How Did Florida’s Am Law 200 Firms Stack Up?

by Dylan Jackson

Experts consistently tout Florida as one of the fastest growing legal markets in the country — spurred by a growing economy and (comparatively) bargain rates that continue to beckon global firms and stimulate growth in Florida-native firms.

Florida firms in the lower half of the AmLaw200 saw an average 6.2% increase in revenue, with firms like Marder — jumped multiple spots up Shutts & Bowen and Greenspoon Marder — jumped multiple spots up twice the average in profits per partner — nearly double the national average in revenue growth (3.1%) and more than twice the average in profits per partner (2.8%).

In terms of sheer revenue, though, none of the firms cracked the top 50.

Three of the firms — Carlton Fields, Shutts & Bowen and Greenspoon Marder — jumped multiple spots up the Am Law 200 list. GrayRobinson dropped, though the Orlando-based firm saw a significant increase in profits.

Carlton Fields led the pack in profit per partner, with a year-on-year growth of 15.5% — the 11th highest increase among all Am Law 200 firms. The firm jumped two spots in the rankings, from No. 156 to No. 154.

What is Compassion Fatigue, and Why Are Lawyers Suffering From It?

by Raychel Lean

Clients call for help because the worst has happened. And for their lawyers, dealing with the aftermath can become a trauma of its own — leading to depression, anxiety, difficulty sleeping and concentrating, personality shifts and substance abuse.

The condition is called compassion fatigue, according to assistant director of Florida Lawyers Assistance Molly Paris, who joined with the Florida Bar’s Young Lawyers Division for wellness webinars that show some lawyers feel alienated and anxious as their clients’ powerlessness transfer to them.

And while all legal sector professionals are at risk, experts say defense lawyers, legal aid staff and sex crimes prosecutors are particularly vulnerable.

Take for instance Nejla Calvo, who has spent four years with Legal Services of Greater Miami, handling landlord-tenant disputes for Miami mobile home park residents. As a new lawyer Calvo experienced compassion fatigue, suddenly faced with countless clients about to lose their homes.

“I was having nightmares,” she said. “I was having these thoughts pop up out of the blue about my clients, some signs of anxiety and stress specific to cases I was working on because I felt, ‘I don’t have control over this outcome.’”

For Calvo, it helped to seek out a mentor similar in age, who helped show her that clients’ fates weren’t always in her control.

Jamie Cole, Gary Rosen Combine for DBR’s Attorneys of the Year Award

by Catherine Wilson

Jamie Cole and Gary Rosen are leaders at different law firms in Fort Lauderdale who became friends working on the Broward Business Council on Homelessness and other community efforts that placed them in the same orbits.

The attorneys were recognized Thursday night as the Daily Business Review’s Attorneys of the Year for another combined effort — shepherding the creation of a professionalism and civility magistrate pilot program in Broward Circuit Court.

Chief Judge Jack Tuter is forceful on the subject, calling out bad behavior when he sees it and issuing an administrative order to get the unique program off the ground.

The heavy lifting was left to Cole, Broward managing partner of Weiss, Serota, Helfman, Cole & Bierman, and Rosen, Becker managing partner.

They had no model to guide them. Since the first meeting on the program in 2018, they recruited a diverse panel of 20 judges and drafted a framework for accepting complaints from judges after a January 2018 rollout.

They sought magistrates who were “highly experienced practitioners in civil litigation who have some stature on the bench,” said Rosen. A list includes James Haliczer of Haliczer Pettis & Haliczer, Chief Assistant Broward Public Defender Gordon Serota, Helfman, Cole & Bierman, and Palm Beach Circuit Court.

Attorneys Jamie Cole and Gary Rosen worked for more than a year to roll out a pilot program to address attorney incivility and unprofessionalism in Broward Circuit Court.

53 Lawyers to Lead Military Earplug Suits

by Amanda Bronstad

A Florida judge has appointed 53 lawyers to lead hundreds of lawsuits brought by U.S. military members against 3M over allegedly defective earplugs, with Pensacola attorney Bryan Aylostock getting the top post.

Aylostock, at Aylostock, Witkin, Kreis & Overholtz, will oversee two other co-lead counsel, Shelley Hutson, of Houston’s Clark, Love & Hutson, and Chris Seeger, of Seeger Weiss in Ridgefield Park, New Jersey, according to an order on Wednesday. U.S. District Judge Casey Rodgers, of the Northern District of Florida, also appointed two attorneys as co-counsel, seven lawyers on an executive committee and 14 on a plaintiffs’ steering committee. She also appointed lawyers to nine subcommittees.

“The final selection decisions were difficult, to say the least,” Rodgers wrote in TROPICAL TRANSFERS

Waterfront Fort Lauderdale Mansion Trades for $4 Million

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PUBLIC NOTICES & THE COURTS

Public notices, court information and business leads, including foreclosures, bid notices and court calendars.

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**EARPLUGS**

a footnote. She wrote that there were more than 190 applications for leadership positions. Of those, 64 made brief presentations on Monday and Tuesday in court.

“Obviously, I am humbled by the appointment and recognize the high level of ability I have to provide our men and women in uniform the very best representation possible,” Aylstock wrote in an email.

In an unusual move, Rodgers created a panel to review the leadership applications, bringing in U.S. Magistrate Judge Gary Jones of the Northern District of Florida; Ellen Reisman of Reisman Karron Greene in Washington D.C.; and Darran Brown of settlement administrator BrownGreer in Richmond, Virginia.

HALF THE PLAINTIFFS DIED

Matthew W. Dietz, litigation director at the Virginia-based Independence Group Inc. has seen compassion fatigue throughout his 30 years practicing civil rights law—long before the condition had a name.

“I deal with people at the hardest times of their life, and sometimes you try as hard as you can and you just can’t win. And sometimes it’s unfair when you don’t,” Dietz said. “It’s really stressful and depressing, and it makes you think about doing something else.”

For George, that means allowing his mind to take a break from the job, creating “no-phone zones” in his house and seeing a therapist once a month.

“I find attorneys who are so removed from their emotional world, and they can’t understand why they can’t think clearly anymore or can’t concentrate. It’s not because they suddenly lost their legal acumen, it’s clearly anymore or can’t concentrate. It’s not because they suddenly lost their legal acumen,” Weinstein said. “It’s because they suddenly lost their emotional level, they have a lot of emotional stuff that’s impacting their ability to think and do what they’ve got to do.”

