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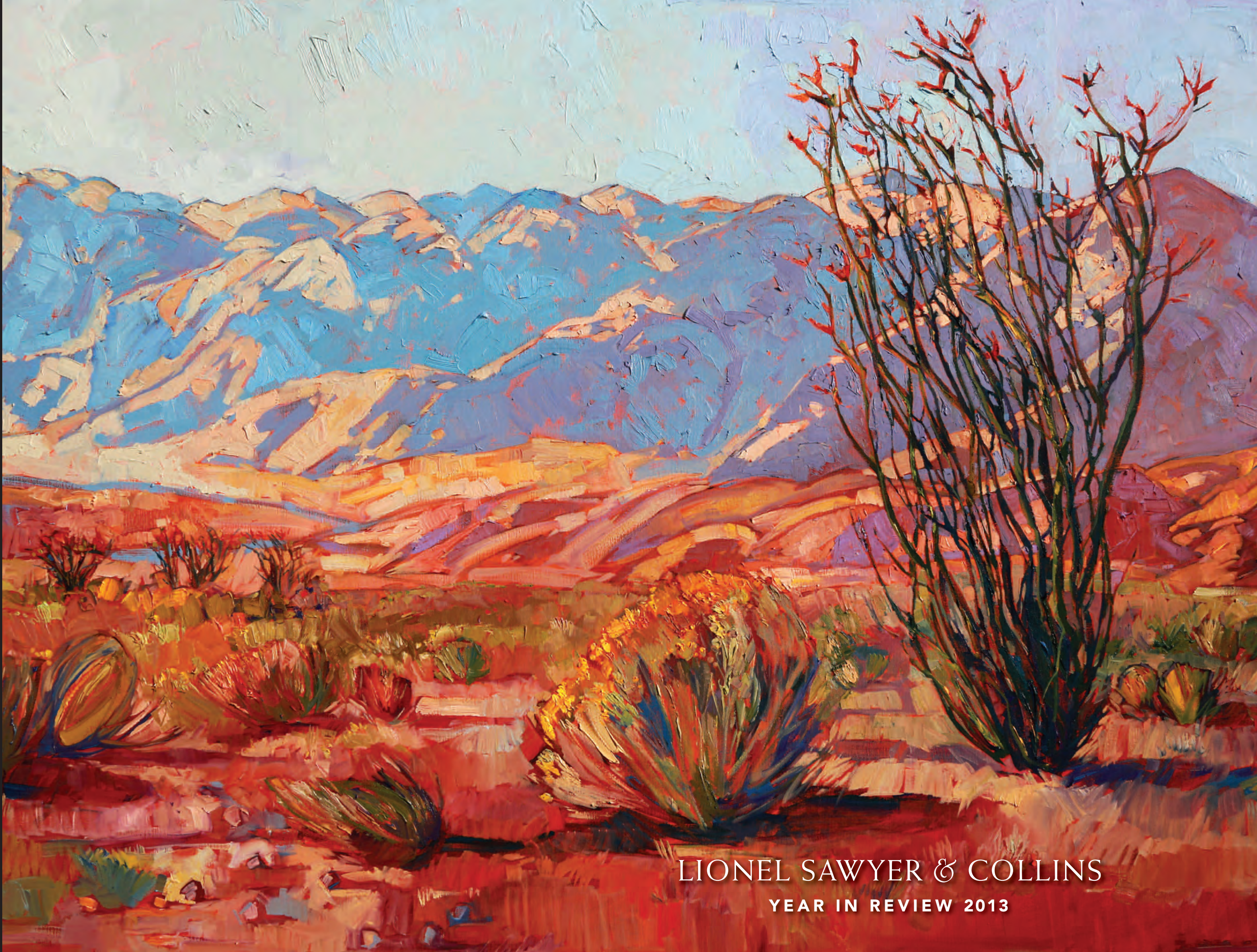
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LIONEL SAWYER & COLLINS

YEAR IN REVIEW 2013

LIONEL SAWYER & COLLINS

Lionel Sawyer & Collins is the largest private law firm in Nevada. We are a full-service business and litigation firm serving clients from our offices in Las Vegas, Reno, and Carson City, Nevada. Our Firm is organized in three primary departments: Litigation, chaired by Sam Lionel; Business Law, chaired by Jeff Zucker; and Gaming and Regulatory Law, chaired by Bob Faiss. Our practice areas include real estate, employment and labor, healthcare, gaming, litigation, estate planning, intellectual property, regulatory, utilities, environmental, mining, government relations, legislative advocacy, land use, tax, energy, communications, water, and business law. Our gaming practice is among the largest in the world. We provide value-added relationships that are crucial to both growing and established companies.

With a history of partners having extensive experience in government, the Firm has maintained a bipartisan relationship with federal, state and local government officials. Among them, Grant Sawyer, one of the Firm's founders, was a two-term governor of Nevada. Others include former U.S. Senator Richard H. Bryan (also a former two-term governor of Nevada), who provides expertise in the areas of government relations, legislative advocacy at the local, state and federal levels, gaming, and land use issues, and Bob Faiss, who served as executive assistant to Governor Sawyer and as a White House staff assistant to President Lyndon Johnson.

As a result of our considerable involvement in the Nevada legal, political and business communities, we are in a unique position to assist established Nevada businesses, as well as businesses relocating to Nevada. Additionally, we are the Nevada member of the prestigious Lex Mundi, SCG Legal, and Business Counsel, Inc. legal networks. These organizations hold their members to the highest standards of legal representation and include some of the world's most prestigious law firms. These affiliations assist in extending the Firm's sphere of influence globally on behalf of our clients.

Since its founding in 1967 by Sam Lionel and former Nevada Governor Grant Sawyer, Lionel Sawyer & Collins has achieved a preeminent position in the state of Nevada, serving clients of all sizes, from individuals and business start-ups to Fortune 500 companies. Please visit our website at www.lionelsawyer.com to learn more about our attorneys and our Firm.



Sam Lionel
Chair of Litigation Department (center)

Jeff Zucker
Chair of Business Law Department (left)

Bob Faiss
Chair of Gaming and Regulatory Law Department (right)

Member firms of Lex Mundi, SCG Legal and Business Counsel, Inc. practice independently and are not in a relationship for the joint practice of law.



In Memoriam
FRED D. "PETE" GIBSON III
1951 - 2014

We are very saddened by the loss of our colleague, Pete Gibson. His warmth, generosity and keen wit will be missed by everyone who had the pleasure of working with him.

This year Nevada is celebrating its 150th anniversary as the "Battle Born" state, joining the union during the Civil War. Our firm, now in its 47th year, has been providing legal advice to our clients for nearly one-third of the state's existence. The growth of our firm has mirrored the expansion of Nevada's economy. In this edition of our annual report, we have included highlights of our recent work ranging from businesses whose roots date back to the state's earliest days to new high tech companies on the cutting edge of science and technology.



The mining industry continues to be an important part of the state's economy and we are fortunate to represent many U.S. and international companies in Nevada. With renewable energy a national priority, our environmental practice has been busy this past year advising our clients who are developing solar and wind projects in our state.

We are proud that our firm has been recognized as having one of the premier gaming law practices in the world. With the growth of gaming beyond Nevada's borders to 48 states and around the globe, we advise gaming and hospitality company owners, vendors and manufacturers with matters ranging from local licensing to online gaming issues, as well as providing counsel to jurisdictions on their regulatory systems.

The 2013 "Year in Review" summarizes our government relations team's efforts in support of our clients during the 2013 session of the Nevada Legislature. This report also features several of our growing practice areas, such as intellectual property and corporate law. Our healthcare attorneys are busy assisting clients in navigating the many changes in policies and regulations in this complex area. During the year, we have witnessed the gradual recovery of the real estate and financial sectors of our economy and have highlighted our work assisting those involved with developing, building, acquiring and financing these projects.

Additionally, we thought that you would enjoy reading about topics with a uniquely "Vegas" spin (although the underlying legal issues have universal applicability). And, as a former Army JAG, I am personally gratified to include some of the outstanding pro bono work that we are doing to support our military.

We have never forgotten that you, our valued clients, are responsible for our success. Thank you for your confidence in us.

Sincerely,



NEW FIRM APPOINTMENTS

NEW SHAREHOLDERS



Jennifer Gaynor is a member of the Firm’s Gaming and Regulatory Law Department and Government Relations team. She represents clients before the Nevada Legislature, various professional and licensing boards and state and local tax authorities. Ms. Gaynor also represents clients on matters involving First Amendment law, public records and open meeting law, election law and regulatory agency actions. She has been recognized as a “Rising Star” for Administrative Law by *Mountain States Super Lawyers* for 2009, 2010, 2012 and 2013. In early 2010, Ms. Gaynor became the Nevada state chair for CARE, a leading humanitarian organization fighting global poverty. She joined the Firm in 2005 after being awarded her J.D. from the George Washington University Law School.



A graduate of the William S. Boyd School of Law, University of Nevada, Las Vegas, **Kevin Hejmanowski** joined Lionel Sawyer & Collins upon receiving his J.D. in 2006. He is a member of the Firm’s Litigation Department. Mr. Hejmanowski’s practice includes a range of business and commercial litigation matters, including experience in complex litigation cases.



A member of the Firm’s Business Law Department, **Christopher Walther’s** practice encompasses a variety of corporate, transactional, and real estate matters, including corporate governance, secured transactions, and foreclosures of real estate-secured loans. Mr. Walther was named a “Rising Star” for 2009 for Business/Corporate Law by *Mountain States Super Lawyers* and as “Up and Coming” by *Nevada Business* magazine in its 2013 “Legal Elite” rankings. He joined the Firm in 2006 upon receiving his J.D. degree from the University of Oregon School of Law, where he served as executive editor of the *Oregon Law Review*.

OF COUNSEL



We are pleased to welcome **Paul D. Bancroft** back to the Firm in 2013 as Of Counsel, after owning his practice for 18 years.

Regarded as a highly-respected authority on state and local taxation, Mr. Bancroft advises clients on the application of taxes imposed by Nevada and its local governments, including representation in audits, administrative appeals, and in litigation seeking a review of agency action. He regularly represents property owners before the county and state boards of equalization and the Nevada Tax Commission. Mr. Bancroft also assists clients in shaping Nevada’s tax laws through legislation and the regulatory rulemaking process that implements legislation.

Mr. Bancroft has been designated by American Property Tax Counsel as the professional representative for the state of Nevada. He has authored the chapter on Nevada sales and use tax law in the *Sales & Use Tax Deskbook* published by the American Bar Association since 1991 and the chapter on Nevada property law in the *Property Tax Deskbook* since 1995. He has an AV rating in the Martindale-Hubbell directory. His academic credentials include earning his J.D. with honors from the University of San Francisco, followed by an LL.M. in Taxation from Georgetown University.

NEW ASSOCIATE *joining the Litigation Department*



Chandeni Gill is a 2012 graduate of the William S. Boyd School of Law at UNLV, where she received the Dean’s Award and served as editor-in-chief of the *UNLV Gaming Law Journal*. She attended law school as a part-time evening student while working at Caesars Entertainment in the corporate internal audit department and interning in its legal department. Her other degrees were granted by the University of Nevada, Reno: a B.S. *magna cum laude* in Economics and International Affairs in 2005, followed by an M.S. in Economics in 2007.

APPOINTMENTS AND HONORS



Mr. Lionel (above) and Mr. Faiss (right) receiving their awards.



Two Lionel Sawyer & Collins senior shareholders were honored by the Nevada Board of Regents for their significant contributions to the state's system of higher education. Firm founder **Sam Lionel** received an honorary doctorate degree from the University of Nevada, Las Vegas and Lionel Sawyer & Collins' Gaming and Regulatory Department Chair **Bob Faiss** was named as a "Distinguished Nevadan," a prestigious award granted to prominent individuals who have made significant contributions to the advancement of Nevada. They received these honors during the spring commencement ceremonies at UNLV on May 19, 2013.



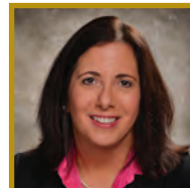
Justice A. William Maupin was selected as a member of The National Academy of Distinguished

Neutrals (NADN). NADN is an association consisting of professionals distinguished by their commitment to the practice of alternative dispute resolution and by their hands-on experience in the field of civil and commercial conflict resolution. Membership to this elite group is by invitation only.



Linda M. Bullen was elected to the governing Board of Regents of the American College of Environmental

Lawyers (ACOEL). Ms. Bullen has the distinction of being the first Nevada attorney to be invited to join ACOEL and has been a member since 2008. ACOEL is a professional association of distinguished lawyers who practice in the field of environmental law. Membership is by invitation only.



