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"Offering leasing and financing strategies for your success"

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Welcome to the December 2006 edition of Business Leasing News (BLN).

About BLN: Founded in January 2002, this monthly e-newsletter primarily focuses on leasing and financing of personal property and mixed property facilities. BLN provides timely, concise information and analysis backed by supporting research. BLN's mission is to provide leasing and financing strategies for your success.

From: [David G. Mayer](#), a partner at the law firm of Patton Boggs LLP. David is a member of the firm's Business Transactions Group. He is the author of the book, [Business Leasing for Dummies](#). BLN derives its simple approach in part from David's book.

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Founder's Note by [David G. Mayer](#)

***THIS ISSUE OF BUSINESS LEASING NEWS
MARKS THE END OF THE 5th YEAR OF
PUBLICATION.***

Thank you very much for reading BLN, and for your communications with me.

BLN will begin its 6th year with the publication of its next issue in January 2007. Watch for BLN to change its name

to reflect the original “tag line” that has appeared directly beneath the name of the newsletter since its inception. Can you guess the new name? In addition, you will see some new features and topics in the newsletter. So, be sure to read your issue or visit the web page linked above when you see the new name. BLN will continue to be available monthly, with a target publication day during the second week of each month.

In this issue of BLN, the lead article considers whether the election last month will result in “more of the same” as politics go for the financial services business. As you will see, Patton Boggs, which is the leading public policy firm in the U.S., offers a number of insights into how the election can affect each of you. The second article discusses a massive fraud perpetrated by Le-Nature’s, Inc. on many lenders and lessors, and the potential ways to mitigate the risk of fraud that these creditors experienced. In the third article, Case & Comment returns with an analysis of a recent UCC dispute that demonstrates the crucial importance of placing the debtor’s exactly correct name on all financing statements. Finally, Leasing 101 addresses a topic that has become all too common as a result of corporate scandals and the application of Section 404 of the Sarbanes-Oxley Act of 2002—restatements of corporate financials. The article defines financial restatements and identifies a study that asserts that leasing has driven many restatements over the last few years.

Thanks again for reading BLN. Feel free to contact me by telephone at (214) 758-1545 or e-mail at dmayer@pattonboggs.com to discuss BLN’s topics or other issues in your day.

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1. As Power Shifts in Congress, Financial Services Industry Can Expect Change

As Democrats prepare to take control of both the Senate and the House of Representatives in the 110th Session of Congress, will the financial services industry face significant changes in the final two years of the Bush presidency? Will the 110th Session of Congress end up mired in gridlock as the Democrats take the reins of power? Will the changes Democrats actually achieve in the next two years make this election a yawn or a wake-up call for the future of the financial services industry?

Last month, [Patton Boggs LLP](#), the powerhouse in public policy, offered its views of the dramatic change in Congress in presentations in Washington DC, Dallas, Houston and New York entitled “*The Agenda of the 110th Congress, A New Form of Divided Government? An Initial Analysis by Patton Boggs LLP.*” The firm addressed these questions and others, suggesting that recent history demonstrates that Presidents who have opted for compromise with their opponents have been able to achieve significant victories.

Financial Services

Both the [House Committee on Financial Services](#) and the [Senate Committee on Banking, Housing and Urban Affairs](#) will undergo leadership changes. While the chairs of these two committees will continue to have wide latitude in setting the agendas for their committees, many of the legislative issues identified here were likely to be on those agendas no matter which party controlled the House and the Senate next year.

House Financial Services Committee and Senate Banking Committee

With Democrats having gained control of the House, [Representative Barney Frank](#) (D-MA), the Committee’s ranking Democrat, will likely become chair of the House [Committee on Financial Services](#). Representative [Paul Kanjorski](#) (D-PA) will likely chair the [Subcommittee on Capital Markets](#). According to *Newsweek*, the Committee on Financial Services has historically been among the more bipartisan of house committees. Among Frank’s stated priorities is increasing oversight of hedge funds, including investment by pension funds in hedge funds. See *The [New Team in Town](#), Newsweek online (Nov. 9, 2006)*.

