks should not be taken lightly.”

“While there are numerous benefits to financial innovation such as securitized credit, we must also recognize the real challenges such innovation poses to investors, regulators and other market participants.”

“[D]uring periods of rapid financial innovation, it can take time for market participants to learn how these innovative instruments and practices operate ... and market participants undoubtedly will learn important lessons from the turmoil of 2007 and 2008...”

“The current financial turmoil is here to remind us that financial innovation, like technical innovation, is not a smooth process.”

PUBLIC PRIVATE PARTNERSHIPS

Successful P3 Closes Despite Market Conditions: Orrick represented Transurban Group and Fluor Enterprises, as project developers and investors, in the development, financing and construction of the US\$1.9 billion Capital Beltway High Occupancy Toll Lane project in Virginia. This is the first project involving tax-exempt private activity bond financing for a transportation facility in the U.S. and the second greenfield toll road project in the U.S. in the last 10 years with a private equity component. The financing closed in December 2007, despite credit market challenges.

2007 “Project Finance Deal of the Year” and “Project Finance Team of the Year” Awards: Orrick represented Transurban Ltd., an Australian operator of toll roads, and its affiliates in the US\$608 million acquisition of a 99-year concession for the operation and maintenance of the Pocahontas Parkway toll road. Orrick received the 2007 “Project Finance Team of the Year” and the 2007 “Project Finance Deal of the Year” awards from *International Financial Law Review* for this transaction.

INNOVATIVE FINANCE AT ORRICK IN 2007

PUBLIC FINANCE

US\$161 Million in Bonds Finance Biosolids Project: Orrick represented the California Statewide Communities Development Authority as bond counsel in the private placement of approximately US\$161 million in bonds to finance the EnerTech Regional Biosolids Project. EnerTech’s primary product is the SlurryCarb™ process, which converts sewage sludge generated by wastewater treatment plants and municipalities into a useful renewable fuel product.

Largest D.C. Debt Offering: Orrick represented the District of Columbia as bond counsel in the sale of US\$827 million in general obligation bonds, the largest debt offering by the District. The transaction consisted of US\$576 million general obligation bonds to finance new capital projects and US\$251 million general obligation refunding bonds to refinance debt originally issued in 2001, 2003 and 2005. The refinancing will save the District US\$9.2 million in interest payments.

US\$101.4 Million Reconstruction of Historic Civic Center: Orrick served as bond and disclosure counsel to the Richmond Joint Powers Financing Authority in connection with the issuance of US\$101.4 million of its Lease Revenue Bonds (Refunding and Civic Center Project), Series 2007, the proceeds of which will be used to finance the first phase of the complete reconstruction and rehabilitation of the historic civic center in Richmond, California.

STRUCTURED FINANCE

“Deal of the Year” Asian Securitisation: Orrick represented Standard Chartered Bank in the US\$1.29 billion securitisation of a portfolio of residential mortgage loans originated by Standard Chartered First Bank Korea, the largest Asian securitisation transaction at the time. The transaction received a “Deal of the Year” award from *Asian-Counsel*.

First European CDPC: Orrick represented Deutsche Bank in establishing NewLands Financial, the first European Credit Derivative Product Company and the fourth CDPC in the world.

Successful Restructuring of a SIV-Lite: Orrick represented the credit default swap provider in the restructuring of a SIV-Lite involving a portfolio primarily consisting of U.S. residential mortgage-backed securities. *Risk* magazine selected the transaction as its 2007 “Deal of the Year,” noting the transaction was the only successful restructuring to date of a SIV or SIV-Lite.

First Publicly Rated RMBS from Kazakhstan: Orrick represented Kazakhstani mortgage company BTA Ipoteka on a US\$141.4 million RMBS transaction backed by receivables from 10,274 mortgage loans originated by BTA Ipoteka, with 52 percent of the properties located in Almaty.

Largest Future-Flow Asian Securitisation: Orrick represented The Korea Development Bank as credit facility provider in the ¥40 billion future-flow securitisation of passenger ticket receivables from Korean Air Lines. The transaction is the largest future-flow Asian securitisation to date.

COMMERCIAL/CORPORATE FINANCE

€10 Billion Notes Programs for EADS and Renault: Orrick represented Renault and the European Aeronautic Defence and Space Company in an update of their €7 billion and €3 billion Euro Medium Term Notes programs. Orrick also advised Renault in a related bond emission of €500 million.

US\$2 Billion Credit Facility for PG&E: Orrick represented PG&E Corporation, as borrower, in connection with its amended and restated US\$2 billion syndicated, unsecured credit facility with BNP Paribas, as administrative agent; Deutsche Bank Securities Inc., as syndication agent; and ABN AMRO Bank, N.V., Bank of America, N.A. and Barclays Bank PLC as documentation agents.

CREDITORS' RIGHTS AND BANKRUPTCY

Purchasers and Creditors of Mortgage Company Bankruptcies: Orrick represented a substantial U.S. residential mortgage lender regarding the acquisition of assets of American Home Mortgage out of Chapter 11 bankruptcy in Delaware, the assets of First Magnus out of Chapter 11 in Arizona, and as a creditor in the Chapter 11 case of Aegis Mortgage Corporation in Texas.

Orrick also represented a major investment bank in connection with the bankruptcy proceedings of subprime mortgage originators Ownit, ResMae and American Home Mortgage. Our client is one of the largest creditors in the Ownit and ResMae cases, holding claims in excess of US\$500 million.

Insurance Recovery for Unsecured Creditors: Orrick represented the SWE&C Liquidating Trust (formed upon the confirmation of the Stone & Webster Incorporated joint plan of liquidation involving 73 entities, having claims asserted against it in excess of US\$6 billion), on insurance recovery matters against numerous insurance carriers and claims against the Saudi Arabian Oil Company and the Saudi American Bank.

U.S. INDIAN TRIBAL FINANCE

Record Credit Facility for a Native American Tribe: Orrick represented Wells Fargo Bank, National Association, as lead arranger, administrative agent and sole bookrunner in a US\$875 million senior secured revolving credit facility for the Tribal Casino Gambling enterprise of the Eastern Band of Cherokee Indians, a federally recognized Indian tribe and Native American sovereign nation, for the purpose of remodeling and expanding a casino. The transaction was one of the largest credit facilities established for a Native American tribe.

US\$5.25 Million Credit Facility for Indian Tribe: Orrick served as bond counsel and issuer's counsel to the Salt River Pima-Maricopa Indian Community, a federally recognized Indian tribe, in a financing that combined tax-exempt bonds with a taxable syndicated credit facility. The bonds were used to finance a variety of projects, including tribal schools, a new administration complex, police and fire facilities, and basic infrastructure. A portion of the bank facility was used to provide a letter of credit for the bonds, and the remainder is being used to finance construction of a large-scale casino resort on the tribe's reservation near Scottsdale, Arizona. The financing was structured as a revenue obligation secured by a senior lien and pledge of the tribe's gaming and resort revenues without recourse to the general fund or other tribal assets.

US\$2.45 Million Notes Offering for Indian Tribe Resort: Orrick served as issuer's counsel to the Buffalo Thunder Development Authority, a business enterprise of the Pueblo of Pojoaque, a federally recognized Indian tribe. The Authority first issued US\$245 million of its senior secured notes in a high-yield debt offering under Rule 144A and followed with a US\$40 million equipment financing. The tribe and the Authority, in partnership with Hilton Hotels, are developing a resort that will include a casino, hotel, spa and conference facilities on the tribe's lands near Santa Fe, New Mexico.

MICROFINANCE

Microfinance Fund Combines Individual Philanthropic Donations, Government Funds and Private Institutional Capital: Orrick advised Global Partnerships, a Seattle-based nonprofit organization, in the establishment of a US\$8.5 million microfinance investment fund. This pro bono representation expands financial services to people living in poverty in Latin America. Individuals donated US\$255,000 to build the equity layer and socially motivated investors, including the Overseas Private Investment Corporation, the Inter-American Development Bank, Seattle University, responsAbility Global Microfinance Fund and Partners for the Common Good, as well as 19 individuals, invested the remaining US\$8.245 million.

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42. "Turmoil & Innovation: A Look at Financial Markets in 2007," Federal Reserve Bank of Chicago 2007 Annual Report, Charles L. Evans (President and CEO).
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LITIGATION MATTERS

LITIGATION PRACTICES

Product Liability Litigation

Securities Litigation and
Regulatory Enforcement

Intellectual Property

Commercial Litigation

Employment Law

International Dispute Resolution

White Collar Criminal Defense
and Corporate Investigations

Legal Strategic and
Crisis Management

Orrick resolves large, complex product liability disputes and mass torts for leading companies in the pharmaceutical, chemical, energy, biotechnology, medical device, automotive and agricultural industries. We often serve as national coordinating counsel for clients involved in multi-jurisdiction litigation and have an impressive track record at trial, largely due to our innovative approaches in dealing with critical issues such as collective liability and junk science.

Our work in 2007 included the representation of:

The Dow Chemical Company in obtaining the dismissal of a putative class action brought by hundreds of Ivory Coast plantation workers who claimed the pesticide dibromochloropropane (DBCP) caused them to be sterile. Unlike a traditional product liability claim, the suit was brought under the Alien Tort Claims Act (ATCA), a federal statute non-U.S. citizens and entities have recently utilized to bring claims in U.S. federal courts against U.S. corporations for alleged wrongs committed outside the United States. In this case, the West African plaintiffs claimed that Dow and other companies manufactured and sold DBCP that was allegedly used on the banana plantations in the Ivory Coast where the plaintiffs were exposed and incurred injuries to their reproductive health. Plaintiffs alleged that Dow's actions constituted violations of international law including genocide, crimes against humanity, racial discrimination and torture.

