

2007- REFLECTIONS.

REFLECTIONS
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PULLMAN & COMLEY, LLC
ATTORNEYS AT LAW



This is the first annual review we have published, so let me start by thanking you – our clients, colleagues and friends – for your support and inspiration. It is the relationships we have with you and the opportunities to assist you in your endeavors that make our careers rewarding.

In the pages that follow, we describe some of the work in which we were involved during the past year. We were excited to be part of these successes for our clients. You will see changes we've made within the firm – adding some new attorneys and new practices – in order to expand our capabilities and address the challenges you face today.

Pullman & Comley has solid roots in Connecticut, and we remain committed to our traditional client base and the communities in which we live and work. As in the past, our attorneys and staff were active participants in charitable, civic, public service and professional organizations, and we commend their efforts to make our world a better place. Perhaps most gratifying is that we often found ourselves shoulder to shoulder with our clients working to achieve these goals.

Obviously, what is contained in this review is not the whole story. There is no way we could fit the names of the many, many good people who contributed to making 2007 the year it was at Pullman & Comley, or present the tremendous breadth and depth of the legal work we were challenged by and privileged to handle. But please know that everyone in our firm contributed in many ways, with their knowledge and their heart.

We invite you to enjoy this brief look at how we've been pursuing our goals and look forward to helping you to meet yours in the coming year.

D. Robert Morris, Chairman
Pullman & Comley, LLC

Credit card lawyers?

June 2007 marked the launch of the Sotheby's World and World Elite™ MasterCard® programs. Cardholders earn rewards points that provide them with exclusive insider access to the arts, with benefits such as gratis admission to top museums, and rewards including extraordinary travel opportunities, private tours of artists' studios and invitations to private events at Sotheby's. Sotheby's tapped our capabilities in credit card, banking, consumer, tax and entertainment law in developing this unique co-branded credit card and luxury rewards program.

"We were involved in everything from drafting and negotiating agreements with the issuing bank (GE Money Bank) and the cardholder association (MasterCard Worldwide), to working with a host of significant museums and prestigious fulfillment providers."

– Nancy A. D. Hancock
Pullman & Comley

New private equity practice

To meet the changing needs of private equity clients in these turbulent economic times, we formalized our Private Equity practice this fall. We brought together attorneys from multiple disciplines to form a practice group geared to guide today's private equity investors through the potholed investment landscape. We assist clients with leveraged buyouts, recapitalizations, acquisitions and divestitures, and bring experience and perspective to working out troubled deals and closing transactions in an opportunistic market environment.



Resolving a complex bankruptcy



Alex Hernandez –
new White Collar
Defense chair

Alex V. Hernandez, former Supervisory Assistant U.S. Attorney for the U.S. Attorney's Office for the District of Connecticut, joined the firm in June as chair of our expanding White Collar Defense Section, where he represents individuals and institutions in criminal investigations and prosecutions, and conducts internal corporate investigations.

In less than five months from the bankruptcy filing date, we were able to recover assets for our client (a consumer goods rental franchisor) and make whole the debtor's unsecured creditors. Our client was the creditor of a group of financially-ailing debtors who owned 12 of our client's franchises. Initially, the debtors were allowed to use cash collateral on a very limited basis to enable them to operate, and were encouraged to pursue the sale of the assets to our client. When the debtors refused to sell, we were successful through litigation in getting them to return to the bargaining table, and a settlement was achieved in which our client obtained the right to purchase the businesses and convert them to company-owned stores.

Defending an executive

We successfully defended an executive consultant against allegations of impropriety as he was leaving his job with a publicly traded company in order to join a shareholder faction in an ongoing takeover battle. After his departure, the company obtained an order to enter our client's home and seize his family's computers. During an expedited trial, which included extensive testimony from a forensic computer expert, we were able to show that our client had acted appropriately at all times and had not misappropriated any confidential information from the company computers. The seizure order was vacated by the court, his attorney fees were reimbursed in full, and the shareholder faction obtained control of the company and installed him as executive vice president and chief operating officer.