Current [Senate Banking Committee](#) Senator Chris Dodd (D-CT) will replace Chairman Richard Shelby (R-AL). Senator Dodd’s appointment results from the retirement of Senator Paul Sarbanes (D-MD). According to the Equipment Leasing and Finance

Association (formerly the Equipment Leasing Association (ELFA)), major issues affecting the leasing business include the application to leasing companies of the Sarbanes-Oxley Act of 2002 (Act) and the [Basel II Capital Accord](#) (Basel II). See [ELFA Election Analysis](#). Basel II and industrial loan charters (ILCs) will be high on the list of priorities for the [Senate Banking Committee](#), according to the [American Banker](#) magazine on December 1, 2006.

Insight to Change: Major Issues on the Agenda

Beyond leasing companies, major issues that can and will likely affect the broader financial services industry include:

- **Sarbanes-Oxley Act Reform.** Congress has resisted calls to relax the requirements of the Act. However, “reform” scrutiny will continue, both from comparatively smaller publicly traded companies and organizations such as the Chamber of Commerce. A private sector blue ribbon panel recently convened, with the apparent blessing of the Bush Administration, and issued its report. It called for relaxation of some financial regulations and less aggressive civil and criminal penalties for violations of rules. See *Financial-Rule Overhaul Hits a Nerve*, [The Wall Street Journal](#), page C:3, Col 1, S.W.Ed (Dec. 1, 2006).

**Insight Point:* Although state prosecutors called the panel’s ideas “absurd” according to [The Wall Street Journal](#), it remains to be seen whether the recommendations of this panel will serve as a catalyst to legislative changes. Conventional wisdom seems to hold that a Democratic Congress will be more reluctant to make major changes in the Act, but Republicans might have taken a “go slow” approach as well. Moreover, some Members of Congress have expressed the view that the SEC and the Public Company Accounting Oversight Board ([PCAOB](#)) already have sufficient authority to address many of the issues raised under the Act. However, the SEC has taken note of the “very significant costs” of compliance with the corporate control aspects of the Act and intends to review compliance costs and efficiency under Section 404 in its December 13 meeting. See [Remarks by Treasury Secretary Henry M. Paulson on the Competitiveness of U.S. Capital Markets Economic Club of New York](#), SEC Press Release hp-174 (Nov. 20, 2006).

- **Consumer Data Protection and Privacy.** There is a bipartisan consensus within Congress that legislation should be enacted to protect consumer data. In 2006, multiple committees approved data security bills and legislation was pending before the Senate Banking Committee when the Senate adjourned.

**Insight Point:* With Democrats in control, the shape of such legislation could be dramatically different, including whether any new federal standards should preempt laws that have been enacted in more than 25 states and whether State Attorneys General should be given authority to enforce new federal standards. In addition, there will be renewed debate over questions such as whether notice of a data breach must be given to consumers in the absence of a substantial likelihood of harm to consumers. Given

recent disclosures concerning the use of “[pretexting](#)” to gain cell phone information (a form of identity theft) and the inadvertent disclosure of social security numbers, the pressure for federal legislation will continue to grow in 2007.

- **Hedge Funds and Derivatives.** The 110th Congress may devote continuing attention to hedge funds and give consideration to whether legislation is required in the wake of a federal court decision earlier this year invalidating the [SEC’s rule](#) requiring most hedge fund managers to register with the SEC under the Investment Advisers Act of 1940. The Treasury Department has previously announced that it is undertaking a study of the systemic issues presented by the growth of hedge funds in recent years.

**Insight Point:* It is quite possible that the other members of the President’s Working Group on Financial Markets will participate in this review. The issue will get additional attention because Representative Frank and other Members have requested that the Government Accountability Office conduct a broad study of hedge funds, including the role pension funds play in investing in hedge funds. There will continue to be calls to amend the Commodities Exchange Act to provide greater regulatory oversight of off-exchange derivatives contracts involving commodities, such as oil and other energy products.