The U. S. District Court for the Central District of California granted Dow's motion to dismiss with prejudice on the grounds that plaintiffs failed to allege the requisite intent or state action necessary to allege a claim for violating international law under the ATCA. In addition, Orrick secured a stay of discovery pending the ruling on the motion to dismiss, which limited potentially costly overseas discovery. This is one of the few cases that has been won at the initial pleading stage without extensive discovery. The victory is particularly significant in light of the recent increase in ATCA cases being filed against U.S.-based global corporations.

Union Carbide Corporation in the U.S. Court of Appeals for the Ninth Circuit in a complex dispute with Hamilton Materials, Inc. involving asbestos liability. In a pretrial hearing on Orrick's motion to dismiss, the trial court granted Union Carbide summary judgment and dismissed the plaintiff's claims as time-barred. The *Los Angeles Daily Journal* characterized the result as "an important legal victory that thwarted a new round of asbestos litigation and saved the company hundreds of millions of dollars in damages." The appeal was argued in front of a Ninth Circuit panel, and the trial court's dismissal was affirmed.

Wyeth in winning a motion to preclude the plaintiff's expert witness testimony in a Maryland case that included the first *Frye* evidentiary hearing to be conducted among the hundreds of cases alleging the vaccine preservative thimerosal caused neurological injury in children. Orrick also obtained affirmance by the Illinois Appellate Court of a dismissal for Wyeth in a decision of first impression on an emotional distress claim in another childhood vaccine case.

A global pharmaceutical manufacturer in multi-jurisdiction cases in France, Tunisia, the United States and countries in the Middle East involving claims that hemophiliac patients were alleged to have been infected with HIV from blood products transfusions.

PRODUCT LIABILITY LITIGATION

The Dow Chemical Company
United States

Union Carbide Corporation
United States

Wyeth
United States

Global Pharmaceutical Manufacturer
France

SECURITIES LITIGATION AND REGULATORY ENFORCEMENT

Lawyers in Orrick's Securities Litigation and Regulatory Enforcement Group represent numerous companies and individuals in securities class actions, derivative actions, SEC enforcement matters, M&A-related litigation, self-regulatory organization proceedings and investigations on behalf of audit or special committees. The practice continues to add to its enviable track record of successful motions to dismiss, settlements and trials, driving the resolution of securities, corporate control and regulatory matters for clients in industries as diverse as accounting, banking, computer graphics, health care, industrial materials, new media, semiconductors and software.

Our work in 2007 included the representation of:

NVIDIA Corporation United States

NVIDIA Corporation in obtaining a favorable ruling for NVIDIA following a trial in U.S. Bankruptcy Court for the Northern District of California. A bankruptcy trustee accused the company of underpaying when it bought assets from a competitor that later went bankrupt. The plaintiff claimed the assets of 3dfx Interactive Inc. were worth twice as much as the US\$70 million NVIDIA had paid. The trial drew media attention when the judge attempted to require spectators, including reporters, to sign confidentiality agreements to protect trade secrets that might come up in court proceedings. The court ruled that NVIDIA paid a fair price and creditors were not injured by the transaction.

Silicon Storage Technology, Inc. United States

Silicon Storage Technology (SST) in obtaining the dismissal with prejudice of a securities class action and overcoming a novel approach by the plaintiffs' counsel. Plaintiffs alleged that SST and four current or former officers misled investors by overstating inventory value and making false statements about the sales prices of its products. In their amended complaint, the plaintiffs cited a purported 19 former employees as confidential informants, and the complaint included new market data that plaintiffs purchased from a third party.

In rendering final judgment, the judge addressed the novel issue of whether the Private Securities Litigation Reform Act (PSLRA) allows a plaintiff to base factual allegations on generic market data provided by an industry consultant and extrapolations by plaintiffs' experts. At the court's request, Orrick submitted a supplemental briefing to advocate SST's position that plaintiffs' approach was improper in light of the PSLRA. Interpreting Ninth Circuit authority, the court noted that district courts may consider allegations of data and information obtained from "experts," but such factual allegations are subject to the same stringent particularity requirements of the PSLRA applicable to facts alleged to have originated with any confidential informant or other witness. The court held that plaintiffs failed to prove the company was likely to possess the information alleged and the generic market data was insufficient because it was not tied to SST in any way other than a general industry connection.

SINA Corporation United States

SINA Corporation in obtaining affirmance by the U.S. Court of Appeals for the Second Circuit of the district court's dismissal of a consolidated securities class action complaint filed against SINA Corporation, effectively ending a set of shareholder lawsuits filed against the company in 2005. Earlier, Orrick had obtained the first round dismissal, without leave to amend, of the consolidated securities class action complaint filed against SINA in U.S. District Court for the Southern District of New York.

Orrick's Intellectual Property Group has earned a global reputation for defending and protecting our clients in their high-stakes disputes involving IP rights. Our interdisciplinary approach to strategic IP portfolio analysis, coupled with success in trial and appellate matters, makes us a leading choice for resolving complex IP disputes. Orrick's global IP experience includes patent, trade secrets, anti-piracy, copyright, trademark and false advertising claims. Orrick is also known for our strength in handling matters before the U.S. International Trade Commission. Our industry experience ranges from clean technology, telecommunications, gaming and entertainment, Internet and e-commerce, and biotechnology to computer software, pharmaceuticals, digital film and semiconductors, among others.

Our work in 2007 included the representation of:

Foundry Networks Inc. in the defense of patent infringement claims brought by Alcatel in U.S. District Court for the District of Delaware. Alcatel alleged infringement of nine patents involving computer networking and network security technologies. Orrick litigated the case on four fronts: the main patent case, a reexamination proceeding in the U.S. Patent and Trademark Office, a lawsuit filed by Alcatel in the Eastern District of Virginia related to the reexamination proceeding, and a lawsuit filed by Foundry Networks in the District of Delaware alleging antitrust violations by Alcatel. The case settled before trial.

Foundry Networks Inc.
United States

Intel Corporation in the defense of patent infringement claims brought by BIAx Corporation in a case in U.S. District Court for the Eastern District of Texas. BIAx asserted four patents in the field of parallel processing against Intel processors, including Pentium® 4 and Itanium®/Itanium® 2. BIAx demanded damages of more than US\$350 million together with a claim that any damages be trebled. As the case approached trial, Intel won several critical pretrial motions, including a partial summary judgment that removed more than US\$200 million from BIAx's damages claim. Another key ruling the day before opening statements required BIAx to produce documents it had been withholding under a claim of attorney-client privilege. The case settled after a jury was selected and only 30 minutes before opening statements were scheduled to begin.

Intel Corporation
United States

NVIDIA Corporation in a patent infringement suit in U.S. District Court for the Eastern District of Texas filed by Scanner Technologies Corporation, alleging infringement of two patents in the field of three-dimensional optical inspection of electrical connectors, specifically ball grid array devices. At the time Scanner filed suit against NVIDIA, Scanner was involved in litigation against ICOS in U.S. District Court for the Southern District of New York. In the case between Scanner and ICOS, the court found related Scanner patents to be invalid, not infringed by ICOS and unenforceable, entering a judgment barring Scanner by unclean hands from enforcing related patents against other parties. NVIDIA moved to dismiss the case in the Eastern District of Texas and the court dismissed the case and shortly thereafter found the ICOS litigation as "first filed."

NVIDIA Corporation
United States

Power Dekor Group Co., Ltd., the largest high-tech flooring manufacturer in China, in reaching a successful worldwide settlement agreement with the Unilin Group, a member of The Mohawk Group, regarding an underlying Section 337 patent infringement case filed before the U.S. International Trade Commission. The settlement permits the continued global export and expansion of Power Dekor's products.

Power Dekor Group Co., Ltd.
China

INTELLECTUAL PROPERTY

Protiva Biotherapeutics Inc.
Canada
United States

Protiva Biotherapeutics Inc. as plaintiff in a trade secrets misappropriation state court action and as defendant in a breach of contract federal court action against Sirna Therapeutics, Inc. and Sirna's parent company, Merck & Co., Inc. Orrick stayed the federal court action, then moved for and obtained a preliminary injunction in the trade secrets misappropriation action. Following grant of the injunction, Orrick obtained a settlement of all litigation between the parties, allowing Protiva to continue operating and expand its cutting-edge work and industry collaborations.

Protus IP Solutions
Canada
United States

Protus IP Solutions in a patent infringement suit in U.S. District Court for the Central District of California. The plaintiff (Catch Curve) accused Protus' Internet fax service (myfax.com) of infringing five patents. The court issued a claim construction order holding the claims of the patents were not broad enough to cover fax to e-mail services. Protus then filed a motion for summary judgment of noninfringement, arguing that in view of the court's claim construction, Protus' Internet fax service could not infringe. Before responding to Protus' summary judgment motion, the plaintiff offered to dismiss its case with prejudice in exchange for Protus agreeing not to seek reimbursement of attorney fees and costs Protus incurred defending itself. The case was followed closely because Catch Curve had already licensed the patents to more than 30 companies, and appeared intent on extracting payments from all players in the industry.

UPEK
United Kingdom
United States

UPEK, a U.S.-based manufacturer of biometric fingerprint sensors used to prevent unauthorized access to products such as notebook computers, in a case tried in the United Kingdom. IDEX, a Norwegian company, filed a lawsuit in the U.K. alleging breach of a joint development and patent license agreement between ST Microelectronics (STM) and IDEX, as well as theft of trade secrets. UPEK was a spinoff of STM, and UPEK's products were at issue. Orrick, on behalf of UPEK, intervened in the litigation in the U.K., seeking declarations that the patents subject to the IDEX/STM license agreement were invalid and not infringed by UPEK's products. Almost immediately after intervention, IDEX dropped its trade secrets theft claims. IDEX then filed a patent infringement suit in the U.S. against UPEK. After a trial in the U.K. action and before a verdict was read, Orrick obtained successful settlement of all litigation between UPEK and IDEX

COMMERCIAL LITIGATION

Orrick's Commercial Litigation practice leverages the capabilities of lawyers in 18 offices throughout the world, creating a formidable national and cross-border practice with a deep bench of senior trial lawyers who have successfully tried to judgment or verdict nearly every type of commercial dispute. Through litigation and arbitration, our team has handled a wide range of high-exposure commercial disputes involving contracts, accounting, consumer class actions, unfair business practices, antitrust and competition, insurance, corporate acquisitions and lender liability, among others. From fast-moving injunction proceedings to complex financial disputes and class actions, clients bring their high-risk business disputes to Orrick.