Chief Assistant Broward Public Defender Gordon Weekes said his office is no stranger to stress and compassion fatigue.

“We are oftentimes frustrated in trying to communicate a person’s lived experience to the state attorney, who has the awesome power to decide how a charge is going to be filed or how a case will be resolved and the types of punishment a person will have to endure,” Weekes said.

In Weekes’ view, it’s crucial to focus on the positive outcomes of cases whenever possible.

Refilling the well with the good work that you do helps you see the benefits of struggling and fighting through this very complicated maze that exists within the criminal justice system,” Weekes said.

Akerman partner Richard C. Milstein agrees. He works in probate practice and pro bono work to help Miami’s most vulnerable but said it’s not all doom and gloom, as strength and energy can be drawn from clients’ gratitude and occasional positive results.

Milstein said, “Those that labor in the state experience to the state attorney, who has the awesome power to decide how a charge is going to be filed or how a case will be resolved and the types of punishment a person will have to endure,” Weekes said.

Amanda Bronstad is the ALM staff reporter on South Florida litigation for the Daily Business Review. Send legal news to rlean@alm.com, or follow her on Twitter via @Raychellean.
DeSantis Orders Elections Security Review for Entire State

by Jim Saunders

Describing it as a “top priority,” Gov. Ron DeSantis directed Secretary of State Laurel Lee to immediately start a review of the security of state and county elections systems after disclosures regarding Russian hacking during the 2016 campaign.

In a one-page letter to Lee, the state’s top elections official, DeSantis indicated the review will focus on cybersecurity and involve all 67 counties.

“The Department of State shall develop a plan to identify and address any vulnerabilities,” the letter said. “You are further directed to make this a top priority of the department and report your findings to the Executive Office of the Governor upon completion of your review.”

The directive came eight days after DeSantis held a news conference to announce that the FBI had advised him that election records in two counties were hacked by Russians.

In 2016, DeSantis said he had signed a nondisclosure agreement that barred him from identifying the two counties, but the Washington Post and Politico subsequently reported that rural Washington County in the Panhandle was one of the targets.

The letter Wednesday and a news release quoting DeSantis and Lee do not explain how the security review will be conducted or what it will entail. The release said the state has funneled millions of dollars in recent years into improving elections security, including distributing $14.5 million in federal grants to supervising elections in 2018.

DeSantis and other officials have said the 2016 hacking did not involve “manipulation” of voting results. The hackers accessed voter-information files, but the systems that do vote tallying, FBI officials told DeSantis.

But major questions about the hacking have been left publicly unanswered as the 2020 elections, including the presidential election, approach. The Washington Post reported that a Russian military agency, known as the GRU, was behind the penetration of the Washington County database.

Leon County Supervisor of Elections Mark Earley pointed during an interview last week to the importance of making sure voters are confident in the election system.

“Public perception means a lot in democracy. You’ve got to have public trust in the election process,” Earley said. “That’s a big job that we face, in making sure that not only do we do it right, but that the public understands that we do it right and that they can really trust that we do it right. Transparency is a big issue.”

In the news release Wednesday accompanying his letter to Lee, DeSantis acknowledged the importance of trust in the security of the elections system.

“Public faith in our elections is the bedrock of our democracy and we must do everything within our power to preserve the integrity of our elections systems,” DeSantis said in a statement. “While the breaches did not compromise the outcome of the 2016 election, nonetheless, they highlight the importance of protecting the security of our elections system.”

Jim Saunders reports for the News Service of Florida. News Service Assignment Manager Tim Urban contributed to this report.

The grand jury indictment alleges defendants led by a Miami businessman conspired to embezzle EB-5 investors’ funds and deceive investors about a project’s number of jobs and ability to generate revenue.

The grand jury indictment alleges defendants worked to defraud foreign investors in what was named the AnC Rio Vermont project that was supposed to raise $118 million to create a biotech facility and business in Newport, a city of just over 4,000 on the Canadian border or the amount of revenue for the Northeast Kingdom the defendants claimed, Nolan said.

Rather, the project was designed to siphon millions of dollars to the control of Quiros and Choi, who were secretly business partners and in charge of the project, she said.

Nolan held the news conference next to a vacant block in downtown Newport. The building that had been there was bought with money from what prosecutors say turned out to be the fraudulent activity and torn down. There are no current plans for the location.

Both Quiros and Stenger reached settlements with the U.S. Securities and Exchange Commission last year after they were accused in 2016 of misusing more than $200 million raised from foreign investors through the EB-5 visa program.

The indictments allege Quiros was the “ultimate decision maker” on the project, which dates to 2009, Stenger recruited investors, and Choi was a low-level accountant. His parent company was supposed to design the facility.

The indictment alleges that by 2011, Quiros and Choi discussed doubling the price of the project. From 2012 to 2016, it said the defendants persuaded about 169 investors to give a total of $93 million for it. But the defendants discovered a new design was needed and never followed through with that.

Nevertheless, they accepted investors’ money and put it into a Florida-based corporation that bought land and other other needs, such as loan payments, the indictment says.

The group conceded that they “lacked the money to construct and begin operations” at the plant, the indictment alleges.

They presented a business plan to investors with inflated construction costs to guarantee the products they planned to market.

Lisa Rathke and Kathy McClure of Associated Press, Associated Press writer Wilson Ring in Newport, Vermont, contributed to this report.

DeSantis Orders Elections Security Review for Entire State

by Lisa Rathke and Kathy McCormack

The former owner and former president of a Vermont ski resort accused in a multimillion-dollar fraud case were indicted on federal charges unsealed after a failed plan to build a biotechnology park using foreign investors’ money.

The charges are against Jay Peak’s former owner, Ariel Quiros of Miami, former president William Stenger of Newport, Vermont, Quiros’ adviser William Kelly and South Korean businessman Jong Woon Choi.

The grand jury indictment alleges they conspired to embezzle investors’ funds and deceive investors about a project’s number of jobs and ability to generate revenue.

