

2012

Year In Review



LucoskyBrookman

Lucosky Brookman and its clients had a very active year in 2012. As in 2011, throughout 2012 the Firm continued to advance the interests of its clients by guiding them through a wide variety of corporate finance, lending and securities transactions. While the micro, small and mid-cap markets have begun to rebound from the low level of transaction activity seen in the past few years, the markets have not yet fully recovered. As the economic environment improves, the Firm and its diverse range of practice areas will continue to provide a cost-effective means of supporting its clients by advancing their business interests while protecting their legal rights.

In 2012, the Firm represented numerous clients structuring and negotiating various merger transactions, alternative public offerings, S-1 Registration Statements, Form 10 Registration Statements, Equity Credit Facilities, Senior Secured Credit Facilities and various other private equity, venture capital, corporate finance and PIPE transactions. In addition, the Firm expanded its reach by providing for the protection of its clients through litigation, arbitration and dispute resolution. The Firm assisted clients in diverse industries including the technology, biotechnology, energy, alternative energy, metals and mining, food services, software, jewelry, nutrition, insurance and banking sectors.





Lucosky Brookman currently represents over 45 public operating companies ranging from companies listed on the NYSE, the NASDAQ and the NYSE Amex to companies quoted on the OTC Bulletin Board, OTCQB and Pink Sheets. In addition, the Firm represents numerous private equity funds, banks and other financial institutions in connection with equity and debt financings.

The Firm has successfully represented clients throughout 2012 in connection with the following:

27 Registration Statements

7 Merger transactions

53 Equity, Debt and Convertible Note investments

24 Senior Secured Credit Facilities and Loan Agreements

17 FINRA Corporate Related Actions

21 Litigation, Arbitration and Dispute Resolution matters

9 DTC Deposit Chill representations



The Firm had many milestones and significant achievements in 2012, including the following:

Joseph Lucosky Chosen as a Member of the 2012 New Jersey Law Journal “New Leaders of the Bar”, formerly known as the “40 Under 40”.

Among other criteria, the “New Leaders of the Bar” list recognizes the top attorneys under the age of 40 whom have achieved expertise in their respective practice areas, whom are leaders in their industries, and who’s command of the law has been acknowledged by their peers and clients resulting in exceptional business generation. Mr. Lucosky’s inclusion on this prestigious list is a reflection of his skills and dedication to the Firm and its clients. He has a broad multidisciplinary practice that includes extensive experience in negotiated mergers and acquisitions including reverse mergers; domestic and cross-border investments/joint ventures; the representation of private equity, venture capital and other private investment funds; securities offerings; private and public financings including secured and unsecured lending; bankruptcy transactions; real estate matters; and various other types of commercial transactions. In addition, Mr. Lucosky is a personal adviser to many business leaders, corporate executives and members of boards of directors. Prior to forming Lucosky Brookman, Mr. Lucosky practiced at Seward & Kissel LLP and Cahill Gordon & Reindel LLP where he represented Fortune 500 companies and bulge bracket investment banks in a wide array of equity and debt securities transactions, bank financings and mergers and acquisitions.

Lucosky Brookman Signed Lease for New Main Office to be Located in Woodbridge, New Jersey; Opening in June 2013.

The Firm signed a new five year lease and is planning the relocation of its Iselin, New Jersey office to 101 Wood Avenue South, Woodbridge, New Jersey 08830. The move, which will take place after completion of office construction, was initiated to accommodate the Firm’s growing client base and advancing business needs. The new Woodbridge office space will accommodate the Firm’s continued growth with state-of-the-art technology and conferencing capabilities. The new office will be approximately 5,500 square feet and will enable the Firm to employ in excess of 20 attorneys and staff members comfortably. The layout will feature 20 private offices with floor-to-ceiling windowed conference rooms, enabling the Firm to grow by adding additional attorneys and staff, expanding into diverse practice areas and hosting larger client conferences and meetings, including board and shareholder meetings.

New Partner Chosen to Join Lucosky Brookman and Lead new Direct Foreign Investment Practice Group.