Laura J. Thalacker was appointed to serve as the Regional Vice Chair for North America of the Lex Mundi

Global Labor & Employment practice group. Lionel Sawyer & Collins is the Nevada member law firm for Lex Mundi, the world's leading network of independent law firms in over 100 countries. In her new role, she will lead Lex Mundi member attorneys practicing in the area of Labor & Employment law in the North American region and coordinate with her counterparts around the globe.



Senator Bryan, Bob Faiss and Peter Bernhard, Chairman of the Nevada Gaming Commission

Bob Faiss was honored by the International Association of Gaming Advisors for his work on the Shannon Bybee Scholarship Awards Committee and his extensive contributions to IAGA and gaming law over the years.



Mark A. Clayton was appointed Chair of the Gaming Law Committee of the American Bar

Association's Business Law Section. The Committee's mission is to provide cutting-edge information on all substantive gaming law issues.

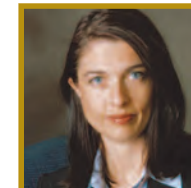
COMMUNITY TIES

Our Firm and individual attorneys contribute in countless ways to a wide variety of organizations throughout communities in Nevada and abroad. This year, we would like to highlight these special relationships.



Var Lordahl, Jr. has joined the Board of Directors of the Foundation for an Independent Tomorrow (FIT).

FIT is a Nevada non-profit 501(c)(3) organization founded in 1997, dedicated to "ending unemployment one person at a time." Their mission is to empower unemployed and underemployed individuals in southern Nevada into locating jobs that pay enough to enable them to support their family without public assistance.



Laura K. Granier was included among the Top 100 "most influential and inspiring people" in Northern Nevada by

Community Affect, an organization that promotes the region. She was recognized as a "Community Leader" for her strong, effective commitment to the Nevada Public Education Foundation and development of its "Ready for Life" program.



Steven Anderson was named to the Board of Trustees of the Nevada School of the Arts, a non-profit

501(c)(3) educational institution. For more than 30 years, NSA has been dedicated to providing quality education in the performing and visual arts to residents of the community. Their faculty, including many of Nevada's most gifted music and arts educators, has trained students who are recognized locally, regionally and nationally for their excellence.



Ketan D. Bhurud has joined the Board of Directors of the American Red Cross, Southern Nevada

chapter. The American Red Cross provides compassionate care to those in need. Founded in 1917, the local chapter serves communities throughout the region.



Courtney Miller O'Mara has joined the Board of Trustees of Casa de Vida, a Reno non-profit

providing support to pregnant young women in Northern Nevada.



CHAMBERS USA 2013

Chambers USA ranks the leading firms and lawyers in an extensive range of practice areas throughout America. The research is in-depth and client-focused, and the guide is read by industry-leading companies and organizations throughout the U.S. and worldwide. It is also widely used by firms in all states for referral purposes.

In 2013, Lionel Sawyer & Collins attorneys were recognized in seven specific practice areas:

Corporate/Commercial:

Jeff Zucker
Craig Etem

Environment:
Linda Bullen

Gaming & Licensing:
Bob Faiss*
Dan Reaser
Mark Clayton
Jennifer Roberts

Labor & Employment:
Greg Smith
Laura Thalacker

Litigation – Construction:
Todd Touton

Litigation – General Commercial:
Paul Hejmanowski

Real Estate:
Jeff Zucker
Mark Goldstein
Matt Watson

*Star individual

PRO BONO

Lionel Sawyer & Collins has a long history of contributing pro bono services to the community.

LEGAL AID CENTER OF SOUTHERN NEVADA



Rob Hernquist, Elizabeth Brickfield and Phillip Thompson

For 55 years, the non-profit Legal Aid Center has provided legal representation, counsel and advice to those who cannot afford an attorney. Our Firm has a long tradition of providing pro bono service to the community in partnership with the Center. **Max Couvillier**, recently elected President of the Legal Aid Center's Board of Directors and head of Lionel Sawyer & Collins' pro bono committee, points out that 16 of the Firm's attorneys contributed over 650 hours of professional services in 2013. They were recognized during the Center's annual pro bono awards lunch:

- **Phillip Thompson** received special mention as one of the top three most generous attorneys in donating his time and expertise to the Legal Aid Center, volunteering over 300 hours during the year.
- **Elizabeth Brickfield** was recognized as a member of the "100 Hours Club" for contributing over 100 hours of service.
- **Max Couvillier** and **Robert Hernquist** were named to the "50 Hours Club" for their donation of over 50 hours to the Center's clients.
- Ms. Brickfield and Mr. Couvillier were joined by **Doreen Spears Hartwell** and **Ketan Bhirud** on the "2013 Honor Roll" for each having taken at least one pro bono case. Ms. Hartwell also serves on the Center's Pro Bono Advisory Council.
- Other attorneys who were honored for their commitment to the Center's clinic and other programs were **Mark Gardberg**, **Steven Anderson**, **Var Lordahl**, **Amy Baker** and **Kendal Davis**.

Two of our colleagues received special recognition:



Newly-elected Board President **Max Couvillier** has actively volunteered his time at the Center for his entire legal career of a dozen years. Prior to his election, Max had served as its General Counsel, helping to ensure that the Center continues to serve the community by providing legal representation to those in need.



Richard Morgan was selected as "Volunteer of the Year" by the Association of Fundraising Professionals on behalf of his work, as co-chair with William S. Boyd, on the Legal Aid Center's successful capital campaign. Under Mr. Morgan's leadership, the five-year campaign raised \$16 million to fund new facilities for the Center, which opened in 2013.

A RESOURCE FOR SMALL BUSINESSES

Helping entrepreneurs and owners understand legal issues

Recognizing the important role that small businesses play in the economy, *Lionel Sawyer & Collins* has offered its services to entrepreneurs and small business owners in a number of ways. We work closely with a wide variety of public and private sector and non-profit organizations which provide support to start-up companies and small businesses, including various state and local departments and agencies, the chambers of commerce, economic development organizations, and higher education institutions. Our Firm publishes and provides at no charge the business guide "Doing Business in Nevada" and our attorneys are popular speakers at related events. We have presented a series of free seminars in partnership with the City of Las Vegas helping these individuals understand the legal aspects involved in starting or growing a company. These well-received programs included such topics as business formation and taxation; trademarks, copyrights and intellectual property; negotiating contracts; licensing, zoning and permitting; labor & employment law; small claims court and asset protection. In August, the Firm continued its support for these efforts by participating in the Governor's Conference on Small Business held in Reno. The six hundred attendees at this successful day-long conference had the opportunity to visit with our attorneys at the business expo held during the event.



Greg Carlson, Laura Thalacker, Var Lordahl, Jennifer Gaynor, Greg Gemignani, Jennifer Roberts and Rob Hernquist

DEMONSTRATING OUR STRONG COMMITMENT TO THE UNITED STATES MILITARY AND ITS VETERANS



John Naylor, Kevin Hejmanowski and Christopher Mathews

National Institute of Military Justice

After a distinguished career in the U.S. Air Force, where he retired as a Senior Judge on the Air Force Court of Criminal Appeals, Lionel Sawyer & Collins shareholder **Christopher Mathews** has an enduring commitment to seeing that justice is served in the armed forces. For the past four years, he has been a member of the National Institute of Military Justice (NIMJ) Board of Advisors, and has provided pro bono assistance to its Litigation Committee. The Institute is a non-profit organization devoted to promotion of military law and public education about its workings. In 2013, Mr. Mathews and colleague **Kevin Hejmanowski** authored an *amicus curiae* brief on behalf of the NIMJ addressing allegations of prosecutorial misconduct and the

important issue of the limits of government power in the case of *United States v. Joseph B. Salyer*, a Marine Corps court martial. Earlier in the *Salyer* case, prosecutors had lost several important rulings and, in efforts to force recusal of the presiding judge, overreached their authority by accessing the judge's personnel files without his knowledge or consent and investigating his family. The *amicus* brief highlighted the negative impact of these actions on the trial and on the independence of the judiciary in general. In an August decision, the Court of Appeals for the Armed Forces agreed, dismissing the case based on "the unprofessional actions of the Government" counsel.

Veterans Consortium Pro Bono Program

As a former Air Force Judge Advocate General (JAG), shareholder **John Naylor** understands and supports veterans' issues. From 1995-1999, he served at Kadena Air Base in Okinawa and Wright-Patterson Air Force Base in Ohio, where he gained a wide range of legal expertise in areas ranging from criminal prosecution and defense to government contracts litigation. Recently, Mr. Naylor joined the Veterans Consortium Pro Bono Program, officially sanctioned by the U.S. Court of Appeals for Veteran Claims, where he undertook training in order to effectively represent those retired servicemen who required counsel for appellate matters before this court. In 2013, Mr. Naylor successfully represented Mr. Alfred Weber, a World War II veteran injured in Japan, who was recently denied benefits. Due to Mr. Naylor's efforts in *Weber v. Shinseki*, this decision was reversed and remanded back to the Veterans Board of Claims for further consideration.



Jordan Davis

Project Salute

As a member of the State Bar of Nevada's Young Lawyers Section (YLS), **Jordan Davis** has demonstrated his commitment to our nation's veterans by spearheading YLS's *Project Salute* pro bono program in its inaugural year in Nevada. Working closely with Nevada Legal Services, YLS has participated in this national public service program to assist veterans with various legal issues.

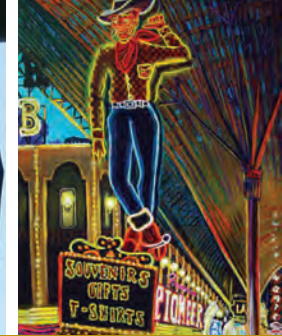


If Las Vegas didn't exist, someone would have to invent it. As Nevada's largest (and one of the oldest) private law firm, we have been involved with some of the most important changes in the evolution of this truly unique city from its original "Sin City" gambling roots to its current role as the meeting place of the world (for business and pleasure). And while the city is one of a kind, we think that you'll find that the issues described here have universal relevance to business owners and managers.



REFINANCING BINION'S GAMBLING HALL & HOTEL

Binion's Gambling Hall & Hotel has been making Las Vegas history since 1951 when Texas gambler, Benny Binion, bought the property at 128 Fremont Street in downtown Las Vegas. Originally known as the Horseshoe Club, the property grew in both size and scope over the years through the acquisition of neighboring casinos and currently covers an entire block of Fremont Street. As the original heart of the city, downtown Las Vegas real estate deals present a particular challenge due to the complicated mix of multiple ground landlords and owners of a patchwork of parcels of varying sizes (ranging from the original small retail shops to casinos) underlying today's properties such as Binion's. Lionel Sawyer & Collins' **Matt Watson's** expertise in facilitating complex real estate transactions was put to good use in 2013 when **Bank of Nevada** retained him to assist in the Binion's refinancing. The primary challenge involved in placing the debt was understanding the varying rights held by the numerous landlords involved in the land ownership underlying the casino, and then coordinating the process with the borrower's counsel to obtain the required documents from the various parties on a timely basis, enabling the bank to close the loan on a tight timeframe. This is not the first successful collaboration between Mr. Watson and Bank of Nevada. Founded in 1994 and owned by Western Alliance Bancorporation, Bank of Nevada is one of the top commercial banks in Nevada, with \$3.0 billion in assets and 12 branch offices. Over the past decade, Mr. Watson has advised the bank on a wide variety of matters, including construction loans and other real estate secured loans, lines of credit, foreclosures, workouts, real property dispositions and general transactional work. One of the more notable recent projects was his involvement in the bank's substantial line of credit for a major Las Vegas institution, the new *Smith Center for the Performing Arts*.



CONTAINER PARK

One of the country's most ambitious and precedent-setting urban redevelopment programs has been taking place in downtown Las Vegas. Powered by the \$350 million investment by Tony Hsieh's *Downtown Project*, the past several years have built on earlier efforts, such as the Fremont Street Experience, to revitalize the heart of the city. **Jennifer Roberts** oversees a team of attorneys, including **Matt Policastro**, **Greg Gemignani**, **Pearl Gallagher**, and **Christopher Walther**, in their continued representation of the Downtown Project in areas including drafting and reviewing contracts, advising on business entity formations, licensing and government permitting issues, taxation, and intellectual property matters. 2013 was an especially active year for the Downtown Project. By year end, the centerpiece of the Project's efforts, the *Container Park*, opened to much acclaim and was embraced by the local community as well as a growing number of tourists. As with everything else associated with the Downtown Project, the Container Park is part of the strategy of driving community connections. A collection of small boutiques, galleries, restaurants and bars housed in a uniquely designed mix of repurposed shipping containers and modules, the Park's purpose transcends retail offerings by including entertainment and educational programs, family-friendly activities and serving as a small business incubator.