Our work in 2007 included the representation of:

Memory Chip Manufacturer
France

A major producer of memory chips before the European Commission concerning the investigation into DRAM memory products.

BNL Investimenti and Banca BNL in various litigation proceedings initiated by investors claiming damages allegedly resulting from the misfeasance of a financial representative.

**BNL Investimenti
Banca BNL
Italy**

Nanya Technology Corporation in obtaining summary judgment resulting in the dismissal of claims against Nanya in the consolidated direct purchaser class actions alleging price fixing in the Dynamic Random Access Memory (DRAM) industry. The cases were consolidated in the U.S. District Court for the Northern District of California, which certified a nationwide class of direct purchasers of DRAM. Most of the other defendants settled with the direct purchaser class around the time of class certification or shortly thereafter.

**Nanya Technology Corporation
United States**

A France-based international oil company in proceedings before the European and French competition authorities, the Commercial Court of Narbonne, the Court of Appeal of Montpellier and the Supreme Court relating to alleged abuse of dominant position.

**International Oil Company
France**

PricewaterhouseCoopers (PwC) in ongoing litigation related to the liquidation of hedge funds and subsequent investor lawsuits. The New York Court of Appeals, New York's highest court, unanimously reversed a 3–2 intermediate appellate court decision that would have allowed the statute of limitations on accounting malpractice claims to be tolled by the accountant's engagement to perform similar services the following year. The case presented the Court of Appeals with its first opportunity to determine the applicability of the continuous representation doctrine in an accounting context, and the decision has far-reaching impact on accounting firms facing malpractice claims in New York. The immediate result for PwC was the dismissal of the malpractice claim so far as it related to its audits of the funds from 1995 to 1999. Representing PwC, Orrick also defeated class certification in a related action in the U.S. District Court for the Southern District of New York and won a motion for summary judgment in New York state court dismissing, in their entirety, three actions brought by some of the hedge funds' largest investors.

**PricewaterhouseCoopers LLP
United States**

A France-based global toy manufacturer in proceedings before the French Competition Council and the Paris Court of Appeal relating to price fixing agreements, market surveillance and price checking systems among specific retailers and manufacturers involved in the toy distribution sector.

**Global Toy Manufacturer
France**

A leading high tech electronics manufacturer in proceedings before the (i) French competition authorities regarding antitrust matters in the French consumer electronics market and (ii) various Courts regarding pending litigations relating to the European selective distribution network process led by the client.

**Electronics Manufacturer
France**

A France-based international oil company in proceedings before the French competition authorities with respect to an alleged cartel in the aviation fuel supply sector at the Saint-Denis Airport, La Réunion.

**International Oil Company
France**

NovEnergia II Fund, the second Portugal-based investment fund focused on the wind energy market, in successful litigation involving the award of a contract to develop a 60MW wind power project in southern Italy.

**NovEnergia II Fund
Italy**

Autostrade Centro Padane S.p.A.
Italy

Autostrade Centro Padane S.p.A., one of Italy's primary highway engineering, construction and management companies, in the successful litigation against the selected bidder in the tender of one of the most important recent infrastructure project financings in Italy. The proceedings were conducted before the Regional Administrative Court (first degree) and the State Council (second and final degree).

Gestore Rete Trasmissione Nazionale S.p.A.
Italy

Gestore Rete Trasmissione Nazionale S.p.A. (GRTN), the owner and operator of Italy's national power transmission grid, in several litigation proceedings before Administrative Courts, including: (1) a matter filed by Autorità per l'Energia Elettrica e il Gas (AEEG) against GRTN requesting a pecuniary administrative sanction due to GRTN's non-fulfillment of provisions in the Unified Code of Authority for Electricity and Gas, (2) a dispute filed by AEM S.p.A. and AEM Trading S.r.l. against AEEG relating to the access and use of the national electricity transmission system in which the Administrative Court rejected the appeal and accepted the position of GRTN and AEEG, and (3) disputes filed by Enipower S.p.A. involving the AEEG resolution no. 67/03, in which Orrick's defense of GRTN caused Enipower S.p.A. to cease its interest in continuing to pursue its disputes and the TAR President approved Enipower's withdrawal of the disputes.

EMPLOYMENT LAW

Orrick's Employment Law Group provides assistance to many leading global corporations on their most complex and significant employment law disputes. We represent the world's major financial services firms, retailers and high-tech companies. Our team has handled numerous high-exposure class and individual actions, and it also handles more Sarbanes-Oxley Act of 2002 whistleblower cases before the U.S. Department of Labor and in the federal courts than any other firm. These include several high-profile matters in the pharmaceutical and financial services industries. A number of the group's partners are recognized as leading practitioners by independent publications and surveys of clients and other practitioners.

Our work in 2007 included the representation of:

Sallie Mae
United States

Sallie Mae in obtaining the dismissal of a Sarbanes-Oxley whistleblower complaint filed by a former Sallie Mae employee with the United States Department of Labor, alleging that Sallie Mae terminated his employment because he had been providing information to various federal and state regulators who were investigating Sallie Mae's lending practices. During the course of discovery in the proceeding before an Administrative Law Judge, Orrick established that the plaintiff destroyed crucial electronic evidence relating to his contact with government regulators and repeatedly refused to disclose other information regarding his contacts with government agencies. Orrick moved to dismiss the case based on the plaintiff's spoliation of evidence and repeated failures to comply with orders to disclose information. The Administrative Law Judge granted the motion in its entirety and dismissed the case with prejudice.

Wyeth in a Sarbanes-Oxley claim filed by a former employee who alleged retaliation and unlawful termination. The court dismissed the case on the grounds that the alleged complaints did not constitute “protected activity” under Sarbanes-Oxley. The plaintiff claimed that his complaints regarding Wyeth’s alleged failure to comply with the U.S. Food and Drug Administration regulations pertaining to the manufacture of vaccines constituted protected activity under the whistleblower provision of the Sarbanes-Oxley Act (SOX) and that Wyeth had violated SOX by terminating his employment for allegedly making these complaints.

Wyeth
United States

New Cingular Wireless Services, Inc. in defeating class certification in *Shiloh v. New Cingular Wireless Services*, a purported California wage-and-hour class action in which the plaintiffs sought to represent all non-exempt employees who worked in California at call centers operated by the former AT&T Wireless. Plaintiffs alleged that they and the proposed class members were required to work off the clock by logging onto their computers and telephone systems before the start of their shifts. In denying plaintiffs’ motion for class certification, the court found that the plaintiffs were inadequate class representatives and there were no common questions of law or fact.

New Cingular Wireless Services, Inc.
United States

The Securities Industry and Financial Markets Association in preparing the amicus brief in *Rosenberg v. MetLife*, a decision in which the New York Court of Appeals held that statements made by an employer on the National Association of Securities Dealer’s (NASD) Form U-5 termination notice are subject to an absolute privilege in a defamation lawsuit. The court held that the Form U-5’s compulsory nature and its role in the NASD’s qualified-judicial process, together with the protection of public interests, justified the application of absolute privilege.

SIFMA
United States

A global health care company in two of the numerous wage-and-hour class actions filed against the pharmaceutical industry challenging the classification of pharmaceutical sales representatives as exempt from the overtime provisions of the Fair Labor Standards Act and state wage and hour law. In the action filed in California, Orrick won summary judgment based on the outside sales exemption. The action is now on appeal to the Ninth Circuit. In the action pending in federal court in New Jersey, the parties are engaged in pre-certification discovery.

Global Health Care Company
United States

Longs Drug Stores in a complete defense verdict following trial in a California class action lawsuit involving more than 77,000 class members. The certified class action in San Diego County Superior Court asserted that Longs’ application for employment violated Section 432.8 of the California Labor Code. Section 432.8 prohibits California employers from asking applicants for employment about certain marijuana-related misdemeanors that are more than two years old.

Longs Drug Stores
United States

Orrick successfully argued that Section 432.8 does not apply to Longs because, as a registered dispenser of controlled substances, Longs is required by federal law to obey the directives of the Controlled Substances Act and the United States Drug Enforcement Administration. Longs also became bound by the Combat Methamphetamine Epidemic Act, which was enacted by Congress as the lawsuit was pending.

Gap Inc.
United States

Gap Inc. in a case that tested the limits of New York Labor Law sections 198-b and 193. The U.S. District Court for the Northern District of California rejected a putative class plaintiff's arguments that her employer, Gap, demanded illegal kickbacks or made unlawful wage deductions by requiring that the plaintiff purchase Gap's clothing to wear at work. The court dismissed the plaintiff's claims with prejudice, finding no decision "that would warrant extending New York's labor laws to cover the facts" as alleged.

INTERNATIONAL DISPUTE RESOLUTION

Orrick's International Dispute Resolution Group handles litigation matters in numerous jurisdictions and uses a wide range of alternative dispute resolution mechanisms to resolve disputes by consensual rules outside public judicial forums, including arbitration, mediation, conciliation and minitrials. Our dispute resolution lawyers have extensive experience representing clients before major arbitration tribunals throughout the world.

