

TOP STORIES

Yahoo loses execs to smaller NYC media companies

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Brit club owner aims for enduring empire

PAGE 2



New surgery hard to stomach for most patients

PAGE 3

Cruise New York Harbor for \$50,000—really

NEW YORK, NEW YORK, P. 6

BUSINESS LIVES



He'll have a martini with that meeting.
PAGE 31

AT DEADLINE

BOTH THE YANKEES AND THE METS ARE ON PACE TO attract record crowds this season, the last in their current stadiums. The Yankees have sold 3.8 million tickets so far, 400,000 more than a year ago. The Mets have sold 2.8 million tickets—300,000 more than last year, and a pre-opening-day record. Mets officials hope the club will reach the 4 million mark this season for the first time, and they're pulling out all the stops with an advertising and marketing blitz to make sure it happens. The Yankees drew 4.27 million fans last year.

ONLINE AD FIRM EYEBLASTER INC. IS PLANNING A \$115 million initial public offering, which, if successful, would be
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CRAIN'S

NEW YORK BUSINESS

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THE TOP
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VOL. XXIV, NO. 13 WWW.CRAINSNEWYORK.COM

MARCH 31-APRIL 6, 2008 PRICE: \$3.00



PROJECT IN PERIL: Moynihan Station, seen here in an artist's rendering, may not be built.

Why mega-projects are falling apart

Financing is crucial, but so is political, community support

BY THERESA AGOVINO

SUCCESSFUL DEVELOPMENT projects in New York City rest on a three-legged stool of financing, political support and community

approval. When even just one of those legs is broken, the project can weaken and, in some cases, fail.

That reality has become painfully apparent in the past couple of weeks, as some of the biggest projects in the city—Atlantic Yards, Hudson Rail Yards, Moynihan Station and Pier 40—appear to be at risk.

The biggest threat to Atlantic
See **MEGA-PROJECTS** on Page 8

Home Depot could drop Harlem lease

Frail economy drives other chains to pull plug on growth plans, too; some soldier on

BY ELISABETH BUTLER CORDOVA

THE HOME DEPOT INC. may walk away from long-standing plans to open a 100,000-square-foot store at East River Plaza, a major new development from Forest City Ratner Cos. and Blumenfeld Development Group.

Last week, Atlanta-based Home Depot acknowledged that it is reconsidering its lease in the 500,000-square-foot development, located on six acres adjacent

to Franklin D. Roosevelt Drive. "We are re-evaluating this site to determine if it still makes sense for our business," a Home Depot spokeswoman says.

The home-improvement chain has been promising for 10 years to open a store at the former Washburn Wire Factory site, where Target and Best Buy have also signed leases. Real estate sources say that Home Depot would be responsible for subleasing its space if it decides not to open a store there.

Home Depot's hesitation comes at a time when the economy is stumbling, forcing retailers of all sizes to reconsider their expansion plans. Some are pulling back on rollouts, postponing the launch of risky new

See **HOME DEPOT** on Page 8

**RECESSION
WATCH**

Top execs settle into easy living

Investor activists question fairness of free rent, other rich perks

BY AARON ELSTEIN

CERTAINLY IT'S NO GREAT SURPRISE that when investment banker, corporate lawyer and Bill Clinton golf partner Vernon Jordan works in New York, he stays in an apartment in the posh Regency Hotel on Park Avenue.

The surprising thing is that he doesn't pay a dime. That honor falls to his employer, Lazard Ltd., which quietly picks up the monthly \$24,000 tab. That's on top of the \$3.9 million in compensation the investment bank gave Mr. Jordan last year.

Welcome to Easy Street, where lavishly paid executives live large on the corporate tab.

Many shareholder activists had assumed that the harsh winds blowing through the economy would force companies to cut back on perks this year. The stream of annual corporate reports now beginning to

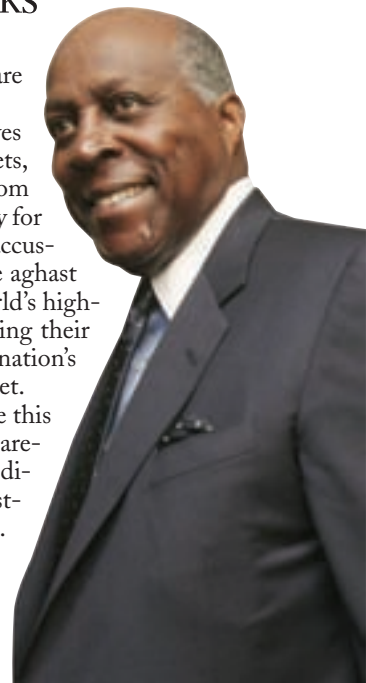
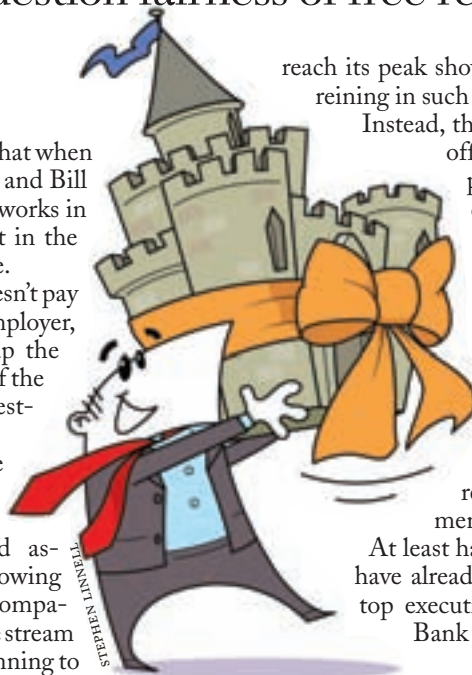
reach its peak shows that while some companies are reining in such largesse, many more are not.

Instead, they are continuing to fly executives off to their vacations on corporate jets, pick up the tab for everything from cars to country club dues, and pay for utilities. But even investors accustomed to corporate gluttony are aghast to discover that some of the world's highest-paid executives are still getting their housing costs covered in the nation's most expensive real estate market.

"The apartment perk may be this year's winner for gouging shareholders," says Timothy Smith, director of socially responsive investment at Walden Asset Management.

At least half a dozen New York companies have already owned up to paying for their top executives' apartments. They include Bank of New York Mellon Corp.,

See **TOP EXECs** on Page 8



VERNON JORDAN, senior managing director at Lazard, received:

\$288,000
IN ANNUAL RENT

\$221,000
TO COVER TAXES ON RENT GIFT

ELECTRONIC EDITION

0 171486 01068 5 133

AT DEADLINE

Continued from Page 1

only the second New York tech IPO in the past two years. The company, which specializes in delivering rich media ads to sites on behalf of advertisers, is one of the few independent ad providers based in Manhattan that didn't get swallowed up by giants such as Google last year. Eyeblaster's profits rose 70% last year, to \$7.5 million, on revenues of \$44.7 million, which were up 62% from 2006 levels.

ST. VINCENT'S MANHATTAN HOSPITAL IS SLATED TO

publicly present its controversial plan to construct a 21-story hospital on Seventh Avenue to the Landmarks Preservation Commission on Tuesday. The proposal must be approved by the commission because the institution is located in the historic district of Greenwich Village, and the plan involves demolishing seven hospital buildings. Neighborhood residents, some of whom have criticized the size and design of the project, also will be able to speak at the meeting.

THE ART INSTITUTE OF NEW YORK CITY WILL DISCONTINUE

its culinary program at 75 Varick St. next year when its lease expires. The rent there is doubling, and the school, which has 16 kitchens and 600 students, has been suffering from declining enrollment, says a spokeswoman. The institute also has an art and design program at 11 Beech St., plus 40

affiliates around the country.

THE STATE LABOR DEPARTMENT REPORTED THAT THE CITY

added 2,300 jobs in February, but economists say the office sublease market indicates that employment data will soon reflect major job cuts. Close to 2.1 million square feet of available sublease space has been added to the market since Jan. 1, according to an analysis by Eastern Consolidated. The real estate investment firm estimates that this shift could translate into a loss of more than 8,000 office jobs. *Crain's* reported on March 17 that troubled financial firms are preparing to unload 600,000 square feet of space.

THE THREATENED FAILURE OF THE PRIVATE EQUITY BUYOUT

of Clear Channel Communications may mean further cost cutting at the media giant's radio stations. The stations have been paring expenses and have lost some name talent. Stanford Group media analyst Frederick Moran says the company will need to "re-attract shareholders" by driving earnings growth through cost cuts. Revenues for the five stations in the New York cluster fell 2.6% in 2007 according to estimates released Friday by BIA Financial Network. Billings for the New York radio marketplace were down 3.5%. A Clear Channel spokesman said the company is focused on closing the deal.

CORRECTION

Ann Acierno, the new chief executive of Bill Blass New York, previously served as senior vice president of the New York design office for Kohl's Corp. Her former title was misstated in the March 24 "Corporate Ladder" because Bill Blass New York provided incorrect information.



JONATHAN SEGAL decided to make the One Group a pioneer in developing a new kind of hybrid nightclub.

Empire builder

West Village hot spot owner doesn't lounge around

BY LISA FICKENSCHER

FIVE YEARS AGO, British transplant Jonathan Segal stood on the corner of Ninth Avenue and Little West 12th Street in the meatpacking district for the first time and fell in love with its cobblestone streets and ghost-town atmosphere.

Today, the trendy neighborhood boasts about 30 bars and restaurants—no fewer than five of which are owned by Mr. Segal himself. Meanwhile, the success of those outposts, including such hot spots as STK, Tenjune and One—his first creation—has helped him expand to Los Angeles and Miami. In the process, his company, the One Group, has exploded in size to 800 employees, nine venues and revenues of \$35 million.

"Most people are impressed by how much revenue he's generated in this neighborhood," says David Rabin, president of the New York Nightlife Association.

Mr. Segal owes some of his success to the bankroll he brought with him from his family's hospitality business in Britain, and the experience he gleaned from running the family firm for more

See CLUB on Page 10

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VOL. XXIV, NO. 13, MARCH 31, 2008—*Crain's New York Business* (ISSN 8756-789X) is published weekly by Crain Communications Inc., 711 Third Ave., New York, NY 10017. Periodicals postage paid at New York, N.Y. and additional mailing offices. Postmaster: Send address changes to: *Crain's New York Business*, Circulation Department, 1155 Gratiot Avenue, Detroit, MI 48207-2912. FOR SUBSCRIBER SERVICE: Call (888) 909-9111. Fax (313) 446-6777. \$3.00 a copy, \$59.79 one year, \$109.79 two years. (GST No. 13676-0444-RT) ©Entire contents copyright 2008 by Crain Communications Inc. All rights reserved.

BUSINESS JOURNALISM CONTEST RESULTS

Crain's cited for excellence

CRAIN'S NEW YORK BUSINESS was honored for overall excellence in the 13th annual Best in Business Journalism Contest sponsored by the Society of American Business Editors and Writers.

In addition, *Crain's* editor Greg David (right) won an award for his columns in 2007.

The SABEW contest began in 1995 to help set standards and recognize role models for outstanding business journalism. A record 842 entries were submitted

for work in 2007 by daily newspapers, business weeklies, magazines, wire services and news Web sites.

Crain's New York Business was among five winners in general excellence for weeklies. Two other Crain publications—*Advertising Age* and *Financial Week*—were also honored, as were two other regional business publications, the *Boston Business Journal* and *Triangle Business Journal*. Mr. David was one of three weekly columnists recognized.



Yahoo's talent drain

Takeover attempt aside, exiting execs cite entrepreneurial opportunities

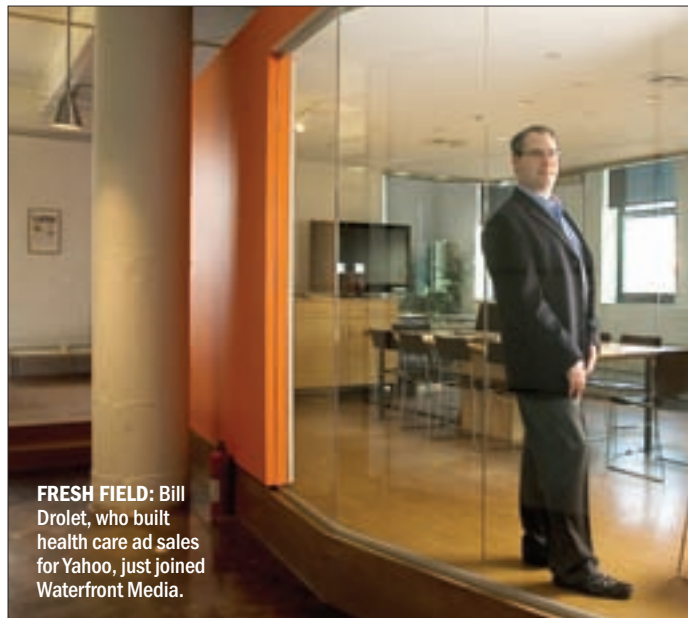
BY AMANDA FUNG

YAHOO IS TRYING to fend off Microsoft Corp.'s takeover attempt, but a growing number of executives won't be around to find out what happens. They're ditching the Internet giant to work for smaller, high-growth companies—many of them in New York City.

The defections come at a bad time for Yahoo. The takeover battle is a major distraction for a company already plagued with problems. Yahoo continues to lose market share to Google, and its stock plummeted to a 52-week low on Jan. 30, two days before Microsoft made its buy-out offer.

Yahoo, based in Sunnyvale, Calif., is now losing talented senior managers like Bill Drolet. He joined Yahoo's New York office three years ago to develop advertising sales in the pharmaceutical and health care industries.

After helping to generate more than \$70 million in revenue from those sectors, Mr. Drolet left in early March to become vice president of ad sales at Brooklyn-based Waterfront Media. It operates the nation's second-largest health care site, with 14 million unique visitors



FRESH FIELD: Bill Drolet, who built health care ad sales for Yahoo, just joined Waterfront Media.

a month.

"Waterfront is poised to transcend the current health and lifestyle marketplace," Mr. Drolet says. "It's an entrepreneurial opportunity I could not pass up."

Experts skeptical

IT'S NOT HARD TO SEE WHY, especially given Yahoo's lackluster prospects. Once revered as a dominant force, the company is trying to reverse two years of earnings declines and recently laid off 1,000 of its 14,000 employees worldwide. Despite Yahoo's efforts, industry experts remain skeptical, especially about its ability to grab a bigger piece of the online ad market.

"Yahoo has reached a point [where] growth is more incremental than substantive," says Shawn Banerji, a managing director at executive search firm Russell Reynolds Associates.

Investors and headhunters have been taking advantage of the company's vulnerability by offering its executives leadership roles at fast-growing firms. Yahoo is a great training ground, recruiters say.

A call from a headhunter late last year prompted David Rubenstein's departure in early March. Mr. Rubenstein had spent almost three years at Yahoo, where he helped conduct a groundbreaking study on how consumers use the Internet to

buy electronics.

"I had a great run," says Mr. Rubenstein, who now leads media sales for Manhattan-based ExpoTV. The online catalog of about 250,000 consumer reviews of video products is distributed on sites like YouTube and video-on-demand television.

"An opportunity to join a company with fewer than 20 people and [to have] a seat at the executive table at a company at the cusp of something big trumped everything," Mr. Rubenstein says.

Yahoo insists that it isn't concerned and that it continues to hire in vital business areas.

"We remain a destination for the

world's brightest and creative talent, [and] we continue to strengthen and build on this key asset: our people," a spokesperson says.

Many former Yahoo executives say the takeover move wasn't the reason for their exit. But if Microsoft is successful in striking a deal—creating an even bigger company—they expect that even more Yahoo executives will jump ship.

Lost edge

"THE BEST TALENT wants less bureaucracy and more innovation, a fast-moving place where they can make decisions," says Michael Flannery, senior managing partner of Redwood Partners, a recruiting firm that specializes in tech.

Some say Yahoo has been losing its edge for some time.

George Stewart left his job as national sales director at Yahoo Music last year to lead ad sales at NextNewNetworks, a provider of original online video programs. He had joined Yahoo in 2001 when it bought Launch Media, an online music company he helped develop, for \$12 million. Revenues at Yahoo Music grew more than tenfold under his oversight.

"I enjoy building," Mr. Stewart says. "The structure of Yahoo was changing. It's part of what big companies do—they centralize power. Those of us who were part of building the business became less influential."

COMMENTS? AFung@crain.com

ADIEU, YAHOO

Executives who have departed in the past year.

NAME/TITLE	NEW EMPLOYER/TITLE
JACKI KELLEY VP of worldwide sales, strategies, solutions	Martha Stewart Living Omnimedia Executive VP, media sales
MITCHELL KREUCH Regional VP of sales	MySpace VP of sales, East Coast
WENDA MILLARD Chief sales officer, U.S.	Martha Stewart Living Omnimedia President of media
JERRY SHERESHEWSKY Ambassador plenipotentiary to Madison Avenue	Grandparents.com Chief executive

BUCK ENNIS

Open Skies treaty arrives late, lame in NY

A big deal in Dallas, agreement adds little here; hopes fade for price wars

BY HILARY POTKEWITZ

AFTER YEARS OF FITFUL negotiations, the Open Skies Treaty relaxing flight restrictions across the North Atlantic finally went into effect Sunday. For New Yorkers, the wait was not worth it.

Here, the treaty promises several more flights from area airports to London Heathrow Airport, a few more choices when flying to Paris and Amsterdam, and a smattering of April sales on last-minute fares to the United Kingdom. But New Yorkers hoping that Open Skies would translate to open warfare between carriers—and lower fares for all—will be disappointed.

"New York is not going to see much immediate effect of Open

Skies," says Henry Hartevelde, an airline industry analyst with Forrester Research Inc. "Jet fuel is so expensive that airlines are only going to enter a market if they think they have a better-than-good chance of making a profit, and New York is not the ideal place to start."

Traffic increase

UNDER THE TREATY, European airlines can now fly to the United States from any city in Europe.

Previously they could fly only from their home countries. The agreement also gives four additional U.S. carriers coveted access to Europe's key gateway, Heathrow airport. Up until Sunday, only American Airlines and United Airlines enjoyed that privilege.

Those new flights, however, represent only a modest addition to the 22 direct flights previously offered to Heathrow each day from John F. Kennedy International and

Newark Liberty International airports. That situation contrasts sharply with what is happening in places like Dallas/Fort Worth International Airport, which got its

4

NUMBER of additional U.S. carriers now able to fly to Heathrow

first direct flights to both Heathrow and Amsterdam's Schiphol airport. To celebrate their new routes, British Airways and KLM Royal Dutch Airlines showered tea biscuits and windmill cakes all over the Dallas/Fort Worth airport on Sunday.

Sunday came and went without much fanfare in New York as Continental Airlines and Delta Air Lines moved a handful of flights to Heathrow from London's more remote Gatwick Airport.

"The big problem was not having access to the most important international market in the world—New York to London Heathrow," says Glenn Hauenstein, executive vice president of

See OPEN SKIES on Page 10



DRS. MARC BESSLER AND PETER STEVENS (from left) aim to recruit 100 patients for their study.

BUCK ENNIS

Surgery takes yucky approach

New endoscopic procedure put to the test

BY GALE SCOTT

WHEN MANHATTAN SURGEON Marc Bessler began offering an experimental gall bladder surgery last year that offered a quicker and easier recovery than standard operations, he expected it to be popular.

So far, though, just three patients have agreed to try it. The problem? Call it the "yuck" factor.

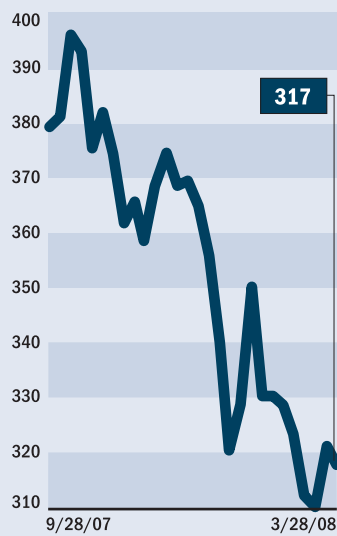
Instead of cutting through muscle and tissue, Dr. Bessler removes gall bladders and other diseased organs from the abdominal cavity through an orifice, such as the

See UNUSUAL on Page 9

HIGHLIGHTS REEL

-1.6%

The Bloomberg/Crain's New York Index fell 1.6%, to end the week at 317. The S&P 500 Index fell 1.7%, closing at 1315.



RISERS

	5-DAY % CHANGE	1-MONTH % CHANGE	3-MONTH % CHANGE	CLOSING PRICE
Bear Stearns	+80.9%	-87.2%	-87.7%	\$10.78
Coach	+20.5%	-52.5%	-50.4%	\$11.60
Dice Holding	+20.1%	+26.9%	+13.3%	\$9.01
Hertz	+10.7%	-3.7%	-20.8%	\$12.35
Children's Place	+10.2%	+12.9%	-4.7%	\$24.53

SINKERS

	5-DAY % CHANGE	1-MONTH % CHANGE	3-MONTH % CHANGE	CLOSING PRICE
Lehman	-22.2%	-30.7%	-41.4%	\$37.87
Merrill Lynch	-14.8%	-22.7%	-24.6%	\$39.93
Ambac	-13.3%	-50.8%	-76.9%	\$5.81
Scholastic	-12.0%	-15.1%	-14.3%	\$30.25
Bank of NY Mellon	-11.0%	-10.6%	-14.9%	\$41.29

Cheap E*Trade shares still downwardly mobile

Company's value is undermined by sinking mortgage-related assets

BY AARON ELSTEIN

LAST NOVEMBER, hedge fund Citadel Investment Group saw what looked like a terrific opportunity. The giant hedge fund snapped up \$2.5 billion worth of shares and debt in down-trodden E*Trade Financial Corp.—one of the earliest victims of the subprime crisis.

Since then, the shares have tumbled 28%. Investors looking to bottom-fish may be tempted by E*Trade at these prices, but the company is still no bargain.

Over the past decade, the discount broker distinguished itself as one of Wall Street's savviest marketers by using humorous ad campaigns and low prices to lure 4.7 million customers fed up with expensive full-service brokers. But E*Trade was always as much a bank as it was an innovative discount broker, and that's why it dove deep into home equity loans and mortgages whose value has crumbled.

The Manhattan-based firm is frantically trying to right itself by selling assets, raising cash and installing a new manage-

ment team. But its problems can be summed up like this: E*Trade's net worth of \$2.8 billion is overwhelmed by \$35 billion worth of mortgage-related assets of fast-fading value, according to Citigroup Inc.

Finding a new buyer to rescue E*Trade from this mess seems unlikely.

"We don't believe the firm is a viable takeover candidate based on its rate and credit risk profile," wrote Citigroup analyst Prashant Bhatia in a recent report. He rates E*Trade a "sell" and estimates the stock is worth \$2.75 a share, about 30% below its current price.

Recently, however, analysts have noted that brokerage customers who fled after E*Trade's problems surfaced last fall are beginning to return. Yet even here the outlook is dim. Daily average trading revenue fell 17% in February.

Last year, E*Trade posted a net loss of \$1.4 billion, or \$3.40 a share, reflecting a huge loss it suffered from selling assets to

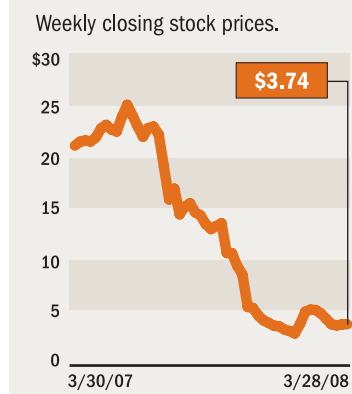
raise cash. The firm is expected to post a loss of 8 cents a share this year, according to Reuters Estimates, before returning to profitability next year.

But predictions of profits hinge on a recovery in the housing market, which seems nowhere in sight.