- **Terrorism Risk Insurance.** The Terrorism Risk Insurance Act (commonly known as TRIA) is scheduled to expire on December 31, 2007. The 110th Congress will decide whether to extend this program, which provides for federal assistance in connection with insured losses resulting from acts of terrorism. See [Fed Extends Terrorism Risk Insurance Act for Two Years](#), [Business Leasing News](#) (Jan. 2006).

**Insight Point:* Senator Dodd is believed by some to be receptive to renewing and possibly expanding TRIA, but Senator Shelby’s position remains a matter of speculation.

- **Consumer Lending Issues.** Both the Senate Banking Committee and the House Financial Services Committee are expected to devote attention to a range of consumer lending issues that are variously described as subprime lending, predatory lending, and exotic mortgages. In addition to considering legislation at least with respect to certain “[predatory lending](#)” practices, the committees will likely monitor how lenders implement the exotic mortgage guidelines issued in September 2006 by key federal financial institution regulators.

**Insight Point:* These and similar “consumer financial protection” issues will receive greater attention with the Democrats in control of the House and the Senate.

- **Financial Institution Capital Standards.** The 110th Congress is expected to continue its review of the domestic implementation of the Basel II international regulatory standards that would impose new risk-based capital requirements on

financial institutions.

**Term to Know:* [Basel II](#), formally known as the “International Convergence of Capital Measurement and Capital Standards: A Revised Framework,” will, in theory, create a more flexible and comprehensive framework for bank capital requirements built on three mutually reinforcing “pillars”: (1) minimum capital requirements, (2) supervisory review of capital adequacy, and (3) market discipline.

Some Members of Congress have expressed concerns that the Basel II standards may be inadequate and others have questioned their suitability for smaller banks.

**Insight Point:* Further oversight hearings and Congressional meetings with U.S. regulators appear likely, though regulators intend to start implementation in 2008.

This entire subject is enormously complex and involves numerous government agencies, which interact with each other in developing appropriate risk-based capital regulation. The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Board), Federal Deposit Insurance Corporation (FDIC), and Office of Thrift Supervision (OTS) (collectively, the Agencies) recently issued a 158-page [joint notice for proposed rulemaking](#) (NPR) that sets forth revisions to the existing risk-based capital framework. Their framework, called Basel IA, would enhance risk sensitivity without unduly increasing the regulatory burden of banks not subject to Basel II (that is, in general, banks other than the largest 20 U.S. banks that are active internationally).

**Action Item:* The Agencies have invited NPR within 90 days after its publication in the Federal Register. They propose to:

- **expand** the number of risk weight categories,
- **allow** the use of external credit ratings to risk weight certain exposures,
- **expand** the range of recognized collateral and eligible guarantors,
- **use** loan-to-value ratios to risk weight most residential mortgages,
- **increase** the credit conversion factor for certain commitments with an original maturity of one year or less,
- **assess** a charge for early amortizations in securitizations of revolving exposures, and
- **remove** the 50 percent limit on the risk weight for certain derivative transactions.

For a current review of implementation issues, see [Basel II, An Update on U.S. Implementation](#), by Kyle L. Brandon, Securities Industry and Financial Markets Association, Vol. I, No. 1 (Nov. 1, 2006).

- **Economic Substance Issue.** According to the ELFA, a key question for the

equipment leasing and finance industry is whether the new Chair of the [Senate Finance Committee](#) will continue to propose provisions to codify the economic substance doctrine or make changes in the JOBS Act of 2004, which had been consistently proposed over the past two years by Chairman Grassley.

**Warning:* The new leadership in the Committee coupled with new committee membership will could cause closer scrutiny and action on the economic substance point and interfere with historical tax treatment of even the most ordinary leasing transactions with a focus on leveraged leases. See [Leasing 101: What Is The "Economic Substance Doctrine" Under Federal Tax Law?](#), [Business Leasing News](#) (June 2003).

As the Bush presidency winds down, the financial services industry will potentially encounter significant changes in compliance under the Sarbanes-Oxley Act, enhanced efforts to control predatory lending, increased hedge fund regulation, review of tax breaks and the start of implementation of Basel II. Is it prudent to think that none of these changes will make a difference to profitability, risk management and new business opportunities in financial services markets? Should financial services and leasing companies ignore the election as more of the same? The next several months could be one of those periods where the old adage applies: "If you snooze, you lose." Perhaps the November election is a wake-up call or should be treated as one.