Quiros, Kelly and Stenger pleaded not guilty Wednesday to engaging in a conspiracy to commit wire fraud, participating in the conspiracy, wire fraud and concealing facts about investor funds. Quiros also pleaded not guilty to money laundering. A prosecutor said Choi remains at large.

Quiros’ lawyer, Seth Levine, said the case should have never been brought against him.

Stenger’s lawyer, Brooks McArthur, said there is “the strongest possible denial that he engaged in any criminal activity at all.”

Kelly and his lawyer declined to comment.

All three were released on $100,000 bond each, and they had to turn in their passports.

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The FBI had advised him that election records in two counties were hacked by Russians earlier this year. FBI officials told DeSantis.

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**Woman Who Left Hospital With Brain Damage Awarded $110M**

by Jason Grant

A Bronx jury has awarded $110.6 million to a woman who was admitted to St. Barnabas Hospital for an asthma attack, and who just 10 days later was found to have severe, irreversible brain damage, allegedly because of mistakes made by her critical care physicians treating her.

 Rebels of doctors at the Bronx hospital in the ICU, the blood pressure suddenly dropped and the fluid levels were continued and she was taken back to the ICU. There, residents started administering fluids to her because of low blood pressure. And one of the named defendants, Dr. Darryl Adler, allegedly wrote in an order note that her bodily PRF was without conditions and without limitations.

As the next 5½ days, as the fluids continued to be pumped, Redish was given 10 gallons in all, and she gained 80 pounds. The fluids, like the carbon dioxide, were both dangers to her brain, said Gurfein, because they provide for Ms. Redish. ... They wanted to make sure that she was taken care of.

Today, Redish, who uses a wheelchair, has extensive motor deficits that physicians say are lifelong. She recovered amazingly from brain damage and being in a coma, said Gurfein, but she lacks coordination of her speech. She also can’t dress herself or walk unassisted and she requires help for daily activities, from putting toothpaste on a brush and getting out of her wheelchair, he said.

Redish’s partner of 26 years, Clarence Darden, cares for her around the clock now and the children pitch in. But her spirits have remained strong overall, Gurfein said.

She fought during the trial, once she took the stand. She told jurors that she wanted to know that you were able to do before December of 2010 that you can do now?” Gurfein had asked her, according to a trial transcript reviewed by the Daily Business Review.

“Now, I can’t walk. I can’t barely talk and I can’t do laundry. I can’t cook,” she answered. “I can’t do anything that you can do.”

The jury on April 12 returned damages of $60.7 million for Redish’s past medical expenses and pain and suffering, and $49,940,958 for the future cost of care, alterations to her Bronx rental apartment, one-time care costs and past pain and suffering, Gurfein said.

Kevin Ryan, a senior counsel at Marshall Dennehey Warner Coleman & Goggin, represented the hospital and three doctors in the suit: Adler; Dr. Richard Stumacher, a critical care physician; and the estate of then-40-year-old Redish was given 10 gallons in all, and she gained 80 pounds. The fluids, like the carbon dioxide, were both dangers to her brain, said Gurfein, because they provide for Ms. Redish. ... They wanted to make sure that she was taken care of.

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As Litigation Funding Industry Grows, Funders Become Litigants

by MP McQueen

Growth in the controversial litigation finance industry is leading to an increase in lawsuits connected with it, according to court records and news accounts.

The lawsuits involve both commercial litigation finance companies and consumer-oriented litigation finance companies in the United States. Lawyers knowledgeable about the industry say they believe the increase—including litigation lodged by a New Jersey-based funder—is a function of its relatively recent creation and rapid growth.

“The more predictability that exists in the legal environment, the less litigation we will see,” said Peter Buckley, a partner at Fox Rothschild in Philadelphia who has represented legal funders in lawsuits. “When something is new, it is not uncommon to see litigation because people have different expectations or a different understanding of what playing field they are on.”

While litigation funding is more often associated with plaintiffs in mass torts, increasing large commercial outfits such as Burford Capital Ltd., based in the U.K., are funding the defendants in high-stakes litigation. Hedge funds and private equity firms are venturing into the fast-growing multi-billion-dollar industry.

“Commercial litigation versus consumer tort funding are two very different things. It is definitely important to draw the distinction,” said Jay Greenberg, co-founder and CEO of LexShares in Boston, a commercial funder that uses a crowdsourcing model.

No single source of data appears to be publicly available that tracks lawsuits for or against third-party litigation investors. A review of cases and news reports, however, suggests that lawsuits involving big litigation finance companies are filed more often by the funders against law firms over nonpayment of advances.

Lawsuits against the consumer finance firms, also called consumer legal or settlement funding, are more common. They often involve claims by individuals or regulators that funding recipients were victims of unfair or deceptive practices and that the agreements violated state champerty or usury laws.

Suits against both commercial and consumer litigation finance companies are likely to grow, with explosive industry expansion. Allison Chock, chief investment officer-U.S. at Bentham IMF, an industry expansion. Allison Chock, a managing partner at Johnson DeLuca Kurisky & Gould for Virage Capital, said: “Both of these issues were litigated thoroughly, and the court determined that the loan was recourse and was an enforceable transaction as entered into on the electronic platform.”

A recent exception occurred when Burford Capital Ltd. was named in April as a defendant in an $85 million damages claim filed in Dubai by Russian billionaire Farkhad Akhmedov for allegedly funding his wife’s divorce proceedings against him.

The lawsuit involved a $50 million loan granted by Burford Capital to Akhmedova’s divorce law firm, which in turn provided the funds to Akhmedova’s divorce lawyer.

Burford Capital was named in April as a defendant in an $85 million damages claim filed in Dubai by Russian billionaire Farkhad Akhmedov for allegedly funding his wife’s divorce proceedings against him.

And in 2014, a New Jersey litigation financing firm and hedge fund, RD Legal Funding Partners of Cresskill, New Jersey, filed a lawsuit against Los Angeles mass tort lawyers Mel Powell and Jeffrey Bogert in New Jersey state court alleging the class action lawyers owed the company roughly $26.6 million plus fees and interest for financing lawsuits against pharmaceutical manufacturers, including the makers of osteoporosis prevention drugs Actonel and Fosamax.