E*Trade's biggest problem may be its \$11.9 billion portfolio of home-equity loans. The firm has set aside \$459 million of reserves for future losses, but warns in its annual report that it may suffer up to \$1.5 billion in losses over the next three years. More than 40% of the loans were made to consumers who provided no documentation of their income—the infamous "Ninja" (no income, no job) loans.

In addition to its problems with housing-related loans, E*Trade has \$2.6 billion of boat and recreational vehicle loans on its books. Such loans typically take on water in recessions.

TRADING DOWN



Market cap	\$1.8 billion
52-week price change	-82%
Total debt	\$3 billion

COMMENTS? AEIstein@crain.com



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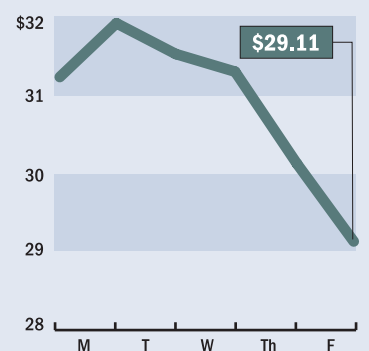
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STOCKS TO WATCH by Erik Ipsen

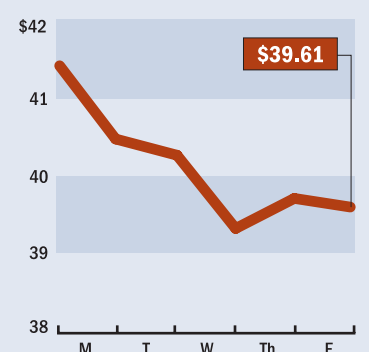
Harsh new reality slow to register with Bed Bath & Beyond holders

ONE OF CORPORATE AMERICA'S longer winning streaks ended in January, when **Bed Bath & Beyond** posted its first—2%—dip in earnings in a decade. Next week, the retailer is expected to post its second decline, 18%. Given that, and the severity of the housing slump behind it, you would think the stock would be a big loser. Instead, it's flat this year. Sure, the retailer is best in its class. But it's not *that* good.



Nice work if you can get it. For months, **BlackRock** has benefited from investors' "flight to safety" as they stashed more of their cash in funds managed by the firm, viewed as having some of the safest hands on Wall Street. Late last month, the Federal Reserve did much the same, handing Bear Stearns' \$30 billion portfolio to BlackRock to manage. The favor drove its shares up 35% in a week. They have gained 28% over the past year.

Few firms have stepped up lately to forecast earnings growth of 8% to 9% through 2011, as **Public Service Enterprise** did recently. Not many can match its shares' 48% gain last year—or its plan to build a huge wind farm off the Jersey coast, for that matter. Despite all that, PSEG seems to have fallen victim to its own success. Investors, betting that such growth can't go on, have sent PSEG's stock into a 19% stumble this year.



CHARTS: BEKKA LINDSTROM

Aetna
NYC
Community
Plan

I found a doctor who speaks my language.



Aetna is proud to introduce the NYC Community Plan,SM the only insurance plan of its kind that's designed to meet the diverse needs of the world's most diverse city. This innovative plan makes it easy and affordable for members to get the care they need, right in their own neighborhoods. It not only includes doctors who speak our members' languages, but local Aetna teams who understand their distinct cultural needs. Aetna's NYC Community Plan is inspired by the belief that with the right information and excellent service, people can make better health care decisions. To find out more about the NYC Community Plan, call your broker or Aetna representative.

We want you to know[®]



CB Richard Ellis
is pleased to announce

Crain Communications, Inc.

has extended its
98,618-square-foot lease

at

711 Third Avenue
New York, NY

**Ivan Hillman, David Hollander,
Ken Meyerson, Paul Stimpfle
and Mary Ann Tighe** arranged
this transaction on behalf of
Crain Communications, Inc.

Special thanks to **SL Green Realty Corp.**

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David Casten, CPA - Principal brings with him over 30 years of experience, including more than 25 years as a tax partner in a Big Four firm. He has provided tax and related financial accounting services to a diverse client base across a wide variety of industries. In addition, he is an adjunct professor at the Boston University Law School Graduate Tax Program.

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Mark Farber, CPA - Partner possesses more than 20 years of experience in providing accounting and tax services. He specializes in tax issues surrounding financial services companies including banks, hedge funds, private equity firms, REITs, and foreign inbound investment related to

these entities. In addition, he has significant experience working with the tax implications and compliance issues of financial institutions in the bankruptcy and restructuring arena having worked on some of the largest restructurings.

Mr. Farber can be reached at **212.375.6559**.

NEW YORK, NEW YORK

edited by Valerie Block

Clicking with the stars

TABLOID FAVORITES **Paris Hilton, Nicole Richie, Amy Winehouse** and **Eliot Spitzer**—or rather, actors who look like them—will be parading around midtown on Tuesday to help launch a gossip news Web site that aims to give celebrity fans a fantasy league of their own.

Celebrifantasy.com, in addition to aggregating news about the likes of Paris and Amy, will allow visitors to create fantasy teams of bold-faced names and compete against each other based on whether their “players” make the pages of *Us Weekly*, *People* and *In Touch*.

Britney Spears has another meltdown? **Angelina Jolie** is pregnant again? Score!

“We’re set up to suck people’s days away,” says founder **Marc Mitchell**, the former chief operating officer of UrbanDaddy.com. He’s added social networking components like live chat and member profiles to differentiate the new site from competitor Fafarazzi.com.

Mr. Mitchell also plans to launch companion sites of interest primarily to women, including ones covering fashion and beauty. “I think [the network] will be very attractive to advertisers,” he says.



Developer hits the Heights

REAL ESTATE DEVELOPER **Peter Fine** has added a hot uptown property to his portfolio. The president of Atlantic Development Group put more than \$1 million into the Broadway run of *In the Heights*, **Lin-Manuel Miranda**’s acclaimed musical about life in Washington Heights. The show opened March 9 at the Richard Rodgers Theatre.

Mr. Fine says he first went to see the play during its off-Broadway run as a favor to Mr. Miranda’s father, who works as a political consultant for Atlantic.

“I expected to see a class play, but was blown away by the story,” he says.

As the son of a cab driver who grew up in public housing in Queens, Mr. Fine identified with the musical’s portrayal of life on New York City’s streets.

The newly minted producer now has the Broadway bug. He’s on pace to recoup his investment in the next seven months, and is looking into other opportunities in theater and film.

The high art of sightseeing

THE GATES IN CENTRAL PARK drew 4 million visitors and \$250 million in tourist dollars to the city in 2005. The tourism industry is banking on a similar bonanza from **Olafur Eliasson**’s New York City Waterfalls, coming to New York Harbor in July.

Circle Line Sightseeing Cruises, for one, is designing a private cruise to view the 90- to 120-foot art installations. For a mere \$50,000, a family can tour the falls in a brand-new chartered

vessel, gorge on a gourmet meal and spend the night in a top suite of a luxury hotel. It’s not such a bad deal, considering that a presidential suite at a fancy joint



like the Mandarin Oriental can run \$14,000 a night.

“The package is geared toward art enthusiasts who want to see a once-in-a-lifetime exhibit,” says **Andreas Sappok**, general manager of Circle Line.

For those with less disposable income, the Ritz-Carlton at Battery Park will offer a \$5,000 package for corporate groups that want to take a 30-minute break between their business sessions to hop on a New York Water Taxi and see the sight (rendering above).

Good books for hard times

EVERY CLOUD has a silver lining, or at least the chance of one: The book publishing industry is hoping to cash in on the tanking economy with books that explain it.

In recent days, publishers at half a dozen houses have acquired titles on the subject, including *Flip-Flop*, about how math whizzes destroyed the economy, by the *Wall Street Journal*’s **Scott Patterson**.

A publisher bought

that book last week before it even went to auction, according to two editors who had been interested in bidding. The book’s agent, **Shawn Coyne**, has not identified the publisher and did not return a call.

More titles will follow. Writers from *New York*, the *Financial Times*, and *The New York Times*—as well as another *Journal* reporter and a former *Journal* reporter—have proposals out, an insider says.

Meanwhile, Doubleday has signed up *The Last Tycoons* author **William D. Cohan** to write about the Bear Stearns collapse. That title will compete with *The Sellout*, by CNBC’s **Charles Gasparino**, from Collins.

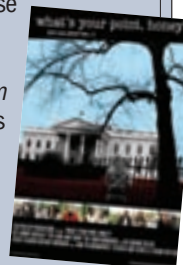
“[The Cohan and Gasparino books] are going to duke it out over Bear Stearns,” says **Rick Wolff**, executive editor of Business Plus, which just acquired *Game Over* by investment adviser **Stephen Leeb**. “Our book is more broad-scope.”

Contributors: *Lisa Fickenschner, Matthew Flamm, Daniel Massey*

GIRL POWER

HILLARY CLINTON’S CHANCES for making it to the White House might be slim, but *What’s Your Point, Honey?*, a new film from *Mad Hot Ballroom* producer Amy Sewell, takes up the crusade for a future female candidate. The film chronicles the lives of seven young women from Project 2024, an initiative sponsored by COSMOgirl to help a woman become president by that year.

What’s Your Point, Honey? will premiere in New York on Mother’s Day, May 11.



Slashing the Business Tax Burden

Corporate Tax Minimization Strategies from Eisner LLP

By Robert J. McGarvey

If you are in business, like it or not tax agencies expect their share of your profits. How much they take is up to you and your CPA. Attention to detail, creativity in using tax minimization strategies, and staying abreast of changing IRS positions will make a sizable difference in a business's tax bill, assure the tax experts at Eisner LLP, a Manhattan-headquartered accounting firm with offices also in New Jersey and Long Island.

Eisner experts check off areas that could mean tax savings for their clients:

■ **Deducting 2008 expenses from 2007 taxes.** For businesses on an accrual accounting method, it may be possible to deduct recurring expenses for legal, accounting, and similar fees from 2007 taxes, even if the bills are not paid until 2008, says Carolyn Dolci, an Eisner tax partner. This can deliver significant savings on the tax bills that are coming due.

■ **FICA tax benefit.** This is win-win, for employees and the business. For employees who contribute their own money to a "health care flexible spending account," they can avoid paying

FICA on those contributions and the business can avoid paying its matching share, too. Employees also get a tax deduction for the contribution.

■ **Track out-of-state business travel.** Rock stars already pay income tax in all the venues where they perform; now, says Peter Michaelson, an Eisner tax partner, more states are looking to tax ordinary employees who happen to do business in their jurisdiction. Pay a visit to a New Haven client to help them better use software they bought from your company and, bingo, you just may owe income tax on that day. You never heard of such a thing? Join the club. As most people aren't aware of the practice, companies are getting caught flat-footed. However, because penalties can quickly add up, Eisner is advising its clients to take a hard look at travels and tax implications. Note: Sales calls, in most instances, are tax exempt. Service calls are what states want to tax.

■ **Profits interest.** Gaining popularity within LLCs, profits interest allows a company to make an award in an interest in future profits to key employees. "This is a very powerful tool in attracting and retaining talent," says Michaelson. Say the company is valued at \$1 million. A new hire might be given a 5% share in profits beyond \$1 million. If the company sells for \$900,000, the employee gets nothing. If it sells for \$1.5 million, he gets \$25,000. The advantage: the employee does not owe any taxes until the targets are achieved.

■ **Lease backs.** A strategy gaining favor is for the individual to own real estate assets which are leased back to the company. Set up properly, this can reduce taxable income while keeping cashflow at the same level. Benefits multiply. For instance: all



Eisner accountants Carolyn Dolci and Peter Michaelson.

repairs and maintenance ought to be tax deductible.

■ **Hold onto what's yours.** Expect to record a loss for the 2008 tax year in the stumbling economy? A sliver of good news, says Dolci, is that if you owe taxes on profits registered in 2007, you may be able to defer paying those taxes because of the anticipated carryback loss. That just may take some of the sting out of economic upheaval.

Some of this is new to you? That's not surprising – tax code is in constant flux. That's why consultation with professional tax accountants is crucial. "Our job is to take all the surprises out of the tax code for you," says Dolci. ■

What you don't know about taxes can cost you.

WHEN IT COMES TO YOUR TAXES, INTELLIGENCE CAN'T HURT. To make educated decisions, you need personalized advice and guidance from experienced tax professionals who know how to address challenges and grab hold of opportunities.

At Eisner, we view tax planning as a key component of a unified financial planning process. Clients count on our Tax Advisory Services Team for cost-effective tax advice and action in the context of their objectives. We're also diligent in helping our clients meet tax compliance obligations and avoid onerous penalties and minimize the risk of a costly tax examination.

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Home Depot could drop Harlem

Continued from Page 1

concepts and shuttering underperforming stores. Industry executives worry that adding locations will cannibalize their existing businesses as consumer spending slows, and some don't have the cash to build more stores.

"Why spend money trying to force growth when growth will be hard to come by?" asks Marshal Cohen, chief analyst at retail trend-tracking firm NPD Group Inc.

Chain reaction

CLOTHING CHAIN Ann Taylor Stores Corp. reacted to the economic slowdown in January by announcing the closing of 117 stores. It will also shelve until 2009 the launch of its chain targeting baby boomers. For now, the company is going after bargain hunters and will introduce its first 10 Loft Outlet locations this year.

On a smaller scale, optical chain Moscot, which operates three stores in the city, recently scrapped a plan to open three more full-size stores here. Instead, co-owner Kenny Moscot is investing in his e-commerce site. He's also launching a new mixed retail strategy, which calls for opening mini freestanding stores one-third the size of Moscot's current 1,500-square-foot locations, small shop-in-shop boutiques and temporary pop-up shops, including one in The Earnest Sewn Co. denim store in the meatpacking district.

"We see a lot of potential for that model," Mr. Moscot says. "I think this is the best way to approach [the market]."

Meanwhile, some chains are pushing on with their expansion plans, hoping to take advantage of competitors' woes and score favorable rents.

"For some retailers, there's an opportunity to get into locations they couldn't get before," says Steven Greenberg, founder of real estate advisory firm The Greenberg Group.

Juicy gets flagship

THOUGH LIZ CLAIBORNE INC. decided to close its 54 underperforming Sigrid Olsen stores, the fashion house is aggressively seeking space for Kate Spade, Lucky and Juicy Couture. It just signed a lease for a flagship Juicy at 650 Fifth Ave., at West 52nd Street.

Another retail giant, Limited Brands Inc., is sticking with its plan to open three Henri Bendel locations this year.

"We take the long-term view with real estate," says Jamie Bersani, executive vice president of real estate for Limited. "Because of that, we try not to react too dramatically, but [we] are scrutinizing new projects



HOME ALONE: The retailer has two Manhattan stores.

BLOOMBERG NEWS

very closely."

Teen retailer Aéropostale Inc. aims to open 70 stores in the United States and 15 in Canada in 2008 and will end the year with about 900 locations.

"We're trying to move down the path of the plan we established years

ago," says Tom Johnson, Aéropostale's chief operating officer. "It's not full steam ahead, clearly, with current economic conditions, but we have a fully established real estate plan."

COMMENTS? ECordova@crain.com

Mega-projects falling apart

Continued from Page 1

Yards and Hudson Yards is the credit crisis.

Two weeks ago, Bruce Ratner, chief executive of Forest City Ratner, said that its \$4 billion Brooklyn project faces delays because of the financing environment.

And though Tishman Speyer was chosen last week to develop the 26-acre Hudson Rail Yards on the West Side, the company has an uphill battle to fund the multibillion-dollar project, especially as it hasn't lined up any major tenants for the office buildings it hopes to build there.

"The financial markets are crippling deals," says Paul Fried, a principal at AFC Realty Capital Inc., an investment bank. "There are no exceptions."

Ironically, the crisis descended just as the political and community

issues that held up the projects seem to be going away. Lawsuits had long hobbled the Atlantic Yards project. Just one more legal challenge remains, but the lack of financing is slowing the project down now.

There was disagreement about what to build on the Hudson Yards site for years. At one point, it looked as if a football stadium would rise there, but that plan fell victim to political and community pressures. A proposal was eventually crafted for a mixed-use development.

Political inertia

AT MOYNIHAN STATION, the problem is largely one of political inertia, although money has also been an issue. Last week's announcement by Madison Square Garden that it would renovate its arena rather than build a new one at a nearby location

came after years of debate. The decision dealt the \$14 billion project a potentially fatal blow.

Government agencies and elected officials haven't been able to agree

'We need more of these catalyst projects that lead to recovery'

on the size and scope of Moynihan Station or cobble together the necessary public financing. Over time, cost estimates have ballooned. The Garden's owners couldn't wait any longer.

"I think MSG is making a business decision because they don't see any light at the end of the tunnel," says Kathryn Wylde, chief executive of the Partnership for New York City. "MSG's action isn't directly affected by the credit market, but in a sense it feels like it is losing money for every day that it doesn't renovate."

State help

MS. WYLDE HOPES that the announcement will help unblock the logjams and that the state will step in before MSG begins renovating. She thinks Sen. Charles Schumer's idea of putting the plan under the jurisdiction of the Port Authority of New York and New Jersey could instigate new action.

"Because the economy is faltering, I think now we need more of these catalyst projects that help lead to a recovery," Ms. Wylde says.

Community opposition has been the stumbling block at Pier 40, where improvements are sorely needed to

ensure the integrity of the 14-acre site. The Related Companies was prepared to pay for repairs in return for the right to build an entertainment and retail complex there, but it could never get the neighborhood's support. Residents believe the project is too big and too commercial and don't want the ballfields moved, which Related's plan would have done.

Neighborhood resistance and problems over the length of the lease led the Hudson River Park Trust's board to shelve Related's proposal last week. Two other groups, one of which is made up of community residents, have been given 90 days to develop an alternative plan, which is likely to depend on bonds for funding.

But Diana Taylor, chairwoman of the Hudson River Park Trust, is concerned that the credit markets could be an impediment to such a proposal.

COMMENTS? TAgovino@crain.com

Top execs settle into easy living

Continued from Page 1

which pays for an apartment for Steven Elliott, a senior vice chairman who was awarded \$19.7 million in compensation last year.

Bank of New York Mellon does not disclose the full cost of Mr. Elliott's apartment, but says it paid \$149,000 last year to maintain it while he wasn't there. A spokesman says Mr. Elliott flies to New York almost every week from his Pittsburgh home as he helps tidy up last year's merger between Bank of New York and Mellon.

Mr. Elliott's perks, however, are a pittance compared with his boss's. Bank of New York Mellon lavished \$1.7 million worth of largesse on Chief Executive Robert Kelly. About half the cost came from relocating the CEO to New York, but the rest consisted of such things as \$179,000 for a company car and driver, \$16,000 for a personal car, \$13,000 for club membership dues

and even \$4,700 for parking.

Mr. Kelly was awarded \$20.1 million in total compensation last year, which included \$438,000 just to cover the taxes associated with all of his perks.

"It's an abuse of shareholders' dollars," says Richard Ferlauto, director of pension and benefits policy at the American Federation of State, County and Municipal Employees, which holds Bank of New York Mellon shares in its pension fund. "The top people at the bank can afford their own cars and anything else they might need."

New right for shareholders?

AFSCME IS SPONSORING a resolution at the bank's annual meeting next week that would give shareholders the right to advise the firm on how it pays top people. Last year, a similar resolution garnered 42% of shareholders' votes. Facing more opposition this year, Bank of New

York Mellon promised to "significantly reduce the number of perquisites offered to executives" in its most recent proxy.

More companies seem sure to follow. Perks have come under heavy scrutiny from shareholders since the Securities and Exchange Commission two years ago forced companies to disclose such payments in greater detail. Consulting firm Mercer last year found that 14 of 110 companies surveyed had cut back on perks.

Robert Sedgwick, head of the executive compensation practice at law firm Morrison Cohen, says he urges clients to forgo perks when negotiating employment contracts to spare themselves potentially embarrassing headlines later.

"I tell them, 'Please do without this [perk],' " he says. "No one will squawk about an executive getting paid an extra \$100,000 instead."

Still, raking in perks is a tough

habit to break.

Bristol-Myers Squibb Co., for example, paid \$25,500 in monthly rent for an apartment for CEO James Cornelius while he moved to New York from Indianapolis last year. The drugmaker even pitched in about \$1,200 to cover his power bills. A spokesman says he believes other companies pay for utilities as part of executive relocation programs.

Rent question

AS FOR MR. JORDAN, he joined Lazard in 2000 when the company was struggling and needed his world-class Rolodex. It was eager to offer a fancy apartment to help lure him to New York from his home in Washington. Still, the firm's decision to keep paying his \$24,000 in monthly rent puzzles some.

"For that amount, why wouldn't you own something?" says William D. Cohan, a former Lazard executive and author of a book about the firm called *The Last Tycoons*. A Lazard spokeswoman declined to comment.

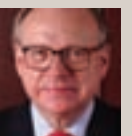
COMMENTS? AEIstein@crain.com

CORPORATE PERKS

James Cornelius
CEO, Bristol-Myers Squibb
\$204,000 in housing costs (plus \$1,189 to cover electric bills)



Steven Elliott
Senior vice chairman, Bank of New York Mellon
\$149,000 in apartment maintenance costs



Charles Oglesby
CEO, Asbury Automotive Group
\$45,000 in rent, plus \$4,400 for gym membership and \$25,000 in commuting expenses



Patrick Regan
Chief financial officer, Willis Group
\$30,000 in apartment rent



Unusual surgery procedure a tough sell

Continued from Page 3

mouth, rectum or vagina. Last April, he became the first surgeon in the United States to remove a patient's gall bladder through her vagina.

Surgeons using the procedure are making steady progress refining their technique, but they have had less luck recruiting subjects.

"You ask patients if they would be interested, and you get something like: 'You're going to do *what*? From *where*?' " says Dr. Bessler, director of laparoscopic surgery at New York-Presbyterian Hospital/Columbia.

Though the technique—natural orifice transluminal endoscopic surgery, or NOTES—is still in its early stages, Dr. Bessler believes it could become a routine option in as little as two years. It reduces the time and pain involved in surgery, as well as the length of hospital stays, he says. An added bonus: No surgical incisions equals no scars.

Guidelines set

THE PROCEDURE was first used on lab animals in a Johns Hopkins University study in 2003. After unsubstantiated reports surfaced of doctors using it with humans—particularly in countries where studies are less regulated than in the United States—two medical-specialty societies held a conference in 2006 to set up guidelines for future studies.

In New York City, Dr. Bessler and colleague Dr. Peter Stevens, director of endoscopy at New York-Presbyterian/Columbia, began offering the procedures last year and hope to recruit 100 patients for their study. A similar program is under way across town, at New York-Presbyterian/Cornell, Dr. Stevens says.

Surgeons have used NOTES for appendectomies and hysterect-

omies, as well for removing kidneys. They expect that it will also be used for biopsies and weight loss surgery.

But so far, the most successful variation on the procedure has been entering the abdomen through the vagina. Drs. Bessler and Stevens say entering through the mouth is still problematic because of the risk of stomach acid leaking into the abdominal cavity. And the rectal approach presents the greatest risk of infection.

"It will take new developments in medical devices to solve those prob-

lems, but there are 25 manufacturers working on them," Dr. Stevens says. Once that happens, he says, NOTES will be more available to men. Patients who have agreed to the procedure have been intrigued by the promise of not having post-operative pain, he says. But mostly they "understand that they will be helping us learn more."

Patient testimonials

NONE OF THE New York patients agreed to be interviewed, but a spokesman for Cupertino, Calif.-based Novare Surgical, the maker of

the flexible endoscopic instrument used in many natural orifice procedures, says he has had no trouble getting patient testimonials.

A TV news clip on Novare's Web site shows a patient identified as Mary Ann Rieden playing with a child at a playground.

"I have three children, and this was a lot easier than childbirth," Ms. Rieden says, referring to having the gall bladder surgery. "I was back at work in four days."

Physicians have shown a lot of interest. About 200 surgeons from around the world attended a De-

cember surgical workshop conducted by Dr. Bessler and colleagues at New York-Presbyterian.

"We're still in the gee-whiz stage, but doctors at our conference were very enthusiastic," Dr. Stevens says.