Thanks to [Donald V. Moorehead](#) and [Jeff Turner](#) for commenting on this article and to [Aubrey A. Rothrock](#) and [Kirsten Wegner](#) of Patton Boggs LLP for providing the material for this article.



2. Does Le-Nature's Fraud Case Show When No Amount of Diligence Is Enough?

If the bad guys want to deceive you, it seems they can, no matter what level of diligence you apply to your lease or loan deals.

As one person observed, in regard to the recently-discovered fraud successfully perpetrated by Le-Nature's, Inc.:

It is just a spectacular case of fraud,' 'A guy was running two sets of books, and managed to dupe the loan market, the bond market and four sets of auditors including Internal Revenue Service (IRS) auditors, PricewaterhouseCoopers and a private equity auditor brought in when Le-Nature's was leaning to sell the company. See [Market Predicts Le-Nature's Is All Washed Up](#), By Gabrielle Stein, Bank Loan Report, [REI Research Online](#) (Nov. 13, 2006).

Fraud Unveiled

The case apparently started to unravel when General Press Corp., Lyons Contracting, M. I. Friday and Jackel Development filed a case under Chapter 7 of the federal [Bankruptcy](#)

[Court for the Western District of Pennsylvania](#), alleging that Le-Nature's owed the lenders more than \$1.4 million.

In an attempt to salvage the company, the federal Bankruptcy Court converted the case from a Chapter 7 to a Chapter 11, under [Case No. 06-25454 \(MBM\)](#), and appointed Kroll Zolfo Cooper LCC, a turn-around firm, to investigate and evaluate the potential to save any of Le-Nature's operations for the creditors' benefit. Potential liabilities amount to \$728 million in debt, of which \$278 million is owed to banks, \$150 million sits with junk bond holders and \$300 million burdens lessors and other creditors. For more on the case, see [Le-Nature Bankruptcy Fraud Case](#), LeasingNews.org (Oct. 8, 2006).

Some of the preeminent financing firms in the U.S. have become embroiled in this case, including The CIT Group, AIG Commercial Equipment Finance, Merrill Lynch Capital and Orix Financial Services, Inc. A large chunk of their exposure constitutes unsecured debt. Wachovia Bank, which acted as agent on lending facilities, offered more bad news recently as the temporary shutdown of production facilities may become permanent. See [Le-Nature's closing may be permanent](#), By Richard Gazarik, [Pittsburgh Tribune-Review](#) (Nov. 25, 2006).

Mitigate Fraud Risk

Lessors and lenders understand the potential for fraud. The ill-effects have been seared into their consciousness by such cases as Norvergence. Many of them have taken steps to mitigate fraud risks, and to ascertain the potential for fraud more effectively. See [Norvergence Bankruptcy Forces Lessors To Mitigate New Risks](#), [Business Leasing News](#) (Feb. 2005). However, the Le-Nature's case demonstrates that accurate evaluations of transactions still fail to work in the face of those determined to commit fraud.

Anyone can apply hindsight to identify a bad deal, but will the circumstances of Le-Nature's fraud provide constructive ideas for improving underwriting in the future? Given the massive and complex nature of the fraud in the Le-Nature's case, lenders and lessors may wonder whether any truly effective risk mitigation methods exist for such extreme cases. Lenders and lessors presumably apply risk mitigation steps as prudent creditors, but a case like Le-Nature's begs the question of whether they do in fact act prudently.