FUNDING DISPUTES

In contrast to suits involving the commercial litigation funders, lawsuits involving consumer finance companies are more common. In those cases, individuals who received cash advances against settlements have alleged that the agreements were illegal under state laws barring champerty or usury. Sometimes state regulators also have filed actions on behalf of consumers. The companies usually argue that the agreements are asset purchases, not loans.

“It is not that surprising that there is more litigation coming out of the consumer side. It is a much less sophisticated user, typically,” Chock said.

Michael Roth, a litigation partner at Roies Schiller Flexner in Los Angeles, who has represented investors in several lawsuits, said that “litigation finance agreements are generally structured as the purchase of proceeds from settlements or judgments and the trend is for courts to recognize that they are not subject to usury laws. Even though courts are finding these transactions are legitimate financing arrangements, it has not deterred individuals and regulators from challenging well-settled law.”

MP McQueen is editor-at-large, and can be reached at mpmcqueen@alm.com

The lawsuits involve both commercial litigation finance companies and consumer-oriented litigation finance companies in the United States. Lawyers knowledgeable about the industry say they believe the increase—including litigation lodged by a New Jersey-based funder—is a function of its relatively recent creation and rapid growth.

“If you were growing at 10% a year, you would expect to see more litigation coming out of the consumer side. It is a much less sophisticated user, typically,” Chock said.

Michael Roth, a litigation partner at Roies Schiller Flexner in Los Angeles, who has represented investors in several lawsuits, said that “litigation finance agreements are generally structured as the purchase of proceeds from settlements or judgments and the trend is for courts to recognize that they are not subject to usury laws. Even though courts are finding these transactions are legitimate financing arrangements, it has not deterred individuals and regulators from challenging well-settled law.”

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Leonard said he has been troubled by recent public statements from some of his colleagues in metro Atlanta and Macon saying that they would not prosecute women for abortions. However, he said that the law is not blocked by the courts.

"Personally, I’m not itching to prosecute people for abortions. I don’t think anybody else is. But it’s important to say, I’ll never prosecute anybody under the law," he said. "We don’t have the luxury, I don’t like this law, and I’m not going to enforce it.”

Sen. Renee Unterman, R-Gwinnett, also responded Wednesday to recent statements from prosecutors that the law is not constitutional and they will not enforce it.

"I’m going to keep correcting those who play polities and mislead Georgians about what this law does," Unterman said. "This law does not allow for the prosecution of women. In fact, many prosecutors across the state, including my own in Gwinnett, have gone on the record to clarify that fact."

But Leonard pointed out that the law does not exclude women from prosecution, which it could have done. The law says doctors can be held criminally responsible for abortions that offer defenses for doctors and women in certain situations such as medical emergencies and rape. Leonard said some prosecutors, like judges, are bound by what the law says, not by what legislators may have intended.

"It’s clear from the statute that it is criminal. It anticipates people being prosecuted because there are exceptions. They would not outline exceptions or excuses if they didn’t anticipate criminal prosecution," Leonard said. "Based on my review, the only crime it could fall under is murder. Nothing else criminally justifiable.

Leonard said he believes prosecutors need to be educating their communities before the law’s Jan. 1 effective date.

"Women need to be made aware. You may not agree with the law. But whether you agree with it or not, it could potentially result in serious consequences if you violate the law," Leonard said. "The only way to be 100% sure you’re not prosecuted under it is not to have an abortion. That’s the way the law stands today."
Nonprofits Turn to Cryptocurrency to Help Needy Venezuelans

by Manuel Rueda

Andreina Cordero started the year skipping meals so her three kids could eat. Her husband, a construction worker, was out of a job. And the family’s savings had been devastated by the nation’s hyperinflation, limiting Cordero’s children to a diet of rice, beans, pasta and fried corn patties. But the family got a break from their daily struggle to feed themselves this spring when a social worker enrolled them in a program run by a Silicon Valley startup that is donating cryptocurrency to hundreds of Venezuelan families.

Every week from February to April, Cordero received a deposit of EOS tokens through a cellphone app. She then traded the digital money for local currency through online transfers and used the funds to shop in market stalls.

“We finally got to eat chicken,” Cordero said. “And there were also vegetables for the kids.”

The three-month trial in cryptocurrency is now over, and the family is back to skipping meals and eating mostly beans and rice. But Cordero is thankful for the time that digital currency saved her kids from malnutrition.

“I’m very grateful for what they did for us,” Cordero said. “It would be a blessing if something were to set up again.”

Over the past decade, cryptocurrencies such as EOS and bitcoin have become increasingly popular among investors looking to make large profits from a new and anonymous form of storing value.

But a handful of charities are also now using digital currencies to send relief directly to those in need, circumventing banks and companies that handle remittances. They’ve found the ideal testing ground in Venezuela, where the annual inflation rate by some estimates has soared to a staggering 67,000%, forcing millions to scavenge daily to feed themselves.

“The highest likelihood of being helpful to people in places where money is broken,” said Joe Waltman, executive director of GiveCrypto, the charity that provided direct transfers of digital currency and more than 100 Venezuelan families in Barquisimeto with the aid of EOS Venezuela, a local blockchain development firm. “There’s probably not a better example of broken money right now than Venezuela.”

GiveCrypto’s program provided temporary help to vulnerable families by providing them with a weekly deposit worth around $7, or about the same as Venezuela’s monthly minimum wage.

“Anyone can use crypto to protect themselves from inflation and make their daily life easier.”

While many middle-class Venezuelans already try to protect their savings from hyperinflation by purchasing U.S. dollars and even gold nuggets, saving in crypto offers a solution to store wealth that may be physically safer than holding on to cash or precious metals in a crime-infested country. Online platforms that allow Venezuelans to buy and hold U.S. dollars provide a similar service.

Storing cryptocurrency presents greater financial risks than holding U.S. dollars, though, due to the wild swings in the value of some crypto assets, including bitcoin. But in Venezuela, where the local bolivar currency has lost two-thirds of its value this year, some merchants are willing to give this technology a shot.

In Barquisimeto, Leticia Luque, an informal merchant, said she began to accept crypto payments two months ago at the request of a social worker collaborating with GiveCrypto’s direct transfer scheme. She said the technology has helped her gain time to barter for better prices with suppliers and plan what she will buy next.