Our work in 2007 included the representation of:

**Telenor Mobile
Communications AS**
United Kingdom
United States

Norway-based Telenor Mobile Communications AS in an important victory in a New York arbitration against Alfa Group subsidiary Storm, LLC. The New York arbitration concerned Storm's violations of a Shareholders Agreement relating to the parties' joint investment in Kyivstar GSM, the largest mobile operator in Ukraine. Among other relief obtained by Telenor, the arbitration tribunal ordered Alfa to sell its Kyivstar shares within 120 days to an unaffiliated entity or divest itself of its holdings above 5 percent in Turkcell and Ukrainian High Technologies, competing Ukrainian wireless operators. While Storm and Alfa Group are expected to continue fighting for control of Kyivstar, the ruling represented a major step forward in the resolution of this bet-the-company dispute in Telenor's favor.

WHITE COLLAR CRIMINAL DEFENSE AND CORPORATE INVESTIGATIONS

Orrick's White Collar Criminal Defense and Corporate Investigations Group boasts many respected criminal defense lawyers, including 12 former Assistant United States Attorneys. Our lawyers are highly regarded among a global client base for our sophisticated handling of high-profile white collar cases and complex regulatory matters covering a broad range of issues, including antitrust, bank fraud, tax fraud, securities fraud, insider trading, corruption, racketeering and government contract fraud.

Our work in 2007 included:

Stock Option Backdating
United States

Representing several former executives and in-house counsel as witnesses and persons of interest in U.S. government investigations and trials relating to stock option backdating.

Foreign Corrupt Practices Act
United States

Conducting an internal investigation into possible Foreign Corrupt Practices Act violations on behalf of the audit committee of a U.S.-based telecommunications and networking company with operations worldwide.

Conducting internal investigations on behalf of Audit or Special Committees of the Boards of Directors of multiple public companies.

Internal Investigations
United States

Assisting more than 60 local and international companies to prepare compliance programs to help avoid potential direct liability of corporate entities for crimes committed by directors, executives and subordinates.

Legislative Decree no. 231/01
Italy

Representing executives and employees of a Fortune 100 pharmaceutical company in connection with a U.S. Department of Justice investigation of off-label marketing practices.

Global Health Care Company
United States

Representing a major audit firm in investigations and an enforcement procedure before the Commission des Sanctions de l'Autorité des Marchés Financiers.

Confidential
France

When a client is facing a politically charged situation or high-profile crisis on a local, national or global scale, Orrick's Legal Strategic and Crisis Management Group acts quickly to establish the client's credibility and preserve a company's brand, reputation and business relationships. Likewise, when a client has a strategic objective that has public or political implications, Orrick's uniquely skilled practice develops an integrated, strategic approach. We custom-design solutions that fit our clients' goals, whether it means taking a legal, public policy or public relations approach or, frequently, managing all three. Our team brings together a wealth of knowledge and experience in three areas necessary for quiet and effective strategic counseling or full-blown crisis management: political, government relations and public affairs expertise; communications and issues campaigns; and litigation and investigations. We have worked with clients in nearly every industry and on all manner of crisis and high-stakes issues, from allegations of accounting fraud to intellectual property claims to product liability disputes to immigration.

LEGAL STRATEGIC AND CRISIS MANAGEMENT

Our work in 2007 included:

Representation of the Cherokee Nation in federal district court and appellate litigation concerning its sovereign immunity and citizenship, and on related media and congressional scrutiny.

Native American Tribe
United States

Representation of the NFL Players Association regarding litigation and congressional inquiry into player pension plans, as well as on related media coverage.

Professional Sport Players' Union
United States

Representation of a nursing-home investment fund in an investigation by a congressional committee.

Investment Firm
United States

Representation of a student loan corporation before an investigating congressional committee.

Student Loan Institution
United States

Advising a company facing litigation and congressional and media scrutiny over allegations concerning mistreatment of temporary workers and related immigration issues.

Confidential
United States

BUSINESS TRANSACTIONS

TRANSACTIONAL PRACTICES

Structured Finance

Mergers and Acquisitions

Capital Markets

Public Finance

Compensation and Benefits

Emerging Companies

Outsourcing and
Technology Transactions

Energy and Project Finance

Creditors' Rights and Bankruptcy

Real Estate

Banking and Finance

Tax

Orrick's Structured Finance Group is consistently ranked among the top international law firms in the representation of issuers and underwriters in offerings of asset-backed and mortgage-backed securities. Our Structured Finance Group consists of more than 110 lawyers located across the United States, Europe and Asia. They have played a significant role in the global asset securitization market, beginning in 1977 when we represented Bank of America in the first public offering of non-agency mortgage pass-through certificates. In 2007, we advised clients on more than 375 financings throughout the world with an aggregate value of US\$250 billion.

Our work in 2007 included the representation of:

Kazakhstani mortgage company BTA Ipoteka on the first publicly rated RMBS transaction from Kazakhstan. The US\$141.4 million transaction is backed by receivables from 10,274 mortgage loans originated by BTA Ipoteka, with 52 percent of the properties located in the capital Almaty.

BTA Ipoteka
Kazakhstan
United Kingdom

Calyon in relation to the €150 million deconsolidation securitization of Aubert & Duval's (Groupe Eramet) trade receivables portfolio.

Calyon
France

CompuCredit Corporation and Banc of America Securities Ltd. on both the acquisition and financing of a portfolio of credit card receivables from Barclaycard, a division of Barclays Bank PLC. CompuCredit purchased US\$970 million of Monument Credit Card receivables from Barclaycard, with a substantial portion of funding from Banc of America Securities.

CompuCredit Corporation
Banc of America Securities Ltd.
United Kingdom
United States

The Korea Development Bank as credit facility provider in the ¥40 billion future-flow securitisation of passenger ticket receivables from Korean Air Lines. The transaction is the largest future-flow Asian securitisation to date. The floating rate notes issued are supported by an unconditional and irrevocable credit facility from The Korea Development Bank. The transaction was completed in less than four months and utilized an innovative structure to mitigate Japanese taxation issues.

The Korea Development Bank
Japan

Deutsche Bank in establishing NewLands Financial, the first European Credit Derivative Product Company and the fourth in the world, capitalized at more than US\$500 million and, over time, is expected to have in excess of US\$30 billion notional exposure to the credit default swap market.

Deutsche Bank
United Kingdom
United States

Dresdner Bank AG, London branch, in a €230,050,000 securitization of receivables owed by health enterprises of the Region of Campania to a primary Italian factoring company, which purchased them from suppliers of goods and services to health enterprises. Orrick also advised Justine Capital S.r.l., as issuer, of the partly paid notes and Dresdner Bank AG, London branch, as arranger and sole bookrunner.

Dresdner Bank AG, London Branch
Justine Capital S.r.l.
Italy

RCI Banque in connection with the securitizations of two separate portfolios of auto loans totaling €2.38 billion.

RCI Banque
France

Residential Funding Company on numerous securitizations, including advising the depositor, issuer and master servicer on RALI Series 2007-QS Trusts (1-11), Series 2007-QO Trusts (1-5), RALI Series 2007-QA Trusts (1-5) and Series 2007-QH (1-9) totaling approximately US\$16 billion in mortgage asset-backed pass-through certificates.

Residential Funding Company LLC
United States

STRUCTURED FINANCE

**Société Générale
ICCREA Banca S.p.A.**
Italy

Société Générale and ICCREA Banca S.p.A. as joint arrangers of a CBO transaction involving the transfer of a portfolio of claims arising out of debt securities issued by 97 banche di credito cooperativo. The claims were initially purchased by ICCREA Banca S.p.A. and then sold by ICCREA Banca S.p.A. to an Italian law special purpose vehicle named Credico Funding 3 S.r.l. To finance the purchase of the claims, Credico Funding 3 S.r.l. issued six classes of rated asset-backed floating rate notes for an amount equal to €1,188,300,000 (Classes A1, A2 and B-E), which have been listed on the Irish Stock Exchange, and a Class of Junior Notes, for an amount equal to €34,200,000.

Standard Chartered Bank
Hong Kong

Standard Chartered Bank in the largest securitisation transaction in Asia to date. The transaction involved the US\$1.29 billion securitisation of a portfolio of residential mortgage loans originated by Standard Chartered First Bank Korea and received a 2007 “Deal of the Year” award from *Asian-Counsel*.

MERGERS AND ACQUISITIONS

Orrick’s Mergers and Acquisitions Group advised on numerous complex M&A transactions in 2007, including several cross-border transactions. These included transactions between the United States and Asia, Europe and the United States, and Asia and Europe. Highlights included advising the Taiwan-based, world’s No. 3 branded personal computer (PC) and No. 2 branded notebook vendor in its acquisitions of one of the world’s top 10 PC companies based in the United States and one of the leading PC vendors in Europe.

Our work in 2007 included the representation of:

Acer Inc.
France
Taiwan
United States

Acer Inc., one of the world’s leading branded personal computer (“PC”) and notebook vendors, in its US\$710 million acquisition of NYSE-listed Gateway, Inc., one of the world’s top 10 PC companies, and its acquisition of Packard Bell BV, a leading European PC vendor. Orrick’s advice also included assisting Acer in the merger control procedure in its acquisition of Packard Bell BV. The acquisitions solidify Taiwan-based Acer’s position as the world’s No. 3 branded PC and No. 2 branded notebook vendor, with more than US\$15 billion in revenues. *The Wall Street Journal* noted that the Acer acquisition of Gateway “marks a new stage in one of the PC industry’s biggest turnaround stories.”

Eastman Kodak Company
China
United States

Eastman Kodak Company and its China subsidiaries in their divestment from China’s largest listed photo film manufacturing company, Lucky Film Company Limited. Orrick advised Kodak on a broad range of securities and M&A issues and assisted in the preparation of termination and amendment agreements for more than 30 contractual arrangements. This divestiture was regarded as one of the most complicated transactions in China in 2007.