Arresting the damage



Our litigation team was hired by two major communities in Connecticut to defend against allegations of discrimination in hiring and promoting police officers. In one municipality, a small number of officers sought to pursue class status in order to represent a larger group of officers in the department, an effort that was successfully defeated. The other municipality

turned to us to close an extremely active class action litigation that has been pending for almost three decades in federal district court. The timeframe, along with the placement of a court appointed special master to oversee the operation of the police department, has placed a significant drain on the city and limited its ability to run its operations efficiently and effectively.

A successful bond issue was more than academic

We served as bond counsel to the State of Connecticut Health and Educational Facilities Authority on its Quinnipiac University bond issue series. At more than \$400 million, it was the second largest bond issue in the Authority's history. The proceeds from the sale of the bonds were loaned to the University for the construction of a new student residence campus and to refund approximately \$125 million of outstanding debt. As a result of market conditions, the bonds were issued in three separate interest rate modes: fixed rate, variable rate and auction rate. Because of the deal's size and complexity, we had to resolve a number of substantive questions, including the University's 501(c)(3) status, certain "hedge bond" issues under the tax code, disclosure matters related to the credit status of the bond insurer, preferential transfer issues under the bankruptcy code and various variable rate, refunding and reimbursement tax issues. We worked closely with the Authority, the University, the underwriter, the bond insurer, the liquidity facility provider, the bond trustee and their respective counsel to help bring this issue to a successful and expedient closing.

New Community Law Section

In September, the firm unveiled its Community Law Section, which is devoted to the needs of governmental and private community organizations. We work with state and municipal entities (including police departments and fire departments), as well as condominium associations, neighborhood groups and other collectives, on such issues as statutory compliance, revenue collection, brownfield redevelopment, document revision, and operating contracts and their legal powers.



Master plan of Quinnipiac's proposed York Hill Campus, to be built using funds generated by the bond issue.

Putting energy into a Kleen power plant



**Brad Mondschein –
new Energy and
Regulated Industries
member**

Brad N. Mondschein has joined Pullman & Comley as a member of the firm in the Energy and Regulated Industries Section. Brad practices in the areas of regulated industries, telecommunications and the emerging technology of fuel cells and alternative energy products.

Kleen Energy Systems, LLC selected us to assist it with all of its regulatory, real estate, corporate and environmental legal work in connection with the development of a new 620 megawatt power plant in Middletown. For the past several decades, Connecticut has been unable to site and build large-scale, baseload electricity power plants. This year, we helped Kleen Energy obtain a contract under the 2005 Energy Independence Act that will allow the more than \$500 million project to be built. We also assisted them in obtaining initial financing, and are now working to secure financing for completion of the project. In addition, we are working with Kleen Energy to develop a facility that will provide millions of gallons of water, and allow Middletown to have an option to treat water for public consumption. This project will have a real, tangible benefit for the Connecticut ratepayer and the environment.

“With any project of this size, there are substantial hurdles in terms of regulatory approvals, permitting and financing, but our team of lawyers has been able to work through them, allowing the client to focus on getting the project completed.”

*- Lee D. Hoffman
Pullman & Comley*

Bringing equity to property valuation

Our Property Valuation attorneys successfully challenged the assessment of a Connecticut paper mill. Although we believed that the assessor's value of our client's mill was far too high, we also argued that it was excessive when compared to the assessment of all other similar machinery and equipment in the community. The trial court concluded that our client's mill had been depreciated more slowly than the other machinery and equipment in the jurisdiction. As a result, our client had been paying a disproportionately greater share of property taxes. The court agreed with us that this was clearly a case of assessment discrimination.