Look out, it's SLOTZILLA!

The *Fremont Street Experience* has been a major catalyst of the revival of historic downtown Las Vegas. Located in the heart of the city, a unique public-private partnership launched this project in 1995 by converting seven blocks of one of the city's oldest streets to an open-air pedestrian destination, topped with a unique digital video display canopy towering 90 feet above the street. Visitors are continually entertained by Viva Vision, a series of overhead shows incorporating a state-of-the-art LED technology system (featuring 12.5 million bulbs and 550,000 watts of concert quality sound). Ten legendary casinos line Fremont Street Experience with more than 60 restaurants and retail kiosks. Two permanent performance stages provide a venue for free concerts, and special events and roaming street performers entertain the nearly 17 million visitors who come each year to experience the vintage Vegas attraction. Constantly seeking new opportunities to attract visitors, a zipline was installed, enabling people to soar across several blocks immediately below the digital canopy. In 2013, "Slotzilla," an improved, "over-the-top" version of the zipline was announced. Designed as a 128-foot, 12-story slot machine (complete with showgirls), the new ziplines will enable riders to soar on one of two levels below the Viva Vision canopy. Lionel Sawyer & Collins represented the Fremont Street Experience in the financing of this new, multi-million dollar attraction. **Jeff Zucker**, Chair of the Firm's Business Law Department, led the financing efforts. **John Naylor** was instrumental in preparing the construction contracts dealing with the conversion of the original canopy lighting to LED, and has also represented the owner in resolving issues with the general contractor and manufacturer of the components of the zipline system in order to open the zipline to the public. **Pearl Gallagher** negotiated and drafted various agreements with numerous parties for the project including construction contracts, purchase orders, construction disbursement agreements, and photo vendors.





GENTING GROUP

*The story of the year on the Las Vegas Strip was the purchase of the moribund Echelon project by the **Genting Group**. Plans to transform this property to a vibrant Resorts World Las Vegas will strongly contribute to the revival of the north end of the Strip. Lionel Sawyer & Collins' full-service capability includes advising Genting on matters ranging from the real estate transactions to providing gaming and regulatory representation.*

The Las Vegas Strip is known for its remarkable ability to reinvigorate its hotel-casino properties to constantly provide a unique experience for its millions of visitors.

During the most recent boom years, redevelopment even started to reach the older north end of the Strip.

Unfortunately, the recession doomed several of these major renovations, leaving two partially-finished projects exposed to the vagaries of the weather as well as the financial markets. Starting in 2012, with the initiation of renovations to the old Sahara hotel by its new owners, SBE Entertainment (discussed in our "2012 Year in Review") we are starting to see the slow recovery of the north Strip. The announcement in 2013 of the \$350 million purchase of the 87 acre site and partially-completed structures of the delayed Boyd Gaming Echelon project by Malaysian-based **Genting Group** heralded another indicator of this area's revival. LS&C has been closely involved with the plans to develop the announced new 3,500-room Resorts World Las Vegas on the site. **Jeff Zucker** represented Genting in the acquisition, involving consolidation of ownership of the parcels on the site and assisting with contract negotiations related to the property's infrastructure requirements. Adding to the challenges associated with this deal were the timing and confidentiality concerns associated with working with public corporations. Beyond the transactional and corporate aspects of the Echelon acquisition, the gaming-related issues relating to the transfer of the property to new ownership requires specialized industry and regulatory expertise. **Mark Clayton** has advised on the initial phases of this process, including the implications of the deal's structure on gaming licensing requirements. Looking forward, in addition to the initial purchase-related consultations, Mr. Clayton has also counseled the client on various licensing alternatives and the general licensing requirements and timelines associated with procuring state gaming approvals.



Architectural Rendering of Resorts World Las Vegas



THE ACT

When your motto is "What happens in Vegas stays in Vegas," it's hard to imagine that any form of entertainment can be considered too risqué for this city. Ironically, the boundaries of good taste, even by Vegas standards, were exceeded by "The Act."

In addition to questions of propriety and compliance with local entertainment regulations, concerns over potential issues with gaming regulators prompted the **Las Vegas Sands** to seek eviction of The Act from the Grand Canal Shoppes adjoining its Venetian and Palazzo properties. Opening in October 2012, the edgy show was modeled on the New York and London productions, The Box, which feature a number of provocative sex- and drug-themed adult entertainment vignettes. Although The Act was a toned-down version of the original Box productions in terms of the explicit nature of the live acts presented at the clubs, since its opening, the Las Vegas show's repertoire had become excessively salacious. In April, the Sands filed an eviction notice and request for restrictions on the performance's content due to a violation of the state's obscenity laws. **Charles McCrea, Robert Hernquist** and **Phillip Thompson** successfully represented the Sands in obtaining a preliminary injunction in September in the Clark County District Court requiring modification of performances at The Act based on the judge's ruling that they violated lease provisions that allowed Sands to control activities that detract from the "first class" image projected by its flagship Venetian/Palazzo resort. A former state gaming regulator testified that the show's content went beyond existing standards and could present a problem for a gaming license holder such as the Sands. Following the court's ruling, the show abruptly closed its doors, demonstrating that there are limits to what happens in Vegas.

THE SHOW MUST GO ON: Representing Trade and Awards Shows

As the meeting capital of the world, Las Vegas is the most popular city for major trade shows that bring executives of companies from around the globe. The exciting and glamorous Las Vegas brand also draws some of the biggest awards programs to this ultimate host city.

Trade show and awards show representation has been a growing practice for the Firm. In 2013, **Greg Gemignani** represented several major trade shows, including the Specialty Equipment Manufacturer's Association (SEMA) show, by providing on-site counsel to address intellectual property infringement issues at the show. By providing such services to trade shows, the organizers and exhibitors have a clear avenue to vet intellectual property issues, subpoenas and service of process in court proceedings that can take place during the show with little or no disruption to the other exhibitors. As increased globalization impacts every industry, often trade shows are the only venue to serve process for disputes, and the Firm provides assistance with drafting show rules that provide for such service while minimizing disruption to other exhibitors.

Additionally, Mr. Gemignani and **Rob Hernquist** have represented high profile awards shows and their performing artists in preventing the sale of unauthorized and counterfeit merchandise outside the event venue. Like trade shows, awards shows have been impacted by the globalization of the production and distribution of merchandise, often created and distributed without any license or approval from the rights owner and often done by persons or entities that strive to remain anonymous. The ability to obtain an injunction to prevent the display, distribution and sale of counterfeit merchandise without knowing the origin or names of the defendants was a significant development in enforcing the rights of intellectual property owners in Nevada. The expertise developed by our attorneys in addressing this issue is a valuable tool for our clients in protecting their rights against foreign and domestic infringers that seek to market or sell counterfeit items in Nevada.



The SEMA show is the premier automotive specialty products trade event in the world, drawing over 60,000 domestic and international buyers in 2013.

HANGOVER HEAVEN®

In 2013, Lionel Sawyer & Collins continued representing another high-profile, quintessentially Las Vegas company, **Hangover Heaven®**, claiming to be the first and only medical clinic dedicated to curing hangovers. Founder Dr. Jason Burke administers treatments based on vitamin and mineral supplements and hydration therapy to Las Vegas partyers and hangover sufferers. These treatments are administered intravenously on the company's mobile clinic bus, at a clinic or in their hotel rooms. **Greg Gemignani, Greg Smith** and **Mark Gardberg** have counseled Hangover Heaven on intellectual property, labor and employment, and corporate governance matters.



GOVERNMENT RELATIONS

SUPPORTING OUR CLIENTS' INTERESTS DURING THE 2013 SESSION OF THE NEVADA LEGISLATURE

In 2013, Nevada's biennial Legislature was in session for 120 days (and a brief special session). During that time, there were 1,250 bill draft requests and more than 1,030 bills up for consideration, as well as several dozen resolutions and joint resolutions. When the dust cleared, 558 bills and several resolutions passed. The Firm's clients could be counted among the successes of the 2013 session, thanks to the strength of our Government Relations practice.

Lionel Sawyer & Collins has had one of the premier Government Relations practices in Nevada for more than 45 years, started by Governor Grant Sawyer. Led by **Senator Richard Bryan**, the Firm's legislative team includes two attorneys, **Jennifer Gaynor** and **Brin Gibson**, who reside full-time in Carson City during the legislative session. Our team can also call upon their colleagues in the Firm for their specialized knowledge and expertise during the session.



Jennifer Gaynor, Brin Gibson and Senator Richard Bryan

NEVADA CREDIT UNION LEAGUE

The *Nevada Credit Union League* (NCUL) represents 13 credit unions, which are non-profit, member-focused cooperatives with more than a quarter million members throughout the state of Nevada. **Jennifer Gaynor** and **Brin Gibson** actively worked with NCUL representatives to support Senator Ford in passage of Senate Bill 310. This legislation amends existing state law to delete the requirement that a financial institution operating an electronic terminal must disclose the fee on a sign posted on or in clear view of the terminal, as long as they provide electronic notice of the fees. This saves credit unions time and money to create, post and monitor such signage for potential vandalism, and saves them from frivolous lawsuits regarding such signage. With the passage of SB 310, Nevada law is now aligned with recent changes to federal law.

UTILITIES INC.

Our team, working with **William McKean**, helped client *Utilities, Inc.* draft and pass legislation in the form of Assembly Bill 436. Utilities, Inc. owns and operates the largest investor-owned water utility systems in Nevada. The bill enables the Public Utilities Commission (PUC) to adopt regulations for water utilities that appropriately account for the effects of existing water conservation policies and allow replacement of aging infrastructure. Under the prior law, there was a tension between the goals of water conservation and the tools that were available to the PUC in setting rates. In recent years, water rates were restructured from flat rates to usage-based and tiered rates, to encourage conservation. The resulting loss of income caused the utilities to cut back on the necessary reinvestment in the aging infrastructure and related system improvements. Under AB 436, the PUC has the ability to adjust water utility rates between rate cases, enabling the utilities to maintain a safe and efficient water system for Nevada customers.

Senator Richard Bryan Celebrating 50 Years at the Bar



Senator Bryan is one of the most highly-respected and admired people in Nevada. A list of his positions and accomplishments would fill this entire report!

Suffice it to say that he has proudly and effectively served the public since his first appointment as **Deputy District Attorney for Clark County, Nevada in 1964**, through his two terms as **Nevada's Governor**, culminating in his two terms as **U.S. Senator**. As **Chair of the Firm's Government Relations practice since 2001**, Senator Bryan remains an active community and business leader in Nevada, serving on the **Boards of a number of important organizations including the Las Vegas Metro Chamber of Commerce, The Smith Center for the Performing Arts, the Great Basin National Park Foundation and as Chairman of Preserve Nevada**. Despite his busy schedule representing clients at the federal, state and local levels with their government affairs issues, he is always available to those who require his sage advice for the betterment of the community.

AT&T

High-tech industries that are highly regulated face the special challenge that the speed of innovation often outstrips the legal and regulatory framework that governs their activities.

Obsolete policies have an adverse impact not only for these companies, but for the public, as well. During the 2013 session, Lionel Sawyer & Collins successfully helped AT&T find a legislative solution to such an issue.

Dating from a time before today's digital and wireless world, when telephone networks consisted of miles of wires strung over vast distances, Nevada regulators were primarily concerned with providing telephone service throughout the state, including rural (and often remote) locations, in addition to the two major metropolitan areas of Reno and Las Vegas. Historically, telephone companies in Nevada were granted exclusive franchises to provide service in specific areas in exchange for extensive requirements to serve as "providers of last resort." The tremendous changes in technology and competition within the telecommunications industry have made many of these previous concerns regarding availability of service obsolete. Although the exclusive franchise aspect of that regulatory compact has vanished over the years, these incumbent local exchange companies (ILECs) remained obligated to provide basic voice service throughout their service areas, including rural and high-cost markets, often at rates significantly below cost.

Faced with these concerns, AT&T turned to LS&C. With a team of advisors including **William McKean**, AT&T was able to craft solutions to these issues during the 2013 session through the passage of Assembly Bill 486.



William McKean

AB 486 enables telecommunications providers to request relief from certain obligations arising from their status as providers of last resort. Additionally, this bill addresses certain concerns that were the result of technological advances. It prohibits (with certain exceptions) any state agency or political subdivision of the state from regulating any Internet Protocol-enabled service or Voice over Internet Protocol service.