The verdict isn't in yet, though, says Dr. Arnold Berlin, interim chairman of surgery at Montefiore Medical Center in the Bronx.

The approach could turn out to be a misadventure "or the best thing since sliced bread," Dr. Berlin says. "It's a highly specialized procedure involving proficiency in a surgical technique that most of us don't have," he says. "Do I plan to learn it? Yes."

COMMENTS? GScott@crain.com



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OVERCOMING YUCK FACTOR

PROMOTING natural orifice transluminal endoscopy surgery poses a challenge, even for a prize-winning Madison Avenue ad agency.

The solution is not to get into specifics, says Ellis Verdi of DeVito/Verdi, whose clients include Mount Sinai Medical Center.

"The advertising should just provide awareness that this is an awesome procedure," Mr. Verdi says. "The strategy should be to make it sound just amazing, absolutely wonderful" and create an aura that enhances the hospital's name.

Mr. Verdi should know. The agency once did a successful campaign centered on brain surgery performed through the nose. "You just tell people how terrific this is," he says.

As for any unpleasant details, just rely on that familiar tagline: "Visit your physician to learn if this procedure is right for you."

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Club empire builder

Continued from Page 2

than a decade. But it was also helped by his decision to make the One Group a pioneer in developing a new hybrid nightclub. It's one where patrons flock for a good meal in the evening and linger late into the night partying to loud music. It's also the kind of place more likely to endure than notoriously short-lived nightclubs.

Instead of relying just on their vibe and their liquor tabs, Mr. Segal's establishments have a strong food component, which gives them another source of income and also extends their hours into the early evening.

"It's one-stop shopping," says Matthew Johnson, managing partner of SushiSamba, a Japanese/Brazilian restaurant known for being among the first to combine dining with a late-night scene. "If you don't concentrate on your food, you'll be a flash in the pan," he adds.

The problem is that even the best of models may not be good enough to survive the soaring rents in the meatpacking district.

"The first restaurants here won't be able to hold onto their leases," says Mr. Segal.

Keeping up with fickleness

IN ADDITION, Mr. Segal faces constant pressure to keep his places relevant in the notoriously fickle nightlife scene, a problem that grows exponentially as he adds more outlets and expands to new cities. This month, for example, he is spending nearly \$1 million to renovate five-year-old One.

Mr. Segal's edge is food. Nowhere is that clearer than at STK, the steakhouse and lounge that Mr. Segal launched in 2006 and that still ranks as his biggest hit.

"I was trying to reinvent the steakhouse," he says. Among other departures, STK was designed to appeal to women with its modern decor and fresh flowers nestled between white banquettes. Its slogan is "Not your father's steakhouse."

Commingle dining, drinking and partying, STK last year brought in \$12 million—45% of which came

from food. For that venue, Mr. Segal departed from his usual model of supplying his own cash by bringing in 15 Wall Street bankers, who own 15% of STK.

The idea was not just to grab their cash but to have them use their Rolodexes to help pack the place. The formula worked so well that Mr. Segal was able to earn back his investment in just 18 months.

Fatherly financing

BUOYED BY SUCH SUCCESSES, he has opened half a dozen places within the past 18 months. The bulk of the financing has come from Mr. Segal, whose father founded a hospitality company in 1967 called The Modern Group, headquartered on the tiny island of Jersey off the coast of France.

At its peak, the company owned businesses ranging from hotels and restaurants to a travel agency and charter boats. At age 28, 13 years after he dropped out of boarding school to work for the family's travel agency in Paris, Mr. Segal became the group's managing director. Shortly afterward, he began to convert many of its holdings to cash.

In 2001 he came to New York determined to put his hoard to good use on a bigger stage. Although he has already recouped two-thirds of his \$15 million U.S. investment, Mr. Segal plans to use less of his own funds as he steps up the pace of his expansion by partnering with hotels, including the Gansevoort in Miami. There, the One Group is handling all the food and beverage service for its three restaurants scheduled to open this year at the hotel.

Closer to his adoptive home, he is eyeing space in what he believes will be the next meatpacking district, the Bowery area, and at the same time is looking to open an STK in midtown.

Growth definitely looms large on his menu.

"I have aspirations for this company becoming one of America's major hospitality names," he says.

COMMENTS? LFickenscher@crain.com

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Open Skies arrives

Continued from Page 3

planning for Delta. Even Heathrow regular American Airlines upped its bet there by shifting three Gatwick flights to Heathrow.

The problem for the airlines is that such routes don't come cheap. Heathrow is operating at capacity. So in order for U.S. carriers to make use of their new London rights, they have to buy landing slots from other airlines at hefty prices—making it even harder for them to cut seat prices.

Good for business travelers

WHILE NEW YORK'S leisure travelers may find little to cheer about in the Open Skies era, business travelers should fare better. Lured by the big profits to be made in the front of the cabin, airlines are aggressively ex-

panding first- and business-class capacity and stepping up marketing efforts. Delta, for example, began offering complimentary chauffeur service to its BusinessElite members flying to London. The service offers pickups and drop-offs within a 50-mile radius of JFK, Heathrow and Gatwick airports.

American Airlines recently upgraded business-class service on its New York to London routes and now offers lie-flat beds, red-carpet security check-in and a higher-end menu.

This summer, British Airways will launch a subsidiary aptly named OpenSkies, offering flights to Paris, Brussels and Amsterdam on planes geared mostly to first- and business-class travelers.

COMMENTS? HPotkewitz@crain.com

2 pet firms run on different routes

Buttercup's Pawtisserie jumps for retail; Robbie Dawg curls up with wholesale

BY STEVE GARMHAUSEN

NEW YORKERS are pampering their pooches as never before. For proof, one need look no further than two Brooklyn outfits: Buttercup's Pawtisserie and Robbie Dawg.

Both cater to discriminating canines with such esoteric organic offerings as yogurt- and carob-frosted pastries. Both are also headed by women and are in growth mode. But there the similarities end.

Buttercup's owner, Betty Wong, operates out of a 650-square-foot store on trendy Fifth Avenue in Park Slope. A committed retailer, she hopes to grow revenues by opening more stores. In contrast, Robbie Dawg founder Lisa Fortunato has put her chips on wholesaling, cranking out goodies in a 2,700-square-foot factory in Red Hook and constantly signing on new stores as customers.

Both approaches have their merits. Typically, wholesaling allows a business to grow faster and is easier to scale up, notes Edward Rogoff, director of Baruch College's Field Center for Entrepreneurship. The liability is that wholesale margins pale in comparison with those of retailers. Retailers also have the advantage of constant feedback from their customers.

"There's an old saying that it's the plumber who makes the most money off of the faucet," says Mr. Rogoff.

Personal touch

BUTTERCUP PAWTISSERIE'S Ms. Wong cites another reason for her preference for retailing: the personal contact that a storefront brings. Her tiny shop, with its open kitchen, is typically bustling with people and dogs. "I could have gone the wholesale route, but for me the fun of it is in meeting customers," says Ms. Wong, who ditched her career as risk manager for Orix USA, a financial services company.

Those interactions also provide valuable, instant feedback as to whether there really is demand for freshly baked, all-natural delicacies like liver and cheese brownies. They also clue her in to the optimal serving size, shape and price.

Robbie Dawg's Ms. Fortunato was aware of the pluses of retailing, but for her they simply failed to outweigh one of the biggest negatives.

"The reason I didn't first open a shop in Park Slope is because I knew the hours during the week and weekends would be all-consuming," says the former fundraiser for a private school in Brooklyn. She started her business in her Prospect Heights apartment, with Robbie, her Tibetan spaniel, looking on.

Soon, Ms. Fortunato was struggling to keep up with demand, and by December 2004, she expanded into her present industrial space in

Red Hook. Like any successful entrepreneur, Ms. Fortunato hustles while she's on the job, overseeing all aspects of the business. But wholesaling leaves her ample time to spend with her husband and teenage son.

Meanwhile, her focus on coming up with such attention-getting flavor pairings as peanut butter and

carrot, and turkey sausage and Romano cheese have paid off. Today, Robbie Dawg biscuits are sold at 700 stores nationwide, including Pier 1 and Whole Foods Market.

Seeking new stores

THE SNAZZY PACKAGING, designed by Ms. Fortunato, bolsters the biscuits' upscale appeal. Her aim is to double and redouble sales by signing up new stores. Eventually, she says, she may sell out to one of the larger

manufacturers who are jumping on the organic bandwagon.

Ms. Wong has big ambitions as well, but she readily concedes that she doesn't have much spare time. She works seven days a week.

One of the things she would like to devote more time to is an expansion of her own wholesaling operation, which contributes about a third of Buttercup Pawtisserie's revenues.

COMMENTS? smallbiz@crain.com

BUTTERCUP'S PAWTISSERIE

Retailer

LAUNCHED May 2004 (home), December 2005 (store)

EMPLOYEES 6

REVENUES \$300,000

5-YEAR PLAN Open 2 to 3 more stores in NYC

ROBBIE DAWG

Wholesaler

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Tishman deal and city's future

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 THE ALLIANCE OF AREA BUSINESS PUBLICATIONS
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AT THE END of a Tishman Speyer presentation late last year on its development plan for Hudson Yards, Chairman Jerry Speyer was asked if there was anything he wanted to add about the competition for the much-desired 26-acre site on Manhattan's West Side.

"You haven't asked how much we want it," he replied. And then he answered his own question. "Very much," he said.

Today, it's clear Mr. Speyer meant it. To win the bidding war, he found a way to assure the site's owner, the Metropolitan Transportation Authority, that his firm had the financial wherewithal to undertake the project even after it lost its anchor tenant. Then he raised Tishman's bid to just over \$1 billion to top a rival offer by some \$160 million and clinch the deal.

There's little doubt that Mr. Speyer will need even more determination in the coming years to make his impressive plan a reality. His firm must arrange financing in the most difficult credit market in decades, undertake the complicated challenge of building a platform over the working rail yards at the site, and nail down anchor corporate tenants amid a downturn in the economy. Tishman will also need help from political and government leaders to navigate the approval process still required. On that point, the spotlight will be on City Council Speaker Christine Quinn.

The MTA says it chose Tishman because it offered the most money and had the best credentials to complete the project. The city clearly had another crucial rationale—New York needs to develop the rail yards as primarily a commercial office district if its economy is to prosper, and Tishman is prepared to do that.



TISHMAN SPEYER

Three times in recent decades, a booming New York economy has peaked at around 3.8 million jobs. In each instance, the city's economy has faltered. While economic cycles bear some blame, the more important constraint is the lack of prime office space. That was underlined in a report from Sen. Charles Schumer at the end of the past decade and in all the studies that led to a rezoning of the Hudson Yards neighborhood by the Bloomberg administration. Tishman's commitment is to bring major corporate tenants to the site that will transform the area and break the job ceiling.

Not everyone understands that economic rationale.

NY needs to develop the rail yards as a commercial area

Members of the community favored the proposal from The Durst Organization and Vornado Realty Trust because it emphasized residential units. The sentiment reflects the belief that New York needs housing more than anything else.

This is where Ms. Quinn becomes crucial. The guidelines under which Tishman competed for the site were revised to meet her demands for housing, a school and other community amenities. One could argue that she was the most important political figure in shaping the elements of the competition. While there is always room for revision in the Tishman plan, the unstated but clear quid pro quo in meeting Ms. Quinn's previous requests was that she would make sure the winner's plan would move through the approval process.

Keeping such promises is what mayors do, of course. Since that is the job Ms. Quinn aspires to, Hudson Yards will be a good test of whether she is up to the task.

COMMENTS? cnyb@crain.com

LETTERS TO THE EDITOR

Readers see much pain, no gain

THE WORST IS YET TO COME. (See *Crain's* Online Poll, Page 13.) Bear Stearns was early for a clear reason, and others are not far behind.

If you add up the losses on the books today and consider the present value of those losses, we have another 15% to 20% of market value losses to rightsize this condition.

J. ABBOURD

LIBERALS WANT the government to

guarantee nonperforming home loans and add more regulation to a banking industry already weighted down by onerous regulations. Brilliant, isn't it?

If you're an investor, do your homework; if you're in the market for a home, make sure that you fully understand the terms, conditions, current and future payments.

If you're a bank CFO, please study the concept of due diligence and employ reasonable and correct

risk management strategies throughout your portfolios.

DAVE RICHARDS

AS A LONGTIME professional consultant in credit and collections, I think this has all the earmarks of a very painful time ahead for us. Thank you, GOP administration.

J. ASHTON

HOME PRICES will have to fall until they're at a level where the average

Joe can afford to purchase. That means a full 50% downturn or more to return to normalcy.

This downturn will be painful.

EDDIE CARR

WRITE TO US

Letters to the Editor: Crain's New York Business, 711 Third Ave., New York, NY 10017. Fax letters to (212) 210-0799. Send e-mail to Crain's staffers by using their first initial, their last name and @Crain.com. For example, Editor Greg David is at GDavid@Crain.com. Names are in the list to the right. All letters are subject to publication, provided they are signed.

WHAT'S COMING UP IN CRAIN'S?

Top architecture firms April 7	Small business report April 14	Wealthy New Yorkers report April 21	Top banks, top thrifts April 21	Education special report April 28	Top M.B.A. programs April 28
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JOHN H. HOWARD

Unions' benefits, taxpayers' dime

THE CITY OF BUFFALO has been offering a group of its employees who work about one-third of a year virtually free health insurance. The workers—school-crossing guards—have been paying \$5 a month for single coverage and \$10 a month for family coverage; the latter costs local taxpayers nearly \$9,400 a year.

As with so many other outlandish provisions for public employees, these benefits were negotiated by elected officials to buy peace or favors, or because the tab for them would come due on someone else's watch. They far exceed what part-time private-sector workers receive, but the real shocker is that the benefits continue into retirement. Only 2% of the nation's employers offer free health coverage to retirees who worked full-time—let alone part-time.



ALAIR TOWNSEND

though local taxpayers will be paying for benefits that are vastly super-

rior to what they can ever hope to receive. Because most local governments in New York provide similarly lavish health benefits for their retirees, reformers have been urging retrenchment. But public employee unions and their many friends in the Legislature have fought back. They have pushed state legislation that would let local governments trim health benefits for retirees only if the unions accepted the same cuts for active workers.

They know that union veto power would usually be fatal to reform and that the price for union acceptance would be too high.

It's the same old story about state mandates: State legislators seek to enshrine generous benefits for local workers. They don't have to worry about the costs, because the state doesn't pay them.

Local taxpayers get the bill, municipal unions get the goodies and state lawmakers get the gratitude of unions in the form of campaign checks and other election help. And if the costly benefits squeeze funding for essential local public services like police, fire and education, the legislators assume that mayors, school boards and county executives will raise taxes or cut services.

Bills protecting retiree health benefits are again being considered in Albany. The chief sponsors of the Assembly bills are all from New York City, where the unfunded liability for retiree health care is almost \$60 billion. Which tooth fairy do Democrats Peter Abbate, William Colton and Audrey Pheffer think will come to our rescue?

The Senate sponsor of identical bills is Hugh Farley, Republican-Conservative Independence Party lawmaker who represents upstate areas that have been hemorrhaging jobs. Playing ball with public employee unions is a bipartisan sport in Albany.

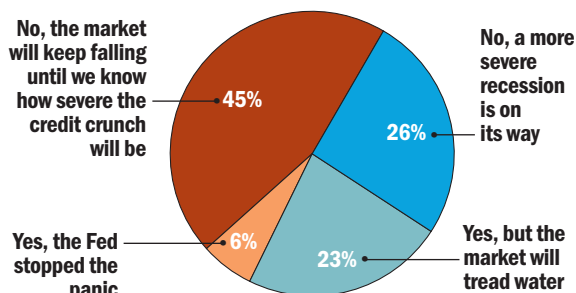
You might think that with the economy deteriorating and prices rising, state legislators would think twice about piling more costs on beleaguered local taxpayers. Most do not. Take another look at your local tax bill. Shout! Stomp! Make a big noise! Write someone responsible!

COMMENTS? ATownsend@crain.com

CRAIN'S ONLINE POLL

IS THE WORST OF THE FINANCIAL CRISIS BEHIND US?

OVER TWO-THIRDS of the 632 respondents say the worst of the nation's financial crisis is yet to come, compared with just below 30% who say we've already weathered the storm. A quarter of respondents believe a more severe recession is on its way, and 45% say the market will continue heading downward until it's clear how the credit crunch will affect every financial sector.



For readers' comments, See **Letters to the Editor** on Page 12.



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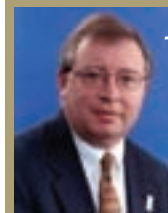
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Crain's Business

Breakfast Forum:



Meet Anthony Coscia, Chairman of the Port Authority

The chairman of the Port Authority will offer an update on the rebuilding of the World Trade Center site and the Authority's other ambitious capital programs. Coscia will answer questions on the growing congestion at area airports and how the shaky economy is affecting the agency. He will be questioned by Crain's editor Greg David and Ken Belson of *The New York Times*.

Date: Tuesday, April 15th, 2008

Place: Hilton New York
1335 Avenue of the Americas
between 53rd and 54th Streets.

Time:
8-8:30 a.m. Networking Breakfast
8:30-9:30 a.m. Program

Cost To Attend:
\$65 for individual ticket(s)
if pre-registered by April 8;
\$70 thereafter.

\$600 for table(s) of ten
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THE INSIDER

by Erik Engquist and Matthew Sollars

Congestion fee lobby momentum

MAYOR **Michael Bloomberg's** congestion pricing plan faces a do-or-die week, but one reason it's gaining momentum is the amount of money that supporters have raised for lobbying and advertising.

Well-heeled business interests have funded their own campaign, and environmental groups are flush with cash from foundations friendly with the mayor.

Überlobbyist **Patricia Lynch** has been pushing the issue in Albany for nearly a year, and various lobbyists are working the City Council. Outgunned foes, funded partly by parking garage owners, are relying on **Walter McCaffrey, Corey Bearak** and **Brian Meara**.

The mayor's proposal or something close to it must be approved



BLOOMBERG NEWS

by both the council and the state Legislature this week or the city will lose \$354.5 million in federal funds for implementation.

Meanwhile, fence-sitting City Council members are being courted aggressively. Both sides are focused on **Larry Seabrook** of the Bronx, **Leroy Comrie** of Queens and **Diana Reyna, Erik Dilan** and **Mathieu Eugene** of Brooklyn. **Letitia James** of Brooklyn and **Robert Jackson** of Manhattan now favor congestion pricing.

Central Park fights union campaign

DISTRICT COUNCIL 37, the city's largest public employees union, has launched a campaign to organize hundreds of Central Park workers.

The drive aims to erase a two-tiered system that has the park's 24-person union staff receiving pension and job security benefits not offered to its more than 200 nonunion workers. DC 37's membership in Central Park has dropped since control was handed over to the Central Park Conservancy following the 1970s fiscal crisis.

"It is a workforce that does not enjoy basic rights that other workers in New York City have," says **Edgar DeJesus**, the union's organizing director.

He says park officials have responded to the campaign with antiunion petitions and one-on-one meetings to intimidate workers. But Central Park Conservancy President **Douglas Blonsky** says he has met with workers only to provide

PATERSON WATCH

HOT



NOT

DAVID PATERSON APPEARS to have turned the first corner of his incipient governorship. Last Wednesday, he finally stopped talking about his personal indiscretions, which had whipped up a media frenzy just as Albany was striving to portray a professional image. Later in the week, the focus moved to the **state budget and congestion pricing**, which are sure to dominate the headlines in the week ahead.

"The business of government may just be the main news coming out of Albany for the next couple of weeks," one political consultant says. "Getting this [personal] stuff off the front pages and onto the middle pages can't hurt, and that's where you want the story to be if you want to get things done."

His fledgling administration was damaged because Mr. Paterson, accustomed to speaking from obscure posts, underestimated the impact of his statements as governor. His acknowledgement of past drug use during a debate among lieutenant governor candidates hardly caused a ripple. But when he repeated the admission as governor, **a tabloid bonanza** ensued.

Luckily for him, the consultant notes, "the Capitol is consumed with getting a budget done." The formal deadline is midnight Monday, but a modest delay would surprise no one, given Mr. Paterson's late arrival to the process.

At the same time, Albany, if it gets a go-ahead from the City Council, has until April 7 to pass a congestion pricing plan. Mr. Paterson's decision to support the controversial initiative was cheered by the business community.

He faces a difficult period of governing, but that could be exactly what he needs.



BLOOMBERG NEWS

information on benefits, which the group says are competitive.

"The Conservancy feels strongly that each employee—once they've been given a chance to learn all of the facts—has the opportunity to vote in a free and open government-administered election," Mr. Blonsky says. "Transparency is vital in this process."

energy policy priority.

Mr. Cahill says the Assembly's budget bill will be a litmus test of that optimism. It includes a provision for an intervenor fund, which would use siting fees to pay for local environmental impact studies of new projects. The fund has been opposed by the energy lobby.

"I'm willing to accommodate them by treating some of those issues separately from a siting bill" so that the state can develop a comprehensive energy plan, Mr. Cahill says. But he insists that the energy lobby must also be willing to compromise.

Savino's hopes for the future

STATE SEN. **Diane Savino's** chances of eventually winning Rep. **Vito Fossella's** Staten Island-Brooklyn seat got a boost when **David Paterson** became governor.

Ms. Savino hopes Mr. Fossella's conservative district will be redrawn in her favor, the *Staten Island Advance* reports. While former Gov. **Eliot Spitzer** said he would insist on nonpartisan redistricting, Mr. Paterson is expected to adhere to the traditional political process.

Power plant-siting signal

THE NEW chairmen of the Legislature's Energy committees—Assemblyman **Kevin Cahill**, D-Ulster, and Sen. **George Maziarz**, R-Newfane—are signaling that it might finally be possible to pass a power plant-siting law, according to observers.

The previous measure, known as Article X, expired in 2002, and most observers say that renewing it should be Albany's top

Weiner talks city coup

REP. **Anthony Weiner**, D-Queens (below), hammered away last week at what will be a major theme of his mayoral campaign: retaking control of the city's finances and development from Albany.

Speaking at the annual Metropolitan Business Network breakfast, Mr. Weiner said one of the biggest problems with congestion pricing is that revenues go "to an unelected state authority."

Addressing the subject of mayoral control, which he supports, the congressman wondered why the mayor must ask Albany for permission to govern its own schools.

"We're the adults, we should be supervising them," Mr. Weiner said, citing Albany's penchant for dysfunction and scandal.



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Harvard Law's aid plan raises bar for local schools

Big tuition waiver for public service work is beyond means of many; NYU a leader

BY HILARY POTKEWITZ

SOME OF NEW YORK CITY'S biggest law schools are on the defensive in the wake of Harvard Law School's highly praised plans to waive third-year tuition for students who commit to five years in public interest law after graduation.

"Of course it puts the pressure on," says Mary Daly, dean of St. John's University School of Law. "This illustrates the ever-widening gap between elite schools, which have vast resources, and the rest of us."

Ms. Daly calls any effort to encourage students to enter public service well worth it, but her enthusiasm for the Cambridge school's initiative is tempered. "Harvard can afford to do this," she says. "Frankly, I would challenge it to do more."

St. John's, which sent 20% of its

\$3 million annually to its effort.

Meanwhile, 26% of Brooklyn Law School graduates go into public interest or government, making the institution the city's leading producer of public service lawyers. The school guarantees a \$5,000 stipend for each law student interested in doing a public service internship, and it offers as much as \$7,000 per year in loan forgiveness for five years.

While such incentives pale in

comparison to those being offered by Harvard Law, there are good reasons: Fewer Harvard students go into public service, and the school is rich.

"It's a very generous program," says Joan Wexler, dean of Brooklyn Law. "But when 97% of the class goes into private practice, the numbers aren't really so big."

In other words, Harvard could end up making much smaller expenditures to support its public service

EXPLORING CAREERS

GROUP SEEKS HOST BUSINESSES

THE GREATER NEW YORK COUNCILS' Exploring program is seeking businesses to host educational sessions offering high school students the chance to explore various industries and make better decisions about possible career choices.