“We used to be in a rush to purchase goods before our bolivars lost their value,” said Luque, whose husband travels every week to Colombia to stock up on packaged foods and basic goods that the couple re-sells out of their home. “Now we can take our time and we know that our earnings are in a safe place.”

Waltman said the Barquisimeto experiment was the first stage of a larger effort to promote the use of cryptocurrency in Venezuela, using “stable” currencies whose values have less fluctuation than bitcoin.

A similar initiative, known as an “airdrop,” is being developed by AirTM, a currency exchange platform based in Mexico City that plans to donate small amounts of cryptocurrency to 100,000 people in Venezuela this summer. So far, it has raised $300,000 from donations toward its $1 million goal.

One-time payment of no more than $10 a person will provide only momentary relief. But the goal is also to encourage Venezuelans to engage with the AirTM platform.

“We want to show Venezuelans how to hold money outside their local currency,” said Joshua Kloet, the organization’s co-founder. “The biggest impact this could have is to crypto-ize the country.”

And it’s not just in Venezuela where nonprofits are attempting to help vulnerable people by introducing them to digital currency platforms. In Europe, Bitnation, a humanitarian agency, has enabled hundreds of refugees without bank accounts to receive direct donations through bitcoin accounts.

Paul Lamb, a nonprofit management consultant based in California, says the idea of distributing funding directly to people in need is becoming increasingly popular among humanitarian groups, because in some contexts it is cheaper than organizing the logistics required to physically hand out food or medicine. Usually these money transfers are made through debit cards in the local currency. But humanitarian groups are also starting to look at cryptocurrency.

“It’s harder for someone to steal cryptocurrency,” said Hugh Aprile, the Colombia country director for Mercy Corps, a nonprofit that has handed out debit cards to 7,000 Venezuelan refugees. “And in situations where you have high inflation, it can ensure the stability of the funds being transferred.”

Manuel Rueda reports for the Associated Press.
With the hype of trade war between China and the United States, China passed the new Foreign Investment Law on March 15, which will go into effect Jan. 1, 2020. Although the details of this law are still cloudy to the foreign business community, it seems that the intention behind the law is to welcome more foreign investments into China. Foreign investments into China have been increasing in the last five years, mostly through corporate stock purchase. With the passing of the new Foreign Investment Law, more foreign companies and individuals, including many from the United States, are interested in learning about the market and opportunities in China. Many consider China as a high-risk market with potential higher return. However, the reason that most people hesitate about investing in China is their fear of the unknown. We have worked with various brave businesses and individuals with their investments and expansion into China, and we have witnessed how they overcome fear and challenges and achieve successful results in their ventures. This article focuses on a high-level discussion of some key factors to consider when investing in China.

**ESTABLISH STRATEGIES**

The strength of U.S. businesses as a whole is their understanding of the importance of having well-established business strategies. However, developing business strategies for the U.S. market versus cross-border boarder investments are completely different because there are many additional considerations when investing in China that would not be otherwise needed for the U.S. market. For example:

- How and when money can flow in and out of China;
- Effect of currency exchange rate;
- Potential cross-borderer tax consequences;
- Types of projects or companies in China in which foreign entities can invest;
- Political and global economic climate;
- Differences in the investment cycle and expected return; and
- Effect of the differences in the legal system.

Although it seems daunting to address the additional considerations such as the ones listed above, global businesses generally have no problem establishing good strategies to tackle these issues. The key is to seek help globally from experts, lawyers and consultants who already have experiences in these areas. One tool that experienced experts and lawyers typically utilize is to effectively use the global platform (i.e., advantages provided by different countries) as source of solutions in structuring investments into China.

Investors should consider additional time and expenses needed in the beginning for education, due diligence and connecting with local partners and also the way the strategy should be divided into different logical phases and incorporate a clear exit strategy for each phase. Effective tailored China oriented strategies can reduce risks and assist investors in their investment process and remove expectations in their investments in China.

**CULTURAL DIFFERENCES**

Many U.S. individuals are divorced by the western looking buildings located in the modernized Shanghai, Beijing and other large cities in China and mistakenly think that the modern China must be very similar to the big cities in the western world. This assumption is the root of many problems that U.S. investors face in China. Although the modernized China has been influenced by the western world in the recent years and many local Chinese speak excellent English, there are fundamental differences between Chinese and western businesses. For example, in China, businesses are built primarily on strong personal relationships and return on investment. Differences is also not the only or most important consideration. Due to the “face-loss” culture, the Chinese tend to consider others’ feelings and usually use much softer approach in rejecting or opposing others’ offers or ideas. Therefore, they may not come across as straightforward as westerners. This is a main reason why western businesses sometimes complain that they don’t really know the true intention of their Chinese counterparts.

The key is to be aware of these cultural differences and to surround yourself with trusted experts who know both cultures and can assist in bridging the gap. Don’t rely on a translator to play that role. In fact, hiring a good translator is important as that translator is your “voice” in China, but a translator usually is not trained to bridge cultural gaps. It is important to engage experts who can translate verbal and nonverbal behaviors, relationships and interactions between the parties and educate both parties on the differences in their cultures. You will be surprised how much you learn about your own culture when you are learning about other people’s culture. It can be fun and rewarding.

**GOOD LOCAL PARTNER(S)**

A good local Chinese partner can be U.S. investor’s guide in the China market and can reduce a lot of the investor’s anxiety caused by the unknowns of the market and culture. However, it is critical for a certain level of trust to develop between the parties. This is probably the most challenging step in the past for U.S. investors to expand into China. In recent years, a few global developments have helped to ease the pain to locate and build trusted relationships with local Chinese partner(s). With open door policies of China in the past years, various Chinese companies have ventured out into the U.S. market and already have investments in the United States. These companies generally have large presence and operations in China and are very connected locally with the community and the government. They are also somewhat familiar with the U.S. system and culture, so they should be divided into different logical phases and incorporate a clear exit strategy for each phase. Effective tailored China oriented strategies can reduce risks and assist investors in their investment process and remove expectations in their investments in China.