ENHANCED CAPITAL PARTNERS

Rory Reid advised *Enhanced Capital Partners, Inc.* in receiving funds from the state allocated by the New Markets Jobs Act, Senate Bill 357. Created in the 2013 legislative session, the new Nevada program is modeled after the federal New Markets Tax Credit Program and is administered by the Nevada Department of Taxation and Director of the Department of Business and Industry. SB 357 provides credits against state premium tax liability for approved business entities that invest in qualified community development entities (QCDEs) in low-income community businesses. Mr. Reid also worked with the client and the Department of Business and Industry on the regulations that were adopted to govern the program.

Formed in 1999, Enhanced Capital Partners is a diversified asset management firm that provides growth capital to small and medium-sized businesses in U.S. markets that have been historically underserved by traditional sources of capital. To date, the company has deployed \$130 million into low-income communities through the federal New Markets Tax Credit Program and five state New Markets Programs prior to its involvement in Nevada.



Rory Reid

GAMING

The gaming industry continues to evolve, driven by technology, market expansion opportunities and changes in consumer preferences. As one of the founding firms in the Gaming Law practice area, Lionel Sawyer & Collins continues on the forefront of the industry, serving companies in all market segments, ranging from casino properties to the leading manufacturers of gaming products and service providers in Nevada and beyond. Responding to the continued growth in online gaming, our Gaming Department represented a number of companies in obtaining the necessary licensing and regulatory approvals. Additionally, we have worked with our local clients who have expanded their operations beyond Nevada's borders (and, in some cases, into cyberspace). The 2013 session of the Nevada Legislature also included some significant challenges to our clients, who benefited from the experience and strong relationships of our Government Relations team in partnership with our Gaming attorneys. Throughout the year, we continued to advise major international and U.S. corporations on their gaming projects and counseled governments in other jurisdictions on their gaming control and regulatory programs.



HELPING A CLIENT WITH A NEW INVESTMENT IN THE GAMING & HOSPITALITY INDUSTRY

When our client, a large and successful global asset management company, made a major investment in a gaming and hospitality company, it turned to Lionel Sawyer & Collins for advice in developing the best strategic options for their investment.

A thorough evaluation of the opportunities presented by this investment led the client to the decision to acquire the property with the participation of an operating partner with a long track record in the gaming industry. Familiar with the quality of our Firm's representation from previous engagements with **Jennifer Smith**, and taking advantage of our full-service capabilities, our client was able to call on a team of LS&C attorneys specializing in all aspects of this complex matter.

In addition to the initial advice provided by **Rod Jean** and Ms. Smith after our client's initial investment, gaming licensing and regulatory issues associated with ownership changes were addressed with the assistance of **Mark Clayton**. When the decision was made to acquire the property, **Craig Etem** and **Colleen Dolan** from the Firm's Business Law Department assisted with the purchase transaction negotiations, as well as the leasing and operating agreements between our client and the operating partner. **Malani Kotchka** and **Laura Thalacker** provided advice regarding the employment law aspects of the deal. Mr. Clayton also handled the state gaming licensing for the operating company's executives, and **Dan Reaser** and **Katie Hoffman** assisted the operators with obtaining the necessary gaming, liquor and other local licenses. **Greg Gemignani** was called upon to provide counsel regarding intellectual property issues. In addition to smoothly managing all aspects of this complicated transaction, another challenge was the need to maintain strict confidentiality during the process. By year end, the licensing was secured and the sale of the company to affiliates of the partnership was completed.

LADBROKES PLC/STADIUM TECHNOLOGY GROUP

Jennifer Roberts has represented *Ladbrokes plc* throughout their investigation for registration with the Nevada Gaming Commission as controlling shareholder of *Stadium Technology Group*, a Nevada race and sports book software provider. Based in the U.K. with origins dating back to 1886, Ladbrokes is a leader in the global betting and gaming market. It operates over 2,800 retail betting shops in the U.K., Ireland, Belgium and Spain. Stadium Technology Group is a privately-held software company headquartered in Las Vegas. The company currently provides risk management software to licensed gaming operators in Nevada, Delaware and the Bahamas for their race and sports books. Ladbrokes acquired a 65% stake in the company in 2012 with a five-year option to purchase the remaining shares.

The MIZPAH HOTEL: Rejuvenating a Grande Dame



Located about halfway between Las Vegas and Reno, Tonopah, Nevada was a classic boom town founded during the great silver rush in the region in 1900. The new-found wealth created demand for a luxury property and the *Mizpah Hotel*, the tallest and grandest building in town, was built in 1907. Just as the town's fortunes waned in later years, so did the classic hotel property. Time took its

toll on the Mizpah over the century, until its acquisition by Fred and Nancy Cline in 2011. The match is serendipitous on many levels: in addition to having a keen interest in family and history, the Clines are highly successful entrepreneurs with an outstanding portfolio in the hospitality industry, including wineries and resort properties. Mrs. Cline traces her family roots to the old mining town. Her great uncle, a miner by trade, arrived after the discovery of silver at the turn of the 20th century and was joined by his sister (Mrs. Cline's grandmother) for a period of time before moving to northern California. As part of the Mizpah Hotel's revival, the family has chosen to bring back the historic gaming tradition at the property, headed by son Ramsey. Knowing Lionel Sawyer & Collins attorney **Bob Faiss**'s reputation and deep ties to the state, the family called on him to assist with their licensing and other gaming regulatory requirements. In October, Mr. Cline received approval from the Nevada Gaming Control Board and Gaming Commission to manage gaming at the iconic property.

IGT PROXY CONTEST

Jeff Zucker and **Pearl Gallagher** served as Nevada counsel to *IGT* in connection with its 2013 proxy contest by the Ader Group. In connection with our representation of IGT, Mr. Zucker and Ms. Gallagher advised the corporation regarding its proxy materials and bylaws as well as various procedural issues relative to stockholder meetings including proper notice procedures and the use of technology in stockholder and director meetings. Additionally, they provided Nevada compliance guidance regarding director matters such as the use of electronic signatures, creation of director committees, preparation of board resolutions, and advice regarding nomination procedures.



CHAMBERS GLOBAL: 2013 GAMING & GAMBLING GUIDE

Bob Faiss and Mark Clayton

have been included among the top 50 gaming attorneys in the world in the latest edition of this highly-respected legal rankings of the world's leading law firms and attorneys. Mr. Faiss, Chair of the Firm's Gaming & Regulatory Law Department, has been selected as one of only three "Star Individuals" in the world. He is considered "one of the major players of the gaming world" and "one of the best ever" according to comments obtained from interviews with lawyers and their clients. Mr. Clayton has won extensive praise for "taking his previous experience as a Nevada regulator and turning it to a leadership role for helping clients" and has been strongly commended for his "tremendous knowledge."

CELEBRATING 40 YEARS WITH BOB FAISS

We think that this recent article about Bob Faiss, written by the Las Vegas Review-Journal's gaming reporter Howard Stutz, says it best.

LAS VEGAS REVIEW-JOURNAL



October 13, 2013

AS GAMING UNFOLDED, FAISS WAS THERE

By Howard Stutz, Las Vegas Review-Journal



Photo: Gary Thompson

Bob Faiss is considered one of the world's leading gaming attorneys. His 40-year career could serve as a documentary on the history of Nevada gaming law and the expansion of the casino industry.

Yet, Faiss nearly took a pass on law school. Thankfully, his friend and mentor, former Nevada Gov. Grant Sawyer, intervened.

"I guess, like many other things in my career, Grant Sawyer was responsible," Faiss, 79, said this past week.

Sitting in a 17th floor conference room at Lionel Sawyer & Collins — the statewide law firm commands the top three floors of the downtown Las Vegas Bank of America tower — Faiss reflected on a career that found him firmly in the middle of most events that have shaped the gaming industry since the 1960s.

During September's Global Gaming Expo in Las Vegas, Faiss was honored at a luncheon of the International Association of Gaming Advisors for his "extensive contributions to gaming law."

Nevada Gaming Commission Chairman Peter Bernhard, in introducing Faiss to the luncheon audience, painted a portrait of the attorney that could be compared to a real life Leonard Zelig, the fictional Woody Allen character who found himself a part of many 20th century historical events.

Unlike the movie character, however, Bernhard told the luncheon crowd, "Bob was there."

Faiss was key to corporate America's expansion into gaming; the approval of private gaming salons in Strip resorts; business growth by Nevada-based gaming companies across the U.S. and into foreign markets; and the recent efforts to legalize Internet gaming and mobile wagering.

Faiss was awestruck by the event. He choked up during several prolonged standing ovations. And, as he has done so many times before, Faiss turned the attention away from himself. His accomplishments, he said, were because of the clients he's represented on behalf of the law firm and other attorneys he's been privileged to work with.

"Any awards should be shared by all of you," Faiss told the audience. "You were there, too."

The reception was overwhelming for Faiss, who has spent the past year battling cancer. He has returned to the law firm on a limited basis, but said he's "getting stronger every day." While admitting "it's been a rough year," the support "of so many people has been humbling."

As chairman of the firm's gaming and regulatory law department, Faiss' client list reads like an historical record. He represented the Del Webb Corp., one of Nevada's largest casino operators in the 1970s. In 1985, he helped Hilton Hotels Corp. earn a gaming license in Australia, becoming the first Nevada licensee to operate outside the United States. Faiss was lead counsel for the Summa Corp., the company that operated casinos owned by reclusive billionaire Howard Hughes during the 1980s. He has represented such gaming luminaries as Burton Cohen and Kirk Kerkorian.

"It's the quality of clients that provided me the opportunity to be involved with all the changes in gaming law," Faiss said.

His legal career almost didn't happen.

Faiss spent 1968 serving as a White House staff assistant to President Lyndon Johnson. A year later, he had a good federal government job and was weighing entering American University School of Law in Washington, D.C., attending classes at night part time while working days. He would have been in his early 40s when he graduated.

"I had a talk with myself," Faiss recalled. "Why would I want to do that?"

A round of golf with Sawyer changed his mind. The former governor, who was then Nevada's only gaming lawyer, was in Washington on business. Faiss was Sawyer's chief executive assistant from 1963 to 1967.

They were walking off the 18th green and Sawyer asked "how that law school thing was going." When Faiss said he dismissed the idea, Sawyer expressed disappointment. He said he was hoping Faiss would return to Nevada and join him at the law firm.

"I said, 'OK, I'll go to law school,'" Faiss recalled. He graduated in 1972.

As Sawyer's assistant in the governor's office, Faiss was instrumental in implementing monumental changes in how

gaming was regulated in Nevada. The basic structure of Sawyer's regulatory program remains in place today.

In the 1960s, Nevada's legalized gaming industry was frowned upon by the federal government. Years later, other states and countries use Nevada's structure as a blueprint, which pleases Faiss.

"They don't necessarily copy us," Faiss said. "A little part of Nevada is in every new gaming control system."

Sawyer was a lasting influence on Faiss' life and career. In his eulogy for Sawyer in 1996, Faiss opened with the line, "The best man I ever knew died this week."

Faiss has never spoken much about his time with President Johnson. Faiss is considered to be the first Nevadan to ever hold a commissioned White House position. Last week, Faiss said Johnson was "the perfect president for the country" following the assassination of President John F. Kennedy.

"He could be the kindest, most thoughtful and understanding person, and he could also be the most miserable person," Faiss said of Johnson. "He was a wide range of emotions. But he was so experienced and he had the courage to do everything. He got President Kennedy's civil rights program passed. It was his force and context that did that."

Faiss' oral history book, "Gaming Regulation and Gaming Law in Nevada," was unveiled in 2009 on the 50th anniversary of the Nevada Gaming Commission and the 10th birthday of the Boyd School of Law at UNLV. Faiss was instrumental in creating a course on gaming law for the school.

"(Las Vegas) is the greatest laboratory in the world for gaming," said Faiss, whose book has even been translated into Japanese.

Faiss made his first appearance in several months in front of state gaming regulators this past week, and again, his client had a historical perspective. The licensing request is to return gaming in the form of 15 slot machines to the historic Mizpah Hotel in Tonopah for the first time since April 2000.

LABOR & EMPLOYMENT

Companies are increasingly vulnerable to a wide range of Labor and Employment issues on the federal, state and local levels. Our attorneys have provided advice in all aspects of this practice area, from crafting effective employee policies (including new social media concerns, in addition to more traditional areas such as anti-discrimination, safety, harassment and privacy) through complex litigation representation.

*In a complex series of three lawsuits and related matters brought by a union and its trust fund stretching over six years, **Greg Smith, Chair of the Firm's Labor and Employment practice area, and Doreen Spears Hartwell** were able to achieve an advantageous negotiated settlement for our client.*

For large corporations, such as hotels and casinos, moving into new facilities or refurbishing existing ones is a complicated process and they often turn to companies such as our client to provide assistance with warehousing and installing the new furnishings.