The Exploring program puts together groups of 15 to 25 students interested in specific fields. The student groups meet at the host businesses after school for **four or more sessions**, learning about career ladders, educational requirements, salaries and what people in their selected fields actually do.

For more information, please call Exploring director Bob Hayes at (212) 651-2808, or visit www.nyexploring.org.

grads than schools where more than a quarter of the graduates are eligible.

"What Harvard has done is absolutely extraordinary," Ms. Wexler

says. "And if I had an endowment of \$1.7 billion, I would do it, too."

COMMENTS? HPotkewitz@crain.com

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2007 graduates into public service, can afford only a modest loan-forgiveness program. It waives about \$2,000 per year of debt for each qualifying student.

Hail, Columbia

OFFICIALS at Columbia Law School declined to comment on the Harvard move. Just last month, Columbia announced a revamp of its own public service program. Under the new plan, the number of years of public service required in order for student debt to be waived will be slashed to three from seven. About 9% of Columbia Law graduates take public interest or government jobs.

The picture at New York University School of Law is a little different.

"We've been doing this kind of thing for 50 years," says Deb Ellis, assistant dean for public interest law at the school. "I'm glad that Harvard is following our model."

NYU Law offers three-year scholarships to students who commit to 10 years in the public sector. The school spends about \$2.5 million per year funding 20 students in each class. Harvard has committed

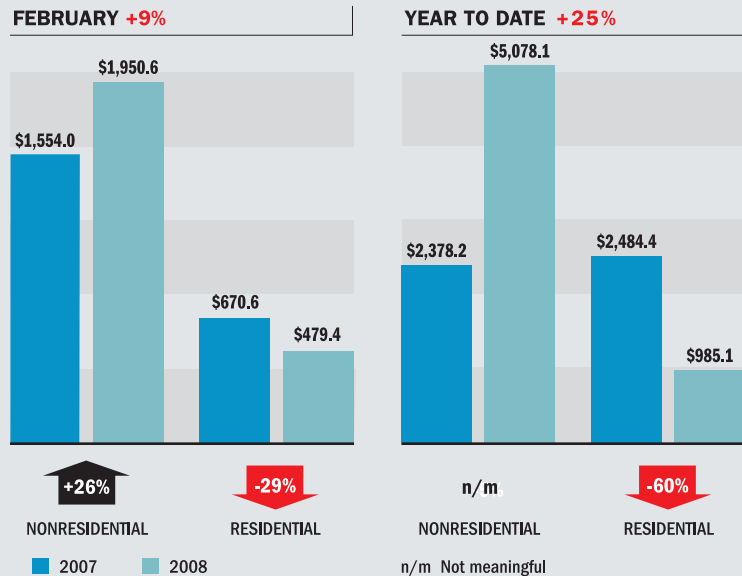
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ECONOMIC SPOTLIGHT

Construction Contracts Rise

Construction contracts in the New York metropolitan area rose in February because of strength in commercial activity, according to McGraw-Hill Construction. Figures are in millions of dollars.



Economy Watch

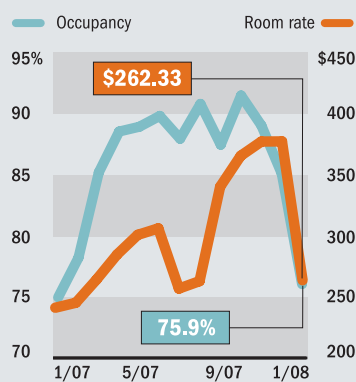
The 12-month rise in area prices was the lowest in four months. The big drop in the city's jobless rate may mean that many people called off their job hunts.

	JANUARY '08	FEBRUARY '08	COMPARISON
NY area inflation change	+0.2%	+0.5%	+3.6% ¹
NYC unemployment rate	6.1%	4.4%	4.8% ²
NYC employment change	n/a	+2,300	+47,100 ³

1-Inflation rate for the latest 12-month period. 2-U.S. unemployment rate. 3-Change for the latest 12-month period. n/a Not available.

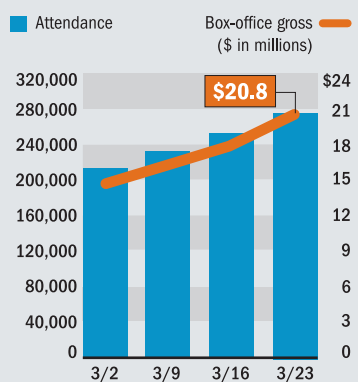
NYC Hotel Stats

Hotel occupancy and daily room rate both dropped in January, PKF Consulting says. However, occupancy edged up from the year-earlier level of 74.8%, and the room rate topped last January's \$239.42.



Broadway Stats

In the week ended 3/23, attendance and gross reached their highest levels since the last week of 2007, The League of American Theatres and Producers says. Six plays and 25 musicals are now playing on Broadway.



Capital IQ's Weekly Deals Report

COMPANY/LOCATION	TRANSACTION SIZE (in millions)	BUYER/INVESTOR	TRANSACTION TYPE
The Bear Stearns Cos. Manhattan	\$1,456.3	J.P. Morgan Chase & Co	SB M&A
Ziff Davis Enterprise Manhattan	\$20.0	Bessemer Venture Partners	GCI
ThumbPlay Inc. Manhattan	\$18.0	MeriTech Capital Partners, New Enterprise Associates, i-Hatch Ventures, SoftBank Capital, Verizon Investment Management Corp., Redwood Partners, Brookside Capital Management, Cross Creek Capital, Bain Capital Ventures	GCI
ClubMom Inc. Manhattan	\$12.0	Draper Fisher Juvetson, Highland Capital Partners	GCI
Gizmoz Inc. Manhattan	\$6.5	Benchmark Capital, Columbia Capital, DoCoMo Capital Inc., NGI Capital Inc.	GCI
Amadesa Inc. Manhattan	\$5.4	Carmel Ventures	GCI

Selected deals announced during the week of March 16 for companies headquartered in metro New York. GCI: Growth capital investment represents new money invested in a company for a minority stake. SB M&A: Strategic buyer M&A represents a minority or majority acquisition of existing shares of a company without the participation of a financial buyer.



Air bill of rights tossed

A FEDERAL APPEALS COURT threw out New York's AIRLINE PASSENGER BILL OF RIGHTS, which guaranteed fresh air, working toilets and other amenities to travelers delayed more than three hours on the tarmac. A lower-court judge had upheld the law in November. But the AIR TRANSPORT ASSOCIATION appealed the measure, which was prompted by a series of airport delays in 2006 and 2007. The appellate court said the bill was pre-empted by federal laws.

Senate reviews better Bear deal

THE U.S. SENATE Finance and Banking committees are reviewing the government-backed sale of Bear Stearns Cos. to J.P. Morgan Chase & Co. Senators asked executives of both companies for details and documents related to



J.P. MORGAN CEO James Dimon (right) as he walks to Bear Stearns' headquarters.

the deal, less than a week after J.P. Morgan increased its offer to \$10 a share from \$2.

JetBlue's founder flying south

JETBLUE AIRWAYS CORP. founder and former Chief Executive David Neeleman announced plans to create a Brazilian airline, which will start flying early next year. Mr. Neeleman, a native of Brazil, said the airline will use 118-seat Embraer aircraft. The venture currently has \$150 million in financing; Mr. Neeleman has ordered jets valued at \$1.4 billion.

HIP head out

HIP HEALTH PLAN of New York President and Chief Operating

Officer Daniel McGowan was asked to resign and will leave April 1. The ouster was part of a power struggle resulting from HIP and GHI's merger to form EmblemHealth.

MTA postpones improvements

THE METROPOLITAN Transportation Authority postponed \$30 million in service improvements, saying that a decline in real estate taxes has worsened its finances. The MTA said it will reconsider the issue in June when it gets a clearer view of its revenue picture.

Sirius, XM deal clears antitrust

SIRIUS SATELLITE RADIO INC.'s proposed acquisition of XM Satellite Radio Holdings Inc. won federal antitrust clearance. In approving the deal, the Justice Department said that the combined company would have adequate competition from other forms of audio entertainment. The Federal Communications Commission must also approve the transaction.

Steve Madden chief walks

STEVEN MADDEN LTD. Chairman and Chief Executive Officer Jamieson Karson resigned to pursue other opportunities. Edward Rosenfeld, the shoe retailer's executive vice president of strategic planning and finance, was named interim CEO. Independent director Walter Yetnikoff will

serve as nonexecutive chairman.

Citi settling on Enron

CITIGROUP INC. agreed to pay \$1.66 billion to Enron Corp. creditors, who charged that the bank used shady accounting to keep them in the dark about Enron's financial troubles. Citigroup was the final defendant in the "megaclaims" lawsuit, a bankruptcy suit filed in 2003 against 11 banks and brokerages.

New Fat City

RATES OF BOTH OBESITY and diagnosed diabetes jumped 17% in New York City between 2002 and 2004, according to a report from the city's Department of Health and Mental Hygiene. Nationwide, obesity rates rose 6% in the same period, with no change in diabetes rates.

NYU, Columbia losing luster

AFTER THREE consecutive years as No. 1, New York University dropped to No. 4 on students' "dream colleges" list, published by The Princeton Review. Columbia University fell to seventh from fifth place. Harvard University took the top spot.

Fox says no to nudity fine

NEWS CORP.'s Fox Network refused to pay the federal government a \$91,000 fine for indecent exposure during an episode of *Married by America*. Fox asked the Federal Communications Commission to review its decision, which involved the "pixelation" of body parts.

Crane caution

CITY OFFICIALS initiated new crane inspection rules after the March 15 collapse (below) that killed seven people. Buildings Commissioner Patricia Lancaster, whose department is inspecting 30 of the city's tower cranes, said the machinery must be checked by a building inspector and engineer before being raised or lowered.

—FROM STAFF REPORTS AND BLOOMBERG NEWS REPORTS



TheLadders.com extends in Hudson Square

Jobs site adds 20,000 square feet to accommodate growing workforce

THELADDERS.COM, an employment site specializing in jobs that pay a minimum of \$100,000, is expanding in the Hudson Square area.

Founded four years ago with six staffers, the company now has 220 employees and needs more space. It recently signed an eight-year deal for 20,000 square feet—about two-thirds of the eighth floor—at **205 Hudson St.**, between Watts and Des-



205 HUDSON is a few blocks from 137 Varick.

brosses streets. The space is a few blocks from the company's headquarters at 137 Varick St.

Asking rent was \$52 a square foot, according to Marc Shapses, a broker at Studley who represented the tenant with colleague Jason Schwartzberg.

The landlord, Trinity Church, was represented by its leasing agents, Jason Pizer and Tom Lynch.

—THERESA AGOVINO

Retailer comes in from the cold

ICELANDIC RETAILER Kisan Inc. will open its first U.S. store in SoHo.

The company, which now has just one shop, in downtown Reykjavik, recently signed a 10-year lease for 3,500 square feet at **125 Greene St.**, between Prince and Houston streets. The store is slated to open in May.

Asking rent was about \$210 a square foot for the 1,700-square-foot ground floor. The location includes a large mezzanine and a 600-square-foot basement; both will be used as additional selling space.

Owners Thorunn Anspach and Olivier Brémond plan to stock the emporium with children's clothing, household goods, travel items and gifts that they collect from around the world.

"They'll sell products from a lot of designers who don't have stores

here," says Michael Glanzberg, a Sinvin Realty broker who worked with Christopher Owles to represent the property owners, Helene and Alan Luchnick. For example, the current Kisan store carries kids apparel by Flora and Henri and magnets from Three by Three Seattle.

Kisan's owners searched SoHo for six months before taking the Greene Street spot, which was vacated by clothier Y & Kei earlier this month.

"They were very particular about the space," says Gene Spiegelman, a Cushman & Wakefield Inc. broker who represented the tenant with colleague Alisa Amsterdam.

—ELISABETH BUTLER CORDOVA

Financial services on Madison

TWO FINANCIAL FIRMS have signed 10-year leases for a total of nearly

27,300 square feet at **535 Madison Ave.**, between East 54th and East 55th streets.

Monarch Alternative Capital will take over the 26th floor—about 15,000 square feet—in the first half of 2009, as the current tenant isn't moving out until year-end, according to Brian Gell, a broker at CB Richard Ellis Inc. He and colleague Laurence Briody negotiated on behalf of the landlord, Madison Tower Associates Limit-

ed Partnership.

Monarch, which invests in distressed debt, was spun off from private equity group Quadrangle earlier this year. The firm will move into temporary quarters at 535 Madison soon. Newmark Knight Frank brokers Neil Goldmacher and Arthur Draznin represented Monarch.

Meanwhile, Banco do Brasil will take over the building's 34th floor—

See REAL ESTATE on Page 18

Defensive Play? Strategic Maneuver.



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EBS Group Limited (EBS), which was acquired by ICAP plc, is the world's leading provider of foreign exchange trading and market data solutions to thousands of trading professionals and organizations. When patent infringement threatened its revolutionary technology in a competitive marketplace, EBS turned to Dickstein Shapiro's experienced intellectual property attorneys for comprehensive, strategic counsel. EBS obtained a highly favorable settlement after a Markman decision in which the courts sided with EBS on all disputed claim terms. Additionally, the U.S. Patent and Trademark Office granted EBS several additional patents for its industry-leading technology, providing significant future coverage and protection. As a result, Dickstein Shapiro has become a key advisor to EBS for a wide range of intellectual property matters.

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Prior results do not guarantee a similar outcome.

DICKSTEINSHAPIRO_{LLP}

Real Estate Deals

Continued from Page 17

12,300 square feet—over the summer. The bank currently occupies 33,000 square feet at 600 Fifth Ave. and will sublet that space as part of a cost-cutting plan, which includes moving its back-office operations to Orlando, Fla.

Jonathan Schindler and Aron Schreier, brokers at Colliers ABR, represented the bank and will handle subletting the Fifth Avenue space.

Mr. Gell says that 535 Madison has no space available but that asking rent would be between \$125 and

\$150 a square foot if it did.

—THERESA AGOVINO

Lawyers venture into SoHo

TWO LAWYERS ARE LAUNCHING a retail venture in SoHo. Leslie Bettison and Ignacio “Nacho” Foncillas just signed a five-year deal for 1,800 square feet at **52 Greene St.**, between Broome and Grand streets.

Asking rent was \$125 a square foot for the ground-floor space. In addition, the lease includes an

1,800-square-foot basement.

The attorneys plan to open Sol de Ibiza, a high-end clothing and accessories shop featuring Spanish and other European designs. The store will exclusively sell several lines, including Charo Ruiz and Piluca Osaba, though the partners intend to eventually distribute the collections to upscale department stores.

Ms. Bettison, president of Sol de Ibiza, and Mr. Foncillas, vice president, have worked extensively in Latin America and had established careers in law and investment banking before hatching the idea for their apparel business.

Stephen Tarter, principal of Tarter|Stats Realty, represented building owner Panjo Realty in the

deal; Ryan Lobo of Corbett & Dullea Realty Inc. negotiated on behalf of the tenant.

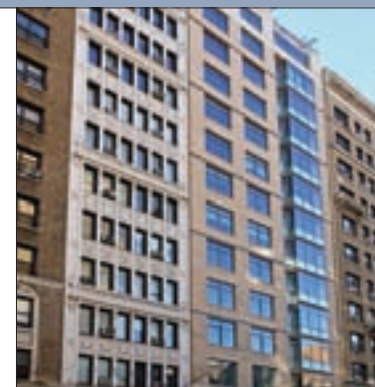
—ELISABETH BUTLER CORDOVA

Sleepy's beds down in 72nd St. condo

SLEEPY'S HAS SIGNED a 10-year lease for a 4,000-square-foot store on the ground floor of Harsen House, a 16-story condominium building at **120 W. 72nd St.**

The asking rent was \$175 a square foot.

The mattress retailer was drawn to the location because it is on a major crosstown artery, according to Barry Fishbach of Robert K. Futter-



120 W. 72ND ST. is a condo building.

man & Associates, who represented the landlord, Anbau Enterprises.

Linda Feinblum and David Lucas of Julius M. Feinblum Real Estate Inc. represented Sleepy's.

—ANDREW BUCK

ADVERTISEMENT

ENCOURAGING A NEW GENERATION OF DIGIGIRLZ

By Laura Wallace,
General Manager, New York Metro District, Microsoft Corporation



In recent years, fewer young women have been pursuing degrees in information technology

(IT). Experts offer many reasons: limited awareness of technology careers, stereotypes about people who work in IT, few women mentors and a lack of encouragement for girls to take science and math courses. This decline has occurred despite the fact that technology continues to have a profound impact on our daily lives—and that many of society's most exciting innovations are taking place in computing and on the Internet.

Microsoft's DigiGirlz program aims squarely at changing this trend. Over the past eight years, the program has given thousands of high school girls the opportunity to learn, up close, about the wide range of career choices available in business and technology—and to see the important contributions that women bring to the workplace through their diverse viewpoints, creativity, unique talents and ability to work collaboratively.

At 16 day-long workshops and seven multi-day camps held around the country this year—including four in the New York City area—DigiGirlz participants will get to know women who work at Microsoft, experience cool new Microsoft technology and products, and participate in hands-on computer experiences.

At a recent DigiGirlz workshop in the area, I had the opportunity to talk about the incredibly broad range of technical and nontechnical jobs at Microsoft—from software development to product design and marketing.

I owe my 25-year career in the technology industry, in part, to a mentor who helped expand my horizons. Throughout my school years, I excelled in math, but I wouldn't have considered a job in the IT industry if it hadn't been for a professor who encouraged me to

take an introductory class in computer science. Captivated by the numeric puzzles of computer algorithms, I earned a degree in mathematics and computer science, and I began my career developing software at IBM before moving into sales and marketing at a variety of IT companies, including Microsoft.

In addition to the rewarding parts of my job—working with talented people, helping customers solve real-world challenges and traveling to interesting places—I'm proud to work for a company committed to attracting talented women to the IT industry and to its own workforce. We do this through college internships, leadership and career development opportunities for employees, generous work/life balance programs, and awareness programs like DigiGirlz.

DigiGirlz has given thousands of young women the opportunity to learn about career choices in business and technology.

With as many as 1 million new IT jobs becoming available in the United States over the next six years, the importance of creating a pipeline of talented young women interested in IT careers is greater than ever. Equally important are the contributions that the next generation of DigiGirlz can make by applying their talents and diverse viewpoints to help companies innovate and develop products and services that meet a wide range of customer needs.

Laura Wallace oversees sales, marketing and service delivery to Microsoft's largest enterprise customers in the five boroughs of New York City, Westchester County, southern Connecticut and northern New Jersey.

Learn more at microsoft.com/issues

Microsoft

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4 B'klyn areas get hit

Home sales, prices drop as financing dries up; a trend?

BY DANIEL MASSEY

HOME PRICES over the past six months declined in four Brooklyn neighborhoods hit hard by the subprime lending crisis, a downturn that could soon spread to the rest of the borough.

Also, sales volume in the neighborhoods—Bedford-Stuyvesant, East New York, Brownsville and Ocean Hill—dropped 64%, according to a report by Sam Heskell, executive vice president of HMS Associates, a Brooklyn-based appraisal firm.

The price of two- to four-family homes fell 4% in Bed-Stuy and Brownsville, the report says, as homeowners reduced prices in order to find qualified buyers.

“Financing is simply not available,” says Mr. Heskell.

East New York home sales declined to 125 during the six months ending March 24, compared with 400 in the same period a year earlier. Sales in Bed-Stuy fell from 291 to 111.

The neighborhoods studied by Mr. Heskell were among the 10 with the highest rates of subprime lending in the city in 2006, according to an analysis by the Furman Center for Real Estate and Urban Policy.

HMS released a report in February that showed the Brooklyn market outside these four neighborhoods remained strong last year. He predicts HMS's next report, due in two weeks, will show an overall decline in home values.

But Frank Percesepe, regional vice president of the Corcoran Group in Brooklyn, says he hasn't noticed a downturn in sale prices or volume in the borough's pricier neighborhoods.

COMMENTS? DMassey@crain.com

REPORT

INSIDE Highest-paid CFOs in New York area, ranked by compensation PAGE 20

“We don’t want to ... micromanage, but boards should be accountable.”

—Hye-Won Choi, head of corporate governance, TIAA-CREF, Page 21



THE BEST BOARDS scored well on audit committee structures, succession plans and other measures.

Activist investors prep for proxy battles

Investment banks under fire for bad risks, overgenerous compensation

BY STEVE GARMHAUSEN

MERRILL LYNCH & CO.’s former chief executive, Stanley O’Neal, presided over record losses at the investment bank. But he still walked away with \$161 million when he was forced to retire last year.

This year, Merrill’s directors face the ire of shareholders, who want the board to get a handle on executive pay, especially when the firm’s results are so atrocious.

“The gatekeepers have fundamentally failed,” says Daniel F. Pedrotty, director of the AFL-CIO investment office, which along with other activist shareholder groups is targeting New York City investment banks.

Getting religion

CORPORATE GOVERNANCE issues are returning with a vengeance this spring as activist shareholders attempt to hold boards accountable for the financial crisis and question how effectively directors are managing risk and overseeing executives.

The movement might also spread to other kinds of public companies. Investor groups are reintroducing resolutions they have pushed with mixed results for the past few years. One is “say on pay,” which would give shareholders an annual vote on executive compensation policies.

“Everybody gets corporate governance religion during a bear market,” says James Allen, senior policy director for the capital markets group at the CFA (Chartered Financial Analyst) Institute Centre.

At the investment banks, the movement is turning personal, fueled by anger over write-offs in the billions and pay packages in the hundreds of millions. Merrill, Citigroup, Goldman Sachs Group and Morgan Stanley are among those facing resolutions on executive

See ACTIVIST on Page 21

BOARDS AT THE TOP 25

On governance issues, biggest firms in NYC often fail to make the grade

WHEN IT COMES TO CORPORATE GOVERNANCE, a handful of New York City companies are standouts. A larger number need to head back to school.

Crain’s asked experts at RiskMetrics Group to analyze corporate governance practices at the largest 25 public companies in New York City. The results were decidedly mixed. While companies like PepsiCo are a model for other firms, many of the giants based in New York fall short on basic governance standards. Not surprisingly, investment banks were often flagged for paying executives excessive amounts. Some media companies, meanwhile, have stock structures that put a lot of control in the hands of insiders.

The RiskMetrics analysis includes more than 180 pieces of data. Among those that carried a lot of weight were audit committee structures, succession plans, and restatements of financial results within the past two years. Crain’s assigned a grade to each company based on how it compared with all companies in the S&P 500. Companies that were in the top 20% got an A, those in the second 20% a B, and so on. Companies were also compared with firms of all sizes in their industries, a much lower standard, and those percentages are included in the descriptions. Companies are listed by revenues for the latest year available; the three-year total return to shareholders is as of March 1.

—ELIZABETH MACBRIDE

FOCUS PROFILES
AIG, PepsiCo, NewsCorp., Bristol-Myers
Pages 22-23

#1 Citigroup Inc.

A
GRADE

Revenues: \$146.9 billion
3-year return to shareholders: -43.5%

MARKET DOUBTS about its size notwithstanding, Citi is a leader in corporate governance, especially among investment banks. It gets particularly high marks for its audit committee; all members are deemed “financial experts.” On the downside, it issues a lot of stock options to its leaders: The

annual stock option “burn rate” over the past three fiscal years was greater than 2% of outstanding shares. Grading on the curve: Citi scored better than 98% of companies in diversified financials.

#2 American International Group Inc.

D
GRADE

Revenues: \$113.5 billion
3-year return to shareholders: -27.7%
SEE PROFILE, Page 22

#3 J.P. Morgan Chase & Co.

A-
GRADE

Revenues: \$99.3 billion
3-year return to shareholders: +22.5%

THE BANK’S CHARTER or bylaws can be amended with a simple majority vote of shareholders, and mergers can be approved the same way. Measures like that play well with corporate governance experts, who want companies to be open to takeovers and mergers that may

benefit shareholders. The company’s burn rate, however, is in the high range, and its executive compensation was judged excessive. Grading on the curve: J.P. Morgan scored better than 96.7% of companies in diversified financials.