***Tip:** Ferreting out fraud before it occurs is difficult, but some structural and business approaches may help. Lenders and lessors could:

- **Perform** more extensive, written and defensible due diligence on their debtor, including a review of business performance, management and financial statements for consistency and credibility—not simply accepting financials as true on face value alone if the operations and cash flows create any doubt about the truthfulness of the financials or business model;
- **Decline** questionable deals—do not let volume considerations force you to close deals that create doubts and, in retrospect, may show bad judgment on your part;

- **Raise** yield requirements to provide a cushion for defaults by questionable credits, as it is probably better to lose a deal to a lower rate bidder than burn positive returns of many good deals in your portfolio to pay for one bad decision;
- **Structure** transactions to mitigate risk whenever possible by:
 - **approving** secured transactions rather than unsecured deals;
 - **using** true leases (rather than disguised loans) to protect your interests in bankruptcy to recover tangible personal property such as equipment to salvage your investment;
 - **assure** that you protect your interests correctly by making all filings under the Uniform Commercial Code (UCC) necessary to perfect interests in secured loan and leased assets in the first priority position (or a bargained for subordinate position); and
 - **document** deals with triggers for early defaults, including enhanced financial reporting, so that you can attempt to save a deal before a Le-Nature's disaster scenario develops.
- **Consult** forensic accountants, bankruptcy counsel and litigators with knowledge of cases like Norvergence and Le-Nature's to look for signs of fraud early and often.

Zero Tolerance

Le-Nature's allegedly created a very sophisticated fraud scheme that may illustrate unavoidable risk embedded in business transactions and companies today. But these days, neither shareholders nor boards of directors show much, if any, tolerance of such outcomes or poorly conceived approvals when fraud strikes. For a bank or finance company, reputational and portfolio risk management may trump the approval of any single deal. In the Le-Nature's case, the question creditors will have to ask themselves is whether they were dealt a bad hand or simply decided to play in the wrong game.



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3. Case & Comment: Fatal UCC Naming Error – *Pankratz Implement Co. v. Citizens National Bank*

Almost every secured financing or leasing transaction in the U.S. involves filings of [financing statements](#) under the UCC. See [Section 9-312](#) (perfection by filing in [goods](#), etc.) and [Section 9-505](#) (precautionary filings in lease and other transactions).

To perfect by filing under the UCC, it is imperative to state the name of the [debtor](#) exactly right. In [Pankratz Implement Co. v. Citizens National Bank](#), 281 Kan. 209, 133 P.3d 57 (Ct. App. 2006), the litigants discovered that spelling the debtor's name correctly is a critical element of completing financing statements (UCC-1s) and is the winning proposition (at least in this case).

BACKGROUND: On March 19, 1998, Rodger House, an Isabel, Kansas, resident, purchased a tractor from Pankratz, a Hutchinson, Kansas, corporation, and executed a

note and a security agreement on the day of purchase in favor of Pankratz. Pankratz in turn assigned the documents and collateral to Deere and Company (Deere). Deere filed the UCC-1, on March 23, 1998, with the Kansas Secretary of State. Deere misspelled House's name as debtor in the filing as "House, Roger[.]" Later, on April 8, 1999, House entered into a secured loan in favor of Citizens, a Kansas bank. House pledged all equipment owned including the tractor. Citizens filed its financing statement with the correct spelling of the debtor's name: "House, Rodger[.]"

Later, House filed a petition in bankruptcy on June 10, 2002. Deere reassigned the House documents to Pankratz. Pankratz filed suit in December 2002, seeking to determine whether Pankratz or Citizens had the prior perfected security interest in the tractor. Citizens' conducted UCC searches before it made its loan, but did not locate the filings of Pankratz under the misspelled name of House.

Both parties moved for summary judgment. The district court granted summary judgment in favor of Pankratz as a matter of law because Pankratz perfected its security interest before Citizens perfected its interest despite the spelling error by Deere (and assigned to Pankratz). See [Section 9-322](#) (agricultural lien priority rules). Citizens timely appealed the ruling.

ISSUE: Is a spelling error in the debtor's name on a UCC-1 a sufficient basis to cause a UCC-1 to be ineffective because a misspelled debtor's name makes the UCC-1 materially misleading?

OUTCOME: Yes, with rare exception under [Section 9-506\(c\)](#) (standard search logic finds erroneous name). Citizens put the debtor's name on the UCC correctly; Pankratz did not. The Pankratz court ruled on appeal that the spelling must be exactly right, and it was not. Citizens spelled the name "Rodger" correctly, even though it received its security interest after Deere filed its UCC-1 (which Deere assigned to Pankratz). Citizens therefore won the case.