Keeping profits at a utility flowing

Aquarion Water Company of Connecticut, the largest water company in the state, had waited for more than ten years before going to the Connecticut Department of Public Utility Control to request a general rate increase. Working closely with Aquarion's in-house staff and outside consultants for over a year, we secured a significant victory for Aquarion when the DPUC

rendered its final decision on Aquarion's rate application. The resulting decision recognized Aquarion's commitment to excellent customer service and investment in infrastructure and capital improvements, and provided Aquarion with a rate increase that will allow it to sustain future investment in its infrastructure.



"Our counsel and company personnel worked together seamlessly, and that teamwork was essential to achieving the results in this case."

– Charles V. Firlotte
President, Aquarion

Putting an airport lease on solid ground

We represented a private aviation service in its successful proposal to the city of Bridgeport (including presentations to the Bridgeport mayor, City Council and Airport Authority), and the negotiation and drafting of an airport ground lease for redevelopment of the main terminal at Igor Sikorsky Memorial Airport in Stratford, Connecticut. We also represented the client in procuring land use approvals from the Stratford Zoning Commission, as well as in the negotiation and drafting of a PILOT (Payment in Lieu of Taxes) agreement with the town of Stratford. The transaction involved three additional expansion options, which, if exercised, would permit the development of additional aviation facilities at the Airport.



Law Firm Alliance

Last May, we co-hosted the New York metropolitan area meeting of more than 100 attorneys who, like

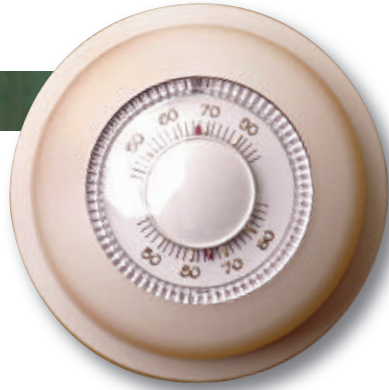


us, are members of the Law Firm Alliance, a global affiliation of law firms created to provide clients with legal services in the U.S. and internationally.

"When our client needed to understand how the antitrust laws of the U.K. and European Union impacted the expansion of its business, I contacted the Alliance firms in London and Stuttgart. They were able to promptly answer our questions, and our client was thrilled that we could so quickly and efficiently provide advice needed to pursue its strategic plan in Europe."

– D. Robert Morris
Pullman & Comley

Structuring a cool ownership transition



Our client, Encon Heating & Air Conditioning, is a large, Stratford-based business that has been providing top-quality heating and air conditioning installations to Connecticut since 1969. Encon reached out to us when its founders wanted a creative way to allow key long-time employees to become owners. Our lawyers were at the table to structure and support this strategic transaction, helping the owners put themselves in the best position to move into retirement while making it possible for the new owners to develop and grow the business.

"Encon has been with Pullman & Comley since the '70s. When we decided to sell our business this past year, we knew we could count on them to make the transaction a smooth one, and it was. Over the years, they've become trusted advisors, mediators, mentors and friends."

*– Arthur Rassias, former co-owner
Encon Heating & Air Conditioning*

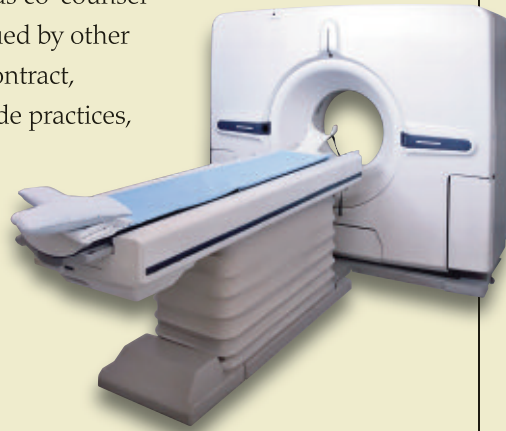
Jump starting acquisition of new auto dealerships



A team of attorneys from our Corporate, Real Estate, Environmental and Employee Benefits practices came together to complete the successful \$80 million acquisition of five high-end automobile franchises owned by an Employee Stock Ownership Plan (ESOP). Although the main transaction was a complex asset purchase (including a Hart-Scott-Rodino filing), this matter also involved the review, assignment and financing of 12 leases (ground leases and subleases) as well as the outright acquisition and financing of two parcels of improved commercial real estate totaling \$15 million.