#4 IBM Corp.

D
GRADE

Revenues: \$91.4 billion
3-year return to shareholders: +27.8%

THE BOARD IS controlled by a supermajority of independent out-

See BOARDS on Page 24

New York Area's Highest-Paid CFOs

Ranked by 2006 compensation

Rank	CFO/age	Company/ticker symbol	Total pay in 2006 (in thousands)	Short-term pay in 2006 (in thousands)	Option awards in 2006 (in thousands)	Stock awards in 2006 (in thousands)	Long-term cash awards in 2006 (in thousands)	Other compensation in 2006 (in thousands)	Company's 2006 revenues (in millions)
1	David A. Viniar (52)	Goldman Sachs Group Inc. (GS)	\$40,334.1	\$20,843.5	\$7,653.1	\$11,479.5	\$0.0	\$358.0	\$69,353.0
2	Samuel L. Molinaro Jr. (50)	Bear Stearns Cos. (BSC)	\$27,814.5	\$13,217.5	\$1,260.8	\$10,971.8	\$0.0	\$2,364.5	\$16,551.4
3	Jeffrey N. Edwards ¹ (46)	Merrill Lynch & Co. (MER)	\$14,093.9	\$5,895.8	\$0.0	\$8,183.4	\$0.0	\$14.7	\$68,622.0
4	Steven J. Bensinger (53)	American International Group Inc. (AIG)	\$12,806.0	\$4,000.0	\$1,215.4	\$4,059.4	\$3,512.8	\$18.3	\$113,489.0
5	Sallie L. Krawcheck ² (43)	Citigroup Inc. (C)	\$10,573.3	\$6,320.0	\$0.0	\$4,253.3	\$0.0	\$0.0	\$146,905.0
6	Michael J. Cavanagh (41)	J.P. Morgan Chase & Co. (JPM)	\$9,389.2	\$3,500.0	\$2,889.2 ³	\$3,000.0	\$0.0	\$0.0	\$99,302.0
7	David F. Devoe (60)	News Corp. (NWS.A)	\$8,786.0	\$6,933.3	\$0.0	\$1,699.4	\$0.0	\$153.3	\$25,327.0
8	Fredric G. Reynolds (57)	CBS Corp. (CBS)	\$8,705.9	\$5,500.0	\$1,429.9	\$1,750.0	\$0.0	\$26.1	\$14,320.2
9	Thomas J. McInerney (43)	IAC/InterActiveCorp (IACI)	\$8,307.5	\$1,800.0	\$0.0	\$6,500.0	\$0.0	\$7.5	\$6,277.6
10	Andrew C. Richardson ⁴ (41)	NorthStar Realty Finance Corp. (NRF)	\$7,783.1	\$1,150.0	\$0.0	\$633.1	\$6,000.0	\$0.0	\$196.4
11	Bruce W. Van Saun ⁵ (50)	Bank of New York Mellon Corp. (BK)	\$7,458.7	\$4,023.0	\$1,096.5	\$2,140.8	\$0.0	\$198.4	\$9,062.0
12	Wayne H. Pace ⁶ (61)	Time Warner Inc. (TWX)	\$7,187.0	\$3,750.0	\$1,574.1	\$1,305.0	\$0.0	\$557.9	\$44,224.0
13	Mark Loughbridge (54)	International Business Machines Corp. (IBM)	\$6,576.8	\$1,779.2	\$765.1	\$3,900.1	\$0.0	\$132.4	\$91,424.0
14	Doreen A. Toben (58)	Verizon Communications Inc. (VZ)	\$6,373.5	\$1,827.4	\$0.0	\$4,331.8	\$0.0	\$214.3	\$88,144.0
15	Christopher M. O'Meara ⁷ (46)	Lehman Brothers Holdings Inc. (LEH)	\$6,071.5	\$2,500.0	\$0.0	\$3,571.5	\$0.0	\$0.0	\$46,709.0
16	Randall J. Weisenburger (49)	Omnicom Group Inc. (OMC)	\$5,726.0	\$5,475.0	\$0.0	\$0.0	\$0.0	\$251.0	\$11,376.9
17	Paul J. Siracusa ⁸ (63)	Hertz Global Holdings Inc. (HTZ)	\$5,570.5	\$1,373.4	\$4,185.0	\$0.0	\$0.0	\$12.1	\$8,058.4
18	Gregory F. Hughes (43)	SL Green Realty Corp. (SLG)	\$5,415.2	\$4,150.0	\$0.0	\$703.0 ⁹	\$0.0	\$562.2	\$596.5
19	Frank Mergenthaler (47)	Interpublic Group of Companies Inc. (IPG)	\$5,176.5	\$1,850.0	\$448.3	\$2,729.2	\$0.0	\$149.0	\$6,190.8
20	Andrew R.J. Bonfield ¹⁰ (45)	Bristol-Myers Squibb Co. (BMY)	\$5,153.1	\$1,549.9	\$2,546.1	\$945.6	\$0.0	\$111.5	\$17,914.0
21	C. Edward Chaplin ¹¹ (51)	MBIA Inc. (MBI)	\$4,886.7	\$1,600.0	\$670.7	\$2,571.1	\$0.0	\$44.9	\$2,680.5
22	Nancy E. Cooper ¹² (54)	CA Inc. (CA)	\$4,759.4	\$1,307.5	\$637.4	\$2,265.5	\$0.0	\$548.9	\$3,796.0
23	Joseph Macnow (62)	Vornado Realty Trust (VNO)	\$4,720.2	\$1,250.0	\$0.0	\$3,152.4	\$0.0	\$317.8	\$2,974.0
24	Joseph M. Leone (54)	CIT Group Inc. (CIT)	\$4,507.6	\$1,550.0	\$958.7	\$1,875.0	\$0.0	\$123.8	\$6,927.7
25	Alan G. Levin ¹³ (46)	Pfizer Inc. (PFE)	\$4,414.7	\$1,365.2	\$1,544.7	\$1,434.5	\$0.0	\$70.3	\$48,201.0

Challenging times in finance: Between 2007 and 2008, eight of the Top 25 CFOs left their companies or moved up to replace other executives who did. CFOs who are no longer in their positions are listed in a red-ruled box.

Source: Equilar Inc., Redwood Shores, CA., (877) 441-6090, www.equilar.com; additional research by Denise Southwood, Sarah Studley and Heather Holland

New York area includes New York City and Nassau, Suffolk and Westchester counties in New York, and Bergen, Essex, Hudson and Union counties in New Jersey. This ranking is based on *Crain's* list of the 300 largest publicly held companies in the New York area and includes CFOs who were with those companies at the end of their fiscal years, except where noted. Executive ages are derived from biographical information disclosed in company proxy statements and may not reflect recent birthdays. Annualized base salaries are obtained from employment agreements when available and estimated when necessary. All financial data are derived from the most recent 10-Ks or newswire data available as of April 30, 2007. The data for companies with fiscal years ending in March through December are for the year ended in 2006, and the data for companies with fiscal years ending in January and February are for the year ended in 2007. Compensation data are derived from company filings available from the SEC as of May 31, 2007. Compensation and financial figures have been rounded to one decimal place. Calculations for total pay and short-term pay are based on unrounded numbers. **Total pay** represents the sum of base salary, bonus, option awards, stock awards, long-term cash awards (at target) and other compensation. **Short-term pay** represents the sum of base salary and bonus. **Option awards** as disclosed for all new-regulation companies includes service- and performance-based option awards and the target value of long-term incentive plan awards denominated in options; as disclosed for old-regulation companies includes service-based option awards and the target value of long-term incentive plan awards denominated in options (when available). Estimated value for old-regulation companies (when necessary). **Stock awards** represents the aggregate value of service- and performance-based stock awards and the target value of long-term incentive plan awards denominated in stock and/or units for new-regulation companies; it represents the aggregate value of restricted stock awards and the target value of long-term incentive plan awards denominated in stock and/or units for old-regulation companies. **Long-term cash awards** includes the target value of long-term incentive plan awards denominated in cash. **Other compensation** represents the value of perquisites and benefits awarded to executives. For old-regulation companies, this value is calculated as the sum of other annual compensation and all other compensation. 1-Mr. Edwards was CFO until Dec. 7, 2007, when he was replaced by Nelson Chai. 2-Ms. Krawcheck was CFO through March 12, 2007, when she was replaced by Gary Crittenden. Ms. Krawcheck continues to serve with the company as chairman and CEO of global wealth management. 3-Includes restoration (or reload) option grants. 4-Mr. Richardson became CFO in April 2006. Annualized base salary. 5-Mr. Van Saun ceased serving as CFO in Sept. 2006. He continues to serve as vice chairman and was replaced by Thomas P. Gibbons. 6-Mr. Pace was CFO through Dec. 31, 2007, when he was replaced by John Martin. 7-Mr. O'Meara was CFO through Dec. 1, 2007, when he was replaced by Erin Callan. 8-Mr. Siracusa was CFO through Aug. 31, 2007, when he was replaced by Elyse Douglas. 9-Includes maximum value of performance share grants, as opposed to the target value of performance share grants. 10-Mr. Bonfield served as CFO until March 31, 2008, at which time he was replaced by Jean-Marc Huet. 11-Mr. Chaplin became CFO in June 2006. Annualized base salary. 12-Ms. Cooper became CFO in August 2006. Annualized base salary. 13-Mr. Levin was CFO through Sept. 10, 2007, when he was replaced by Frank D'Amelio.

CFOs TO WATCH by Aaron Elstein



MARK LOUGHRIDGE has grasped a fact that collectors of everything from fine art to old record albums have known for years: The less there is of an item, the more valuable it is. To make sure there

are fewer IBM shares to go around, Mr. Loughridge has spent \$30 billion on stock buybacks since becoming CFO four years ago, reducing the share count by 17%. That helped lift IBM's earnings per share by 92% while its stock price rose nearly 40%. Mr. Loughridge is something of a rarity himself for his longevity at one company: He's been climbing the ranks at IBM for 30 years.



FRANK MERGENTHALER has been CFO of Interpublic Group for two and a half years. That makes him a grizzled veteran compared with his predecessors. Mr. Mergenthaler was IPG's fourth CFO in three

years when he joined the advertising holding company, then struggling through an accounting scandal. So far, it's been mostly a lost decade for IPG and its shareholders, but the problems finally are showing signs of easing. After piling up more than \$1.4 billion in losses over four years ending in 2006, the firm at last returned to the black last year. Analysts predict that the firm's revenues will finally return to their 2000 level in 2009.



When the credit crisis began last summer, MBIA CFO **CHUCK CHAPLIN** told investors that the bond insurer's exposure to billions of fast-deteriorating subprime mortgages "does not appear to

pose much of a threat to the company." How wrong he was. The little-known company's fight for survival has become one of the biggest stories on Wall Street in recent months, one that has captured the attention of everyone from insurance regulators to investment banks. The scrutiny is surely more than Mr. Chaplin bargained for when he joined MBIA two years ago after more than 20 years at Prudential, where he was treasurer.



In a meeting that's fast becoming legendary on Wall Street, Goldman Sachs CFO **DAVID VINIAR** summoned his troops just before Christmas in 2006 to discuss the housing market. The group

decided that housing prices were quickly weakening and it was time for the firm's traders to bet against mortgage-backed securities. Their timing was impeccable. Shorting mortgages just as housing began to tank spared the firm the massive write-downs that hammered rivals like Merrill Lynch and Morgan Stanley and helped it coin a record \$11.6 billion in profits last year. Mr. Viniar, who made \$57.5 million in 2007, is *Crain's* top-earning CFO.

Activist shareholders

Continued from Page 19
tive pay.

Directors may actually be voted off boards this spring. Labor unions are launching a campaign to persuade investors to vote against Morgan Stanley Chief Executive John Mack and board members Howard Davies and Robert Kidder—the last two were on the firm’s audit committee—saying the three exposed the company to too much risk.

“That is one trend we’re watch-

‘Settlement fever has been epidemic in recent years’

ing,” says Doreen Kelly Ruyaki, director of strategic planning at the National Association of Corporate Directors, who notes that shareholders have no way of knowing exactly what role an individual played in discussions on a particular topic.

“Full boards are accountable, not committees and committee members,” Ms. Ruyaki says.

There is some irony in this latest surge. In the last major period of reform early in the decade—after the downfall of Enron and other corporate scandals—activists pushed to expand the power of boards. Resolutions were passed to split the positions of chief executive and chairman and to provide for more independent directors.

Fight the power

DIRECTORS’ INCREASED CLOUT led to such high-profile moves as the ouster of Pfizer Inc. CEO Henry A. McKinnell, who collected lavish compensation even as the drugmaker’s stock price plunged.

This time around, investors themselves seek to counterbalance directors’ strength. Companies have largely accepted the idea of independent, powerful directors; how hard companies or boards will fight the new cycle of activism remains to be seen.

Many boards view even advisory votes on executive pay as an encroachment on one of their fundamental roles—as basic as selecting company leadership, according to Daniel Booker, a partner at law firm Reed Smith. Directors aren’t likely to object to broad strategic decisions about compensation structures, but many balk at shareholder input on specifics, such as dictating executive performance criteria, Mr. Booker says.

Retirement plan giant TIAA-CREF is asking several companies to allow advisory votes on pay. Hye-Won Choi, head of corporate governance at TIAA-CREF, says compensation is one of the hardest things for boards to get right.

“We do not want to substitute

our judgment for that of the board or micromanage compensation decisions,” Ms. Choi says. “However, we believe directors should be accountable for their decisions.”

Activists are split on the other issue that promises to take center stage during the proxy season this year: whether boards did enough to manage risk.

Firms like investment banks are by definition waist-deep in the business of taking risks, which could present directors with a catch-22.

Wrong bets

“THIS IS NOT a corporate governance problem,” says Holger Mueller, an associate professor of finance at New York University’s Stern School of Business. “Controlling risk levels is a CEO’s responsibility; a lot of people just made the wrong bets.”

Still, boards have learned from experience that proxy fights are best avoided, and directors are increasingly receptive to compromise, says Patrick McGurn, special counsel at RiskMetrics Group.

“Settlement fever has been epidemic in recent years,” Mr. McGurn says. “And I think we are going to see the biggest outburst ever this season.”

COMMENTS? cnyb@crain.com

GREAT WORK

Average total compensation for board members in various industries, in millions.

\$2.72

Petroleum products

\$1.3

Pharmaceuticals

\$1.29

Financial services/securities

\$1.15

Insurance/property and casualty

\$1.14

Computer hardware

\$1.08

Media and entertainment

\$1.07

Health care products

\$0.9

Apparel

Source: The Corporate Library

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#2 *American International Group Inc.*

Still playing catch-up



AMERICAN International Group Inc., is headed in the right direction when it comes to governance—but that doesn't mean the insurer's critics are satisfied.

"Their business includes insuring boards," says Nell Minow, co-founder of The Corporate Library, a governance research firm. "They should understand how many risk factors they themselves have."

Ms. Minow says the company's compensation packages are "badly aligned" and calls them a high-risk factor for future litigation and liability. She adds that AIG executives are



Robert Willumstad

being paid 20% more than the median at firms of similar size.

AIG also falls short in areas like its lack of stock ownership guidelines. Corporate governance standards call for companies to spell out more clearly how much stock executives should own, according to the length of their tenure at the company.

Compensation practices notwithstanding, AIG's corporate governance is improving, though not as fast as companies in other industries. Its governance is better than that of 79.5% of insurance companies, according to RiskMetrics, up from 64.2% five years ago. But it beats just 37.8% of companies on the S&P 500 index—down from 43% five years ago.

A watershed was the 2005 departure of Chairman Maurice Greenberg, who stepped down in the midst of an accounting scandal. During his regime, the board was controlled by AIG executives and outsiders tied to the business. In Mr. Greenberg's wake, AIG's board remade itself, tapping outsiders. Robert Willumstad, former chief operating officer of Citigroup, is now chairman.

Steve Garmhausen wrote the profiles spotlighting these four corporate boards.

BOARD HEAVY HITTERS

- **William S. Cohen**, former U.S. Secretary of Defense and senator
- **Stephen L. Hammerman**, retired vice chairman, Merrill Lynch & Co.
- **Richard C. Holbrooke**, U.S. ambassador to the United Nations
- **Fred H. Langhammer**, chairman, global affairs, and former chief executive, Estée Lauder Cos.
- **Michael H. Sutton**, former chief accountant of the Securities and Exchange Commission

#15 *PepsiCo Inc.*

Changes boost grade



IN EARLY 2003, PepsiCo Inc. pulled off the corporate governance equivalent of transforming itself from a C to an A student.

Among a slate of changes, the Purchase, N.Y.-based food and beverage giant eliminated its anti-takeover poison pill. It formed a governance committee. And it gave its nominating, compensation and audit committees the ability to hire outside advisers.

"They were firing on all cylinders," says Gregg Warren, a Morningstar analyst. "They decided to extend their highly respected management standards to the board."



Indra Nooyi

New listing standards at the New York Stock Exchange and Nasdaq had prompted many companies to make their key director committees more independent. But PepsiCo "took the opportunity to go ahead and clean house," Mr. Warren says.

The company now boasts a corporate governance quality in the top percentile of the food, beverage and tobacco industry, according to RiskMetrics Group. That's a far cry from the beginning of 2003, when it was better than 75.7% of such companies.

Even more impressive, PepsiCo's governance beats 97.5% of companies in the S&P 500 index, compared with 34.2% five years ago.

James Schiro, former CEO of the world's largest accounting firm, chairs PepsiCo's audit committee.

But don't expect PepsiCo's good-governance halo to earn it a pass from activists pushing for additional reforms, warns Mr. Warren. Its chairman and CEO positions are held jointly, by Indra Nooyi, a situation that in any company raises concerns about self-policing, he says. And shareholders pushing for cutting-edge reforms on executive compensation could target PepsiCo precisely because it's a role model.

BOARD HEAVY HITTERS

- **Ian M. Cook**, chief executive, Colgate-Palmolive Co.
- **Dina Dublon**, former chief financial officer, J.P. Morgan Chase & Co.
- **Victor J. Dzau, MD**, chief executive, Duke University Health System.
- **Ray L. Hunt**, CEO, Hunt Oil Co.; chairman, Hunt Consolidated Inc.
- **James J. Schiro**, chief executive, Zurich Financial Services

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#20 News Corp.

Didn't get the memo

F
GRADE

NEWS CORP. excels at many things, but corporate governance isn't one of them.

Thanks to features like its dual-class share structure, Chairman Rupert Murdoch's media conglomerate ranks above just 2.7% of the companies in the S&P 500 index and just 50% in the relatively weak media industry, according to RiskMetrics Group.

News Corp.'s stock price has doubled over the past five years, even after big acquisitions like that of Dow Jones & Co. But experts say the company's weak governance structure might prove to be its Achilles' heel.



Rupert Murdoch

"Anytime [investors] are looking at success, they are not going to argue," says Charles Elson, director of the University of Delaware's John L. Weinberg Center for Corporate Governance. "But corporate governance is a circuit breaker against bad decisions."

Weighing against News Corp. is its poison pill, which blocks shareholders from accepting a potential-

ly lucrative buyout. What's more, a supermajority vote is required to amend the company's charter or bylaws.

Mr. Murdoch also rankled many investors last year when, in the midst of his quest to acquire *The Wall Street Journal*, he tapped the young and questionably qualified Dow Jones heiress Natalie Bancroft, an opera singer, to join News Corp.'s board of directors.

But no single factor looms larger in the firm's low rating than its dual-share structure. The structure ensures that a small group of insiders calls the shots.

Last year, an Australian shareholder led a failed attempt to eliminate the structure. But the Murdoch family would have to vote to relinquish their power, Mr. Elson points out. "There's not much that the other shareholders can do," he says.

BOARD HEAVY HITTERS

- **José María Aznar**, former president of Spain
- **Peter Barnes**, chairman, Ansell Ltd.
- **Rod Eddington**, non-executive chairman for Australia and New Zealand, J.P. Morgan Chase
- **Mark Hurd**, chairman and CEO, Hewlett-Packard Co.
- **Andrew Knight**, director, Rothschild Investment Trust C.P.
- **John L. Thornton**, professor and director of global leadership, Tsinghua University

#21 Bristol-Myers Squibb Co.

Slipping backward?

A
GRADE

BRISTOL-MYERS SQUIBB Co. is a solid performer with a few weaknesses that keep it from cracking the highest ranks of well-governed companies.

The drugmaker's mark is better than 89.9% of the businesses in the S&P 500 index, compared with 81.5% five years ago. It bests 99.8% of companies in its industry, versus 97.6% five years ago, according to RiskMetrics.

The performance and status of Chairman and Chief Executive James Cornelius keep it from earning the highest praise.

Nell Minow, co-founder of research firm



James Cornelius

The Corporate Library, complains that Mr. Cornelius hasn't laid out a sufficiently detailed strategic blueprint for the company, which faces the constant challenge of developing popular new drugs.

Bristol-Myers directors simply aren't pushing him hard enough, Ms. Minow says. "There is a lack of urgency on the board."

That could be because Mr. Cornelius is board chairman. As part of a settlement three years ago over federal charges that it had inflated sales and earnings, Bristol-Myers agreed to appoint a director, James Robinson III, non-executive chairman to ensure a high level of corporate governance.

Mr. Robinson will retire as a director in May, according to the company. In February, the chairman and chief executive positions were reconsolidated—a step backward in the view of experts.

Otherwise, Bristol-Myers has a slate of features that underpin its strong numbers. Among them: The company lacks a poison pill and has just one share class and an active governance committee. Additionally, it has joined the first wave of firms to implement majority voting, in which director candidates must receive a majority of votes cast to be elected.

BOARD HEAVY HITTERS

- **Lewis B. Campbell**, chairman, Textron Inc.
- **Louis J. Freeh**, managing partner, Freeh Sullivan Sporkin
- **Dr. Laurie H. Glimcher**, Harvard School of Public Health
- **Michael Grobstein**, retired vice chairman, Ernst & Young
- **Leif Johansson**, chief executive, Volvo Group
- **James D. Robinson III**, general partner, RRE Ventures

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CITY LEADS

New York is an oasis of good governance, but companies that give out lots of stock options or have a dual-class stock structure ding the city's standing.

	COMPANIES NYC	NATIONWIDE
Have an anti-takeover "poison pill"	21%	27%
Are made up of at least 90% outside directors	18%	6%
Majority vote is standard to elect	10%	3%
Grant stock options liberally	23%	18%
Have dual-class stock structure	13%	5%

Boards at the top 25

Continued from Page 19

siders. But IBM's chairman and chief executive positions are joint, executive compensation was judged excessive, and the company's lack of a board-approved chief executive succession plan knocked the grade way down. Grading on the curve: IBM scored better than 88.3% of technology companies.

#5 Verizon Communications Inc.

Revenues: \$88.1 billion
3-year return to shareholders: +19.9%



THE GOOD NEWS IS that the telecom company's board is run by a supermajority of independent outsiders and that financial experts make up its audit committee. The bad news is that its stock-based incentive plans were adopted without shareholder approval. Grading on the curve: Verizon scored better than 98.3% of telecom companies.

#6 Morgan Stanley

Revenues: \$76.6 billion
3-year return to shareholders: -3.4%



OUTSIDE DIRECTORS of the investment bank meet without the chief executive present—a plus by good-governance standards. But Morgan Stanley does not use performance-based equity awards for which specific criteria are disclosed, and its compensation was judged excessive. Grading on the curve: Morgan Stanley scored higher than 95.3% of diversified financials firms.

#7 Altria Group Inc.

Revenues: \$70.3 billion
3-year return to shareholders: +66.7%



THE FULL BOARD IS elected annually. But Altria's directors are not subject to stock ownership guidelines—a major flaw in the eyes of corporate governance experts—and the company paid its auditor a relatively large sum for non-audit services, calling the objectivity of the audit into question. Grading on the curve: Altria scored better than 82.1% of food, beverage and

tobacco companies.