Under its collective bargaining agreement with Laborers Union Local 872, our client was obliged to pay pension, health and welfare and other employee benefits to the Laborers Trust Fund for all of its employees hired as installers. Faced with an unusually large installation project, our client called upon an additional four warehouse employees (who are non-union) to assist in this installation on a temporary basis. As part of this arrangement, the company made contributions to the Laborers Trust Fund for the hours worked by these four non-union employees during the two-week period where they acted as installers. The Laborers Trust Fund, a Taft-Hartley benefit fund, ultimately filed a series of three lawsuits between 2007 – 2012, claiming that by making these contributions, our client was therefore liable to pay contributions for these four employees throughout the entire period of their employment, despite the fact that, other than the two weeks' assistance, these employees had been performing (non-union) warehouse work.

After a series of these three law suits, several audits and extensive negotiations, Mr. Smith and Ms. Hartwell ultimately convinced the Trust Fund to accept a settlement amounting to less than 12% of the audit results, and over \$100,000 less than our client's initial settlement offer.



Greg Smith and Doreen Spears Hartwell



2013 U.S. NEWS –
BEST LAWYERS
"BEST LAW FIRMS"

Lionel Sawyer & Collins was recognized in the third annual "Best Law Firms" survey conducted by U.S. News Media Group and Best Lawyers® as **having the most first-tier rankings among all law firms in Nevada**. The Firm received a total of 19 first-tier metropolitan honors in 14 practice areas in the Las Vegas area and five earned by our Reno office. In addition, Lionel Sawyer & Collins was commended for work in the areas of franchise law, healthcare law, real estate litigation, energy law, banking and finance litigation, and trusts and estates litigation in the secondary tiers.

First-tier rankings for Lionel Sawyer & Collins by practice area include:

Tier 1
In Las Vegas
Appellate Practice
Commercial Litigation
Corporate Law
Employment Law – Management
Gaming Law
Government Relations Practice
Information Technology Law
Labor Law – Management
Land Use & Zoning Law
Litigation – Construction
Litigation – Intellectual Property
Litigation – Labor & Employment
Real Estate Law
Tax Law

In Reno
Bankruptcy and Creditor
Debtor Rights/Insolvency and
Reorganization Law
Commercial Law
Gaming Law
Litigation – Bankruptcy
Real Estate Law

BANKING & REAL ESTATE

Nevada's real estate market, the hardest hit in the nation, has undergone tremendous valuation changes. 2013 marked a year of economic recovery based on some major investments in the market. Our attorneys have advised real estate developers and investors with their property acquisitions and have also worked with financial institutions in restructuring their real estate loan portfolios.

REAL ESTATE INVESTMENTS

Recognizing value in the depressed Nevada real estate market, investors turned to Lionel Sawyer & Collins for advice on their acquisitions.

TITANSTAR

Led by Rick Turner, Canadian private equity fund **TitanStar Investment Group** has focused its efforts on identifying and securing attractive real estate investment opportunities for its shareholders in the U.S. real estate market. TitanStar's investors have benefited from the company's acquisitions of properties whose values were depressed in the real estate downturn. Lionel Sawyer & Collins has enjoyed a long-term relationship with Mr. Turner, most recently by acting as lead counsel for the acquisition of several major retail centers throughout the U.S.

Jeff Zucker and **Pearl Gallagher** represented TitanStar Properties Inc. in its subsidiaries' acquisitions of the Swanway Shopping Center in Tucson, Arizona, and the San Tan Plaza Shops in Chandler, Arizona. The complex transactions involved negotiating and closing the purchases with the sellers of the respective properties, and negotiating and drafting joint venture limited partnership agreements with TitanStar's partner in each of these deals. Additional deal components included negotiating and drafting contracts with TitanStar's line of credit lender, which provided some of the acquisition financing, as well as negotiating a loan with Barclays Bank PLC to provide the additional financing secured by the properties.

Mr. Zucker and Ms. Gallagher also represented TitanStar in acquiring a joint venture interest in Blue Springs Partners LP, which owns a large portion of the Adams Dairy Shopping Center in Blue Springs, Missouri. In addition to the acquisition, the transaction included negotiations with TitanStar's line of credit lender which provided a portion of the financing, and negotiating with the secured money lender, Mutual of Omaha Bank, for Blue Springs Partners LP to assume the existing loan.



THE BASCOM GROUP

Founded in 1996, **The Bascom Group** is a private equity firm specializing in multi-family, commercial, non-performing loans, and real estate related investments and operating companies. Bascom sources value-add and distressed properties through foreclosure, bankruptcy, or short sales, and repositions them by adding extensive capital improvements, improving revenue, and reducing expenses using institutional-quality property management. The Bascom Group has completed over \$8.5 billion in multi-family and commercial value-added transactions since 1996, including more than 230 multi-family properties and 63,000 units. The company currently ranks among the top 50 multi-family owners in the U.S.

Lionel Sawyer & Collins served as local counsel for The Bascom Group in its acquisitions of the Eagle Crest Apartments in Las Vegas and the Broadstone Montecito Apartments in North Las Vegas. The Firm's representation included **John Naylor's** assistance in negotiating construction management agreements and other issues related to construction law, including mechanic's liens and construction defects. **Pearl Gallagher** and **Matt Watson** provided opinion work and counsel on local real estate matters including conformance of a residential lease form to Nevada law, negotiation of loan documents and issues related to condominium map reversions. The Eagle Crest acquisition further involved a partner subject to Sharia law, which requires specialized expertise in structuring the transaction to avoid interest in compliance with Sharia law.

HUGHES CENTER

In one of the most significant Nevada real estate transactions in recent years, one of the largest investment firms in the world acquired this premier office center in Las Vegas, assisted by a team of attorneys at Lionel Sawyer & Collins.

Back in 1986, it took a visionary like **The Howard Hughes Corporation** to develop the first master-planned commercial development offering Class A office space and related amenities on a 68 acre campus in Las Vegas. Today, the 1.4 million square foot Hughes Center remains the premier location for many high-level professional and corporate tenants, with its convenient access to the Las Vegas Strip and airport. Over the years, the property has changed hands several times. In 2013, the Hughes Center was acquired in one of the largest Nevada real estate transactions in recent years. **Lynn Fulstone, Jennifer Roberts, Pearl Gallagher, Jennifer Gaynor** and **Christopher Walther** served as local counsel for **Equity Office Properties**, a subsidiary of the **Blackstone Group LP** in its \$347 million purchase of the property, consisting of 10 office properties, restaurants, high-end residential condos and undeveloped land. Ms. Fulstone and her team advised Equity Office Properties regarding land use entitlements, real property taxes, transfer taxes, transaction structuring and various matters of Nevada law.

PROPERTY TAX ISSUES

The tax implications of changes in property valuation can be significant. Real estate owners have benefited throughout this especially rough economic cycle from the advice of Lionel Sawyer & Collins tax attorney Paul Bancroft.



Paul Bancroft has counseled a wide range of real estate developers and investors in Clark County, including **American Nevada Company, The Howard Hughes Corporation, Harsch Investment Company** and **Weingarten Realty Investors**. When property prices plunged during the recession, he represented clients in filing valuation appeals to reflect the lower assessed values of their real estate portfolios. As the real estate market recovers, most property owners are receiving a

larger benefit from the application of the partial abatement from taxation than they would from a valuation appeal. Consequently, the focus of his review is now on ensuring that parcels are receiving a correct application of the partial abatement from property tax. A recent matter provides a good example of this approach:

SDA, INC.

SDA, Inc. is a fully integrated real estate development firm specializing in U.S. government build-to-suit leaseback office buildings and apartment complexes. The firm takes the development process from the conceptual idea through site selection, architectural design, financing, construction, leasing and property management to maximize the investment potential of the real estate.

Most recently, SDA, Inc. completed construction of a build-to-suit for the Social Security Administration Building in North Las Vegas. In this type of project it is not unusual for the government to have an ownership interest in a portion of the structure. However, the assessor's office routinely includes the full value of the improvement in the value of the property for tax purposes. Most developers do not understand that they should be assessed on a pro-rata value, with the portion owned by the government being treated as exempt property. Mr. Bancroft identified the issue and worked with SDA to develop the factual basis to support the claim. He filed a petition to the Clark County Board of Equalization to keep the valuation from becoming final and negotiated a meaningful reduction in the taxable value, to reflect the exemption of the government-owned portion of the property.

BANKING & REAL ESTATE

ASSISTING FINANCIAL INSTITUTIONS WITH REAL ESTATE DEFAULTS

The devastating effects of the recession on the banking industry's real estate loan portfolios have been long-lasting, requiring the assistance of Lionel Sawyer & Collins' litigators in their recovery efforts.

FIRST FINANCIAL BANK AND FIRST INDEPENDENT BANK OF NEVADA

Leslie Bryan Hart and **Courtney Miller O'Mara** represent creditors before Nevada courts seeking to enforce multi-million dollar commercial loans arising from defaulted real property loan obligations. Many of their cases raise issues related to the Nevada Legislature's 2011 passage of Assembly Bill 273, which borrowers and guarantors have used to argue that secured creditors who have acquired loans from the original lenders do not have the ability to recover the full amounts due and owing on such loans, but are instead limited to what the transferees paid to acquire the loans. Ms. Hart and Ms. O'Mara have been at the forefront of these cases, which includes their representation of *First Financial Bank* and *First Independent Bank of Nevada* in cases still pending before the Nevada Supreme Court. Ms. Hart's and Ms. O'Mara's representation also extends to assisting their clients for whom judgments have been obtained with efforts to locate and execute on assets with which these judgments can be satisfied.



Leslie Bryan Hart



Courtney Miller O'Mara

WESTERN ALLIANCE BANK

Jennifer Smith and **Courtney Miller O'Mara** represent *Western Alliance Bank* in connection with its claims against the bankruptcy estate of Nathan Topol, the late Northern Nevada real estate developer and investor. Ms. Smith and Ms. O'Mara's efforts on behalf of Western Alliance were key in convincing the court that the debtor's continued control over the bankruptcy estate was not in the best interest of the creditors. In March 2013, Judge Bruce Beesley appointed a Chapter 11 trustee to manage the affairs of the bankruptcy estate. The bankruptcy trustee is now pursuing avoidance actions against the debtor's adult children and other recipients of alleged fraudulent transfers and/or preferences.



Jennifer Smith



ATTORNEYS NAMED "TOP LAWYERS" BY VEGAS INC.

Twenty-five Lionel Sawyer & Collins attorneys were named to the 2013 "Top Lawyers" list issued by VEGAS INC. magazine, a leading Las Vegas weekly business publication. The rankings were derived in collaboration with Martindale-Hubbell®, a leading resource for information on the legal profession. The following attorneys have been included:

Sam Lionel
Litigation
Richard Bryan
Government Relations
Jeff Zucker
Business Transactions
Paul Hejmanowski
Litigation
Bob Faiss
Gaming
David Frederick
Appellate Practice
Rodney Jean
Litigation
Todd Touton
Litigation
Lynda Mabry
Complex Litigation
Mark Goldstein
Real Estate
Kirby Smith
Employment
Lynn Fulstone
Health Care
Rory Reid
Administrative and Regulatory
Dan McGuire
Taxation
Pete Gibson
Litigation
Charles McCrea
Complex Litigation
Greg Smith
Labor & Employment
Malani Kotchka
Employment
Matt Watson
Real Estate
John Naylor
Litigation and Arbitration
Greg Gemignani
Intellectual Property
Linda Bullen
Environmental
Laura Thalacker
Labor and Employment
Max Couvillier
Litigation
Robert Hernquist
Litigation

CORPORATE LAW

Our attorneys have advised companies on all aspects of corporate law, from entity formation through corporate governance issues and mergers and acquisitions. In cases where business disputes occur (for example, shareholder suits), our Business Law Department can call upon the assistance of their Litigation colleagues. Clients turn to our Firm for these full-service capabilities and for our judgment, skillful advocacy and ability to successfully navigate through the intricacies of Nevada corporate law.

We wrote the book on Nevada Corporate Law



Jeff Zucker

BISHOP AND ZUCKER on Nevada Corporations and Limited Liability Companies

The 2nd edition of this unique reference book was released during the year, incorporating substantial revisions to cases and statutes in Nevada that have clarified or changed Nevada corporate law. Called "a valuable resource...and an important contribution to this field," *Bishop & Zucker* has become a significant reference for law firms and libraries across the United States. The book has been cited by practitioners in motions and briefs as the authority on Nevada corporate law and in Nevada Supreme Court case law. Originally authored in 1993 by Keith Bishop, a partner at Allen Matkins, the treatise was previously revised in 2011 with the combined efforts of Lionel Sawyer & Collins, led by Business Law Department Chair Jeff Zucker, and Mr. Bishop. Other attorneys from the Firm contributed to the text under the guidance of the book's editorial board, **Colleen Dolan**, **Pearl Gallagher** and **Mark Gardberg**, from the Business Law Department.