Scott Kline has joined the Firm as a Partner. Prior to joining Lucosky Brookman, Mr. Kline was a Partner in the Corporate Finance and Asia Practice Groups in the Los Angeles, California office of Blank Rome LLP. Mr. Kline has also previously served as a Partner of Pillsbury Winthrop Shaw Pitman LLP and he has over 20 years of experience with international law firms, spending almost a decade practicing corporate and securities law at the highest levels. Mr. Kline’s prior experience as a Partner at two AMLAW 100 law firms representing large international companies, as well as his focus on direct foreign investment



in China and Hong Kong, complements the Firm's existing corporate finance and securities practice groups. Mr. Kline represents numerous companies and investor groups with business interests in China and various other countries, and he has served as corporate and securities counsel to multiple United States listed companies. Mr. Kline has developed a leading practice handling private equity investments and PIPEs for small and middle market companies seeking growth capital.

Lucosky Brookman Chosen as Designated Advisor for Disclosure (DAD) by OTC Markets Group. The Firm joins a select group of law firms chosen to become a Designated Advisor for Disclosure, also known as a "DAD". A DAD is selected by an OTCQX company, or a company applying to be on the OTCQX marketplace, to serve as a securities professional knowledgeable in both the disclosure requirements of United States securities laws and the most effective investor communications practices. In order to qualify to become a DAD, a law firm must submit an application to OTC Markets Group demonstrating evidence that the Firm and its partners have reached a level of expertise and experience which would allow the law firm to adequately advise companies on the OTCQX. The OTCQX is the premier marketplace offered by OTC Markets Group that allows companies to better engage United States investors via an innovative trading, quotation and disclosure venue for the United States Over-the-Counter (OTC) market. Appointment as a DAD is another positive step forward for the Firm and the public companies it represents. Being accepted as a Designated Advisor for Disclosure strengthens the Firm's ability to continue to assist its clients reach the next level.

Lucosky Brookman Approved as Preferred Legal Counsel to Private Equity Funds focusing on Secured Lending. The Firm's strong Banking and Finance Practice Group has significantly expanded in 2012 after having been approved by several Private Equity Funds as Preferred Legal Counsel for secured lending transactions. The Banking and Finance Practice Group, led by Founding Partner Seth Brookman, concentrates on secured lending and represents both lenders and borrowers, including commercial banks, private equity funds, public and private companies, and high net worth individuals, among others. In 2012, the Firm closed over 20 Senior Secured Credit Facilities and other secured lending transactions ranging in size from \$200,000 to \$10,000,000.

Lucosky Brookman Opens Los Angeles, California Office in December 2012. The Firm opened its first office on the west coast in Los Angeles, California. New Partner Scott Kline heads the Los Angeles, California office. California is a geographically important area in the small cap and middle markets. Opening an office on the west coast greatly enhances service to the Firm's growing and diverse client base. The new California office space will accommodate the Firm's continued growth by enabling the Firm to employ additional attorneys and staff to specifically support west coast clients as well as supporting the Firm's expansion into more diverse practice areas.



CORPORATE AND SECURITIES

Corporate, securities, mergers and acquisitions, equity investments and other strategic transactions continued to be a significant part of the Firm's practice in 2012.

A representative sample of the Firm's 2012 corporate and securities transactions include the following:

Representation of a publicly-traded South Carolina -based medical device manufacturer in connection with certain Subscription Agreements and the issuance of Convertible Promissory Notes in the aggregate principal amount of \$450,000 and Common Stock Purchase Warrants to two private high net worth investors.

Representation of a publicly-traded New Jersey-based food manufacturing, processing and distribution company in connection with a \$1,500,000 Equity Credit Facility and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a London-based private equity fund in connection with a \$7,500,000 Equity Facility Agreement by and between the private equity fund and a publicly-traded distributor of specialty drugs and over-the-counter branded multivitamins to the healthcare provider market.

Representation of a publicly-traded independent Nevada-based lithium exploration and mining company in connection with a \$2,500,000 Financing Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a foreign information technology company in connection with a reverse merger, certain PIPE financings, certain other offerings, and the company's up-listing from the OTCBB to the NASDAQ Global Select Market.

Representation of a publicly-traded California-based producer and supplier of cellulose-based renewable liquid fuels and products in connection with a \$2,000,000 Equity Facility Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a foreign steel manufacturing company in connection with a reverse merger, concurrent PIPE financing and up-listing to the NASDAQ Capital Market.

Representation of a publicly-traded Florida-based provider of prescription pharmaceuticals in connection with a \$2,000,000 Financing Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a foreign private issuer and provider of high speed rail automation systems in connection with the company's up-listing to the NASDAQ Global Select Market following its merger with a United States special purpose acquisition company.