#8 Goldman Sachs Group Inc.

Revenues: \$69.4 billion
3-year return to shareholders: +59.5%



INDEPENDENT OUTSIDERS comprise the nominating and compensation committees, and all of the company's audit committee members are financial experts. A low burn rate sets Goldman apart from some lower-scoring financial firms. But it has takeover defenses that knock its grade way down, and its executive compensation was deemed excessive. Grading on the curve: Goldman outscored 90% of diversified financial companies.

#9 Merrill Lynch & Co.

Revenues: \$68.6 billion
3-year return to shareholders: -11.2%



THOUGH ITS BOARD is controlled by a supermajority of outsiders, Merrill's stock-based incentive plans have been adopted without shareholder approval. It also has some takeover defenses, and its board members serve three-year terms, which makes them less accountable. Its executive compensation has been judged excessive. And some moves that might benefit shareholders, such as a merger, require a supermajority vote. Grading on the curve: Merrill scored better than 82% of diversified financial companies.

#10 MetLife Inc.

Revenues: \$48.4 billion
3-year return to shareholders: +46.5%



OUTSIDE DIRECTORS MEET separately without the chief executive—considered a plus—and board performance is regularly reviewed. But the insurer's takeover defenses are high, and its board members are elected every three years—one of several structures that keep the board from being as accountable as experts want. Grading on the curve: MetLife's score was higher than that of 76.7% of other insurers.

See **BOARDS** on Page 25

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Boards at the top 25

Continued from Page 24

#11 Pfizer Inc.

Revenues: \$48.2 billion
3-year return to shareholders: -4.5%



THE DRUG COMPANY has a strong audit committee: It consists solely of independent outside directors, all of whom are deemed financial experts. The presence on the board of a former chief executive of the company, William Steere Jr., nicked its rating, however. Grading on the curve: Pfizer scored better than 98.3% of companies in biotech and life sciences.

#12 Lehman Brothers Holdings Inc.

Revenues: \$46.7 billion
3-year return to shareholders: +14.7%



THE BOARD IS MADE UP of a supermajority of independent directors, and there are financial experts on its audit committee. But the board is authorized to increase or decrease its size without shareholder approval, and the company does not conduct performance reviews of individual directors. Its executive compensation was deemed excessive, and it has a high burn rate. Grading on the curve: Lehman scored better than 88.7% of companies in financial services.

#13 Time Warner Inc.

Revenues: \$44.2 billion
3-year return to shareholders: -6.3%



THE COMPANY has a governance committee, and the full board faces annual elections, though directors are elected by plurality instead of majority, which makes it easier for a company-favored director to win. Also, Time Warner does not review directors' performances, and a supermajority vote of shareholders is required to amend certain charter provisions or bylaws, a significant negative. Grading on the curve: The company scored better than 98% of other media companies.

#14 Medco Health Solutions Inc.

Revenues: \$42.5 billion
3-year return to shareholders: +99.5%



THE COMPANY HAS a governance committee and publicly disclosed governance guidelines. But it does not have performance-based stock awards for which it discloses the criteria. And its directors are elected by plurality, which makes it easier for directors the company puts forth to be elected, despite shareholder opposition. Grading on the curve: The company scored better than 94.7% of other health care equipment and services companies.

#15 PepsiCo Inc.

Revenues: \$35.1 billion
3-year return to shareholders: +36.8%



SEE PROFILE, Page 22

#16 Prudential Financial Inc.

Revenues: \$32.5 billion
3-year return to shareholders: +32.4%



THE COMPANY HAS a dual-class stock structure, with the more powerful shares concentrated among insiders, which is anathema to corporate governance activists. But both share classes are freely traded, mitigating much of the impact on the grade. The company is controlled by a supermajority of outsiders, and it has a governance committee. Grading on the curve: Prudential outscored 96.6% of companies within its industry.

#17 Alcoa Inc.

Revenues: \$30.4 billion
3-year return to shareholders: +22.7%



ON THE UPSIDE, the aluminum company's board is large, with between 13 and 15 directors, and the company's takeover defenses are low. But directors, who serve three-year terms, are paid solely in cash, and the company does not disclose some of its important policies, such as the length of time a director or executive must hold stock after exercising options to buy it. Grading on the curve: Alcoa scored better than 79.8% of companies within the materials industry.

#18 Hess Corp.

Revenues: \$28.1 billion
3-year return to shareholders: +185.4%



THOUGH ALL OF THE GAS and oil company's important committees are made up of independent directors, Hess' wide array of takeover defenses troubles corporate governance experts. Hess also does not conduct reviews of directors. Grading on the curve: The company scored better than 79.8% of energy companies, a sector traditionally weak in corporate governance.

#19 American Express Co.

Revenues: \$27.1 billion
3-year return to shareholders: -8.1%



THE CHARGE CARD and travel company has a committee that oversees governance issues. But, in a negative for good governance advocates, its chairman and chief executive roles are one position. There have also been related-party transactions involving officers or directors other than the chief executive. Grading on the curve: American Express outscored 96% of financial services firms.

#20 News Corp.

Revenues: \$25.3 billion
3-year total return to shareholders: +12.8%



SEE PROFILE, Page 23

#21 Bristol-Myers Squibb Co.

Revenues: \$17.9 billion
3-year return to shareholders: +3.2%



SEE PROFILE, Page 23

#22 Loews Corp.

Revenues: \$17.2 billion
3-year return to shareholders: +79.4%



THE DIVERSIFIED GIANT'S board is controlled by a supermajority of outsiders, and the board has a governance committee. But its co-chairmen are insiders from the Tisch family, and executives and directors are not subject to stock ownership guidelines. Grading on the curve: Loews scored better than 68.4% of companies in the food, beverage and tobacco sector.

#23 Bear Stearns Cos.

Revenues: \$16.6 billion
3-year return to shareholders: -17.4%



ILL-FATED BEAR STEARNS is the lowest-scoring investment bank. Its array of takeover defenses, high executive pay, and lack of disclosure about how it determined executive pay were all red flags. Grading on the curve: Bear Stearns did, however, score better than 68.7% of financial services firms.

#24 CBS Corp.

Revenues: \$14.3 billion
3-year return to shareholders: -8.7%



THOUGH THE BOARD is controlled by a majority of outsiders, there are a significant number of insiders on the board, including Chairman Sumner Redstone. Related-party transactions have taken place between the company and directors or officers. But what really hurts CBS's score is the dual-class voting structure, with more powerful shares held by insiders. Grading on the curve: CBS scored better than 75.7% of media companies.

#25 Arrow Electronics

Revenues: \$13.6 billion
3-year return to shareholders: +21.2%



THE COMPUTER PARTS company's board is controlled by a supermajority of outsiders, and all directors are elected annually. But its takeover defenses are high, and, most significantly, executives are not subject to stock ownership guidelines. Grading on the curve: The company scored better than 98.4% of companies in the technology hardware category.

COMMENTS? cnyb@crain.com

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- John

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Kenny Lao, 30
Rickshaw Dumpling Bar

Co-Founder

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Kenny Lao isn't sure whom to credit for his career choice—his mother, who prepared Chinese dumplings with him every week, or his stepfather, a foodie who took him out of school for lunch dates. One thing is certain: His parents never imagined that they would be watching their son on The Martha Stewart Show or on MTV talking about Chinese cuisine.

"My mother wanted me to be a lawyer," says the California transplant, who instead got an M.B.A. at New York University's Stern School of Business.

Though Mr. Lao worked briefly on Wall Street, his food just won out, and he opened Rickshaw Dumpling Bar two years ago. The casual Chelsea eatery grew out of a business plan contest at Stern. Mr. Lao nabbed second place and attracted the school's dean, Thomas Cooley, as an investor. Chef Anita Lo, whose work elsewhere has garnered Michelin stars, joined as a partner.

"The force of his personality and his thoroughness" persuaded Mr. Cooley to sign on, says the dean, who had never invested in a student venture.

Michael Bonadies, a founding partner of Drew Nieponer's Myriad Restaurant Group, is also a backer. He and Mr. Lao met when the ambitious young man worked for Myriad as a new projects manager before he entered graduate school.

Rickshaw's revenues of \$1.3 million in fiscal 2005 are on track to rise 12% in fiscal 2006, says Mr. Lao, whose

THIS WEEK ON

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Mayor Bloomberg on Congestion Pricing

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Airport village taking off in Queens

Hotels to anchor development around Jamaica AirTrain terminal

ALITTLE OVER A WEEK into spring, the long-awaited blossoming of an "airport village" in downtown Jamaica, Queens, looks like it will actually happen.

In the past month, developers have entered into separate agreements to build at least two major hotels near Jamaica's two-year-old AirTrain terminal. Both hotels will be under the Marriott flag, marking the first major chain to venture out past the airport along the AirTrain line.

"We've had this concept of an airport village for a while now," says Carlisle Towery, president of the Greater Jamaica Development Corp. "It's a very big step once you have a hotel [group] willing to operate here. It's a vote of confidence in the area."

The deals come less than six months after a massive rezoning of

downtown Jamaica upgraded the area around the AirTrain terminal to mixed-use, allowing commercial and residential projects on the once-industrial blocks where the new hotels are planned.

The largest of the hotels will be a Marriott Courtyard, planned for the corner of 95th Avenue and Sutphin Boulevard, about a block south of the Jamaica Long Island Rail Road station. Plans call for a 172-room hotel, plus 348 units of middle-income housing and about 200,000 square feet of retail space.

Jamaica-based developers Graham Associates, a father-daughter team, own the 1.6-acre city block and are developing the site. They spent 10 months negotiating the deal with Marriott.

"Our hotel will be more custom-designed than other Marriott Courtyards people have seen," says Vice President Yesenia Graham. A large banquet hall, walls of win-

dows, green space and a sky lounge overlooking the lobby are some of the features planned for the hotel. Ms. Graham expects to break ground by the end of the year.

Nearby, on an 18,000-square-foot site on Archer Avenue, Flushing-based C&G Construction Group is developing two more hotels. One is likely to be a Marriott brand designed for longer residential stays. The hostelry will have about

150 rooms and be geared toward accommodating flight crews. Chris Xu, owner of C&G Construction, says he is also in talks with the Starwood Hotel Group to develop another 150-room hotel. A parking garage that formerly operated on the site is shuttered, and Mr. Xu says he will start demolition next month.

Successfully luring hotels downtown is an important milestone for the overall village plan. The hotels will not only provide jobs but will help boost local restaurants and re-

tailers by drawing more visitors.

"Hotels really anchor an area," says Mr. Towery. "They bring new people and new shopping patterns."

The residential component of the projects has Mr. Towery eyeing some of John F. Kennedy International Airport's 40,000 workers.

—HILARY POTKEWITZ



BLOOMBERG NEWS

AIRTRAIN has sparked development plans.

Clinton Hill veg plan taking root

LAST YEAR, the Associated Supermarket, a longtime retail fixture on the corner of Myrtle Avenue and Prince Street in Brooklyn's Fort Greene, was demolished to make way for yet more luxury condominiums. While area residents can still find many items in small local stores, fresh produce is not among them.

Concerned about the impact of that scarcity, particularly among poorer residents who don't own cars and can't drive to large grocery stores, a group of community organizations is taking action. The Myrtle Avenue Revitalization Project and Families United for Racial and Economic Equality, with help from the Fort Greene Association and lo-

cal Councilmember Letitia James are forming a community supported agriculture group, or CSA.

The idea is that the CSA will become a food-buying club through which families will be able to buy fresh organic produce from upstate and Long Island farms. In return for quarterly club dues, each member will get a box of mixed fresh vegetables delivered weekly to the local farmer's market. The plan is modeled on roughly 50 CSA groups that have sprouted in the city over the last 18 years, the nearest one being just a few blocks away in Clinton Hill.

Michael Backer, executive director of the Myrtle Avenue Brooklyn Partnership, says the CSA will not only offer vegetables fresher than those at grocery stores but will do so at a lower price by cutting out the middleman—the retailer.

A weekly box containing as many as 10 different kinds of organic produce would be enough for a family of four and would sell for \$19. The same amount of conventionally grown produce from a Pathmark would cost \$24.86, according to the Fort Greene CSA. A similar assortment at Whole Foods would run to \$43.07.

Backers of the Fort Greene CSA hope to make their first food deliveries this summer. They aim to sign up as many as 50 families for the first year and add more the next year.



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CHOO-CHOO
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NATIONAL TRAIN DAY is May 10th.

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PUBLIC & LEGAL NOTICES

Notice of Formation of PASTOURELLE LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 2/4/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: Silverberg, Stonehill, Goldsmith & Haber, P.C., 111 W. 40th St., 33rd Fl., NY, NY 10018. Purpose: any lawful activity.

Notice of Formation of Mangan/Horan LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 3/6/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to principal business location: The LLC, c/o Mona Mangan, 1025 Fifth Ave., NY, NY 10028. Purpose: any lawful activity.

Name of Foreign LLC: W&M WEST 40TH STREET LENDER, LLC. App. for Auth. filed NY Dept. of State: 1/11/08. Jurisd. and date of org.: DE 9/26/07. County off. loc.: New York County. Sec. of State designated as agent of foreign LLC upon whom process against it may be served. The Sec. of State shall mail copy of process to: Wien & Malkin LLC, 60 East 42nd Street, New York, NY 10165. Addr. of foreign LLC in DE is: c/o National Corporate Research, Ltd., 615 South DuPont Hwy., Dover, DE 19901. Auth. officer in DE where Cert. of Form. filed: Harriet Smith Windsor, Division of Corporations, P.O. Box 898, Dover, DE 19903. Purpose: any lawful activity.

Notice of Formation of Mary Alice Orito Psychotherapy Licensed Clinical Social Work PLLC, a professional service limited liability company (PLLC). Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 10/22/07. Office location: NY County. SSNY designated as agent of PLLC upon whom process against it may be served. SSNY shall mail process to: Corporation Service Company, 2711 Centerville Road, Ste. 400, Wilmington, DE 19808. Purpose: practice the profession of Licensed Clinical Social Work.

Notice of Qualification of Metropolitan Real Estate Equity Management, LLC, App. for Auth. filed Sec'y of State (SSNY) 10/25/04. Office location: NY County. LLC org. in DE 7/18/02. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to 535 Madison Ave., 26th Fl., NY, NY 10022, the principal office addr. of LLC. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activities.

Notice of Qualification of GE Healthcare IITS LLC. Authority filed with NY Dept. of State on 12/31/07. Office location: NY County. Principal business address: 540 W. Northwest Hwy., Barrington, IL 60010. LLC formed in Delaware (DE) on 9/13/07. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Formation of Numbers And Media LLC. Art. of Org. filed with the Sect. of State of N.Y. (SSNY) on 12/12/07. Office location: N.Y. Co., SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: C/O Numbers And Media LLC, 2266 5th Ave., Suite 136, New York City 10037. Purpose: Any Lawful Purpose.

Notice of Formation of RMG Marriage and Family Therapy LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 12/18/07. Office location: NY Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 49 Lambert Rd., Southport, CT 06890. Purpose: any lawful activities

Notice of Qualification of Mariner Port Chester LLC. App. for Auth. filed Sec'y of State (SSNY) 1/8/08. Office location: NY County. LLC org. in DE 11/19/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to 13 Oxford Rd., Hastings on Hudson, NY 10706. DE office addr.: 160 Greentree Dr., Dover, DE 19904. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activities.

NOTICE OF FORMATION of TAMUNANGUE LLC. Arts. Of Org. filed with Secy. Of State of N.Y. (SSNY) on 6/27/07. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o Lois M. Vitti, Esq., 12 Perry Street, 2C, NY, NY 10014. Date of Dissolution: 12/31/2095. Principal business location: 317 Pavonia Ave., #8, Jersey City, NJ 07302. Purpose: Any lawful activity.

Notice of Formation of CHAMPION PARKING 74 LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 1/30/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 655 Third Avenue, NY, NY 10017. Purpose: any lawful purpose.

Notice of Qualification of Goldman Sachs Vintage IV PMD QP Fund, L.P. Authority filed with Secy. of State of N.Y. (SSNY) on 1/11/08. Office location: NY County. LP formed in Delaware (DE) on 3/5/07. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to: 85 Broad Street, NY, NY 10004. DE address of LP: 2711 Centerville Road, Ste. 400, Wilmington, DE 19808. Name/address of each genl. ptr. available from SSNY. Cert. of LP filed with DE Secy. of State, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activity.

NOTICE OF FORMATION of SYZGY SOLUTIONS, LLC. Articles Of Org. filed with Secy. Of State of N.Y. (SSNY) on 2/04/08. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 48 W 86th St., #2, NY, NY 10024. Principal business location: 48 W 86th St., #2, NY, NY 10024. Purpose: Any lawful activity.

Notice of Formation of Stonex Natural Stone, LLC, Art. of Org. filed Sec'y of State (SSNY) 4/10/07. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to c/o Karahmetoglu & Luz Firm, LLP, Attn: Barbaros M. Karahmetoglu, 1500 Broadway, 21st Fl., NY, NY 10036. Purpose: any lawful activities.

Notice of Qualification of Macquarie Equipment Finance, LLC. Authority filed with NY Dept. of State on 2/6/08. Office location: NY County. Principal business address: 2285 Franklin Rd., Bloomfield Hills, MI 48302. LLC formed in Delaware (DE) on 11/27/07. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of formation of GG MEDIA LLC. Arts. of Org. filed with the Secy of State of NY (SSNY) on 2/04/08. Office location: New York County. SSNY designated as agent upon whom process against it may be served. SSNY shall mail process to: c/o the LLC, 91 Fifth Avenue, 7th Floor, New York, NY 10003. Purpose: all lawful activities.

Notice of Formation of 160 Montague LLC. Arts. of Org. filed with NY Dept. of State on 2/13/08. Office location: NY County. Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to the principal business address: c/o Wharton Realty, 500 5th Ave., 54th Fl., NY, NY 10110. Purpose: any lawful activity.

Notice of Formation of RR REO II LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 2/12/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to principal business location: c/o The LLC, 150 E. 52nd St., 27th Fl., NY, NY 10022. Purpose: any lawful activity.

Notice of Formation of LP-OREO, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 1/23/08. Office location: NY Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 120 Broadway, Ste. 1050B, NY, NY 10271. Purpose: any lawful activities.

NOTICE OF FORMATION OF dress code LLC. Article of Organization filed with the Secretary of State of NY (SSNY) on 3/24/06 Office location NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is C/O the LLC 131 Essex #5 South, New York, NY 10002. Purpose of LLC: to engage in any lawful act or activity. Street address of Principal Business location is: 131 Essex #5 South, New York, NY 10002.

Notice of Qualification of Meso LLC. Authority filed with NY Dept. of State on 1/18/08. Office location: NY County. LLC formed in Delaware (DE) on 1/9/08. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to the principal business address of the LLC: 315 E. 68th St., Apt. 4B, NY, NY 10021. DE address of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activity.

GOTHAM DIGITAL VENTURES, LLC, Articles of Org. filed N.Y. Sec. of State (SSNY) 30th day of October, 2007. Office in New York Co. at 92 Perry Street, Ste 4, New York, NY 10014. SSNY desig. Agt. Upon whom process may be served. SSNY shall mail copy of process to 92 Perry, Ste 4, New York, NY 10014. Reg. Agt. Upon whom process may be served: Albert Tucker & Associates, LCC 295 Madison Ave. NYC 10017 212.686.3200 Purpose: Any lawful purpose.

Notice of Qualification of 224-232 Atlantic Avenue Investor, LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 2/8/08. Office location: NY County. LLC formed in Delaware (DE) on 10/29/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to principal business location: The Dermot Company, Inc., 320 W. 57th St., 5th Fl., NY, NY 10019. DE address of LLC: c/o Corporation Service Company, 2711 Centerville Road, Wilmington, DE 19808. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of MARJORIE A. LAU, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 2/22/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to principal business location: 15 W. 72nd St., Apt. 9-0, NY, NY 10023. Purpose: any lawful activity.

Notice of Qualification of PlaneTechs, LLC. Authority filed with NY Dept. of State on 2/14/08. Office location: NY County. LLC formed in Nevada (NV) on 12/28/07. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. Principal business address: 1015 A St., P.O. Box 2910, Tacoma, WA 98402. Arts. of Org. filed with NV Secy. of State, 202 N. Carson St., Carson City, NV 89701. Purpose: any lawful activity.

Notice of Qualification of IOC Project 4 LLC, App. for Auth. filed Sec'y of State (SSNY) 2/11/08. Office location: NY County. LLC org. in DE 2/5/08. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to 23-25 Greene St., NY, NY 10013. Reg. Agt. upon whom proc may be served is CSC, 80 State St., Albany, NY 12207. DE office addr.: c/o CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activities.

NOTICE OF FORMATION OF LIMITED LIABILITY COMPANY. NAME: CHELSEA IMAGING HOLDINGS, LLC. Articles of Organization were filed with the Secretary of State of New York (SSNY) on 01/25/08. Office location: New York County. SSNY has been designated as agent of the LLC upon whom process against it may be served. SSNY shall mail a copy of process to the LLC, c/o Weltman & Moskowitz, LLP, 270 Madison Avenue, Suite 1400, New York, New York 10016-0603. Purpose: For any lawful purpose.

PUBLIC & LEGAL NOTICES

REQUEST FOR PROPOSALS

Requests for Proposals

18-HOLE GOLF COURSE, CLUBHOUSE, AND FOOD SERVICE AT MARINE PARK, BROOKLYN



In accordance with Section 1-13 of the Rules of the Franchise and Concession Review Committee ("FCRC"), the New York City Department of Parks and Recreation ("Parks") is issuing, as of the date of this notice, a Request for Proposals ("RFP") for the renovation, operation and maintenance of an 18-hole golf course, clubhouse, pro-shop and food service facility at Marine Park, Brooklyn.

All proposals submitted in response to this RFP must be submitted no later than Wednesday, June 4, 2008 at 3:00 p.m. Parks will hold a proposer meeting on Wednesday, April 23, 2008 at 11:00 a.m. at the proposed concession site, which is located at 2880 Flatbush Ave., Brooklyn, NY 11234. All interested parties are urged to attend.

Hard copies of the RFP can be obtained, at no cost, commencing on Thursday, March 20, 2008 through Wednesday, June 4, 2008, between the hours of 9:00 a.m. and 5:00 p.m., excluding weekends and holidays, at the Revenue Division of the New York City Department of Parks and Recreation, which is located at 830 Fifth Avenue, Room 407, New York, NY 10021.

The RFP is also available for download, commencing on Thursday, March 20, 2008 through Wednesday, June 4, 2008, on Parks' website. To download the RFP, visit http://www.nycgovparks.org/sub_opportunities/business_ops/index.php?view_page=con_listing and, after logging in, click on the "download" link that appears adjacent to the RFP's description.

For more information or to request to receive a copy of the RFP by mail, prospective proposers may contact the Revenue Division's Senior Project Manager, Joel Metlen, at (212) 360-1397 or at joel.metlen@parks.nyc.gov.

TELECOMMUNICATION DEVICE FOR THE DEAF (TDD) 212-504-4115

PUBLIC & LEGAL NOTICES

NOTICE OF FORMATION of Bryan Leder Talent, LLC. Article of Organization filed with the Secretary of State of NY (SSNY) on 01/25/08. Office location: NY County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him is C/O the LLC 227 Riverside Dr. N.Y., N.Y., 10025. No Specific Date of Dissolution. Purpose of LLC: to engage in any lawful act or activity.

Notice of Qualification of GGCP SEQUOIA PARTNERS, L.P. Authority filed with Secy. of State of N.Y. (SSNY) on 1/30/08. Office location: NY County. LP formed in Delaware (DE) on 12/19/05. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to principal business location: 800 Third Ave., 23rd Fl., NY, NY 10022. Attn: Mr. Geoffrey Gwin. DE address of LP: 2711 Centerville Road, Ste. 400, Wilmington, DE 19808. Name/address of each genl. ptr. available from SSNY. Cert. of LP filed with DE Secy. of State, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activity.