APPLYING THE BUSINESS JUDGMENT RULE: Shareholder Litigation

Maximiliano Couvillier regularly represents executives, directors and companies in lawsuits arising from actual or potential mergers, acquisitions and other strategic transactions. These cases address some very important legal issues concerning the operation, scope and protections of Nevada's business judgment rule as codified under NRS Chapter 78 and present important contributions to the development of Nevada common law in the areas of corporate governance, mergers and acquisitions. During the year, his most memorable cases included both international and domestic transactions, in which the fairness, price and disclosures of the proposed transaction were challenged. In *Fushi Copperweld, Inc.*, Mr. Couvillier represented special committee directors against a shareholder class action suit arising from a going-private transaction with a Chinese company in which class challenged the price and alleged the transaction was "unfair." Mr. Couvillier and the other members of the defense counsel successfully defeated a motion for preliminary injunction to enjoin the transaction and persuaded the court to confirm the application of the more favorable Nevada business judgment rule and its presumptions of propriety and to reject Delaware's more stringent "entire-fairness" review in reviewing the transaction. Mr. Couvillier similarly defeated an effort to enjoin a domestic going-private transaction involving *Ameristar Casinos, Inc.* and *Pinnacle Entertainment, Inc.* by establishing that all material disclosures had been made as required by Nevada law. Mr. Couvillier is currently representing certain directors of *China Armco Metals, Inc.*, a Nevada corporation doing business in China, against a class action alleging that the board approved executive compensation purportedly in excess of its authority.



CORPORATE ASSET SALE

In 2013, **Craig Etem** led a team of Lionel Sawyer & Collins attorneys in a \$40 million sale of the assets of a Las Vegas manufacturing firm. The sale to a large, sophisticated buyer was conducted on a very tight timeline, requiring coordination of complex legal issues in a number of areas related to employment law, intellectual property law, and real estate issues. He was supported by **Colleen Dolan** regarding the real estate issues, **Laura Thalacker** who advised on employment law, **Greg Gemignani** for intellectual property questions and **Brian Schusterman** and **Mark Gardberg**, assisting with document control and drafting, as well as due diligence coordination.

INTELLECTUAL PROPERTY

Companies with significant investments in their products have increased opportunities to protect the integrity of their brands with the assistance of a team from Lionel Sawyer & Collins. Nevada has become an increasingly important jurisdiction for patent and trademark enforcement. Additionally, as the world's premier location for conventions and trade shows that brought 5.1 million participants to town during over 22,000 shows last year, Las Vegas has become the opportune place to pursue counterfeiters from around the globe who participate in these shows.

ACQUISITION OF INTELLECTUAL PROPERTY ASSETS IN BANKRUPTCY

Rod Jean and **Greg Gemignani** assisted gaming companies in evaluating and acquiring intellectual property assets through bankruptcy proceedings in the past year. Challenging economic times always have unfortunate consequences that dominate the press. However, they also create some measure of opportunity for renewed growth and acquisition for others. Often, intellectual property assets are liquidated by trustees in bankruptcy and, with the help of skilled counsel, such assets can be a valuable addition to the portfolio of a new suitor willing to invest in the promise that such assets may return. Mr. Jean and his colleagues at Lionel Sawyer & Collins are skilled at working with the courts and trustees at ushering the transfer of IP assets in accordance with the myriad of laws and regulations that may apply to these assets.

PATENT ENFORCEMENT & DEFENSE LITIGATION

Charles McCrea and the Firm's IP litigation team have been actively involved in patent enforcement litigation. Nevada is rapidly becoming a popular jurisdiction for these actions and the federal courts in Nevada have been the venue of choice for an increasing number of patent litigation matters. Mr. McCrea has been involved with multiple patent enforcement and defense matters in 2013 and continues to be a primary resource for companies and out-of-state law firms seeking Nevada counsel on patent litigation matters.

TRADEMARK PROSECUTION

Greg Gemignani and the transactional IP team at LS&C have filed dozens of federal and state trademarks for gaming companies, technology companies, restaurants, transportation companies, and others. Additionally, the team has been working on addressing everything from international trademark portfolio management to start-up business mark filings.



Rod Jean, Greg Gemignani and Charles McCrea

TRADEMARK PROTECTION INJUNCTIONS TO PRESERVE BRAND REPUTATION

Sunlight Products

John Naylor, Ketan Bhirud and **Greg Gemignani** were instrumental in defending the trademarks of **Sunlight Products**, a leading manufacturer of environmental, timing, ventilation and lighting controls for the indoor grow industry, in trademark litigation brought in federal court in Reno. Prior to litigation, Sunlight sought to amicably resolve issues with a new user of a substantially similar mark also used in the indoor growing products market. Sunlight's efforts were met with a lawsuit filed by the new user in which they attacked Sunlight's marks and asked for substantial damages. The Lionel Sawyer & Collins team quickly turned the tables in the matter and was successful in enjoining the junior user from using any of their confusingly similar marks. The case had a number of novel issues for the Nevada district court and was one of the first trademark injunctive relief cases to apply new standards in evaluating harm relative to trademark infringement by a new market entrant. In addition to benefiting clients, their experience with this and related matters have enabled Mr. Bhirud and Mr. Gemignani to share their knowledge with other attorneys by presenting a Nevada Continuing Legal Education course on trademark injunctions and defenses for the Nevada Bar.

ADVANCE STRIKES AGAINST UNKNOWN COUNTERFEITERS

Robert Hernquist led an effort to obtain injunctive relief against unknown defendants prior to a major awards show in Las Vegas. A common problem with awards shows and trade shows is that the short duration of the event leaves insufficient time to develop and file suits and obtain relief against counterfeiters before substantial harm occurs. While show promoters and exhibitors at trade shows may anticipate that infringing products will appear at an event, they won't know which vendors (often foreign-based) will be displaying or marketing the product. Mr. Hernquist and the Lionel Sawyer & Collins IP litigation team have successfully pursued and obtained injunctions and product seizure orders in advance of such shows against to-be-named defendants to address the issues of show promoters and exhibitors. While such actions take some lead time and effort, the outcome for those with investments in products and brands can be extraordinarily valuable in ensuring that channels for knock-off trade are not established at major international events in Nevada.



Robert Hernquist

TRADE SECRETS DEFENSE

Flexisales, Inc.

Christopher Mathews and **Amy Baker** successfully defended **Flexisales, Inc.**, the Nevada affiliate of a company based in India, in this complex international trade secret dispute filed in the United States District Court for the District of Nevada. Flexisales is a fast-growing demand generation company that assists companies in outsourcing their sales activities, providing services that encompass all aspects of developing and maintaining a strong sales pipeline, from lead generation and account profiling through database development and maintenance. One of their competitors, Salesbuild, sued Flexisales alleging that former Salesbuild employees stole trade secret information from their workplace in India and then offered it to Flexisales. After exhaustive examination of the electronic records produced by the plaintiffs, the Lionel Sawyer & Collins trial team demonstrated there was no evidence that any deal had ever been consummated, prompting the withdrawal with prejudice of the plaintiffs' motion for a preliminary injunction. Having secured this initial win for the client, the Firm's attorneys next moved to dismiss the entire case, arguing that the courts of India were a more appropriate venue for resolution of the dispute. The motion required detailed analysis of the legal system of India, including its substantive and procedural law as well as practical aspects of court administration. In December, the federal court agreed with Flexisales, issuing a comprehensive decision dismissing the entire case. At that time, our client commented:

"I would like to thank your entire team for being there whenever needed and completing in-depth legal research in accordance with Indian laws as well and writing with clarity and persuasiveness. This lawsuit was of grave importance to us, both in terms of existence and reputation. Mr. Mathews was the perfect attorney for us. He listened to us and truly understood our situation and needless to say – he believed in us. He kept us calm throughout so that we could focus on the business, not worrying much about the lawsuit. We recommend Lionel Sawyer and Collins without any reservation."



Christopher Mathews and Amy Baker

LITIGATION: PERSONAL MATTERS

While a corporate decision to litigate an issue is never easy or pleasant, the experience can be more traumatic for families or individuals who have an emotional, as well as financial, stake in the outcome. It's important that legal advisors have an understanding beyond the legal issues to include a sensitivity to their clients' personal concerns. Over the years, Lionel Sawyer & Collins has provided this level of care, most recently in these examples.

PRESERVING A FAMILY LEGACY

One of the greatest challenges faced by successful business owners goes beyond making the hard operating decisions to addressing the question of succession planning and the future of the company. Corporate history is full of stories about bitter family disputes occurring on the death of the founder. The ability to call upon our attorneys as trusted advisors who can help during these difficult situations is highly valued by our Firm's clients.

A well-established family faced two business crises within a short period of time. After a long and successful life, the family patriarch passed away, leaving his large corporation to his children, followed by the start of the Great Recession, which had devastating effects on the local and regional economy, especially in their industry. During the height of the recession, the family convened corporate meetings to discuss the best ways to weather the economic storm. The decision was reached to shrink the company and retrench, to enable it to survive the recession, with plans to expand again when the economy recovered. Accordingly, the shareholders and directors agreed to temporarily wind down active business operations and to amend the shareholder agreement. By the end of 2010, positive economic indicators encouraged the company to expand its operations. At this point, one of the siblings disagreed, seeking to dissolve the company and distribute its assets to its shareholders. He contended that the decision to shrink the company was really a commitment to go out of business. He initiated litigation seeking extraordinary relief through an injunction prohibiting the company from engaging in business,



Paul Hejmanowski

the appointment of a receiver and dissolution providing shareholder distributions, or, alternatively, millions in damages. A majority of the family turned to **Paul Hejmanowski** to represent the individual defendants and the company in opposing this dissident sibling. Motions to enjoin our clients from conducting business, and to disqualify our law firm from representing our clients were dismissed and were resolved in our clients' favor. Our motion to compel discovery resulted in sanctions imposed on the opposing side. The intensity of emotions ultimately led to a physical altercation, incarceration of the plaintiff and issuance of a temporary protective order to safeguard our clients, going well beyond the usual issues of a business case. The case is expected to go to trial in the summer of 2014.

BEYOND OUR BORDERS

In certain cases, our assistance may be called upon for personal disputes that involve parties in other states or countries.

Allen Wilt and **Jordan Davis** succeeded in obtaining a judgment against, and in levying against bank accounts to satisfy a judgment against a Texas defendant for a Nevada family client. Mr. Wilt and Mr. Davis also successfully collected upon a judgment issued in France against a Nevada resident, after suing to domesticate the French judgment and reaching a settlement with the Nevada debtor. In a matter filed in Las Vegas, Mr. Wilt and **John Tennert** obtained the dismissal of a lawsuit which sought substantial damages against individual clients from Belgium, arguing that those defendants were improperly sued in Nevada, and that the Nevada court lacked the jurisdictional power to enter a judgment against them.



Allen Wilt

TRUSTS & ESTATES LITIGATION: Helping Elders Avoid Exploitation

Almost by definition, litigation involving a trusts and estates matter is an emotional, as well as legal, battle, often pitting family members against one another. In this case, a daughter seeks to recover from not only the passing of her blind elderly father but from attempts made by another family member to defraud his estate.

Elizabeth Brickfield, **Doreen Spears Hartwell** and **Kendal Davis** successfully tried a trusts and estates litigation matter involving common law claims, statutory claims, equitable issues and legal issues. Our client, as the executor and trustee of her deceased father's estate, asserted quiet title, breach of contract, breach of fiduciary duty, conversion and elder exploitation claims against multiple defendants in order to retrieve real and personal property that rightfully belonged to her father's estate.



Elizabeth Brickfield, Kendal Davis and Doreen Spears Hartwell

Our client's position was that her blind eighty-six year old father suffering from chronic health issues was defrauded into signing away his real property to a previously estranged nephew for no money down and a \$1 million promissory note. Within weeks, the nephew and his business partner divided the real property into two separate parcels, then entered into a letter of intent to sell one lot for \$1.125 million without satisfying the \$1 million promissory note held by the decedent. Our client sought quiet title on the two lots, seeking to have both properties returned to her father's estate and/or disgorgement of all profit earned by the defendants. The three week trial involved multiple expert witnesses on the issues of competency, undue influence, business valuations and real property values. At its conclusion, the judge made multiple findings from the bench in favor of our client and against defendants. Although we are still awaiting the written decision from the court, our client has expressed satisfaction with the legal services provided and is confident of obtaining a favorable ruling. At the end of the matter, she commented, *"Our team of attorneys went the extra mile to unravel the past. [Their] exceptional team work and vast experience helped to give clarity to a very complex scheme. We are so grateful for their personal touch, words cannot express the depth of our appreciation."*

With the Baby Boomer generation entering retirement age, and life expectancies at an all-time high, the importance of elder law continues to grow. The considerable challenges faced by senior citizens, especially those with healthcare concerns such as dementia, can lead to intense family conflicts, especially in cases where substantial assets are involved.