LAW OF THE CASE: Section 9-506 of the Kansas UCC provides in part:

(a) **Effect of errors or omissions.** A financing statement substantially satisfying the requirements of this part is effective, even if it has minor errors or omissions, unless the errors or omissions make the financing statement seriously misleading.

"(b) **Financing statement seriously misleading.** Except as otherwise provided in subsection (c), a financing statement that fails sufficiently to provide the name of the debtor in accordance with K.S.A. 2003 Supp. 84-9-503(a) and amendments thereto, is seriously misleading.

"(c) **Financing statement not seriously misleading.** If a search of the records of the filing office under the debtor's correct name, using the filing office's standard search logic, if any, would disclose a financing statement that fails sufficiently to provide the name of the debtor in accordance with K.S.A. 2003 Supp. 84-9-503(a) and amendments thereto, the name provided does not make the financing statement seriously misleading."

Although Section 9-506(a) would seem to forgive a misspelling as a minor error, the error is not minor if a reasonably diligent searcher under the standard search logic would not find the filing against the debtor. The only exception requires that the filing office's standard search logic discloses the debtor's name under Section 9-506(c). Citizens did not find Pankratz's UCC-1 in its search of the records. Accordingly, the UCC-1 filed by Pankratz failed to sufficiently provide the name of the debtor, Rodger House, and rendered the UCC-1 seriously misleading and ineffective. Pankratz's filing failed, therefore, to take priority over the Citizens later filing, and Citizens won the case.

**Comment:* The Pankratz case demonstrates that, in preparing UCC-1s, any error in the name of the debtor, however slight, can (and likely will) cause your UCC-1 to be treated as materially misleading and ineffective. You will have to have a stroke of luck to qualify under Section 9-506(c) and find an erroneous debtor name under the filing office's standard search logic. Do not depend on Section 9-506(a) or (c) to protect you from errors in writing a debtor's name. Get the debtor's name exactly right the first time; or if you find an error before someone else files in front of you, correct your filing and the debtor's erroneous name immediately. For corporate debtors (or other [registered organizations](#)), use the name on the [records](#) at the office of the Secretary of State or equivalent office of the applicable State of incorporation or formation. See Section 9-102 (a)(70). Be careful to get the correct name of individuals based on the laws of the jurisdiction in which your debtor is located. Remember that while a debtor is located in a jurisdiction, the local law of that jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in collateral under [Section 9-301\(1\)](#).

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4. Leasing 101: What Is a “Financial Restatement”?

Since the [Enron](#) failure occurred, companies have been forced to be increasingly transparent in financial reporting to their investors. This requirement to more openly disclose financial condition and performance rings especially true for companies reporting under the regulatory eyes of the Securities and Exchange Commission (SEC).

As the challenge of disclosing more financial information has taken effect, an increasing number of companies have had to restate their financial statements. According to a study conducted by [Global Insight](#), 1,295 companies restated their financial statements in 2005, as compared to 650 in 2004. See [Leasing and SOX Compliance: The Big Picture](#), By Michael Keeler, [Sarbanes-Oxley Compliance Journal](#) (Nov. 13, 2006).

A “[financial restatement](#)” means the reiteration of financial results published by a company primarily for the protection and benefit of its shareholders. A restatement of financial statements is intended to correct errors resulting from fraud, misrepresentation, financial errors, auditing oversights and even simple clerical errors. The restatement creates a clear picture of the company's true performance during the periods it covers.

The Global Insight study reveals that 249 companies had to restate their financials in 2005 because of errors in lease accounting. The study further suggests that lease

accounting errors have driven many restatements:

According to Jeffrey Szafran, a managing director at Huron Consulting Group: "Lease accounting restatements caught the financial reporting world by surprise." Recognizing that most companies "believed when they were doing it that they were getting it right", Szafran says that the lease accounting issues have "rippled through the entire financial reporting world" and have been a driving force of restatements since the second half of 2004.

Even though the 110th Congress or SEC may reconsider (in 2007) compliance measures and enforcement under the Sarbanes-Oxley Act of 2002, the importance of restatements will not diminish, nor will the need to avoid the reasons for which restatements may be required.