Increasing fitness in the health care practice area

We were involved in a broad range of health care activities – advising institutional and individual providers on matters such as physician-hospital joint ventures, corporate restructurings, physician recruitment, and anti-kickback, Stark and HIPAA compliance. The year 2007 saw the issuance of the long-awaited Stark III regulations, and our attorneys gave numerous presentations on the impact these changes will have on health care providers. In addition, we represented providers in licensure hearings and other legal proceedings, and on such timely and controversial issues as the nature of chronic Lyme disease. We also acted as co-counsel in the successful defense of a hospital sued by other hospitals over allegations of breach of contract, unfair insurance practices and unfair trade practices, among other claims.



A merger of nonprofits with many benefits

Drawing on our knowledge of the complex issues affecting nonprofits, lawyers from our Nonprofit Organizations Section played a significant role in the merger between the Greater Bridgeport Area Foundation, Inc. and the Fairfield County Community Foundation, Inc. The result was the creation of the leading philanthropic organization serving donors and nonprofit organizations throughout Fairfield County. The merger became effective January 1, 2008. Combined net assets of the two foundations approach \$150 million.



**Jennifer Willcox –
new Health Care
member**

Jennifer N. Willcox joined Pullman & Comley as a member of the firm in the Health Care Department. Jennifer's practice involves regulatory and legislative health care issues and health care transactions.

Supporting our communities

Attorneys and Businesses for a Better Connecticut

As a member of Attorneys and Businesses for a Better Connecticut, the firm provides part-time employment to Bridgeport youth so that they may gain experience working in a corporate environment. We have sponsored



many young adults from this program who have come to work at the firm, including our current participant, Quanita McCray. Quanny works as an archival assistant in the firm's Records Department.

"Pullman & Comley has been the most involved firm in this organization in terms of number of youth hired.... They are of pivotal importance to the organization for this reason."

— Neal DeYoung

Attorneys and Businesses
for a Better Connecticut

Connecticut Science Center Lawyer Initiative

The Hartford office, led by Attorney Andrew Glassman, spearheaded an area law firm initiative that raised \$200,000 for the new \$150 million state-of-the-art Connecticut Science Center in downtown Hartford. In addition to Pullman & Comley, Andy was able to enlist the participation of ten other significant Hartford law firms, each of which contributed to this worthwhile effort.



Photo courtesy of the
Connecticut Science Center

Senator Andrew McDonald

State Senator and Pullman & Comley Attorney Andrew McDonald was honored this year by the Young Lawyers

Section of the Connecticut Bar Association for his

"contributions to the achievement and advancement of women, minorities, and persons with disabilities in the profession."

Pro Bono

Our attorneys logged many hours of pro bono service.

Our no-fee legal work in the community in the past

year ranged from personal matters such as estates,

guardianships and housing issues, to matters of public

concern ranging from reviewing contracts and policies

for public land trusts to negotiating the sales and

leasing of art, grant writing, fund raising and tax assis-

tance for a not-for-profit artists' guild. We also helped

a soup kitchen and owner of five supportive housing

apartments reorganize their corporate structure.

Going Green

While the firm has long been committed to achieving

a sustainable business model in the areas of social

and economic responsibility, in 2007 we formalized

a sustainability initiative in order to place a specific

focus on environmental responsibility and

stewardship. We are excited about the

prospects of broadening the program in

2008 as part of a "going green" business

effort firm wide.

The list goes on. The organizations in the background are those to which Pullman & Comley actively dedicated time and energy during the year 2007.