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Ying Geneve DuBois is a partner and Tony Alfonso is counsel at DLA Piper in Miami. Qiang Li is the firm’s Asia regional co-managing partner in Shanghai.
Welltower Closes on $1.3B Medical Office Portfolio from CNL

by Betsy Kim

CNL Healthcare Properties sold a medical office portfolio of 55 buildings to Welltower Inc. for $1.25 billion. The portfolio comprises approximately 3.3 million square feet across 16 states positioned in strategic locations within major metropolitan markets. The facilities are affiliated with premier health systems including Novant, Memorial Hermann and Cleveland Clinic. The deal was first announced in January 2019.

HFF Securities and Holliday Fenoglio Fowler advised CNL, a real estate investment trust that focuses on investing in seniors housing and healthcare. In 2018, HFF Securities was engaged as a strategic financial adviser to explore and execute potential liquidity alternatives for the BRT.

The HFFS team was led by Steve Hentschel and Ted Flagg as well as members of HFF’s national medical office capital markets team including Evan Kovac, Ben Appel, Andrew Milne, Zach Drozda and Anthony Frogamani.

“This is the second largest medical office portfolio sale to ever transact based on total dollar volume,” says Milne. “The high quality portfolio primarily consists of properties positioned in major markets and on campuses of leading US healthcare systems.”

Welltower is an S&P 500 corporation and REIT that also invests in senior housing operators, post-acute providers and health systems. Last year it was active in the New York market in this sector. In January 2018, with the real estate investment firm Hines it closed on a limited partnership interest with a confidant institutional investment to construct Sunrise at East 56th St., an assisted living and memory care facility in Midtown.

In November 2018, again with Hines, Welltower closed on a $61 million purchase of a development at 2330 Broadway. The joint venture planned to demolish the existing commercial structures and to build a 140,000 square-foot, 17-story senior living facility at the Upper West Side location.

Betsy Kim reports for GlobeSt.com.
The Repurposed, Revitalized and Redeveloped Shopping Center

by Natalie Dolce

“The store is really the core strategy for both physical and digital growth.” That is according to Laurie Mahowald, vice president of real estate at Target Corp. She was one panelist who spoke on a repurposed and revitalized panel at ICSC RECon here in Las Vegas and said that two years ago, when many were saying physical stores were dead, Target invested.

“We invested in our team, launched new brands, remodeled them and are on pace to remodel 1,000 stores by 2020,” she said. That remodel instills an enhanced in-store experience, she said, but it also helps utilize the box for fulfillment strategies.

“We use our stores as fulfillment where we can deliver products to our customers faster,” she explained, pointing to tenants like health and wellness draws or off-priced anchors to name a few.

“I’ve opened 50 new centers over the last two years and when you combine the right types of shops, with food and beverage, people respond. These new environments are key to our growth.”

GlobeSt.com also caught up with Peter Cole, chief development and asset management officer for Madison Marquette, about “the new mixed-use.”

He pointed to the firm’s urban waterfront development at The Wharf in Washington, D.C., as a prime example of “the new, new mixed use.” Condominiums, apartments, hotel, office and retail there offer “painstakingly curated choices” that include convenience, entertainment, outdoor experience and varied living options for a new generation that seeks a like and share approach to living, he explains.

Whether at Washington’s District Wharf or at New York City’s Hudson Yards, it is clear that developers have moved to blur and integrate uses, he says, bringing office and residential into a social over everything modality—shared entrances, work spaces, play areas, parks, piers and other on-site amenities make these projects contemporary micro-universes.

“Each component at these new developments aligns to best serve the ever-shifting needs of the resident, working and visiting population, while playing to cohesive and creative lifestyle opportunities.”

The paradigm shift to community, collaboration and shared experience, he expects will continue to drive mixed-use projects into the future. “We are increasingly recognizing the tremendous advantages conferred by this approach as it appeals to cross-generational users and tenants and to a broad array of investors seeking value and long-term growth.”

Natalie Dolce reports for GlobeSt.com.
Shadow Banking Is a New Culprit in Systemic Risk: Fitch

by Elizabeth Festa

Systemwide market risk stemming from the financial services industry hasn’t conclusively declined since the financial crisis that started more than a decade ago, Fitch Ratings warns in a new report.

Specifically, Fitch pointed to the continued rise of shadow banking as a potential culprit in new systemic risk.

Shadow banking is credit lending and the exchange of liquidity that occurs outside of mainstream financial institutions such as banks and insurance companies.

This darker sector of the financial system has been growing noticeably since the financial crisis, according to the report.

Officer Christian Sewing, who has increased their oversight over shadow banking in 2018 out of concern, focusing primarily on wealth management and trust products, Fitch said.

In general, banks “have modest direct lending and borrowing exposure to shadow banking, although they face indirect risks including interconnectedness and asset price volatility,” Fitch stated.

The systemic risks shadow banking could trigger might include bank exposure channels, insurance companies and pension funds, according to Fitch. A shadow banking liquidity event could reduce corporate borrowing and increase volatility in asset prices from forced asset sales or huge redemptions.

Fitch pointed to the default of an infrastructure finance company in India in September 2018 that spurred funding problems, causing the country’s supervisors to urge banks to increase loans and asset purchases from these entities to expand liquidity.

Even though India’s shadow banking assets are only 17th globally, not even nearing a trillion dollars as of year-end 2017, shadow banking there has accelerated since the global financial crisis ended, the report noted. It pointed to a “spike in 2017 driven by finance companies providing asset finance and home loans and funds investing in infrastructure loans.”

However, Fitch conceded that credit availability outside the banking system combined with perhaps more transparency and regulatory efforts to control risk without narrowing credit availability can be positive if it “provides additional sources of credit and liquidity to support economic growth.”

But time will tell.

Fitch is watching how shadow banking entities perform through the next credit cycle to judge whether shadow banking will be beneficial or not for the overall financial system.

Elizabeth Festa is a longtime business and financial services reporter with a specialization in insurance regulatory and legislative coverage at the federal and state level. She is based in Washington, D.C.

Deutsche Bank CEO Signals ‘Tough Cutbacks’ to Investment Bank

by Steven Arons

Deutsche Bank AG Chief Executive Officer Christian Sewing signaled “far-reaching changes,” including significant cuts to the investment banking unit, as he seeks to win back investor confidence following the breakdown of takeover talks with Commerzbank AG.

“I can assure you: we are prepared to make tough cutbacks” to the investment bank, Sewing said Thursday in prepared remarks at the bank’s annual shareholders’ meeting in Frankfurt. The CEO said he’s “rigorously focusing” on profitable and growing businesses.