Representation of a publicly-traded Washington-based life science research and development company specializing in clean water technology in connection with a \$2,000,000 Equity Facility Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a foreign construction materials company in connection with a reverse merger and concurrent PIPE financing, listing on the NYSE AMEX, follow-on shelf registration and public offering.

Representation of a publicly-traded New York-based biomedical technology company specializing in vascular regeneration in connection with a \$2,000,000 Equity Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a biopharmaceutical company in connection with certain PIPE financings, debt offerings and an up-listing to the NASDAQ Global Select Market.

Representation of a publicly-traded New York-based water filtration company in connection with a \$2,000,000 Equity Facility Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a technology company in connection with an up-listing to the NYSE, certain public offerings and the company's subsequent going-private transaction via a tender offer.

Representation of a publicly-traded New York-based integrated marketing company in connection with a \$2,000,000 Common Stock Purchase Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a foreign automobile and electric vehicle company in connection with a reverse merger and a concurrent PIPE financing.

Representation of a publicly-traded Wisconsin-based pharmaceutical company in connection with a \$2,000,000 Equity Facility Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a global energy company specializing in the exploration, development and operation of oil properties in Africa in connection with certain debt and equity investments.

Representation of a publicly-traded Colorado-based nutritional supplement company in connection with a \$3,000,000 Equity Facility Agreement and the registration of the company's common stock on Form S-1 Registration Statement.

Representation of a United States-based company with operations in Hong Kong in connection with its tax-exempt restructuring and reorganization in Hong Kong.



Representation of a publicly-traded New York-based medical device, technology and services company in connection with a \$2,000,000 Equity Facility Agreement and the registration of the company's common stock on a Form S-1 Registration Statement.

Representation of a website development company in registering shares of the company's common stock on a Form S-1 Registration Statement.

Representation of a publicly-traded New York-based medical technology company specializing in the diagnosis of high risk and malignant breast disease in the registration of a class of the company's common stock on a Form 10 Registration Statement.

Representation of a publicly-traded Georgia-based technology company specializing in the development and creation of wireless communication devices in connection with a \$1,100,000 acquisition of a social media company.

Representation of a publicly-traded Georgia-based technology company specializing in the development and creation of wireless communication devices in connection with an Equity Financing Agreement and the registration of certain shares of the company's common stock on a Form S-1 Registration Statement.

Representation of a publicly-traded company specializing in design, research and development of three-dimensional imaging devices and systems in connection with a re-incorporation merger from Nevada to Delaware, including a merger and a name and symbol change.

Representation of a private technology company specializing in electronic and electromagnetic components and sub-assemblies in connection with a private placement of the company's common stock, including a Subscription Agreement and a Common Stock Purchase Warrant.

Representation of a private Nevada-based company specializing in mobile wagering in connection with a \$1,100,000 private placement of certain debt securities, including a Subscription Agreement, Convertible Promissory Note and Common Stock Purchase Warrant.

Representation of a private company specializing in online social ticketing in connection with a \$500,000 private placement of certain debt securities, including a Subscription Agreement and Convertible Promissory Note.

Representation of a broker-dealer in connection with a \$3,000,000 private placement of certain equity securities, including the drafting of a Private Placement Memorandum, Subscription Agreement, Common Stock Purchase Warrant, Operating Agreement and Joinder Agreement.

Representation of a private company specializing in the manufacturing and distribution of cooling tower water conservation technology in connection with a reverse merger, including the drafting of a Share Exchange Agreement and the issuance of a \$1,300,000 Convertible Promissory Note.

Representation of private equity fund, as purchaser, in connection with a Securities Purchase Agreement by and between the private equity fund and a publicly-traded healthcare services company, including the issuance of Convertible Promissory Note.



Representation of a New Jersey-based sports development, engineering, manufacturing and construction company specializing in designing and building athletic facilities, as well as the manufacturing of high-end synthetic turf products, in connection with a private placement of the company's equity securities.

Representation of a publicly-traded alternative energy provider in connection with the registration of shares of the company's common stock on a Form S-1 Registration Statement.

Representation of a publicly-traded nutritional supplement company in connection with an Equity Facility Agreement and a Common Stock Purchase Warrant, including the registration of shares of the company's common stock on a Form S-1 Registration Statement.

Representation of a producer of pop culture, comic book and multimedia conventions in a reverse merger and \$2,000,000 alternative public offering of the company's preferred stock and common stock warrants.