Coca-Cola Hellenic Bottling Company S.A.
Greece
Russia

Coca-Cola Hellenic Bottling Company S.A., the largest Coca-Cola bottler in Europe and the second largest in the world, in its €191.5 million (US\$280.7 million) acquisition of Aqua Vision, a Russian limited liability company that constructed the largest soft drink production facility in Russia.

Edmond de Rothschild Capital Partners Fund in the acquisition of a shareholding in BHP Group.	Edmond de Rothschild Capital Partners Fund France
Corgi International Limited, a NASDAQ-listed Hong Kong company with principal offices in the United Kingdom and California. Orrick represented Master Replicas Inc., a California-based leader in developing and marketing movie prop replicas and high-end pop culture collectibles, in the global combination of three companies: Master Replicas, Corgi and U.K.-based Cards Inc. Orrick represented Corgi in a number of transactions including cross-border financings with Burdale Financial Limited, Coface and the Synergy Group, the spin-off of Corgi Classics to U.K.-based Hornby Hobbies Ltd. and the Corgi spin-off of the Zindart Manufacturing facility in China.	Corgi International Limited China Hong Kong United Kingdom United States
Buongiorno S.p.A., a leading multinational operating in the market of digital entertainment, in the acquisition of 100 percent of the shares of Flytxt Limited, a leading mobile marketing and advertising company with businesses in the United Kingdom and the United States, through the Dutch-controlled company Buongiorno Marketing Services Netherland B.V. Orrick represented Buongiorno on U.K. and U.S. due diligence activities, as well as negotiation and drafting of the share purchase agreement. We also advised in the negotiation of a spin-off agreement for a going concern of Flytxt before the share transfer.	Buongiorno S.p.A. Italy
Eiffaime (the holding company of the management of Eiffage, a listed French construction and transport concessions group) in its defense against a failed hostile takeover attempt by Spain-based Sacyr Vallehermoso.	Eiffaime France
La Financière Jeulin, a holding company held 81 percent by the Jeulin family and 19 percent by the Amber Fund, in the framework of Fininfo's €218 million (US\$320 million) sale (after its withdrawal from Euronext's Eurolist) of its financial information business to the Swiss group Telekurs, allowing Financière Jeulin to retain the Fininfo group's inter-company insight business.	La Financière Jeulin France
NovAtel Inc., a Canada-based, NASDAQ-listed leading provider of precision global navigation satellite system components and subsystems, in its US\$431 million acquisition by Hexagon AB, a listed Swedish provider of engineering technology products and services.	NovAtel Inc. Canada United States
The majority shareholders of EC&O Venues in the sale of a 50 percent interest in London's Earls Court and Olympia exhibition center to Liberty International Plc, a U.K. FTSE-100 listed property company. The deal values the business at approximately £400 million (US\$824 million).	Majority Shareholders of EC&O Venues United Kingdom
Toyota Tsusho Corporation, a trading arm of the Toyota group, and Sojitz Corporation, a Japanese trading corporation, in separate sales of their equity interests in Arysta LifeScience Corporation. Toyota Tsusho sold its more than 40 percent equity stake to a group of investors led by Olympus Capital. Sojitz sold its 26 percent stake to LB Star Investment, a securities holding company and representative of Lehman Brothers Japan.	Toyota Tsusho Corporation Sojitz Corporation Japan
SPX Corporation, a U.S.-based Fortune 500 multi-industry manufacturing leader, in its acquisition of the European Automotive Diagnostics Division (located in Pontoise, France) of U.S.-based Johnson Controls Inc.	SPX Corporation France

CAPITAL MARKETS

In 2007, Orrick's Capital Markets lawyers structured sophisticated transactions that allowed companies to achieve their strategic business and financial objectives. Our broad experience includes private placements, initial public offerings, investment-grade and high-yield debt offerings, and structured finance transactions. The breadth and depth of our lawyers' knowledge enable us to manage effectively the capital markets process for clients around the world.

Our work in 2007 included the representation of:

ANTA Sports Products Limited
Hong Kong

ANTA Sports Products Limited, as Hong Kong and U.S. counsel, in its HK\$3.64 billion (US\$467 million) initial public offering on the Main Board of the Hong Kong Stock Exchange. Jinjiang, Fujian-based ANTA sold 600 million new shares, a 25 percent stake, valuing the company at US\$1.6 billion. The IPO was 183 times oversubscribed.

**Banc of America Securities
Greenwich Capital**
United States

Banc of America Securities and Greenwich Capital, the underwriters, in connection with Residential Capital's US\$1 billion floating rate notes offering and US\$1.25 billion fixed rate notes offering.

BNP Paribas, Citi, HSBC and Deutsche Bank
United States

BNP Paribas, Citi, HSBC and Deutsche Bank, the underwriters, in connection with Residential Capital's European notes offering which included a €600 million floating rate note offering and a £400 million fixed rate notes offering.

GCL-Poly Energy Holdings Limited
Hong Kong

GCL-Poly Energy Holdings Limited in its HK\$1.18 billion (US\$151 million) IPO on the Main Board of the Hong Kong Stock Exchange. The retail tranche of the IPO was 904 times oversubscribed.

Great River Energy
United States

Great River Energy in connection with a US\$1.3 billion 144A capital markets offering. The offering occurred as part of Great River Energy's US\$1 billion buyout of its participation in USDA Rural Utilities Service loan and guarantee programs. The offering was the largest capital markets offering and the largest RUS buyout by a generation and transmission cooperative. The transaction was the first of its kind to occur since 1992.

**Renault
EADS**
France

Renault and the European Aeronautic Defence and Space Company (EADS) in an update of their €7 billion and €3 billion Euro Medium Term Notes programs. Orrick also advised Renault in a related bond emission for €500 million.

Tennessee Valley Authority
United States

The Tennessee Valley Authority in connection with a US\$1 billion issuance of 5.50 percent Global Power Bonds due July 18, 2017. The bonds, which were listed on the New York Stock Exchange and the Luxembourg Stock Exchange, can be stripped into their interest and principal components at the request of a bondholder. Thereafter, the separate strips can trade independently. At a further request of a bondholder, the strips can later be recombined.

Cazenove Asia Limited
Hong Kong

Cazenove Asia Limited, the sole global coordinator, bookrunner, sponsor and lead manager in the IPO of DaChan Food (Asia) Limited on the Main Board of the Hong Kong Stock Exchange. The company, composed of Great Wall Enterprise Co., Ltd., a Taiwan-based public company and its spin-off, raised HK\$899 million (US\$116 million) in the IPO.

Orrick consistently ranks as the top public finance firm in the United States. Our public finance clients include municipal issuers, nonprofit corporations, Indian tribes, underwriters, private borrowers, project developers, credit providers, investment providers, swap/derivative product providers and others, in both primary and secondary market transactions. During 2007, Orrick was involved in nearly 16 percent of all municipal debt obligations issued in the United States, having served as bond counsel on 443 issues aggregating more than US\$50 billion and as underwriters' counsel on 167 transactions aggregating more than US\$21 billion. In 2007, *Bond Buyer* and Thomson Reuters ranked Orrick as No. 1 bond counsel, disclosure counsel and underwriter's counsel in the United States in the area of municipal bonds.

Our work in 2007 included the representation of:

The Buffalo Thunder Development Authority, a business enterprise of the Pueblo of Pojoaque, a federally recognized Indian tribe, acting as issuer's counsel. The Authority first issued US\$245 million of its senior secured notes in a high-yield debt offering under Rule 144A and followed shortly thereafter with a US\$40 million equipment financing. The tribe and the Authority, in partnership with Hilton Hotels, are developing a destination resort that will include a casino, hotel, spa and conference facilities on the tribe's lands near Santa Fe, New Mexico. The Authority was created as a special purpose entity to bring together and leverage the Pueblo's various business assets for purposes of the resort financing.

Merrill Lynch & Co., Inc. in connection with the issuance by The Central Puget Sound Regional Transit Authority (Sound Transit) of US\$450 million of its fixed-rate bonds. Founded in the early 1990s, Sound Transit plans, builds and operates the regional transit systems and services in the Central Puget Sound region including the cities of Seattle, Tacoma, Bellevue and Everett, Washington. Proceeds of the Sound Transit's Series 2007A Bonds will be used to finance a variety of projects, including transit and road improvements and expansion of the Sound Transit's bus, commuter rail and light-rail systems.

The District of Columbia as bond counsel in the sale of US\$827 million in general obligation bonds—the largest debt offering by the District. The transaction consisted of US\$576 million general obligation bonds to finance new capital projects and US\$251 million general obligation refunding bonds to refinance debt originally issued in 2001, 2003 and 2005. The refinancing will save the District US\$9.2 million on interest payments.

California Infrastructure and Economic Development Bank in connection with the issuance of more than US\$77 million of its Refunding Revenue Bonds on behalf of The American Center for Wine, Food & the Arts (COPIA). Founded in 1989 by Robert and Margrit Mondavi, COPIA is a cultural and educational institution dedicated to exploring and celebrating the role of food and wine in American life, arts and culture. COPIA's facility in Napa Valley, California includes exhibition galleries, a theater, a demonstration kitchen, a classroom, a retail store and two restaurants.

PUBLIC FINANCE

Buffalo Thunder Development Authority
United States

Merrill Lynch & Co., Inc.
United States

District of Columbia
United States

**California Infrastructure and Economic
Development Bank**
United States

**California Statewide Communities
Development Authority**
United States

The California Statewide Communities Development Authority, as bond counsel, in the private placement of approximately US\$161 million in bonds to finance the EnerTech Regional Biosolids Project. EnerTech is a renewable energy company founded in 1992 to research and develop clean combustion technologies for high moisture wastes. EnerTech's primary product is the SlurryCarb™ process, which converts sewage sludge (also known as biosolids) generated by wastewater treatment plants and municipalities into a useful renewable fuel product.