Sewing didn’t say where the cuts would be, but he highlighted businesses where they’re unlikely to happen, such as origination and advisory as well as foreign exchange, global credit trading and U.S. commercial real estate. He didn’t mention equities trading, an omission that was intentional, according to a person familiar with the matter.

The CEO has sped up cuts to the struggling investment banking unit since taking over last year, but the measures failed to lift the stock.

Deutsche Bank CEO Christian Sewing has sped up cuts to the struggling investment banking unit since taking over last year, but the measures failed to lift the stock.

Several large investors as well as analysts have long called for stronger cuts to the investment bank, which consumes most of the bank’s capital but hardly makes a profit. New regulations after the financial crisis have made the business costlier to conduct, while negative interest rates in Europe erode other sources of income.

Bloomberg reported last week that Deutsche Bank is considering deep cuts to the equities trading business and more limited ones across the rest of the investment bank, and that Sewing is looking to give more visibility to a unit that provides cash management and trade finance to companies, a bright spot in the investment bank.

Sewing highlighted that business, known as the global transaction bank, and led by Stefan Hoops, in his speech Thursday, saying the business will get greater independence and “the freedom and the resources to fully exploit its potential.”

Sewing’s speech also highlighted the achievements of two other top executives who were promoted relatively recently, DWS Group CEO Asoka Woehrmann and Chief Operating Officer Frank Kuhnke.

He didn’t mention any other executives, even though several of them, including investment banking head Garth Ritchie and Chief Regulatory Officer Sylvia Matheser, have come under criticism.

Under Chairman Paul Achleitner, Deutsche Bank has made a series of cuts to parts of the investment bank, while trying to maintain the core business. Achleitner, in a separate speech prepared for the meeting, said Sewing has the full support of the board of directors for his measures. The chairman, seen as a backer of a big investment banking unit, has come under increasing criticism for his oversight of the bank.

Steven Arons reports for Bloomberg News.
Retailers, Shoppers Could Feel More Pain If Tariffs Spread

by Anne D’Innocenzio

An escalating trade war between the U.S. and China could mean higher prices on a broad range of products from toys to clothing. But some retailers will be less equipped to handle the pain than others, leaving consumers to carry the load.

Analysts say big box giants such as Target and Walmart who marked their latest quarter with strong performance are best positioned to absorb the higher costs because of their clout with suppliers. They’re also taking a judicious approach to price increases to lessen the impact.

The losers will be the ones that have been struggling all along — the mall-based clothing stores and others that sell commoditized products like basic sweaters or that don’t have the financial wherewithal to absorb extra costs.

Consumers, as well as most retailers, had been left largely unscathed by the first several rounds of tariffs that the U.S. imposed on China because they mostly focused on industrial and agricultural products. But that began to change when items like furniture saw an increase in tariffs to 25% two weeks ago.

Retailers will absorb the extra costs when those products arrive in U.S. ports in June. But now the Trump administration is preparing to extend the 25% tariffs to practically all Chinese imports not already hit with levies, including toys, shirts, household goods and sneakers.

Cowen & Co. estimates shoppers will see as much as 10% to 15% in price increases across all goods imported from China, which would mean an incremental cost of $100 billion or more.

Meanwhile, UBS is offering a dire approach to price increases to lessen the impact.

Analysts believe shoppers’ habits will change if the trade wars escalate and the next round of hikes stay in place for a while.

“Prices overall increase, that may create some concern is its private label clothing offer-ings, much of its sourced in China. T.J. Maxx parent, on the other hand, which sells top brands at discounts and proven to handle the pain than others, because it sells a variety of items instead of focusing on a single product.

“The ability to flex our focus from category-to-category is something that’s somewhat unique to Target versus single-category retailers,” he told analysts Wednesday.

Among department stores, the big concern is its private label clothing offerings, much of its sourced in China. T.J. Maxx parent, on the other hand, which sells top brands at discounts and proven to handle the pain than others, because it sells a variety of items instead of focusing on a single product.

“Disruptions in the marketplace have created off-price buying opportunities for us,” Ernie Herrman, CEO of TJX Cos., told analysts earlier this week. “Further, because of our great values, if retail prices overall increase, that may create an opportunity for us to attract new customers.”

Anne D’Innocenzio reports for the Associated Press.

Thomas Cook Tumbles on Downgrade Showing Default Is Possible

by Tara Patel and Thomas Beardsworth

Thomas Cook Plc’s battered shares fell as much as 15% after the U.K. travel company’s debt rating was cut to a level indicating default is a real possibility.

The stock fell to 14 cents before 7 a.m. after Fitch Ratings downgraded Thomas Cook’s credit score to junk status.

The German tour operator also sells package holidays and its shares were heading for the lowest close since mid-April.

Thomas Cook’s airline, which carries 20 million passengers annually to sunspots around the Mediterranean, is crucial to its survival because a new $379 million loan announced last week is conditional on making progress on its sale.

The airline may not attract as high a price as management hopes because of “overcapacity” in the discount-carrier sector, S&P said in its report late Wednesday.

Thomas Cook’s lower credit score adds to the woes of a company whose shares have dropped 75% in the past six months as it grapples with a tough business environment for the European travel industry.

Thomas Cook’s lower credit score adds to the woes of a company whose shares have dropped 75% in the past six months as it grapples with a tough business environment for the European travel industry.
Lionsgate Theme Park to Star ‘Hunger Games,’ ‘Twilight’

by Jonathan Landrum Jr.

Some of Lionsgate’s most popular film franchises from “Hunger Games” to “Twilight” will be brought to life when the studio opens what it calls the world’s first vertical theme park in the coming summer of 2023.

Lionsgate Entertainment World will offer several adventures, including a virtual reality roller coaster and an amusement ride that highlights The Volturi, the most powerful vampire clan from the “Twilight” series. Lionsgate expects to have the park open in July on Hengqin Island located in Zhuhai, China.

Brown said Lionsgate decided to create its first theme park to expand its international footprint. China, considered the “Las Vegas of Egypt,” is scheduled to open in July on Hengqin Island located in Zhuhai, China. “We found a way to create this theme park experience inside of one box over multiple floors,” said Jennifer Brown, senior vice president of Global Live and Location Based Entertainment at Lionsgate.