Supporting and enjoying each other



Rene McNeil

Since 1964, when she was a young mother juggling a full-time job with raising five children, Rene McNeil has been the woman who greets you when you walk into or phone our Bridgeport office. To many of our clients and friends, Rene *is* Pullman & Comley. Her warmth and

helpfulness set the tone for the rest of us.

Animosity Bowl

The Animosity Bowl, an annual football game pitting the members against the associates, has been held for more than 30 years.

Much hoopla and good-natured, over-the-top trash talking takes place during the weeks leading up to the game. Once again this year, the members squeaked out a victory.



Women Attorney's Tea

In 2007, we celebrated the tenth anniversary of Pullman & Comley's Women's Initiative with our annual networking Tea for area businesswomen. Attendance has grown from 30 participants the first year to more than 150 at this year's event. The Tea is the cornerstone event for our Women's Initiative, which provides opportunities for professional women to get together for networking and substantive discussions.

Attorneys – Additions and Advancements

In 2007, we welcomed six new associates to the firm: Rebekah Arsenault, Cara Ceraso, Carianna Field, Maria Garcia, Janée Woods Weber and Megan Youngling. And three attorneys were elected members of the firm: Peter Vodola, Katherine Scanlon and Aimee Wood.

End-of-Summer Associate Networking Event

This initiative is unusual in that it is entirely conceived and planned each year by the firm's associates. This year, the associates invited their peers from the local business community for dinner and drinks at Zinc in Stamford to celebrate the end of summer.

Wine Tasting

The annual Wine Tasting, which brings together attorneys and administrative managers from all of our offices, is a much-anticipated and longstanding fall event. Attendees share an evening of fine wine and good food in an informal atmosphere, and even get to rate their favorite wines at the end of the evening.



Dress-Down Fridays

On Friday, attorneys and staff dress in business casual attire in exchange for making donations to local charities they have nominated. Through this program, we have raised thousands of dollars for such charities as the Connecticut Food Bank, the Adopt-A-Family program and Junior Achievement.

OUR CAPABILITIES

For Businesses

Appeals
Banking
Bankruptcy
Commercial Finance
Condemnation & Eminent Domain
Consumer Finance
Construction
Corporate Finance
Corporate Law
Creditors' Rights
Emerging Businesses
Employee Benefits
Energy & Utilities
Environmental & Land Use
& Brownfields
Health Care
Insurance Coverage
Intellectual Property, Licensing
& Technology Transfer
International Tax
Internet Piracy & Computer Crimes
Labor & Employment
Litigation
Mergers & Acquisitions
Nonprofit Organizations
Private Equity
Property Tax Appeals
Real Estate & Property Valuation
Regulated Industries
Securities Law
Stock & Asset Purchases
Structured Settlement
Succession Planning
Tax
Technology
Trade Associations
Trademark
Venture Capital
White Collar Defense &
Corporate Investigations

For Individuals

Appeals
Business Succession Planning
Charitable Giving
Condemnation & Eminent Domain
Criminal Law
Education
Elder Law
Employee Benefits
Estate & Gift Tax Planning
Estate Settlement
Insurance Coverage
Litigation
Private Foundations
Probate Litigation
Real Estate & Property Valuation
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For Governmental Entities

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Pensions & Employee Benefits
Public Finance
Real Estate

Bridgeport

850 Main Street
P.O. Box 7006
Bridgeport, CT 06601-7006
tel. 203-330-2000
fax.203-576-8888

Hartford

90 State House Square
Hartford, CT 06103-3702
tel. 860-424-4300
fax.860-424-4370

Stamford

300 Atlantic Street
Stamford, CT 06901-3522
tel. 203-324-5000
fax.203-363-8659

Westport

253 Post Road West
P.O. Box 3180
Westport, CT 06880-8180
tel. 203-254-5000
fax.203-254-5070

White Plains

50 Main Street
White Plains, NY 10606-1900
tel. 914-682-6895
fax.914-682-6894

www.pullcom.com

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