Richmond Joint Powers Financing Authority
United States

The Richmond Joint Powers Financing Authority as bond and disclosure counsel in connection with the issuance of US\$101,420,000 of its Lease Revenue Bonds (Refunding and Civic Center Project), Series 2007, the proceeds of which will be used to finance the first phase of the complete reconstruction and rehabilitation of the historic civic center complex in Richmond, California.

Salt River Pima-Maricopa Indian Community
United States

The Salt River Pima-Maricopa Indian Community, a federally recognized Indian tribe, as bond counsel and issuer's counsel in a financing that combined tax-exempt bonds with a taxable syndicated credit facility. The bonds were used to finance a variety of governmental projects, including tribal schools, a new administration complex, police and fire facilities, and basic infrastructure. A portion of the bank facility was used to provide a letter of credit for the bonds and the remainder is being used to finance construction of a large-scale casino resort on the tribe's reservation near Scottsdale, Arizona. The financing was structured as a revenue obligation secured by a senior lien and pledge of the tribe's gaming and resort revenues without recourse to the general fund or other tribal assets.

COMPENSATION AND BENEFITS

Orrick's Compensation and Benefits Group has earned a global reputation for being a destination for innovative and comprehensive compensation and benefits solutions. Our approach is interdisciplinary and addresses all of the relevant international, federal law, state law, tax, ERISA, corporate, SEC and accounting issues of each matter. Our clients include Fortune 100 corporations, financial institutions, start-ups, tax-exempt entities, and founders and executives who are industry leaders in technology, biotechnology, communications, energy, media and entertainment, and financial services. We also advise several of the largest public sector retirement systems in the United States, the largest U.S. investment manager of non-mutual funds and most major investment banks.

Our work in 2007 included the representation of:

SINA Corporation
China
United States

SINA Corporation, a NASDAQ-listed, China-based Internet company with operations in Beijing, Guangzhou, Hong Kong, Shanghai, Silicon Valley and Taipei, in the design, drafting and implementation of a global equity plan.

Gap Inc.
United States

Gap Inc., a leading international specialty retailer, in connection with the employment of its chief executive officer. Orrick handled the negotiations, drafting and technical aspects of the chief executive officer's employment agreement and advised on related SEC disclosure.

Halliburton Company, one of the world's largest providers of products and services to the energy industry, on all aspects of its global equity program.

Halliburton Company
United States

KB Home, one of the largest home builders in the United States, in connection with the employment of its chief executive officer. Orrick handled the design, negotiations and implementation of the chief executive officer's employment agreement and advised on related disclosure and corporate governance issues.

KB Home
United States

Our Emerging Companies Group represents more than 600 emerging growth companies worldwide and the venture capital and private equity firms that support them. We represent these companies throughout their entire lifecycle, from inception to exit and beyond. We focus much of our work on incorporation, venture financings, technology transactions and mergers and acquisitions.

EMERGING COMPANIES

Our work in 2007 included the representation of:

Advent Solar, Inc. in its US\$73 million Series D financing. Investors included @Ventures, Battery Ventures, Globespan Capital Partners and others. This financing was the third-largest financing in Q2 2007, according to VentureSource.

Advent Solar, Inc.
United States

GSR Ventures, a China-based venture capital firm, in its US\$6.86 million Series A investment in Sierra Solar Power, Inc., a California-based solar company.

GSR Ventures
China
United States

IPWireless, Inc., a leading supplier of TD-CDMA network equipment and subscriber terminals, in its US\$235 million acquisition by NextWave Wireless Inc., a provider of mobile broadband products and technologies to enable Wireless 2.0.

IPWireless, Inc.
United States

Lightspeed Venture Partners in its US\$10 million Series B financing in 4Interactive, the parent company of Web site AskLaila.com, a search engine and review site for entertainment and services based in Bangalore, India.

Lightspeed Venture Partners
United States

Medstory Inc., a vertical search engine for health information, in its acquisition by Microsoft Corporation.

Medstory Inc.
United States

RockYou, Inc. in its US\$11 million Series B financing led by Partech International, Sequoia Capital and Lightspeed Venture Partners. RockYou is a leading innovator, creator and distributor of widgets and applications on the social web.

RockYou, Inc.
United States

Trion World Network in its US\$30 million Series B financing. Investors included venture capital firms Trinity Ventures, Doll Capital Management and Rustic Canyon Partners, and strategic investors Time Warner Investments, NBC Universal and Bertelsmann Digital Media Investments (BDMI).

Trion World Network
United States

OUTSOURCING AND TECHNOLOGY TRANSACTIONS

Negotiating outsourcing and technology transactions is a complex process and often involves the most important functions within business, such as information technology, telecommunications, customer service and human resources. Orrick represents some of the world's leading consulting firms in their negotiations with multinational companies to outsource critical functions. We also advise emerging companies on key agreements to develop, license, test, market, distribute, co-brand, acquire and divest technology.

Our work in 2007 included the representation of:

Capgemini
United States

Capgemini, a leading global information technology consulting services provider, in connection with the renegotiation of contract documentation of a multiphase implementation of SAP business software for GATX Corporation, one of the largest railcar and aircraft leasing specialists in the world.

Citigroup, Inc.
United States

Citigroup, Inc. in connection with the drafting and negotiation of new agreements with Accenture, Cognizant, Covansys, HCL, IBM, i-flex solutions, Infosys, Larsen & Toubro, Polaris, Satyam Computer Services, Tata and Wipro to receive worldwide information technology and outsourcing services.

KPMG LLP
United States

KPMG, a leading global audit, tax and advisory firm, in connection with the drafting and negotiation of contract documentation to receive outsourced audit and facilities management services.

PricewaterhouseCoopers LLP
United States

PricewaterhouseCoopers, a leading global audit, tax and advisory firm, in connection with the drafting of contract documentation to receive outsourced data center services.

ENERGY AND PROJECT FINANCE

In 2007, Orrick's global Energy and Project Finance Group advised clients on a variety of outstanding matters, ranging from "firsts" in the PPP infrastructure sector, to renewable and other power projects, to oil and gas, as well as other areas of the global infrastructure sector. Our clients represent the world's leaders in every segment of the industry, including developers, sponsors, lenders, municipalities and utilities. The group regularly advises clients in all manner of financings including, for example, project financings, asset acquisitions and dispositions, restructurings and equipment procurement.

Our work in 2007 included the representation of:

Babcock & Brown
United States

Babcock & Brown, in collaboration with its development partner BP Wind Energy North America, Inc., in two term financings for the Cedar Creek wind energy project, a 300 MW facility located in Colorado. BP Wind, four institutional investors and Babcock & Brown Wind Partners, one of the infrastructure funds managed by Babcock & Brown, invested in the project, which began commercial operation in late 2007.

Chevron in California Public Utilities Commission proceedings involving the public utility status of a heated crude oil pipeline.

Chevron Corporation
United States

NovEnergia II Fund, a European company created to support the development of new energy sources around the world, in reviewing several possible investments in wind farms and photovoltaic plants in Italy.

NovEnergia II Fund
Italy

Orrick assisted with the due diligence, negotiations and drafting of agreements for the purchase of wind farms in Puglia, Calabria and Sicily, and the due diligence and acquisition agreements for several photovoltaic projects in the south of Italy.

Transurban Group and Fluor Enterprises, as project developers and investors, in the development, financing and construction of the Capital Beltway High Occupancy Toll (HOT) Lane project in Virginia. Capital Beltway is a landmark transaction and includes the first project involving the use of tax-exempt private activity bond financing for a transportation facility in the United States; the first managed tolling system in the United States that will employ a dynamic pricing system that reflects real-time changes in levels of congestion; physically segregated HOT lanes and choices for consumers; and the second greenfield toll road project in the United States in the last 10 years that includes a private equity component. The financing closed in December 2007 despite substantial turmoil in the credit markets.

Transurban Group
Fluor Enterprises
Australia
United States

Orrick's Creditors' Rights & Bankruptcy Group represents significant creditors, court-appointed fiduciaries and other parties in interest in a variety of insolvency-related matters, including bankruptcy litigation, distressed mergers and acquisitions, and cross-border transactions. We are recognized leaders in bringing common sense judgment to preserve and create value for our clients, including developing strategies for implementing state-of-the-art reorganization plans. In 2007, we continued to advise clients and craft innovative solutions for the bankruptcy and commercial law issues that arise in mass tort cases and the energy sector, as well as public, project and structured finance.

CREDITORS' RIGHTS AND BANKRUPTCY

Our work in 2007 included the representation of:

Cooper Industries, Ltd., in the Chapter 11 case of Federal-Mogul pending in federal court in Delaware. Cooper, with the counsel of Orrick, negotiated a plan of reorganization with Federal-Mogul and the various asbestos constituencies pursuant to which Cooper would receive either protection from present and future asbestos claims by contributing funds to a court-approved asbestos trust or would receive US\$138 million in settlement of its claims against Federal-Mogul. The plan was opposed by various insurers and others and resulted in a six-day contested confirmation hearing. The plan was confirmed by the court in November 2007.