NOTICE OF FORMATION OF 75 East 2 Street LLC. Article of Organization filed with the Secretary of State of NY (SSNY) on 02/27/2008 Office location NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is C/O the LLC 182 Grand Street, 3E, New York, NY 10013. Date of Dissolution: No specific date Purpose of LLC: to engage in any lawful act or activity. Street address of Principal Business location is: 182 Grand Street, 3E, New York, NY 10013.

NOTICE OF FORMATION of Cactus and The Peach Productions LLC. Articles Of Org. filed with Secy. Of State of N.Y. (SSNY) on 2/19/08. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 603 W 148 St., #10B, NY, NY 10031. Principal business location: 603 W 148 St., #10B, NY, NY 10031. Purpose: Any lawful activity.

Notice of Qualification of Creative Merchandise Group LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 3/13/08. Office location: NY County. LLC formed in Delaware (DE) on 11/20/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o The LLC, 1375 Broadway, 15th Fl., NY, NY 10018. DE address of LLC: c/o United Corporate Services, Inc., 874 Walker Road, Ste. C, Dover, DE 19904. Arts. of Org. filed with DE Secy. of State, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of DELCAL HOLDINGS LLC. Arts. of Org. filed with NY Dept. of State on 2/22/08. Office location: NY County. Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to the principal business address: 140 Franklin St., NY, NY 10013. Purpose: any lawful activity.

Notice of Registration of FXFowle Architects, LLP. Certificate filed with Secy. of State of NY (SSNY) on 2/28/08. Office location: NY County. SSNY designated as agent of LLP upon whom process against it may be served. SSNY shall mail process to principal business location: 22 W. 19th St., NY, NY 10011. Purpose: practice the profession of architecture.

PUBLIC & LEGAL NOTICES

Notice of Qualification of Antecip Bioventures LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 2/22/08. Office location: NY County. LLC formed in Delaware (DE) on 2/20/08. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o The LLC, 630 Fifth Avenue, Ste. 2074, NY, NY 10111, Attn: Herriot Tabuteau. DE address of LLC: 2711 Centerville Road, Ste. 400, Wilmington, DE 19808. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of Arcoda Global Healthcare Fund, L.P. Authority filed with NY Dept. of State on 12/26/07. Office location: NY County. Principal business address: 529 5th Ave., NY, NY 10017. LP formed in Delaware (DE) on 12/18/07. NY Secy. of State designated as agent of LP upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LP: 1209 Orange St., Wilmington, DE 19801. Name/address of genl. ptr. available from NY Secy. of State. Cert. of LP filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of BE&K Construction Company, LLC. Authority filed with NY Dept. of State on 1/7/08. Office location: NY County. Principal business address: 2000 International Park Dr., Birmingham, AL 35243. LLC formed in Delaware (DE) on 12/31/07. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation David Frank Real Estate LLC art. of org. filed Secy. of State NY (SSNY) 10/15/07. Off. loc. in NY Co. SSNY designated as agent of LLC upon whom process may be served. SSNY shall mail copy of process to: 300 Albany St., 9-C, NY, NY 10280. Purpose: Any lawful purpose.

Notice of Qualification of HedgeForum Criterion, LLC. Authority filed with NY Dept. of State on 2/28/08. Office location: NY County. LLC formed in Delaware (DE) on 2/25/08. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to the principal business address: 731 Lexington Ave., 25th Fl., NY, NY 10022. DE address of LLC: c/o National Corporate Research, Ltd., 615 S. DuPont Hwy., Dover, DE 19901. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

JEWELWEED LLC, a domestic Limited Liability Company (LLC) filed with the Sec of State of NY (SSNY) on 4/24/06. NY office Location: NEW YORK County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to C/O MARTIN SHAW, 350 5TH AVE, STE. 2816, NEW YORK, NY 10118. General purposes.

Notice of Qualification of North American Energy Alliance, LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 3/5/08. Office location: NY County. Principal business location: Times Square Tower, 7 Times Sq., 25th Fl., NY, NY 10036. LLC formed in Delaware (DE) on 11/29/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o Corporation Service Company (CSC), 80 State St., Albany, NY 12207. DE address of LLC: c/o CSC, 2711 Centerville Road, Ste. 400, Wilmington, DE 19808. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of 180 Madison PRISA II LLC. Authority filed with NY Dept. of State on 1/9/08. Office location: NY County. Principal business address: 8 Campus Dr., 4th Fl., Parsippany, NJ 07054. LLC formed in Delaware (DE) on 12/17/07. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of Charles Street Advisors LLC, App. for Auth. filed Sec'y of State (SSNY) 11/30/07. Office location: NY County. LLC org. in DE 4/9/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to 177 E. 75th St., Apt. 9D, NY, NY 10021. DE office addr.: c/o Agents & Corporations, 1201 Orange St., Wilmington, DE 19801. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activities.

NOTICE OF FORMATION OF LIMITED LIABILITY COMPANY. NAME: ANTIK BOWERY LLC. Articles of Organization were filed with the Secretary of State of New York (SSNY) on 10/25/07. Office location: New York County. SSNY has been designated as agent of the LLC upon whom process against it may be served. SSNY shall mail a copy of process to the LLC, c/o Lawrence Kramer, 66 Madison Avenue, Apartment 3F, New York, New York 10016. Purpose: For any lawful purpose.

Notice of Registration of JFK Engineers LLP. Cert. filed with NY Dept. of State on 3/26/07. Office location: NY County. Secy. of State designated as agent of LLP upon whom process against it may be served and shall mail process to: 15 W. 72nd St., Apt 5E, NY, NY 10023. Purpose: practice the profession of engineering.

Notice of Qualification of FC-CANAL LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 1/17/2008. Office location: New York County. LLC formed in Delaware (DE) on 12/6/2007. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o United Corporate Services, Inc., 10 Bank St., Suite 560, White Plains, NY 10606. DE address of LLC: 874 Walker Road, Suite C, Dover, Delaware 19904. Arts. of Org. filed with DE Secy. of State, Townsend Bldg., Dover, DE 19901. Purpose: any lawful activity.

NOTICE OF FORMATION of 44th Street Restaurant, LLC Arts. of Org. filed with the Secy. of State of NY (SSNY) on 10/12/00. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served and shall mail a copy of process to LLC, 16 East 40th St., New York, NY 10016, LLC's principal business location. Registered agent of LLC upon whom process against it may be served is Marcel Doron, 16 East 40th St., New York, NY 10016. Purpose: any lawful activity.

Notice of Qualification of Goldman Sachs Select Fund II, LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 1/8/08. Office location: NY County. LLC formed in Delaware (DE) on 11/29/07. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: Goldman Sachs Hedge Fund Strategies LLC, 1 New York Plaza, NY, NY 10004. DE address of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Secy. of State, P.O. Box 898, Dover, DE 19903. Purpose: any lawful activity.

Notice of Qualification of HIGHMOUNT ADVISERS LLC. Authority filed with Secy. of State of N.Y. (SSNY) on 4/11/02. Office location: NY County. LLC formed in Delaware (DE) on 3/15/02. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 12 E. 49th St., 17th Fl., NY, NY 10017. Principal office/principal business location of LLC: 17 E. 49th St., 17th Fl., NY, NY 10017. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: any lawful activity.

LEX34 EQUITIES LLC, a domestic Limited Liability Company (LLC) filed with the Sec of State of NY on 2-14-08. NY Office location: NEW YORK County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to Mark M. Altschul, 18 E. 12th St., 1A, NY, NY 10003-4458. Latest date to dissolve: 12-31-2036 General purposes.

Notice of formation of limited liability company (LLC). Name: AJIA Holdings LLC. Articles of Organization filed with the Department of State of New York on January 31, 2008. Office location: New York County. Secretary of State of New York (SSNY) is designated as agent of LLC upon whom process against it may be served. The principal business location and the address SSNY shall mail copy of process to is Henry Kang, 52 West 14th St., Suite 2B, New York, NY 10011. Management of the limited liability company shall be by one or more managers. Purpose: to engage in any lawful act or activity.

Notice of Formation of 412 West 14 Realty LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 9/18/07. Office location: NY Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, c/o 433 West 14th St., Ste 429, 3R, NY, NY 10014. Purpose: any lawful activities.

611 SHP LLC, a domestic Limited Liability Company (LLC) filed with the Sec of State of NY on 2-15-08. NY Office location: New York County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to The LLC, 11 W. 18th St., 2W, NY, NY 10011. General purposes.

Notice of Qualification of Andro Capital Management, L.P. Authority filed with Secy. of State of NY (SSNY) on 3/11/08. Office location: NY County. LP formed in Delaware (DE) on 2/20/08. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to: c/o Kirkland & Ellis LLP, Attn: John L. Budetti, 153 East 53rd St., NY, NY 10022. DE address of LP: Corporation Service Company, 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Name/address of genl. ptr. available from SSNY. Cert. of LP filed with DE Secy. of State, Federal & Duke of York Sts., Dover, DE 19901. Purpose: any lawful activities.

Notice of Formation of SBG1 LLC, Art. of Org. filed Sec'y of State (SSNY) 1/31/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to c/o Salans, Attn: Francois Chateau, Esq., 620 Fifth Ave., NY, NY 10020. Purpose: any lawful activities.

LOUIS SIMPSON AND SAMUEL'S LLC Articles of Org. filed NY Sec. of State (SSNY) 1/16/08. Office in NY Co. SSNY desig. agent of LLC upon whom process may be served. SSNY shall mail copy of process to c/o Lazarus & Lazarus, P.C., 240 Madison Ave., 8th Fl., NY, NY 10016. Purpose: Any lawful purpose.

NOTICE OF FORMATION OF Derek Green LLC. Article of Organization filed with the Secretary of State of NY (SSNY) on 11/29/07 Office location New York County. SSNY has been designated as agent upon whom process against it may be served. The post office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is C/O the LLC Derek Green, New York City, NY 10026. Purpose of LLC: to engage in any lawful act or activity. Street address of Principal Business location is: 100 W. 119th St., #3A, New York, NY 10026

Notice of App. for Auth. for foreign LLC named Ideal Glass Atelier LLC filed with NY Dep. State 3/5/08; formed in DE 10/26/06; NY Office, Principal Location and address to which Sec. of State can mail copy of process: 6 West 9th St., NY, NY 10011; NY Sec. of State designated as agent upon whom process against the company may be served; Office maintained in Juris. of Org.: Delaware Business Incorporators, Inc., 3422 Old Capitol Trail, Ste. 700, Wilmington, DE 19808; Arts. of Org. filed with DE Sec. of State, 401 Federal St., Ste. 4, Dover, DE 19901; Purpose: any lawful activity.

Notice of Qualification of Monarch Alternative Capital LP. Authority filed with NY Dept. of State on 2/1/08. Office location: NY County. Principal business address: 375 Park Ave., NY, NY 10152. LP formed in Delaware (DE) on 3/26/02. NY Secy. of State designated as agent of LP upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LP: c/o CT Corporation System, 1209 Orange St., Wilmington, DE 19801. Name/address of genl. ptr. available from NY Secy. of State. Cert. of LP filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of Urban Organizer, LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 1/25/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: Helene A. Laval, 255 W. 84th St., #6D, NY, NY 10024. Purpose: any lawful activity.

NOTICE OF FORMATION OF Perfect World Construction LLC. Arts. of Org. filed with Secy. Of State of N.Y. (SSNY) on 8/8/07. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 136 Bowery Street, #1511, NY, NY 10013. Principal business location: 136 Bowery Street, #1511, NY, NY 10013. Purpose: any lawful activity. 949281 j16-W f20

Name: Treadwell Farm LLC (LLC). Articles of Organization filed with Dept. of State of NY on 11/20/07. Office location: New York County. Secretary of State of NY (SOS) is designated as agent of LLC for service of process. SOS shall mail copy of process to 530 Park Avenue, NY, NY 10021. Purpose: Any lawful act or activity.

Notice of Qualification of Tandem Global Partners Management, LLC. Authority filed with NY Dept. of State on 3/3/08. Office location: NY County. LLC formed in Delaware (DE) on 2/4/08. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of THINKTHINKTHINK MUSIC, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 2/19/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to principal business location: 308 Mott St., Ste. 5A, NY, NY 10012. Purpose: music/entertainment company.

Notice of Qualification of 101 West End Affordable GP LLC. Authority filed with NY Dept. of State on 3/6/08. Office location: NY County. Principal business address: 9200 E. Panorama Cir., Englewood, CO 80112. LLC formed in Delaware (DE) on 2/28/08. NY Secy. of State designated as agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, registered agent upon whom process may be served. DE address of LLC: 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of Highbridge Principal Strategies-Offshore Mezzanine Partners Master Fund, L.P. Authority filed with NY Dept. of State on 3/6/08. Office location: NY County. LP formed in Cayman Islands (CI) on 11/8/07. NY Secy. of State designated as agent of LP upon whom process against it may be served and shall mail process to the principal business address: 9 W. 57th St., 27th Fl., NY, NY 10019. CI address of LP: c/o Maples Corporate Services Ltd., PO Box 309, Ugland House, Grand Cayman, KY1-1104, CI. Name/address of genl. ptr. available from NY Secy. of State. Cert. of LP filed with Registrar of Exempted LPs, Citrus Grove Bldg., George Town, Grand Cayman, CI. Purpose: any lawful activity.

A & T GOLDEN, LLC, a domestic Limited Liability Company (LLC), filed with the Sec of State of NY (SSNY) on 1/23/08. NY Office location: NEW YORK County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to TERRY F. KWONG, MANAGER, 7-8 CHATHAM SQ., #C3, NY, NY 10038. General purposes.

Notice of Formation of GM125 REALTY LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 1/25/08. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 400 W. 14th St., NY, NY 10014. Purpose: any lawful activity.

NOTICE OF FORMATION OF LIMITED LIABILITY COMPANY. NAME: 21 SOUTH END AVENUE UNIT 209 LLC. Articles of Organization were filed with the Secretary of State of New York (SSNY) on 03/17/08. Office location: New York County. SSNY has been designated as agent of the LLC upon whom process against it may be served. SSNY shall mail a copy of process to the LLC, c/o Dr. Joy Browne, 21 South End Avenue, Suite 209, New York, New York 10280. Purpose: For any lawful purpose.

Coming Up on the Calendar

April 7th
Top Architects

April 14th
Small Business

April 21st
Wealthy New Yorkers

April 28th
Education

May 5th
Meetings & Conventions

May 12th
Small Business

May 19th
Real Estate

May 26th
Biggest Companies

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THE WEEKS AHEAD

THIS WEEK'S EVENTS

APRIL 1

Robert Zicklin Center for Corporate Integrity holds conference on going green. 8:30 a.m. to 2 p.m., Newman Conference Center, 151 E. 25th St., room 750. Fee: \$150. (646) 312-3231 or cci@baruch.cuny.edu.

APRIL 2

B'nai B'rith Real Estate Unit holds lunch on valuing Bear Stearns and other properties in a volatile year. 12 p.m. to 2 p.m., Cornell Club, 6 E. 44th St., Ivy Room. Fee: \$55 in advance, \$65 at door. (212) 885-7239 or akuilan@bdo.com.

APRIL 2

Sterling National Bank and Manhattan Chamber of Commerce hold networking reception. 6 p.m. to 8 p.m., 622 Third Ave., main level. Free.

(212) 575-3404 or renu.wadhwani@sterlingnationalbank.com.

APRIL 2

Human Resources Association of New York holds seminar on compensation trends for 2008. 8 a.m. to 4 p.m., Club

101, 101 Park Ave. Fee: \$205 members, \$255 nonmembers, \$150 students. (877) 625-HRNY.

APRIL 2

Lower Manhattan Business Solutions Center holds seminar on operating a home business. 2 p.m. to 5 p.m., 110 William St., fourth floor. Free. (212) 618-6682 or cjones@seedco.org.

APRIL 2

NYU Wagner Graduate School holds health forum. 5:30 p.m. to 7:30 p.m., Rudin Family Forum at NYU Wagner, 295 Lafayette St., second floor. Free. (212) 992-9889 or lisa.a.taylor@nyu.edu.

APRIL 2

Business Network International holds networking breakfast. 7 a.m. to 8:15 a.m., 160 W. 54th St. Fee: \$16. (212) 978-1133.

APRIL 3

American Society of Training and Development holds networking reception. 5:30 p.m. to 8 p.m., Computer Generated Solutions, World Financial Center, 200 Vesey St., Building 3. Free. (646) 243-8513.

APRIL 3

School of Public Affairs at Baruch College's Center for Nonprofit Strategy and Management holds workshop on growth capital for nonprofits. 4 p.m. to 6 p.m., Newman Vertical Campus, 55 Lexington Ave., room 14-220. Free. (646) 660-6743.

APRIL 3

Business Marketing Association of New York holds breakfast on the new rules of pharmaceutical marketing. 8 a.m. to 9:30 a.m., Yale Club, 44th Street and Vanderbilt Avenue, 20th-floor ballroom. Fee: \$55 members,

\$70 nonmembers. (973) 962-6300.

APRIL 7-13

APRIL 7

Camba Small Business Services holds open house. 6 p.m. to 8 p.m., 884 Flatbush Ave., second floor, Brooklyn. Free. (718) 282-2500 or smallbiz@camba.org.

APRIL 7

Caribbean Business Network holds networking reception. 7 p.m. to 9 p.m., Community Bridge Home, 120-50 Springfield Blvd., Cambria Heights, Queens. Free. (917) 293-3984 or neva.alexander@libertymutual.com.

APRIL 8

New York County Lawyers' Association holds course on writing for lawyers. 6 p.m. to 9 p.m., 14 Vesey St. Fee: \$125 members, \$165 nonmembers if preregistered by April 6; additional \$25 for all thereafter. (212) 267-6646, ext. 215.

APRIL 8

Asian Women in Business holds workshop on financing and insurance. 6 p.m. to 8 p.m., Microsoft, 1290 Sixth Ave., sixth floor. Fee: \$15 members, \$25 nonmembers. (212) 868-1368 or info@awib.org.

APRIL 9

Foreign Policy Association holds lecture on Afghanistan. 5:30 p.m. to 7 p.m., McGraw-Hill, 1221 Sixth Ave., second floor, auditorium. Fee: free for members, \$25 nonmembers, \$5 students.



More meetings online at www.craainsnewyork.com
Click on "Events"

(212) 481-8100, ext. 240, or eventsdepartment@fpa.org.

APRIL 9

Young Mortgage Bankers Association holds lunch on eco-friendly building trends in real estate. 12 p.m. to 2 p.m., Union League Club, 38 E. 37th St. Fee: \$50 members, \$75 nonmembers. (201) 440-8144 or info@ymba.net.

APRIL 9

New York Investing Meetup holds seminar on the Bear Stearns collapse and what it means for investments. 6:30 p.m. to 8:30 p.m., 1290 Sixth Ave. Fee: \$5. (212) 255-7327 or nyinvestingmeetup@yahoo.com.

APRIL 10

Kelley School of Business Alumni Association, New York chapter, holds lecture on marketing with a punk

approach. 7 p.m. to 9 p.m., Westin New York at Times Square, 270 W. 43rd St., Broadway Ballroom. Fee: \$20 members, \$25 nonmembers. (603) 352-5300 or lauren@gebrung.com.

APRIL 10

American Land Services holds course on environmental due diligence. 8:30 a.m. to 12 p.m., 530 Fifth Ave., 15th floor. Free. (212) 239-1000 or rsakols@americanlandservices.com.

APRIL 10

New York Building Congress holds forum with U.S. Department of Transportation Administrator James S. Simpson. 8 a.m. to 9:45 a.m., Hilton New York, 1335 Sixth Ave., Trianon Ballroom. Fee: \$65 members, \$85 nonmembers. (212) 481-9230.

—ADRIANNE PASQUARELLI

TO LIST YOUR EVENT

Crain's lists business meetings online and includes them in the print edition on a space-available basis. Events in New York City with admission fees of less than \$300 are considered for the print publication.

Listings can be submitted only through the Crain's Web site. To submit a calendar listing, go to www.craainsnewyork.com and click on "Events." Sponsors have a choice of several free or paid listing options. All business events will be posted online within two business days.

Crain's can neither confirm receipt of listings nor say if or when event listings will appear in the print edition.

MIDCAREER PROGRAM

LOOKING FOR A FEW GOOD LEADERS

THE CORO NEW YORK LEADERSHIP CENTER is now accepting applications for Leadership New York, its midcareer leadership program. Leadership New York seeks civic-minded candidates from the private, public and nonprofit sectors who are committed to strengthening New York City.

Participants challenge their own approaches to leadership by going behind the scenes to examine different perspectives of New York City's most complex urban issues, developing personal leadership skills and learning from a diverse group of peers. The part-time program begins in September and concludes in May. Coro New York is hosting two information sessions, on April 14 and May 8. To get more information, or to RSVP for an information session and to apply, visit www.coronewyork.org or e-mail mchun@coronewyork.org. The application deadline is May 30.

CRAIN'S MAY 5 BROWNFIELDS REPORT

A Once-in-a-Lifetime Opportunity to Break Ground with New Prospects

Nearly 6,000 redevelopment and revitalization professionals will converge on Detroit May 5-7 for the National Brownfields 2008 Conference. In conjunction with the conference, Crain's Detroit Business will publish a special Brownfield Redevelopment Report on May 5.

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LIVES

CORPORATE LADDER Top exec's new game plan for New York Liberty

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GOTHAM GIGS

Artists' aide

JUDILEE REED, 37, was recently promoted to executive director of Leveraging Investments in Creativity, a 10-year initiative to assist artists in all disciplines.

COUNTRYWIDE The nonprofit recruited Ms. Reed, who is from New Hampshire, in 2004. She was then at the New England Foundation for the Arts in Boston, and LINC "was an opportunity to work nationally," she says.

LINKED IN Partnering with community organizations in 14 cities, LINC focuses on needs like health insurance and studio space. Ms. Reed and her staff of five determine challenges and help find solutions. "Our approach is to develop programs and infrastructure that any artist can take advantage of," she says.

COMING UP This May, Ms. Reed will deliver a progress report at LINC's annual conference. She's often on the road, sharing program results with groups in various cities. "We see the transfer of knowledge and information as being most productive when done at a local level," she says.

—ADRIANNE PASQUARELLI

EXPERT OPINIONS

WHAT'S THE SCOOP ON BASEBALL TICKETS?

BOTH NEW YORK TEAMS open next week. This season—the last for each team in its current stadium—tickets will be in especially high demand. Be flexible in your dates, and don't expect to go to a Yankees-Red Sox game and pay face value for your ticket. It's not going to happen. Select less popular times and days—Thursday afternoons are your best bet. Try networking to get tickets by checking with your HR department, or send an interoffice e-mail. Of course, there's Craigslist and eBay, but it's easier to start with your friends. You can also try checking the stadium stores a few hours before a game.

—JOHN WILLIAMS
President
New York Guest

One deal, straight up

Workers head to the bar to get things done



NEW ROUND: Andrew De Gasperi likes to set up meetings at Haru in Times Square.

BY ALIX STRAUSS

EQUITY INVESTOR Eric Bannasch, 33, sits at a round table by the massive windows at The Bar at the Four Seasons Hotel New York. Wearing dress shirt, jacket and slacks, he's holding a meeting with two potential clients. It's 3:22 p.m., and this is his third appointment of the afternoon.

"I just started my own firm," Mr. Bannasch says. "My office is up the block, but I come here because it's quiet and sophisticated and no one bothers you."

In fact, the library-like setting is swarming with people wielding legal pads, spreadsheets and folders while tapping their feet to the soft jazz.

Though conducting business over dinner or an after-hours drink is hardly a new development, more professionals are turning their favorite watering holes into their offices during the day. Enabled by portable technology and encouraged by accommodating environments, these executives are spending their afternoons

See **TAKING** on Page 32

IMBIBING FOR BUCKS

Drinkers earn **10% to 14%** more at their jobs than nondrinkers

Men who drink socially, visiting a bar at least once a month, bring home **7%** more in pay

Source: Reason Foundation report

Taking a meeting at the bar

Continued from Page 31

composing e-mail messages, designing PowerPoint presentations and holding strategy sessions—while they nurse a cocktail or two.