Representation of a Massachusetts-based private equity fund, as purchaser, in connection with a Securities Purchase Agreement by and between the private equity fund and a publicly-traded software development and services company, including the issuance of a Convertible Promissory Note.

Representation of a private manufacturer of fashion accessories in a reverse merger with a publicly-traded vehicle including the purchase of certain assets in connection therewith.

Representation of a Massachusetts-based private equity fund, as purchaser, in connection with a Securities Purchase Agreement by and between the private equity fund and a publicly-traded New Jersey-based jewelry design and manufacturing holding company, including the issuance of a Convertible Promissory Note.

Representation of a publicly-traded New Jersey-based company specializing in business software and information technology consulting in connection with the purchase of certain assets of a private company engaged in developing and selling enterprise resource planning software applications.

Representation of a publicly-traded Hungary-based technology holding company in a merger and acquisition and share exchange of the company's preferred stock.

Representation of a New York-based private equity fund in connection with a Subscription Agreement by and between the private equity fund and a publicly-traded technology company, including the issuance of a Convertible Promissory Note and a Common Stock Purchase Warrant.





BANKING AND FINANCE

The Firm's Banking and Finance Practice Group continued to expand its representation of both lenders and borrowers, including banks, private equity funds and public and private companies, in connection with secured and unsecured lending transactions throughout 2012.

A representative sample of the Firm's 2012 banking and finance transactions include the following:

Representation of a private equity fund in connection with a \$5,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a private publishing and communications company, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower.

Representation of a New York-based private equity fund in connection with a \$2,000,000 Senior Secured Loan Agreement and a \$3,000,000 Common Stock Purchase Agreement, each executed concurrently by and between the private equity fund, as lender and purchaser, and a private provider of wireless technology, as borrower and seller.

Representation of a private equity fund in connection with a \$5,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a Florida-based private aircraft charter company, as borrower, advanced in several tranches and collateralized by, among other things, a pledge of shares and a first priority security interest in all assets of the borrower.

Representation of a publicly-traded New Jersey-based aircraft technology and communications company in connection with the issuance of a \$600,000 Senior Secured Convertible Promissory Note and a Common Stock Purchase Warrant.

Representation of a publicly-traded New Jersey based wholesale jewelry manufacturer in connection with a workout and restructuring of the company's senior secured debt.

Representation of a private equity fund in connection with a \$2,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a private energy lighting solutions company, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower.

Representation of a publicly-traded independent US-based lithium exploration and mining company in connection with a senior secured loan transaction wherein a private equity fund advanced \$250,000 to the company for general working capital purposes.



Representation of a publicly-traded food manufacturing, processing and distribution company in connection with a senior secured loan transaction wherein a private equity fund advanced \$250,000 to the company for general working capital purposes.

Representation of a publicly-traded California-based producer and supplier of cellulose-based renewable liquid fuels and products in connection with a senior secured loan transaction wherein a private equity fund advanced \$300,000 to the company for general working capital purposes.

Representation of a publicly-traded Florida-based provider of prescription pharmaceuticals in connection with a senior secured loan transaction wherein a private equity fund advanced \$500,000 to the company for general working capital purposes.

Representation of a private equity fund in connection with \$3,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a private provider of credit card processing systems and certified payment gateways, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower.

Representation of a publicly-traded life science research and development company specializing in clean water technology in connection with the issuance of a Senior Secured, Redeemable, Convertible Promissory Note.

Representation of a private equity fund in connection with a \$5,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a publicly-traded distributor of specialty drugs and over-the-counter branded multivitamins to the healthcare provider market, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower.

Representation of a publicly-traded New York-based biomedical technology company specializing in vascular regeneration in connection with a senior secured loan transaction wherein a private equity fund advanced \$500,000 to the company for general working capital purposes.

Representation of a private equity fund in connection with an Amendment to a \$5,000,000 Senior Secured Revolving Credit Facility Agreement, by and between the private equity fund, as lender, and a publicly-traded distributor of specialty drugs and over-the-counter branded multivitamins to the healthcare provider market, as borrower.

Representation of a publicly-traded New York-based water filtration company in connection with the issuance of a Senior Secured, Redeemable, Convertible Promissory Note, wherein a private equity fund advanced \$275,000 to the company for general working capital purposes.