Cooper Industries, Ltd.
United States

Catskill Litigation Trust United States	The Catskill Litigation Trust in an action in the U.S. District Court for the Northern District of New York, to enforce a US\$2.8 billion judgment issued by the St. Regis Mohawk Tribal Court against Harrah's, the world's largest casino operator, which is attempting to complete a leveraged buyout. The Trust is the assignee of the claims of the 12,000 members of the St. Regis Mohawk Tribe, based on interference by Harrah's with the Tribe's plan to build a casino in the Catskills.
Equity Committee United States	An official equity committee in five companion Chapter 11 cases in Las Vegas. The committee represented the interests of approximately 1,300 Diversified Fund investors, with a cumulative investment in excess of US\$150 million. Since the March 2007 effective date of the joint plan of reorganization, Orrick has represented the restructured Diversified Fund in its efforts to collect on real estate loans funded by Diversified and in recovering assets for the benefit of the Fund. During the first year of what will likely be a multi-year campaign to collect the troubled loans, Orrick: (i) collected US\$9 million in settlement proceeds of an avoidance action; (ii) successfully prosecuted five involuntary bankruptcy cases in Las Vegas; (iii) eliminated a collusive federal court receivership in Riverside, California; (iv) commenced a real property judicial foreclosure action in Connecticut; (v) negotiated for loan restructures and workouts with borrowers in Nevada, Arizona, Connecticut and California; and (vi) continued with multifaceted litigation efforts in the Las Vegas Bankruptcy Court.
The Legal Representative for Future Claimants United States	The legal representative for future claimants in connection with the Chapter 11 proceedings of Congoleum Corporation, a flooring manufacturer, and its affiliates. Orrick is actively involved in all aspects of the complex and extremely litigious case, including plan confirmation issues, valuation issues and insurance coverage matters.
Residential Mortgage Lenders United States	One of the largest residential mortgage lenders in the United States regarding the acquisition of assets of American Home Mortgage out of Chapter 11 bankruptcy in Delaware, the assets of First Magnus out of Chapter 11 in Tucson, Arizona, and as a creditor in the Chapter 11 case of Aegis Mortgage Corporation in Texas. Orrick also advised a major investment bank in connection with the bankruptcy proceedings of subprime mortgage originators Ownit, ResMae and American Home Mortgage. Our client is one of the largest creditors in the Ownit and ResMae cases, holding claims in excess of US\$500 million.
The Legal Representative for Future Claimants United States	The legal representative for future claimants in connection with the Chapter 11 case of WR Grace, pending in federal bankruptcy court in Delaware. Orrick sought termination of the debtors' exclusive right to file a plan of reorganization and recently filed a competing plan for consideration by the United States Bankruptcy Court. Additionally, Orrick has taken a lead role in the bankruptcy court's contested estimation proceeding to determine the present and future aggregate asbestos bodily injury liability of the debtors. The Orrick team includes lawyers with experience in bankruptcy, litigation, tax, environmental law and white collar defense.

The SWE&C Liquidating Trust (which was formed upon the confirmation of the Stone & Webster Incorporated joint plan of liquidation involving 73 entities, having claims asserted against it in excess of US\$6 billion), on insurance recovery matters against numerous insurance carriers (including Lloyd's) and claims against the Saudi Arabian Oil Company and the Saudi American Bank.

SWE&C Liquidating Trust
United States

Orrick's Global Real Estate Group completed an unprecedented year in 2007, closing more than US\$50 billion in financings, acquisitions and dispositions in the United States, Asia and Europe. Highlights for the year included advising MacFarlane Partners on its most significant transaction to date, RREEF on the largest transaction Orrick has handled to date for RREEF, Cisco on its sale of land to the Oakland Athletics (A's) to build a new state-of-the-art baseball-only stadium, and Morgan Stanley on more than 100 transactions in Japan.

REAL ESTATE

Our work in 2007 included the representation of:

Westbrook Partners, a real estate opportunity fund manager investing on behalf of its funds in the United States, Europe and Asia, on multiple transactions in 2007 totaling in excess of US\$1 billion, including acquisitions, joint ventures, financings and refinancings for hotel, office, retail, residential and development land properties located in California, Hawaii, Oregon, Washington, France and Japan.

Westbrook Partners
France
Japan
United States

Capital Shopping Centres PLC (CSC) on the active management, redevelopment and extension of a portfolio of 13 major shopping centres across the United Kingdom. Highlights for 2007 include: negotiating and settling the terms of the development agreement and new head lease for the proposed redevelopment of the Westgate Centre Oxford; the negotiation and exchange of the agreement with John Lewis Partnership for the new anchor department store at Westgate Centre Oxford; completing the phase three head lease at Eldon Square, Newcastle, enabling commencement of a £170 million (US\$333 million) redevelopment and extension of the centre; and advising in 90 lettings/tenancy changes throughout the year in their existing centres.

Capital Shopping Centres PLC
United Kingdom

MacFarlane Partners in its largest transaction to date—a US\$10 billion joint venture development project with Morgan Stanley and JBG Companies. MacFarlane Partners, a real estate investment management firm focusing on urban development and other high-yield assets, JBG Companies, one of the most active real estate developers in Washington, D.C., and a fund managed by Morgan Stanley formed a joint venture investment vehicle to develop and redevelop a portfolio of institutional-quality properties located in the District of Columbia, Maryland and Virginia. The 93 development properties on 42 separate sites include residential, office, retail and hotel properties, 60 percent of which are located near a Metro stop. This transaction received the 2007 "Land Deal of the Year" award from the *Washington, D.C. Business Journal*.

MacFarlane Partners
United States

RREEF America LLC United States	RREEF America LLC, a real estate advisory firm owned by Deutsche Bank AG, on more than US\$8 billion in transactions in 2007, including advising RREEF America REIT III through a joint venture with Sand Hill Properties in the acquisition and redevelopment of Sunnyvale Town Center, a more than 1 million square foot, mixed-use project in Sunnyvale, California. The project will include 970,000 square feet of retail space, including anchor tenants, Macy's and Target, 292 residential units, 40,000 square feet of office space, an underground parking garage and a 200 room hotel. The project includes demolishing the existing mall, except for the Macy's and Target buildings, and rebuilding the entire mall. This transaction received the 2007 "Redevelopment/Public Project of the Year" award from the <i>Silicon Valley Business Journal</i> .
Cisco Technology, Inc. United States	Cisco Technology, Inc., a subsidiary of Cisco Systems, Inc., the worldwide leader in networking for the Internet, in connection with its sale of a 152 acre parcel of land in Fremont, California to the Oakland Athletics (A's) baseball team. The land is intended to become the future site of Cisco Field, the A's new state-of-the-art baseball-only stadium and a surrounding baseball village development, which will include residential housing, restaurants and retail shops. The A's intend to partner with Cisco to build the world's most technologically sophisticated baseball park. This transaction received the 2007 "Land Deal of the Year" award from the <i>San Francisco Business Times</i> and was named the runner-up for the 2007 "Real Estate Deal of the Year" award from the <i>Silicon Valley Business Journal</i> .
Morgan Stanley Japan	Morgan Stanley on more than 100 transactions totaling more than US\$9 billion in 2007 in Japan.
Colony Capital, LLC United Kingdom United States	Colony Capital, LLC, a private international fund sponsor focusing on real estate-related assets, securities and operating companies, and its affiliates on the following transactions, among others: (i) Colyzeo Investors II, a Colony Capital-sponsored European investment fund based in the United Kingdom, in connection with its €250 million (US\$368 million) revolving secured credit facility from JPMorgan Europe Limited and Natixis; (ii) Colony Investors VIII, a series of Colony Capital-sponsored global parallel investment funds, in connection with their US\$1.095 billion syndicated permanent secured credit facility led by JPMorgan Chase Bank, N.A.; and (iii) Colony Realty Partners II, a Colony Capital-sponsored U.S. investment fund, in connection with its US\$1.2 billion syndicated permanent secured credit facility led by JPMorgan Chase Bank, N.A.
Lehman Brothers Japan Japan	Lehman Brothers Japan on more than 45 financings, refinancings, acquisitions and joint ventures of office, industrial, residential, retail and hotels totaling more than US\$4.5 billion in 2007.
Deutsche Bank AG China	Deutsche Bank AG, the subordinate lender, on a subordinate loan in a complex, multilevel loan structure. The loan was secured with second mortgages on seven office and light industrial properties in Hong Kong, in addition to other forms of security. Orrick also represented the subordinate lender in negotiating an intercreditor agreement with the senior lender.

Hackman Capital Partners LLC, a private asset-based investment firm, in the following transactions. (1) A joint venture acquisition by a reverse triangular merger with a California corporation. The target corporation had real estate holdings in California, Washington, Texas and Utah and loan receivables that were partially secured by Japanese real estate. (2) A joint venture with KBS Real Estate Investment Trust and Calare Properties to acquire a US\$516 million U.S. industrial portfolio from Equity Industrial Partners Corporation. The portfolio consists of 31 institutional-grade industrial buildings located in seven of the largest U.S. distribution markets. At the time of acquisition, the properties were 94 percent occupied by tenants, including Home Depot, Tyco International, Lego, Staples, Kraft Foods, Coca-Cola and Dial.

Hackman Capital Partners LLC
United States

Real I.S. in multiple sales totaling in excess of €427 million (US\$633 million), including the following: (i) €190 million (US\$282 million) sale of the shares of the “53, Ave des Champs Elysées SAS” company to a local operating partner and international opportunity fund; (ii) €140 million (US\$208 million) sale of an office building in London to a local operating partner and international opportunity fund; and (iii) €97 million (US\$144 million) sale of a mixed, pan-European portfolio (“Portefeuille Isar”) comprising five assets located in France, Belgium and Spain to Invesco Real Estate.

Real I.S.
France

Proudreed in connection with the establishment of its investment and financing structure (United Kingdom/Luxembourg/Germany structure) for tax-efficient investments into Germany.

Proudreed
France

In 2007, our Banking and Finance Group represented clients in several notable transactions including one of the largest credit facilities established for a Native American tribe. In addition, our lawyers advised on one of the few significant acquisition finance transactions to close during the Fall of 2007, a time of significant volatility in the financial marketplace. We continue to serve as primary finance counsel for a number of clients and also act as borrower’s and issuer’s counsel to many corporations in diverse business sectors.