5. About Patton Boggs LLP; Recent Publications

[Patton Boggs LLP](#) is a law firm of more than 500 lawyers and professionals located throughout the United States and internationally in Doha, Qatar. Patton Boggs most recently added offices in the New York metropolitan area. The firm has done business in over 70 countries during its almost half a century of operation, and increasingly focuses on such dynamic markets as India, China, Brazil, and Western Europe in business and public policy matters.

Patton Boggs has major practice areas in Business Transactions, Intellectual Property, Public Policy, and Litigation. These areas are composed of many practice groups designed specifically to meet client needs and the needs of developing markets. I often focus on aviation, power, infrastructure, and technology matters as part of the 120-member Business Transactions Group.

The firm provides a broad array of skills in domestic and international business transactions. BLN covers a small part of the skills available at the firm. These capabilities include equipment finance and leasing, corporate finance, secured transactions, syndications, mezzanine finance, enhanced use and other federal leasing, project finance, real estate, healthcare, pharmaceuticals and technology transactions, and public policy work. We devote a significant part of our time to wind power, cogeneration, and oil and gas matters worldwide. We also address related creditors' rights/bankruptcy in structuring transactions and resolving troubled credits.

We assist our clients with buying, selling, financing, and leasing real and personal property, including business and commercial aircraft, energy assets, facilities, vehicles, production equipment, technology hardware and software, and health care equipment, as well as highways and other infrastructure projects. We have specific teams for aviation, infrastructure/power, health care, federal leasing/finance/marketing, municipal leasing/finance, and international transactions by region or country. We provide extensive and newly-expanded litigation resources with the addition of high-profile litigators in our New Jersey office.

You are welcome to call me at 214.758.1545 or e-mail me at dmayer@pattonboggs.com. We value your contact with us on any topic, including questions arising from BLN articles, suggestions for future topics for BLN, or about our law practice. In 2007, BLN will consider co-writing articles more frequently with friends and clients of the firm.

Publications

The following offer a sample of articles from [David G. Mayer](#):

- *The USA PATRIOT Act Renewed: Reassessing Money Laundering Risk in Finance Transactions*, By [Stephen J. McHale](#) and David G. Mayer, LNJ Leasing Newsletter (Two Parts: Nov. & Dec. 2006).
- *Unique Pad Gas Lease Supports Project Financing and Development of Gas Storage Facility in U.S.*, By David G. Mayer (with Fortis Capital Corp.), Asset-Based Lending Review, [Financier Worldwide](#) (Nov. 2006).
- [*True Leases Under Attack: Lessors Face Persistent Challenges to True Lease Transactions*](#), by David G. Mayer, Journal of Equipment Lease Financing (Special Issue, Fall 2005), a 17,000-word article. Special thanks go to the many editors, including Patton Boggs bankruptcy partner, [Jeff LeForce](#); Patton Boggs tax partner, [George Schutzer](#); Patton Boggs associate, [Joel A. Bannister](#); three members of the ELA's Legal Committee; and two Foundation reviewers. **2005 JELF ARTICLE OF THE YEAR!**
- [*The Cape Town Convention: New Complexities and Opportunities*](#), by David G. Mayer and Frank Polk, aviation partner at McAfee & Taft, LNJ's Equipment Leasing Newsletter (Oct. 2005).

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Thanks to BLN's Team

I would like to thank BLN's team at Patton Boggs LLP. The team includes [J. Atwood Jeter](#), a senior associate in the firm's real estate and wind energy groups, all Patton Boggs staff editors, Paul Dumansky, Adrian Nicole McCoy and Michelle Steckel; and our lead designer, Winston Jackson, as well as Project Manager, Melissa Green. Claire Campbell, our Chief Librarian in Dallas, keeps BLN going with much appreciated research assistance. Thanks also to [Douglas C. Boggs](#), a Business Group/Securities partner and web site reviewer for BLN, and our Marketing Chief, Mary Kimber, for assisting BLN through our firm's editing, design and posting process.

All the best,

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