Having already colonized neighborhood coffee shops, this mobile workforce has moved on to their local tavern, where the \$16 Cosmo replaces the \$4.34 Latte Grande. Yes, they're expected to tip a lot better, but they find the seats more comfortable, the amenities more upscale and the beverages more satisfying.

"The bar-as-workplace phenomenon is part of the gradual erosion of traditional 9-to-5 office culture, something that has accelerated over the last decade," says Larry Samuel, the founder of Culture Planning, a consulting firm specializing in the wealthy. "The once-clear lines between work and play are growing increasingly fuzzy."

At the Four Seasons' bar, sales of alcohol between 3 p.m. and 5 p.m. have risen 38% from last year, ac-

ording to Michael Bonsor, the hotel's assistant director of food and beverage. "People aren't inclined to rush back to their desks if they can get the same information here as they can in their office," he says.

Bernard Ros, the owner and executive chef of Meli Melo Restaurant, on Madison Avenue at East 30th Street, sees a similar trend. Since last year, his bar business has jumped about 20%, or \$500 daily, on weekday afternoons. With complimentary Wi-Fi and phone-charging at their fingertips, why would customers leave?

Most convenient

FOR SOME EXECUTIVES, a bar is simply the most convenient place to get work done amid a hectic schedule.

Reginald Heard, 42, a finance executive, often gravitates toward Michael Jordan's The Steak House NYC, in Grand Central Terminal, before getting his 4:48 p.m. train back to his home (and office) in

Danbury, Conn.

"Eighty percent of my work is done on the go," says Mr. Heard, with a copy of *BusinessWeek* to his left, an open portfolio case on his right and a glass of wine in front of him. "I like knowing I can communicate over my Chardonnay. It's not superprivate, but like an airport, it's filled with professionals."

Thanks to customers like Mr. Heard, bar tabs at Michael Jordan's have jumped 6.7% during the 3 p.m. to 6 p.m. time frame, according to Glazier Group, the restaurant's owner.

Such a convivial atmosphere helps grease the wheels for Andrew De Gasperi, 30, an account manager with a thirst for martinis. He frequents Haru's in Times Square about three times a week, and his clients, many of whom are also big martini fans, happily join him there.

"Meeting at a bar puts people at ease, making it easier to seal a deal," Mr. De Gasperi says. "Bars let you do

NOW, THE THREE-WINE LUNCH



BARS AND RESTAURANTS may be buzzing with late-afternoon business, but lunchtime actually appears to be another growth area for booze.

Last year, 21% of all restaurant visits between 11 a.m. and 2 p.m. included the order of an alcoholic beverage, according to a study by NPD Group. That compares with 19% of all visits during the same hours in 2006.

The study also found that roughly 18% of alcoholic beverages were sold in that time period and that beer and wine consumption had increased.



ISTOCKPHOTO

work without feeling as if you are."

Most people aren't ready to mix alcohol and work, and only some will acknowledge drinking on company time. In a 2006 study by CareerBuilder.com, just 22% of employees admitted to having an alcoholic beverage during a regular workday; only 10% reported a more habitual pattern, saying that they consumed an alcoholic beverage with lunch at least once during the workweek.

Blurred boundaries

SUCH BEHAVIOR can threaten productivity and social norms when the boundaries between work and personal environments are blurred.

"Our mobile society certainly liberates us from the traditional office," says Letitia Baldrige, business etiquette adviser at executive coaching firm Baldrige & Lewris.

"It should not, however, be a reason for loosening the standards of professionalism," Ms. Baldrige says.

"The real question to ask yourself is, 'If I have a drink or two and go back to the office, will my level of work be altered in any way as a result of drinking?'"

Bar-hopping workers who can effectively combine the two have other dilemmas to wrestle with, like, "Am I taking a barstool away from someone who just wants a beer?"

"Sometimes I worry I'm taking up valuable bar real estate," says Tracey Toomey, co-author of *The Perfect Manhattan*, as she shuts down her computer. Her wine glass is empty, and she's ready to head home after spending five hours at Bar 6 in the West Village.

"But I like that I'm being social without being social," Ms. Toomey says. "I know that on any given day at 4 p.m., people like me are working here, sitting at tables, huddled in the corner, getting their work done. It makes me feel less lonely."

COMMENTS? cnyb@crain.com

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Carol Blazejowski

Looking for a slam dunk

New York Liberty's top exec aims to fill scoreboard and seats; eyes championship

BY ADRIANNE PASQUARELLI

IN 1973, the summer before her senior year at Cranford High in New Jersey, Carol Blazejowski stormed into the athletic director's office and offered him a choice: Either he could start a girls' basketball team, or Ms. Blazejowski, a gifted player, would play on the boys' team. The AD chose the former and watched from the sidelines as Ms. Blazejowski led her varsity girls' team to the state championship with a record of 35 and 1.

"I started basketball when I was 10," she says. "I just picked up the ball and started playing."

Ms. Blazejowski, who is nicknamed "Blaze" for both her last name and her trailblazing sports career, went on from Cranford to win numerous collegiate basketball accolades, eventually earning enshrinement in the Madison Square Garden Walk of Fame and the Women's Basketball Hall of Fame.

Yet despite these achievements,

Ms. Blazejowski has yet to replicate her record of success as the top executive of the New York Liberty. The Women's National Basketball Association team, which is owned by Madison Square Garden, has struggled to fill both the scoreboard and the seats. The 11-year-old team ended its 2006 season with a dismal record of 11 wins and 23 losses and has yet to win a trophy.

New game plan

MS. BLAZEJOWSKI is not giving up. The Liberty's general manager—who has held the position since four months after the team's founding—has taken on the new title of president and has a new game plan for the 2008 season. She is determined to bring a WNBA trophy to New York.

Her history indicates that she can make it happen.

After her 1978 graduation from Montclair State College, where she was an All-American, Ms. Blazejowski went on to join Adidas. She stayed for a 10-year stretch in marketing and promotions for women's sports. Working in licensing at the National Basketball Association, and then development at the Women's National Basketball Association were easy next steps. When she received a call in January 1997 to run the newly formed Lib-

PERSONNEL FILE

ORGANIZATION New York Liberty

TITLE President, general manager

AGE 51

RÉSUMÉ Director, basketball development, WNBA; director, licensing, NBA; national coordinator, women's promotions, Adidas

WORKOUT Basketball every Sunday

MANAGEMENT STYLE Wants everyone's fingerprints on the property

erty, Ms. Blazejowski jumped at the opportunity.

"Having a part in the growth of women's sports and changing the culture," she explains, "was very important to me."

Last year, in an effort to step up on-court performance, Ms. Blazejowski and head coach Pat Coyle drafted a group of young players new to the league to fill their 12-person roster. They've continued this strategy with their draft picks for the 2008 season.

"It was a conscious decision of Carol's, with the coaching staff, to change the team by going younger,"



BUCK ENNIS

says Ms. Coyle. "We had gone the distance with the players we had and it was time to incorporate youth."

Better record

SO FAR, THE STRATEGY has paid off. The team ended 2007 with a record of 16 wins and 18 losses, an improvement over the previous year. The next season begins on May 18.

On the business side, Ms. Blazejowski intends to use her marketing expertise to build brand equity and boost the team's public profile. She has her work cut out for her, since home game attendance decreased 5% last year to an average of 8,615.

To grow the Liberty's fan base, Ms. Blazejowski plans to hold one of this season's games at a high-profile and as yet-undisclosed venue in New York City. She's also working to advance community outreach programs, like Inspiring Women Night on July 25, and nonprofit partnerships.

"My goal has always been to bring the WNBA championship to the great city of New York," she says. "We'll continue on with that vision, grow our brand and make this a very viable long-term business."

COMMENTS? APasquarelli@crain.com

CRAIN'S BREAKFAST Arts & Culture

DEALING WITH CONTROVERSY

Arts and cultural institutions, both deliberately and unintentionally, often find themselves facing public controversy over their activities. This special Crain's breakfast features the top executives of three institutions who have confronted controversy. They will explain how they found themselves in the public spotlight, how they dealt with the issues and whether their institutions benefited or were harmed by the controversies.

The prestigious panel includes: Arnold L. Lehman, director, Brooklyn Museum; Zarin Mehta, president and CEO, New York Philharmonic; and an additional panelist.

DATE: WEDNESDAY, APRIL 30, 2008
TIME: 8:00-8:30 A.M. NETWORKING BREAKFAST
 8:30-9:30 A.M. PROGRAM
VENUE: HILTON NEW YORK
 1335 AVENUE OF THE AMERICAS
 BETWEEN 53RD AND 54TH STREETS.

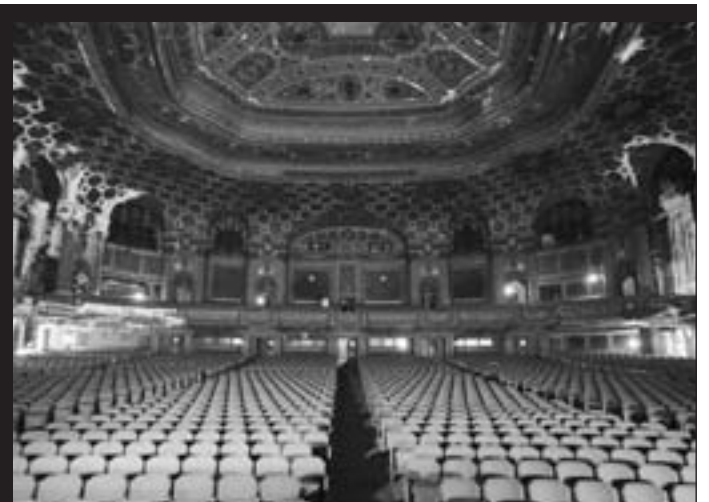
COST TO ATTEND:
 \$65 for individual tickets if prepaid by April 23; \$70 thereafter.
 \$600 for tables of ten if prepaid by April 23; \$700 thereafter.

To register go to crainsnewyork.com, or fax your business card and credit card information to "Arts and Culture Breakfast" at 212-210-0499.

You must be pre-registered to attend this event. All tickets are non-refundable. For more information, please call the events hotline at 212-210-0739.



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SEEKING PROPOSALS FOR ...

New York City Economic Development Corporation (NYCEDC), in cooperation with the Office of the Brooklyn Borough President, is seeking a developer and operator for the former Loew's Kings Theatre. Responses to this request for proposals (RFP) must present plans to lease, rehabilitate and operate the theatre.

RESPONSES ARE DUE NO LATER THAN 4:00 p.m. on Wednesday, May 7, 2008.

Submission guidelines and requirements are outlined in the RFP, which can be downloaded at www.nycedc.com/rfp, or picked up at NYCEDC, 110 William Street, 6th floor, New York, NY, Monday - Friday, between 9:30 a.m. and 4:30 p.m.



NEW YORK CITY. MAKE IT HERE.

REQUEST FOR PROPOSALS

EXECUTIVE MOVES

ACCOUNTING & CONSULTING

AlixPartners: *Jack Gau*, 47, joined as managing director, performance improvement. He was formerly a director at PRTM.
Eric Dzwonczyk, 39, joined as director, performance improvement. He had been senior IT director for new product development at Campbell Soup Co.
Eisner: *Ronald E. Taylor*, 46, joined as director of recruiting operations and diversity, a new position. He had been national strategy and operations diversity recruiting director at KPMG.
Getzler Henrich: *Elan Ben-Avi*, 32, was promoted to director from senior associate.
Mark Podgainsky, 41, joined as director. He had been a director at TRG.

ADVERTISING & COMMUNICATIONS

Acme Brand Content Co.: *David F. Caruso*, 33, joined as president. He was formerly chief operating officer at Alliance.
Robby Wells, 32, joined as chief strategy officer. He had been vice president, digital strategy, at Carat.
Chantre Randolph, 29, joined as development manager. She had been production manager at SportsNet NY.
Doremus: *Martyn Straw*, 54, joined as planning director, a new position. He was formerly planning director, North America, at BBDO.
TargetCast: *Jennifer Samples*, 32, was appointed senior vice president, director of digital media. She was previously vice president of media innovation at Infuz.

APPAREL & RETAIL

Everlast Worldwide Inc.: *Adam Geisler*, 31, was promoted to acting president from senior vice president of marketing.

ARCHITECTURE & DESIGN

Mancini Duffy: *Kenneth Lill*, 47, joined

as principal. He was formerly president of KAL Architecture, which he founded.

Perkins Eastman: *David Beer*, 73, joined as principal. He was formerly principal and a founding partner at Brennan Beer Gorman Architects and Brennan Beer Gorman Monk Interiors.

Spacesmith: *Michel Franck*, 43, joined as managing principal. He had been a principal at Owen & Mandolfo.

STV Inc.: *Majid Hedayati*, 53, was promoted to senior vice president and continues as director of transportation and infrastructure.

Judith E. Held, 53, was promoted to senior vice president from vice president and continues as general counsel.

Samara Barend, 30, was promoted to vice president from associate.

Ashraf F. Basta, 44, was promoted to vice president from senior associate.

Bruce Jabbonsky, 51, was promoted to vice president and continues as project manager.

Dennis Nazzaro, 58, was promoted to vice president from senior associate.

Nadine Roper, 42, was promoted to vice president from senior associate.

FINANCE & INSURANCE

AXA Equitable Life Insurance Co.: *Tracey Gray-Walker*, 45, was promoted to chief diversity officer from vice president of business development and opportunities.

Citadel Investment Group: *Patrik Edsparr*, 42, joined as chief executive, Citadel Europe, based in New York and London. He was formerly global head of rates, securitized products, proprietary positioning and principal investments at J.P. Morgan Chase & Co.

Laurus-Valens: *Jay Drezner*, 36, joined as senior investment analyst. He was formerly a director at Credit Suisse Securities USA.

Northfield Bank: *Joan Dalton*, 60, joined as vice president and area manager for Bay Ridge, Brooklyn. She had been vice president and area manager, Bay Ridge, at Independence Community Bank.

Outside Ventures: *Nathan Spiegel*, 36, joined as director of underwriting, credit and risk. He had been vice president of finance and risk management at United Bank Card.

RBC Capital Markets: *Vito Sperduto*, 39, joined as managing director. He was formerly managing director at CIBC World Markets.

Stephens Inc.: *Ann Poole*, 36, joined as senior analyst. She had been a senior analyst at Nollenberger Capital.

HIGH TECH & NEW MEDIA

WGSN: *Carolyn Cohen*, 45, was named vice president of strategic client services, a new position. She had been vice president and general merchandise manager at Marc Ecko Enterprises.

HOSPITALITY & TOURISM

Impulsive Group: *Jeffrey M. Stegman*, 38, was named general manager of the Sanctuary Hotel. He was formerly general manager at the Duane Street Hotel.

LAW

Dechert: *Kevin P. Scanlan*, 37, joined as partner. He had been partner at Orrick Herrington & Sutcliffe.

McKee Nelson: *Thomas Glushko*, 52, was promoted to partner from counsel.

Phillips Nizer: *N. Ari Weisbrot*, 39, joined as partner. He was formerly an associate at Shapiro & Crowland.

Seyfarth Shaw: *Neil A. Capobianco*, 43, joined as partner. He had been of counsel at Greenberg Traurig.

Brian S. Cousin, 34, joined as partner. He had been a shareholder at Greenberg Traurig.

HOT JOBS

WANTED: DIRECTOR OF DEVELOPMENT

SCHOOL John Jay College of Criminal Justice

JOB DESCRIPTION Manage office, supervising directors of community, corporate and alumni relations and other staffers

MOST IMPORTANT TASKS Oversee fundraising activities and expand through outreach and relationship-building

CREDENTIALS NEEDED College degree and eight years of fundraising experience

SALARY \$80,020 to \$95,997

RECRUITER Internal

DOWNSIDE Challenge of finding donations and other funding in a shrinking economy

UPSIDE Benefits of working for a City University of New York school

John Jay seeks millions to fund President Jeremy Davis' plans to improve its campus and hire more full-time professors. Because graduates become police officers and other government employees, the school lacks wealthy alumni. The new director must find some deep pockets.

—ANDREW BUCK

Jonathan E. Goldberg, 37, joined as partner. He had been of counsel at Greenberg Traurig.

Sidley Austin: *Timothy Treanor*, 40, joined as partner. He was formerly deputy chief, organized crime, in the U.S. Attorney's Office for the Southern District of New York.

Sonnenschein Nath & Rosenthal: *Lisa Weiss*, 49, joined as partner. She had been partner at Morrison & Foerster.

MEDIA & ENTERTAINMENT

Broadcast Music Inc.: *Jodi Saal*, 40, was promoted to vice president, corporate planning from assistant vice president, business operations and technology.

Faith & Values Media: *Greg Nelson*, 32, was promoted to director of television and new media, a new position, from director of media operations.

Hachette Filipacchi Media U.S.: *Bennett Theimann*, 41, was appointed senior vice president and chief procurement officer, a new position. He had been chief financial officer at Cellfish Media.

New York Media: *Lanny Morris*, 35, was named event sponsorship sales director, a new position. He was formerly vice president, sponsorship sales, at HSM Group.

Oxygen Media: *Michael DuPont*, 41, was promoted to vice president of advertising sales from vice president of ad sales, East Coast.

Rainbow Media Holdings: *Jeremy Elice*, 30, was promoted to vice president of original programming from director of development, AMC.

Ben Davis, 27, was promoted to director of development and current series for AMC from manager of development.

Real Simple magazine: *Judy Sage*, 39, joined as executive beauty director. She had been executive beauty director at *Health* magazine.

Scholastic Corp.: *Michael Hansen*, 46, was appointed executive vice president and president of book fairs and international. He was formerly president and chief executive at Harcourt Assessment Inc.

Thirteen/WNET New York: *Stephen Segaller*, 54, was promoted to vice president of national production, a new position, from director of news and public affairs.

Kellie Specter, 46, was promoted to director of communications from director of corporate and media

relations.

Time Inc. Media Group: *Stella Araya-Weil*, 39, was named corporate sales director. She had been consumer goods director at Martha Stewart Living Omnimedia.

TNS Media: *Dean DeBiase*, 49, joined as chief executive. He was formerly chairman and chief executive of Fathom Online.

REAL ESTATE

Brown Harris Stevens: *Louis Cerny*, 46, joined as vice president of management accounting. He was formerly a principal at Redirect Consulting, which he co-founded.

CresaPartners: *Kenneth B. Witler*, 46, joined as vice president. He had been director of brokerage services at Cushman & Wakefield.

Grubb & Ellis Co.: *Gary Schwartzman*, 57, was promoted to managing director from associate managing director.

Praedium Group: *David Dorwell*, 30, joined as vice president of acquisitions, Midwest region. He had been an associate director at GE Real Estate.

SERVICES

The American National Standards Institute: *George Gulla*, 53, was appointed vice president of publications. He was formerly vice president and general manager, reference market services, at Standard & Poor's.

Big Brothers Big Sisters of NYC: *Ruth Raibblott*, 38, was promoted to associate executive director, a new position, from senior director.

LifeAt: *Matthew Goldstein*, 29, was promoted to chief executive from chief operating officer.

Rockefeller Foundation: *Ellen Taus*, 49, joined as chief financial officer. She had been chief financial officer at Oxford University Press.

—ADRIANNE PASQUARELLI AND SARAH STUDLEY

EXECUTIVE PROMOTIONS

Crain's lists the promotion and hiring of New York area senior executives on a space-available basis, with priority given to positions in New York City.

The fastest way to get an announcement into *Crain's* is to submit details online by filling out the form at www.craainsnewyork.com/submit. The Executive Moves column is also available online.

Crain's cannot confirm receipt of listings or say when they will appear.

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by Bob Lape



TAKE TWO: Chef Kevin Cahill, one of the choice hires made by owners Barbara and Paul Abramsky, has created a menu that refers to familiar classics and gives them a bit of flair.

A delicate-sen transformation

Avon Bistro makes solid first impression with tempting design, food; great bar fare

IGNORE THE YEAR-OLD scaffolding hugging the building and seek out Avon Bistro, a delightful modern American newcomer in midtown East. This multipurpose destination is good for impromptu pit stops for drinks and tempting bar food or for refined, reasonably priced dining.

It's also a sleeper trembling on the brink of discovery as early explorers become regulars and crank up the word-of-mouth.

The spot is a sea change for owners Barbara and Paul Abramsky, whose Avondale Deli formerly occupied the space. The Abramskys commissioned Scott Bromley (Studio 54) for a major face-lift, snagged a savvy young general manager-wine maven (Steve Remming) and capped their sound choices with chef Kevin Cahill.

His food is internationally accented American, reassuring in its familiarity and seasoned with flair but with a reverence for flavor. Mr.

Cahill has a real way with cassoulet, and with stews and paellas of all variations.

After 21 years at home on the range, Mr. Cahill can stop you with Bar Bites (most are \$4 to \$6) like pulled pork belly with currant pancakes, sliders and artichoke-Parmesan tartlets. The bartender choruses with thoughtfully concocted libations featuring fresh juices. A noteworthy burger is layered with Gruyère and house-made pickles. House-marinated onions feature in some cocktails.

Move on to the sleek, 50-seat dining room with its rich horizontal stripes of glossy maple and walnut, and Mr. Bromley's seductive theatrical lighting design. The restaurant is noisy when full. Lunch has a busy, buzzy atmosphere; dinner business is still growing.

Avon's appetizers (\$9 to \$13) give further proof of the kitchen's confidence. Brandade of cod and mashed potatoes is not uncommon, but the herbed crostini and compote of tomato and onion served with it are. Sage gnocchi in brown butter is elevated by Swiss chard, roasted carrots and aged goat cheese. Mussels with curried cream and shallots is another fine starter.

Spinach salad can be found on

any menu, though not with a Parmesan crisp and dressing that combines grapefruit, avocado and pine nuts. The ever-changing seasonal soups include an impressive blend of puréed potato and broccoli rabe folded in a vegetable broth with a topping of crème fraîche.

Loving the entrée of seared diver scallops with braised leeks, curried cauliflower and salsa verde, four guests had it served as an appetizer on their next visit. Good strategy.

Portion sizes at Avon Bistro are modest but satisfying. The seafood paella served with saffron rice is a diverse, hefty dish. Lamb and farro fricassee, slow-roasted in a clay pot with French beans, is also a filling and pleasing proposition, as are succulent braised beef short ribs served with celery root-and-potato gratin.

The obligatory chicken dish is not a conventional roasted one but a cashew-crust and juicy breast presented with a warm quinoa-and-currant salad and the spicy chocolate sauce known as mole.

Roasted rack of lamb is basted with currant demi-glace and accented with sautéed bok choy and puréed sweet potatoes. And a nicely grilled, thick-cut pork chop—enough to take home—arrives ringed by horseradish fries and frisée salad with a fig vinaigrette.

The Avon Bistro kitchen's sweet stylings (\$8) include an always-changing trio of small *pots de crème*—blueberry, cinnamon and passion fruit, for example—and a *panna cotta* redolent of orange blossom and cinnamon, with hazelnut cookies on the side.

Service is welcoming. Mr. Remming, who knows his way around the short but discriminating wine list, recommends perfect pairings. Some low-end markups are high, though.

COMMENTS? cnyb@crain.com

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Monteverde at Oldstone Manor ★★★★★
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28 Bear Mountain Bridge Road (Route 6), Cortlandt Manor, N.Y. (914) 739-5000. Chef Neil Ferguson and service ace Glenn Vogt spark a transformation of the 1760 Van Cortlandt mansion high above the Hudson.

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115 Allen St. (at Delancey Street), Manhattan. (212) 263-5400. The four-star Monteverde team does double duty with a comfortably crowded mecca for wonderful food

and a warm welcome at the early crossroads of immigration.

Dovetail ★★★★★
103 W. 77th St. (between Columbus and Amsterdam), Manhattan. (212) 362-3800. Elegant service and wines match the inspired cooking of ex-Compass chefs John Fraser and Vera Tong.

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