“We created experiences that rely on steady growth in visitor education. … People are already coming here. But we’re on the early side in terms of development on the island. It’s growing into this dedicated kind of entertainment tourist place and virtual containment vessel,” Lionsgate Entertainment World would be the first movie-themed park on Hengqin, it said. Dalian has a theme park in Shanghai, and Universal has plans for a park based on its franchises, including “Fast and Furious,” in Beijing.

The theme park will be a part of a large destination called Novotown, a multi-phase project that includes a hotel and office towers along with retail dining and entertainment. Future phases include plans for the National Geographic Ultimate Explorer and Real Madrid interactive experiences, as well as an international school will be built offering British-based education.

Here are some of the theme park’s other features shown to The Associated Press during a recent sneak peek of the park’s design and attractions:

FLYING, AND FASHION, IN ‘HUNGER GAMES’ …

Based on the four-part film series starring Jennifer Lawrence as Katniss Everdeen, the park goers will journey through a motion simulator 3-D ride experience called “The Hunger Games: Mockingjay Flight” that starts on the streets before riders board a vehicle that gets picked up by a hovercraft that flies through The Capitol.

Guests will also have the opportunity to venture around the lobby area of The Capitol where they can get their hair, makeup and even nails done to look like a citizen of the “Hunger Games” films, including the look of character Effie Trinket.

Restaurants will feature a “Hunger Games”-themed menu with different dishes inspired by the film’s various districts.

BIKING WITH WOLVES IN ‘TWILIGHT’

Guests will have a chance to spend time in Forks, the town where author Stephenie Meyer based her vampire novels before they were turned into movies.

“Twilight Saga: Midnight Ride” offers a chance for riders to hop on a motorcycle and take a virtual ride with Jacob Black and a pack of wolves on a dirt-bike adventure through the moonlit woods while an evil creature roams the area looking for blood.

Guests will control their bike’s speed, which path it takes and see other riders during the excursion.

“Twilight Saga: Bella’s Journey” will be an indoor amusement ride that highlights key moments from the films, including Bella Swan’s relationship with her vampire husband Edward Cullen and encountering The Volturi, the most powerful coven of vampires.

**SOARING WITH THE ‘GODS OF EGYPT’

“Gods of Egypt: Battle for Immortality” is a virtual reality roller coaster based on the 2016 film about Egyptian deities. Riders on the high-speed amusement train ride will don headsets and soar through ancient Egypt during an epic battle between good and evil.

**PLOTTING AN ‘ESCAPE PLAN’

About 20 people work together to break out of a maximum-security prison in “Escape Plan: Firehouse.” The group faces a climbing challenge course and crawl through tunnels to escape to freedom.

Jonathan Landrum Jr. reports for the Associated Press.

**US Activist Pushes Legoland Operator Merlin to Go Private**

**by Thomas Mulier**

A U.S. activist investor wants to push Britain’s biggest theme park owner off the stock market, saying it would be worth more in private hands.

Shareholders in Legoland and Alton Towers operator Merlin Entertainment PLC have had a rocky ride since the Danish family that owns the Lego toy brand listed the company in 2013. Terrorist attacks and Brexit have clouded prospects for a business that relies on steady growth in visitor numbers to turn a profit on heavy investments.

In a letter to Merlin, activist firm ValueAct Capital, which lobbied for change at Britain’s Rolls-Royce Holdings PLC, said in an open letter to Merlin’s board on Thursday that it needs to spend more on new hotels and Lego parks and that’s hard to do as a public company when capital returns are falling. It pointed to recent analyst downgrades that sent the shares tumbling.

The activist said the owner of tourist attractions, including the London Eye and Madame Tussauds could fetch a price in the mid-$5 a share in a public-to-private sale.

Merlin shares rose as much as 6.7% in London on Thursday, giving the company a market value of about $4.5 billion.

Merlin stock’s closing price of $4.29 on Wednesday is not far from the $3.98 it sold for in the initial public offering, even though earnings per share have grown 36% since then, according to San Francisco-based ValueAct.

“Put simply, Merlin has struggled as a public company,” ValueAct President Garrison Mason Morfit wrote in the letter to Merlin Chairman John Sunderland.

“Private ownership is simply better placed than current public shareholders to underwrite the investments Merlin must make.”

Merlin’s board shot back, saying in a statement it had held talks with ValueAct and still believed its own strategy would bring shareholders significant value.

More public companies are being taken private thanks in large part to the swelling cash reserves of private equity bidders. Last year, the number of public-to-private deals hit its highest in more than a decade, according to Bain & Co.’s annual private equity report. Parques Reunidos, a Madrid-based entertainment operator, last month attracted a bid from a group of investors.

Europe holds particular interest to activists trying to change how companies are run because family stakes, cross-shareholdings and government involvement are common among European corporations, which can breed inefficiencies that activist funds seek to exploit.

ValueAct holds a board seat at British engineering icon Rolls-Royce in 2016 and bought into Merlin in 2017, the year its shares plunged as terror attacks in London and Manchester deterred tourism. It now owns 9.3% of Merlin’s stock while Danish billionaire Kjeld Kirk Kristiansen’s holding company Kirkbi Invest A/S owns 30%. Its press department did not respond.

ValueAct’s Morfit wrote that Merlin has lowered long-term incentive plans for management, which could be harming the company’s ability to attract talent.

“Years of continued share price underperformance can be demoralizing and destabilizing for employees,” he added.

Thomas Mulier reports for Bloomberg News.
The Boca Raton office of Grossman Roth Yaffa Cohen has an opening for a full-time experienced Bilingual Receptionist/Office Administrative Assistant. Duties include reception, filing and general office clerical responsibilities. The position offers the opportunity to train in legal assistant/administrative tasks, such as e-filing and managing medical records procurement. Knowledge of office procedures is essential and prior law firm experience is preferred. We offer a complete benefits package. Salary is commensurate with experience.

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The Greater Miami Jewish Federation held its 35th Annual Judicial Reception at the Hilton Downtown Miami.

NIOP South Florida held its Awards of Excellence ceremony and dinner at the Marriott Harbor Beach Resort & Spa in Fort Lauderdale.