In another matter, the team of **Elizabeth Brickfield**, **Doreen Spears Hartwell** and **Kendal Davis** represented an elderly client with late onset dementia whose separate property assets were illegally converted by his now ex-spouse. The matter started in family court when the wife filed a complaint for separate maintenance alleging abandonment by our client after putting him in a skilled nursing facility so she could travel. Prior to forcing our client out of the marital home, the wife transferred to herself substantial assets from our client's separate property as well as incurring substantial credit card debt in our client's name. Our client countersued for divorce and sought recovery of the converted assets. The matter has been resolved with the now ex-wife returning to our client a substantial amount of the converted assets.

HEALTHCARE

Nevada, like every other state in the nation, faced a tsunami of changes to healthcare laws in 2013. As one of Nevada’s oldest and most established law firms, Lionel Sawyer & Collins has long-standing relationships with many legislators and regulatory agencies. We work collegially with them to shape the laws of the future and to improve the lives of Nevadans. Whether it is interpretation of a provision of the Affordable Care Act, the establishment of the Silver State Insurance Exchange, helping clients navigate the new medical marijuana laws and regulations, or interpreting the healthcare implications of the repeal of the Defense of Marriage Act, Lionel Sawyer & Collins continues to expand its legal expertise to stay abreast of relevant and current legal issues.

In a recent conversation, Lynn Fulstone and Erin Flynn discuss how they have assisted clients with some of the most pressing issues facing the industry.

UNDERFUNDING AND OVERREGULATION

Nevada healthcare providers continue to face reimbursement shortfalls. In the past, many were able to offset Medicaid losses with reimbursements from Medicare. However, as the federal government pares back on spending, healthcare providers are no longer able to balance payment sources to offset losses. At the same time, the state has ramped up enforcement efforts to hold providers even more accountable for the care they provide. The penalties facing these providers add to an already razor-thin budget, which in turn can affect the facilities’ ability to render optimal care. Because reimbursement at the state and federal level is increasingly being tied to quality (rather than volume of patients treated), the scenario we are seeing is something like this: an underfunded facility provides less than optimal care, then faces a fine that strains its already limited budget, only to then be unable to take measures to hire additional staff and implement measures to bring the quality of care up to a level where the facility can receive additional funding based on quality. The cycle is self-perpetuating and facilities can have a difficult time breaking it. Lionel Sawyer & Collins has worked on both sides of this issue, lobbying for increased funding for facilities, and working with regulators to reduce fines (where appropriate) if a facility can implement appropriate safeguards to prevent recurrent violations of state regulations. This is important so that the facilities can use the money they may otherwise have to pay in fines to hire additional staff or implement additional staff training.



Lynn Fulstone and Erin Flynn

STRUCTURING HEALTHCARE PRACTICES AND GROUPS

Even before they open their office, practitioners face a myriad of state and federal laws governing licensing, employment, compensation, billing, management and group practice arrangements. Once they have successfully navigated these initial obstacles, they must then comply with laws such as HIPAA and HITECH (governing privacy and security of patient records), Stark, Anti-Kickback and state self-referral laws, as well as laws governing electronic medical records and the provisions of the Affordable Care Act. Moreover, new practice arrangements for physicians involving health facilities, insurance companies and non-physician healthcare providers are evolving rapidly in response to the changing healthcare environment. Lionel Sawyer & Collins provides guidance at every stage of practice formation, operation and restructuring, from incorporation to licensing, enrolling with governmental payors and compliance with state and federal healthcare laws.

THE BEHAVIORAL HEALTH CRISIS

Families of patients who were discharged from Rawson-Neal Psychiatric Hospital with a bus ticket to their hometown claimed the patients were “dumped” while the state said the patients were merely given the resources to leave Nevada. The legal debate about whether the discharges constituted patient dumping rages on, but the fact remains that the state has limited resources to treat its mentally ill population. Lionel Sawyer & Collins is working with various groups and state officials to find solutions to help alleviate the behavioral health crisis in Nevada.

FRAUD AND ABUSE

The return on investment for the government in cases of fraud and abuse is significant. Fraud and abuse actions against providers are often initiated by “whistleblowers” so the government does not even have to seek out the wrongdoers. The government often couches its enforcement actions under the guise of false claims and the definition of false claims seems to grow broader every year. Often the “wrongdoer” is no more than an office manager who fails to understand the billing complexities, or a physician who has less than optimal record keeping habits. Either way, the penalties can be substantial and the costs to respond to an investigation significant. Lionel Sawyer & Collins has helped clients respond to investigations or to analyze potential violations discovered by the client itself, whether the violation results from overpayments, improper billing or poor record keeping.



THE BEST LAWYERS IN AMERICA®

Twenty-nine shareholders of Lionel Sawyer & Collins were recently selected by their peers for inclusion in *The Best Lawyers in America® 2014* (Copyright 2013 by Woodward/White, Inc., of Aiken, S.C.), giving the Firm the distinction of having **the greatest number of attorneys listed of all Nevada law firms**. Demonstrating the depth of the Firm’s full-service expertise, these attorneys have been honored for achievements in twenty-seven practice specialties.

Best Lawyers, one of the preeminent legal referral guides in the U.S., also listed Lionel Sawyer & Collins as a Tier 1 firm and as **the top Nevada law firm** in the areas of Bet-the-Company Litigation, Commercial Litigation, and Litigation-Intellectual Property. The Firm’s Las Vegas office was top-listed in seven specialties, including Bet-the-Company Litigation, Commercial Litigation, Corporate Law, Gaming Law, Litigation-Construction, Litigation-Intellectual Property, and Real Estate Law. In 2014, Lionel Sawyer & Collins has more listed lawyers in *Best Lawyers* in Las Vegas than any other firm in the city. The Firm has the second largest number of attorneys in the United States included for its Gaming Law practice.

In Las Vegas:

Richard Bryan
Government Relations
Practice, Land Use &
Zoning Law

Jeff Zucker
Real Estate Law

Paul Hejmanowski
Bet-the-Company Litigation,
Commercial Litigation,
Litigation-Banking & Finance,
Litigation-Construction

Bob Faiss
Gaming Law, Government
Relations Practice

A. William Maupin
Commercial Litigation

David Frederick
Appellate Law, Commercial
Litigation

Rodney Jean
Commercial Litigation

Todd Touton
Commercial Litigation,
Construction Litigation

Lynda Mabry
Corporate Law
Commercial Litigation

Mark Goldstein
Real Estate Law

Lynn Fulstone
Health Care Law

Rory Reid
Government Relations
Practice

Dan McGuire
Tax Law

Charles McCrea
Commercial Litigation,
Corporate Law, Litigation-
Intellectual Property,
Litigation-Labor &
Employment,
Litigation-Real Estate

Greg Smith
Employment
Law-Management,
Labor Law-Management,
Litigation-Labor & Employment

Malani Kotchka
Employment
Law-Management,
Labor Law-Management,
Litigation-Labor & Employment

Todd Kennedy
Commercial Litigation,
Litigation-Antitrust,
Litigation-Construction,
Litigation-Intellectual Property

Matt Watson
Real Estate Law

Greg Gemignani
IT Outsourcing Law

Linda Bullen
Environmental Law,
Litigation-Environmental

Laura Thalacker
Employment
Law-Management,
Litigation-Labor & Employment

Max Couvillier
Commercial Litigation

In Reno:

Colleen Dolan
Real Estate Law

Jennifer Smith
Bankruptcy and Creditor-
Debtor Rights/Insolvency
and Reorganization Law,
Litigation-Bankruptcy

Dan Reaser
Energy Law, Gaming Law

Allen Wilt
Commercial Litigation,
Litigation-Real Estate,
Litigation-Trusts & Estates

Leslie Bryan Hart
Commercial Litigation

Craig Etem
Corporate Law,
Real Estate Law

Laura Granier
Commercial Litigation



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NATURAL RESOURCES

Before the first ounce of gold can be extracted, or kilowatt of power can be produced from renewable energy sources, there are an extraordinary amount of legal and regulatory hurdles to overcome. When it comes to navigating the complex and arduous federal, state and local regulatory approval process for environmental and natural resource projects, clients value the knowledge and experience of our team.

MINING

MIDWAY GOLD

Successfully completing the permitting process for a new project in record time leads to quicker production and greater profitability for our client

2013 was a milestone year for **Midway Gold's** Pan Project, located in White Pine County, Nevada. With the assistance of **Senator Richard Bryan, Laura Granier** and **John Tennert** at Lionel Sawyer & Collins, the Pan gold mine, with projected production of over one million ounces, received a Record of Decision from the Bureau of Land Management in December in record time. This marks the final step in an extensive environmental impact process: under the National Environmental Protection Act (NEPA), all projects on federal land require a series of detailed environmental impact and mitigation studies, leading to a Final Environmental Impact Statement (EIS). "Completion of the Final EIS is a landmark achievement on our road to production at Pan," said Ken Brunk, Midway's President & CEO. "To do so in record time is a credit to our outstanding permitting team, the BLM and all other cooperating agencies..." The groundbreaking ceremony for the new mine was held in early 2014, with production anticipated to start by year end. In addition to facilitating this vital accomplishment for this project, our team also successfully completed litigation to quiet title to claims within the project area and continues to work with Midway Gold on their other Nevada projects.



Senator Richard Bryan

PERSHING GOLD CORPORATION

Pershing Gold is an emerging Nevada gold producer uniquely positioned to create shareholder value by fast-track re-opening of the Relief Canyon Mine. The Relief Canyon Mine property includes three open-pit mines and a state-of-the-art, fully permitted and constructed heap leach processing facility with the capacity to treat eight million tons per year. The facility is ideally situated to process ore from future discoveries of satellite deposits. During the year, key achievements included consolidating its property position and acquiring additional land holdings, completing \$11.1 million project financing, and completing aggressive drilling programs with substantial yield increases. A team of Lionel Sawyer & Collins attorneys including **Senator Richard Bryan, Laura Granier, Jennifer Smith** and **John Tennert** have served as outside counsel on this project for a number of years and have provided assistance in moving this important project forward by successfully defending and having claims brought against our client dismissed with prejudice allowing them to continue their progress.



Jennifer Smith, John Tennert and Laura Granier



FRANCO-NEVADA CORPORATION

Maintaining royalty payments through the underlying asset's bankruptcy

Franco-Nevada Corporation is a publicly-traded gold-focused royalty and stream company with additional interests in platinum group metals and other resource assets. The majority of revenues are generated from high margin assets in North America, including a substantial number of Nevada mines. The portfolio provides exposure to some of the largest gold discoveries in the world. Among its assets, Franco-Nevada holds a royalty on approximately 7,000 acres of the Hollister mine, located in Elko County, Nevada. After the mine's owner, Great Basin Gold, filed for bankruptcy in Canada and entered Chapter 11 restructuring proceedings in the U.S., Franco-Nevada turned to **Laura Granier** and **Jennifer Smith**. By year end, our team had successfully completed complex litigation to preserve Franco-Nevada's royalties held at the Hollister mine, ensuring the continued payment of its royalty, confirming that the royalties are treated as real property and recovering past-due accrued royalties from prior production.

WATER LAW

One of the fundamental concerns of the Western United States has always been the availability of water. Two major factors – a devastating 14 year drought and a population boom to over two million residents – have resulted in controversial policies by the water agencies in Southern Nevada regarding future supplies of this scarce resource.