Representation of a private equity fund in connection with an Amendment to a \$4,000,000 Senior Secured Revolving Credit Facility Agreement, by and between the private equity fund, as lender, and a publicly-traded Florida-based provider of medical laboratory services, as borrower.



Representation of a private equity fund in connection with a \$3,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a Maryland-based private equity fund, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower and certain third-parties.

Representation of a London-based private equity fund in connection with a \$2,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a publicly-traded software manufacturer, as borrower, advanced in several tranches and collateralized by, among other things, a first priority security interest in all assets of the borrower.

Representation of a publicly-traded New York-based integrated marketing company in connection with a senior secured loan transaction wherein a private equity fund advanced \$350,000 to the company for general working capital purposes.

Representation of a publicly-traded Wisconsin-based pharmaceutical company in connection with a senior secured loan transaction wherein a private equity fund advanced \$350,000 to the company for general working capital purposes.

Representation of a publicly-traded New York-based medical device, technology and services company in connection with the issuance of a Senior Secured, Redeemable, Convertible Promissory Note, wherein a private equity fund advanced \$375,000 to the company for general working capital purposes.

Representation of a London-based private equity fund in connection with a \$4,000,000 Senior Secured Revolving Credit Facility Agreement by and between the private equity fund, as lender, and a publicly-traded Florida-based provider of medical laboratory services, as borrower, advanced in several tranches and collateralized by, among other things, all assets of the borrower.

Representation of a publicly-traded nutritional supplement company in connection with a senior secured loan transaction wherein a private equity fund advanced \$750,000 to the company for general working capital purposes.





Throughout 2012, clients increasingly engaged the Firm to represent their interests in connection with commercial and securities litigation, arbitration and dispute resolution matters.

A representative sample of the Firm's 2012 litigation, arbitration and dispute resolution matters include the following:

Representation of a private California-based pharmaceutical compounding company in a civil action, filed by a lender in the New York State Supreme Court, involving borrower's purported default on a senior secured loan, wherein the Firm negotiated a beneficial settlement for the borrower, yielding over a \$400,000 savings, based upon a novel usury argument.

Representation of a private company against an individual claiming to be owed a finder's fee, wherein the Firm negotiated a beneficial settlement for the company resulting in a \$96,000 savings to the company.

Representation of a private company in a civil action, filed by an equity investor in the Superior Court of the State of California, involving the company's purported breach of certain Subscription Agreements, wherein the Firm negotiated a beneficial settlement for the company.

Representation of a publicly-traded company in connection with the settlement of various disputes by and between the company and sixteen individual investors relating to ratchet and other anti-dilution provisions contained in various Common Stock Purchase Warrants.

Ongoing representation of a special committee of independent directors relating to various allegations of breach of fiduciary duties brought by a group of minority shareholders.

Representation of a South Carolina publicly-traded medical device manufacturing company in an arbitration matter pertaining to breach of contract brought by the company against the company's principle manufacturer, resulting in a \$1,000,000 judgment in favor of the company.

Ongoing representation of a publicly-traded company and its Chief Executive Officer in the defense of certain securities claims brought by the Securities and Exchange Commission.

Representation of a publicly-traded company and an investor in responding to FINRA investigation inquiries relating to certain trading activities with respect to the company's common stock, resulting in FINRA withdrawing from proceeding against the company and the investor.

Ongoing representation of a financial consultant in the defense of a breach of contract claim brought by a publicly-traded company.

Corporate, Securities, Banking and Finance

Public Offerings	Corporate and Commercial Transactions
Private Placements / PIPEs	General Corporate Matters
Equity Lines of Credit	Corporate Governance
Recapitalizations (Reverse / Forward Splits)	Term and Revolving Lending Transactions
Rule 144 Matters	Asset-based Lending Transactions
Mergers and Acquisitions	Revolving Lines of Credit
Acquisition Financings	Letter of Credit Transactions
Joint Ventures	Bridge Loans
NYSE, NASDAQ and NYSE Amex Listing Matters	Workouts, Reorganizations and/or Loan Sales
Exchange Act Reporting and Other SEC Compliance Matters	Registration Statements (S-1, S-3, S-4, S-8, Form 10)
OTC DAD Compliance	DTC Deposit Chill Representation

Litigation and Arbitration

Commercial / Business Litigation and Arbitration
Securities Litigation and Arbitration
Administrative Actions before Regulatory Agencies
Regulatory Investigations (SEC / FINRA / PCAOB)
Labor and Employment Litigation

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