BANKING AND FINANCE

Our work in 2007 included the representation of:

DEPFA BANK plc, as the lead arrangers and lenders in connection with US\$970 million, seven-year Senior Credit Facilities for Atlantic Aviation FBO Inc. (Atlantic), a subsidiary of Macquarie Infrastructure Company. Atlantic is the indirect owner and operator of a portfolio of more than 60 FBOs at airports throughout the United States. The credit facilities included a US\$900 million term loan facility used mainly to refinance existing indebtedness of Atlantic and some of its affiliates, a US\$50 million loan facility to finance current and future capital expenditure projects, and a US\$20 million working capital and letter of credit facility.

DEPFA BANK plc
United States

Dresdner Bank AG, New York Branch LaSalle Bank National Association United States	Dresdner Bank AG, New York branch, and LaSalle Bank National Association, as lenders, in the approximate US\$200 million senior secured loan facility to Macquarie District Energy. Macquarie District Energy's business includes Thermal Chicago, which operates the largest cooling system in the United States, providing chilled water under long-term contracts to approximately 100 buildings primarily in downtown Chicago. The business also provides district heating and cooling to a hotel/casino complex and adjacent shopping mall in downtown Las Vegas.
Finanziamento Geo Ponente Italy	A company wholly owned by the Real Estate Investment Fund "Geo Ponente," managed by the EstCapital SGR S.p.A., in the granting of a mortgage long-term facility and a short-term facility for the aggregate amount of €116,483,000.00.
Finanziamento Serenissima SGR Italy	The real estate investment fund "Serenissima Vitruvio-Fondo Comune di Investimento Immobiliare di tipo chiuso," managed by Serenissima SGR S.p.A., in the granting of a long-term mortgage facility in the form of a liquidity line for an aggregate amount of €120,000,000. The financing, a multi-purpose loan facility, is to be applied partially to the repayment of pre-existing loans and partially to the renovation of buildings and/or the purchase of new structures.
Benetton Group S.p.A. Italy	Benetton Group S.p.A. in completing three separate term credit facilities in the aggregate amount of €400 million provided by Intesa San Paolo S.p.A., Banca Nazionale del Lavoro S.p.A. – Gruppo BNP Paribas and UniCredit Banca d'Impresa S.p.A.
PG&E Corporation United States	PG&E Corporation, as borrower, in connection with its amended and restated US\$2 billion syndicated, unsecured credit facility with BNP Paribas, as administrative agent; Deutsche Bank Securities Inc., as syndication agent; and ABN AMRO Bank, N.V., Bank of America, N.A. and Barclays Bank PLC as documentation agents.
Global Partnerships United States	Global Partnerships, a Seattle-based nonprofit organization, to establish a US\$8.5 million microfinance investment fund. This pro bono representation involves a fund that will expand the reach of financial services to people living in poverty in Latin America by leveraging philanthropic giving with the investment of quasi-governmental/multilateral and private individual and institutional capital. Individuals donated US\$255,000 to build the equity layer of Microfinance Fund 2006, while socially motivated investors, including the Overseas Private Investment Corporation, the Inter-American Development Bank, Seattle University, responsAbility Global Microfinance Fund and Partners for the Common Good, as well as 19 individuals, invested US\$8.245 million.
ING Bank N.V. France	ING Bank N.V., as mandated lead arranger, agent and security trustee, along with seven other syndicate banks in the US\$460 million senior secured financing of shipping containers for CMA CGM, the No. 1 shipping container company in France and No. 3 worldwide.
Sumitomo Mitsui Banking Corporation France	Sumitomo Mitsui Banking Corporation and three other major banks as the mandated lead arrangers in relation to a syndicated loan facility for a sum in excess of US\$1.1 billion relating to the debt financing of eight container vessels for a major French container shipping line.

TC PipeLines, as borrower, in connection with an unsecured amended and restated credit agreement for a US\$950 million credit facility with SunTrust Bank, as administrative agent; SunTrust Capital Markets, Inc., as arranger and book manager; UBS Securities LLC and Royal Bank of Canada, as co-documentation agents; BMO Capital Markets Financing Inc. and The Royal Bank of Scotland plc, as co-syndication agents; and Deutsche Bank AG New York branch and The Bank of Tokyo-Mitsubishi UFJ, LTD., as managing agents. The transaction was to finance the acquisition of a 46.45 percent general partnership interest in Great Lakes Gas Transmission Limited Partnership and to provide TC PipeLines, LP with working capital to finance its ongoing operations.

TC PipeLines, LP
United States

Wells Fargo Bank, N. A. as lead arranger, administrative agent and sole bookrunner in a US\$875 million senior secured revolving credit facility to the Tribal Casino Gambling enterprise, an instrumentality and enterprise of the Eastern Band of Cherokee Indians, a federally recognized Indian tribe and Native American sovereign nation, for the purpose of remodeling and expanding a casino and for working capital purposes. This is one of the largest credit facilities established for a Native American tribe.

Wells Fargo Bank, N. A.
United States

Wells Fargo Bank, as administrative agent, lead arranger and sole bookrunner in connection with a US\$83 million syndicated, senior secured credit facility to Endeavor Broadcasting, an entity formed by an equity sponsor, for the purpose of purchasing 52 radio stations located in Texas, Oklahoma and Louisiana from Clear Channel Communications.

Wells Fargo Bank
United States

Orrick's Tax Group is consistently recognized for developing creative solutions to help our clients meet their goals. In 2007, we represented clients on numerous significant transactions involving novel tax strategies, including advising a leading university system in creating a unique pooled financing structure to finance teaching hospitals and medical centers and a California general purpose financing authority in negotiating an innovative closing agreement with the Internal Revenue Service to issue refunding revenue bonds on behalf of a cultural and educational institution.

TAX

Our work in 2007 included the representation of:

Stag's Leap Wine Cellars (SLWC), a 35-year-old private winery estate, in its US\$185 million cash sale to a joint venture between Ste. Michelle Wine Estates of Washington and Marchese Piero Antinori of Italy. The Orrick Tax Group's 15 year relationship with the founder of SLWC enabled Orrick to appreciate and implement the founder's priorities of protecting the brand and the quality of wine after the sale. SLWC's S.L.V. Cabernet Sauvignon changed the course of California wine history when it was selected over top ranked French Bordeaux wines in the famous 1976 Paris blind wine tasting.

Stag's Leap Wine Cellars
United States

University of California United States	University of California (UC), a leading university system with 10 campuses, three U.S. Department of Energy laboratories and five medical centers, in creating a novel pooled financing structure to finance teaching hospitals and medical centers at its Davis, San Francisco, Los Angeles, San Diego and Irvine campuses. The initial transaction combined fixed rate bonds and variable rate bonds with an interest rate swap to finance and refinance medical center projects. UC was able to avoid issuing taxable bonds by maximizing the allowable private business use at each of the medical centers by taking advantage of an innovative, multipurpose analysis allowing the five medical centers to be treated as separate issues of bonds for certain purposes.
Société Générale United States	Société Générale on tax issues with respect to its issuance of a letter of credit in connection with Temple-Inland's US\$2.38 billion sale of 1.55 million acres of timberland to the Campbell Group. Particular attention was required in the transaction to preserve Temple-Inland's preferential installment sale treatment for U.S. federal income tax purposes, treatment that was reported in the press.
Amorim Group United States	Amorim Group, the world's largest producer of cork products and one of Portugal's most international companies, on tax issues with respect to its investment in Tom Ford International LLC, a global luxury fashion brand. The transaction required an analysis of the interaction of Portuguese and U.S. taxation, including the cross-border aspects of the transaction.
California Infrastructure and Economic Development Bank United States	California Infrastructure and Economic Development Bank, a California general purpose financings authority, in connection with the issuance of more than US\$77 million of its Refunding Revenue Bonds on behalf of COPIA: The American Center for Wine, Food & the Arts ("COPIA"). Founded in 1989 by Robert and Margrit Mondavi, COPIA is a cultural and educational institution dedicated to exploring and celebrating the role of food and wine in American life, arts and culture. The tax-intensive transaction combined refunding, capital project and working capital elements in a tax-exempt financing designed to allow COPIA to restructure its finances and avoid significant financial hardship. Orrick also negotiated an innovative closing agreement with the Internal Revenue Service in order to complete the transaction.
CompuCredit Corporation United Kingdom United States	CompuCredit Corporation on its acquisition of approximately US\$970 million (£490 million) in face amount of Monument Credit Card receivables from Barclaycard, a division of Barclays Bank Plc for a purchase price of approximately US\$770 million (£390 million). The nature of the underlying financial assets and the financing arrangements raised unusual technical issues under U.K. tax statutes, which were ultimately resolved with the assistance of the U.K. tax authorities. A substantial portion of the purchase price was funded by Orrick client Bank of America Securities Limited and related entities.
Crowley Maritime Corporation United States	Crowley Maritime Corporation, a diversified transportation services company and an Orrick Tax Group client for more than 40 years, in its complex going private transaction, which included a cash tender offer followed by a short-form merger.





Orrick is one of the world's largest international law firms with more than 1,000 lawyers in 18 offices throughout the world. Tracing our roots back to 1863, today Orrick has equal resources on the East and West Coasts of the United States and approximately 300 lawyers in Europe and Asia.

Orrick's practices are balanced between transactional matters (including the full range of sophisticated finance and corporate transactions) and litigation (including international dispute resolution, securities litigation, intellectual property and employment).

Our lawyers are committed to high-quality, innovative, solution-oriented legal work. Our size, resources, geographic breadth, advanced IT and business-oriented culture ensure that clients receive responsive, value-added services.

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Ralph Baxter, Chairman and Chief Executive Officer | The Orrick Building | 405 Howard Street San Francisco, CA 94105-2669 | United States | tel +1-415-773-5700

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