Paul Hejmanowski

Laws and policies governing the use and conservation of water have been major factors in the growth of Nevada, the nation's most arid state. Dependent on the Colorado River and with its reservoir at Lake Mead nearing emergency rationing levels, the Southern Nevada Water Authority (SNWA) turned to other possible sources. The agency has been aggressively pursuing 146 applications filed since 1989 with the State Engineer, Nevada's water regulator, to pipe water pumped from hundreds of wells scattered across four valleys in east-central Nevada (the Spring, Dry Lake, Cave and Delamar Valleys) to the major population center surrounding Las Vegas, 300 miles south. A broad coalition of environmental groups, Native American tribes, ranchers, farmers and counties in Nevada and Utah have fiercely opposed SNWA's project. **Cleveland Ranch**, a large cattle operation located in the heart of northeast Nevada's Spring Valley since the 1870s and now owned by the Church of Jesus Christ of Latter-day Saints, has been represented by **Paul Hejmanowski** in its efforts to preserve its own water rights and guard against such potential irreparable devastation caused by groundwater mining. In the most recent series of rulings in this long legal battle, the State Engineer issued rulings in March 2012 authorizing SNWA to begin its piping project, amounting to the largest water appropriation in Nevada history and likely the largest interbasin water transfer in U.S. history. In a victory for the coalition, Senior District Judge Robert Estes ruled on December 13, 2013 that the State Engineer had exceeded and relinquished his statutory authority to safeguard the State's water in the public interest for "following generations of Nevadans" and had acted arbitrarily and capriciously by approving the applications absent substantial and reliable evidence. Judge Estes remanded the State Engineer's rulings for recalculation of the amounts of water reasonably appropriable and for the institution of objective and recognizable standards to safeguard against potential irreparable injury to the public interest. Continued challenges in the federal courts and appeals before the Nevada Supreme Court have extended this conflict for the foreseeable future.



LEGAL ELITE 2013 THE SILVER STATE'S TOP ATTORNEYS

Nevada Business magazine's annual special report focuses on the top two percent of the state's licensed attorneys, selected by their peers. Six shareholders in our Las Vegas office and seven of our colleagues in Reno have been included in this year's list.

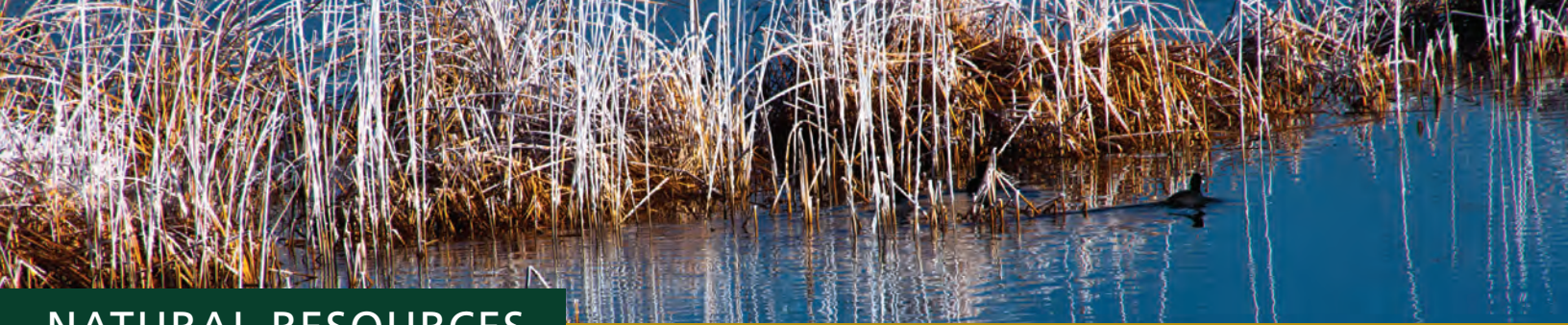
LAS VEGAS:

Sam Lionel
Matt Watson
Doreen Spears Hartwell
Max Couvillier
Jennifer Roberts
Pearl Gallagher

RENO:

Jennifer Smith
Allen Wilt
Courtney Miller O'Mara
Brian Schusterman
John Tennert
Katherine Hoffman
Jordan Davis

In addition, these attorneys have been named as "Up and Coming:"
Christopher Walther
Courtney Miller O'Mara



NATURAL RESOURCES



ENVIRONMENTAL

H2O CONSERVATION ACQUISITION OF ZUVO WATER, LLC

A team of Lionel Sawyer & Collins attorneys led by **Linda Bullen** has represented **H2O Conservation Ltd.** in its acquisition of **Zuvo Water, LLC**. Based in Reno, Nevada, Zuvo's vision is to become the leader in environmental remediation technologies through innovative applications of nanostructured materials. There are a wide variety of potential markets, including drinking water treatment, municipal treatment plants, industrial wastewater treatments for the paper, tannery and shipping industries and applications for pharmaceuticals, food processing, chemical and mining industries, and for nuclear power plants. Zuvo's technology also provides remediation solutions for landfills, groundwater and oil spills that surpass conventional methods. **Colleen Dolan** and **Brian Schusterman** provided assistance with structuring the acquisition by the creation of a corporate entity as the acquiring company and Ms. Bullen will be assisting in the environmental aspects of the company's projects going forward.



Colleen Dolan



Brian Schusterman

NOBLE ENERGY

Discovering New Energy Sources in the Silver State

Founded by Lloyd Noble in 1932, **Noble Energy** is an S&P 500 company with reserves of 1.4 billion barrels of oil equivalent and assets totaling over \$19 billion. Its core operations are onshore in the U.S., and offshore in the Gulf of Mexico, Eastern Mediterranean and West Africa. Noble Energy has identified a new opportunity in northeast Nevada and established a position of 350,000 acres in Elko County. During the year, the company initiated a phased pilot test program by drilling exploratory wells utilizing hydraulic fracturing technology. **Laura Granier**, **Colleen Dolan** and **Brian Schusterman** performed real property title due diligence in connection with Noble Energy's exploration efforts in northeast Nevada. Ms. Dolan and Mr. Schusterman conducted title examinations and prepared numerous oil and gas title opinions for the company, while Ms. Granier provided guidance with respect to various mining specific issues covered by such opinions.



Laura Granier

SOMETHING TO GROUSE ABOUT? Managing Public Lands For Multiple Uses

During the past year, Lionel Sawyer & Collins attorneys have been very active in the regulatory process surrounding the greater sage grouse issue, which continues to be of critical concern to the state of Nevada and all users of public lands in the state (including mining and energy companies). In a draft Environmental Impact Statement released by the U.S. Fish & Wildlife Service in 2013, the federal government is considering adding the greater sage grouse found in 11 western states to the Endangered Species Act, which could potentially curtail a number of activities including recreation, mineral and new renewable energy development, farming and grazing, in what it considers to be sage grouse habitat, covering over 17 million acres in Nevada alone. Other federal agencies involved include the Bureau of Land Management and the U.S. Forest Service. States including Nevada have been working on their own plans that will protect the bird while permitting other uses, consistent with the stated federal mandate to manage public lands for multiple uses. LS&C attorneys are working collaboratively with a number of interested stakeholders to continue closely monitoring and participating in both state and federal regulatory processes involving the greater sage grouse.



RENEWABLE ENERGY

Linda Bullen continues to represent some of the country's largest renewable energy companies with their major investments in Nevada and beyond. In 2013, her relationship with **First Solar**, a world leader in the manufacture of photovoltaic (PV) solar modules and premier provider of comprehensive PV solar systems, continued to achieve success in the development of the company's 250 megawatt Silver State South project in Primm, Nevada. During the year, the Final Environmental Impact Statement was obtained for the project and construction will commence in 2014. Ms. Bullen has advised First Solar on all aspects of federal land use, environmental and permitting at the federal, state and local levels for other projects in Nevada and California, in addition to Silver State South.



Linda Bullen

She is also currently assisting **American Capital Energy** throughout the extensive review and approval process for their Searchlight, Nevada solar energy project, with construction expected to start in 2014. **Duke Energy**, the developer of the 200 MW Searchlight Wind renewable energy project, has also turned to Ms. Bullen. Located on federal land administered by the Bureau of Land Management, this project obtained its federal approval in 2013.



Benchmark Litigation
The Guide to America's Leading Litigation Firms and Attorneys

Six members of Lionel Sawyer & Collins' Litigation Department were honored as "Nevada Stars" in the 7th annual edition of Benchmark Litigation, the Guide to America's Leading Litigation Firms and Attorneys. The Guide's results are the culmination of an in-depth interview and research process conducted by their staff with private practice lawyers and in-house counsel. According to the Guide's publishers, the list of "local litigation stars" reflects only those individuals who were recommended consistently as reputable and effective litigators by clients and peers.

This year's list of honorees from Lionel Sawyer & Collins includes **Sam Lionel**, **Paul Hejmanowski**, **David Frederick**, **Rodney Jean**, **Todd Touton**, and **Todd Kennedy**. In addition to the individuals' recognition, Lionel Sawyer & Collins is ranked in the top "highly recommended" Tier 1, held as dominant in the state and reflecting its recommendation by the most respondents.



Todd Touton and Dave Frederick



MARTINDALE-HUBBELL®
TOP RANKED LAW FIRM

Lionel Sawyer & Collins was named as a "Top Ranked Law Firm" by Martindale-Hubbell®, a division of LexisNexis®. To qualify, the Firm was in the top one percent (one of only 2,446 firms selected nationally out of over 250,000 law firms) for having at least one-third of its attorneys achieve the highest AV-Preeminent rating. Twenty-eight Lionel Sawyer & Collins attorneys have been recognized in this category:

Litigation Department:

- Las Vegas:
Sam Lionel
Paul Hejmanowski
David Frederick
Rodney Jean
Todd Touton
Lynda Sue Mabry
Kirby Smith
Pete Gibson
Charles McCrea
Gregory Smith
Malani Kotchka
John Naylor
Linda Bullen
Laura Thalacker
Robert Hernquist

Reno:
Jennifer Smith
Allen Wilt

Business Law Department:

- Las Vegas:
Jeffrey Zucker
Mark Goldstein
Lynn Fulstone
Dan McGuire
Matthew Watson

Reno:
Colleen Dolan
Craig Etem

Gaming and Regulatory Law Department:

- Las Vegas:
Bob Faiss
Senator Richard Bryan
Rory Reid

Reno:
Dan Reaser



SUPER LAWYERS/MOUNTAIN STATES 2013

Super Lawyers is a rating service of outstanding lawyers from more than 70 practice areas who have attained a high degree of peer recognition and professional achievement. The selection process is multi-phased and includes independent research, peer nominations, and peer evaluations.

The following 19 Lionel Sawyer & Collins' lawyers representing seven practice areas were recognized among the top five percent of attorneys in the 2013 Mountain States edition of Super Lawyers.

In Las Vegas:

Sam Lionel
Business Litigation

Jeff Zucker
Real Estate

Paul Hejmanowski
Business Litigation

Bob Faiss
Gaming

Rod Jean
Bankruptcy &
Creditor/Debtor Rights

Todd Touton
General Litigation

Mark Goldstein
Real Estate

Charles McCrea, Jr.
Business Litigation

Greg Smith
Employment & Labor

Malani Kotchka
Employment & Labor

Todd Kennedy
General Litigation

Laura Thalacker
Employment & Labor

Linda Bullen
Environmental

Mark Clayton
Gaming

Robert Hernquist
Business Litigation

In Reno:

Colleen Dolan
Real Estate

Jennifer Smith
Bankruptcy &
Creditor/Debtor Rights

Dan Reaser
Gaming

Allen Wilt
Business Litigation



Bob Faiss



Jeff Zucker

Bob Faiss, Chair of the Firm's Gaming and Regulatory Law Department and Jeff Zucker, Chair of the Business Law Department were selected as members of the Top 100 Mountain States Super Lawyers.

Malani Kotchka, Jennifer Smith, Linda Bullen and Laura Thalacker were named to the 2013 Top Women Mountain States Super Lawyers.

Matthew Policastro (Estate Planning & Probate) and Jennifer Gaynor (Administrative Law) were included in the top rank of young attorneys as 2013 Mountain States Rising Stars.

Super Lawyers®

CREDITS

*Cover: **Ocotillo Gold** (Oil on canvas)*

About the Artist Erin Hanson

Hanging precariously and horizontally from red sandstone, fifty feet above the ground, may not seem like it would inspire the creation of beautiful oil paintings, but that is exactly what happened with Erin Hanson. After a lifetime of experimenting in different styles and mediums, it wasn't until Hanson moved to the outskirts of Las Vegas to climb at Red Rock Canyon that her painting style was consolidated by a single inspiration and force of nature. Through the years, Hanson has continued to use the outdoors to inspire a huge collection of work. Her oil paintings stand out in a crowd, bringing a fresh new look to Western landscapes. Avid collectors span the globe, and Hanson shows her work in top-rated art festivals and galleries across the United States. To view collection, please visit: www.erinhanson.com.

Thank you to Jan Craddock and Victoria Hart.

Our appreciation to Stephen Media and the *Las Vegas Review-Journal* for permission to reprint "As Gaming Unfolds, Faiss Was There," article by Howard Stutz, October 13, 2013. Photo courtesy of Gary Thompson, *Las Vegas Review-Journal*

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Lake Tahoe Sunset photo courtesy of Julie Duewel, NDOT

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- Laura Thalacker courtesy of Cashman Photo
- Senator Bryan, Bob Faiss and Peter Bernhard courtesy of *Global Gaming Business* magazine

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