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Legal alert

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New SGR Members Elected

Congratulations to **Heather M. Eichenbaum** and **Richard C. Klein**, who have been elected members of Spector Gadon & Rosen, P.C. According to Firm chairman Steven F. Gadon, "We are very pleased to welcome Heather, who has been with the firm her entire career, and Rich, who had his own firm for many years, to membership in Spector Gadon & Rosen. Both have thriving practices in very interesting areas of the law and are important contributors to this Firm."

Richard C. Klein is Chair of the Family Law group in the Moorestown, NJ office. Mr. Klein has practiced family law in South Jersey for 34 years. The early days of his practice coincided with a period of turmoil for the American family, in which divorce and custody issues became increasingly common. As these cases accumulated on his desk, Klein made the decision to focus exclusively on family law.

Three decades later, he is well known for his experience dealing with complex divorce and issues such as child custody evaluations, response to the growing demand for family court input, allegations of physical, emotional, and sexual abuse within the context of visitation and custody disputes, and the provision of services pertaining to children resistant to visitation and possible "parental alienation syndrome."

Mr. Klein has extensive experience serving as a source of legal expertise for the media. He has appeared on ABC's *Good Morning America* and *World News Tonight*, CNN's *Sonya Live*, BBC's *Moneyline*, and WHYY's *Radio Times* as well as numerous appearances as the guest legal analyst for CN8's *Its Your Call with Lynn Doyle*. He has been profiled or quoted in articles in many local and national newspapers. His involvement

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In This Issue

Jersey Rocks Moorestown Open House

At the New Jersey Open House, Drew Molotsky and Samantha Evian of the Firm's Family Law Group met up with Edward Fitzgerald, chair of the Corporate Group.

Celebrating a move to larger, freshly designed office space within the same building, the Moorestown office of SGR held an open house for clients and attorneys in late April.

Decor for the event was provided by local schoolchildren, who had entered the first annual SGR art contest with the theme of "South Jersey Rocks." More than 350 students in third through eighth grades entered artwork, using creativity to highlight what's terrific about the area they call home. Design themes ranged from gardens to lighthouses, the aquarium to the ocean. Three winners were selected by a panel of judges that included Alan Willoughby, Executive Director of Perkins Center for the Arts and Tom MacDonald, a local watercolorist. Rachel Grace, a fourth grader at Jaggard Elementary School, won for "Sea Life." Fifth grader Alia Rose Bertot of Moorestown Upper Elementary won for "Falling Rocks."

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Bell Atlantic Corporation vs. Twombly: Bar Raised for Pleading Requirements

The United States Supreme Court's recent 7-2 decision in Bell Atlantic Corp. v. Twombly, is a major victory for antitrust defendants. It appears to impose a heightened pleading requirement in antitrust cases, and may have a significant impact on pleading standards for other types of federal court complaints. At a minimum, the case is also likely to spawn additional litigation over its meaning.

To begin a lawsuit in federal court, a complaint need contain no more than "a short and plain statement of the claim showing that the pleader is entitled to relief." In an earlier decision that is routinely quoted because of the lenient standard it sets, the Supreme Court explained that, "the Federal Rules of Civil Procedure do not require a claimant to set out in detail the facts upon which he bases his claim." The complaint need only "give the defendant fair notice of what the plaintiff's claim is and the grounds upon which it rests." Conley v. Gibson, 355 U.S. 41, 47-48 (1957). In Twombly, the Supreme Court expressly rejected some of Conley's famous and oft-quoted language.

...the Court... made what had been a standard of evidence and proof into a standard of pleading.

Bell Atlantic and other regional telecommunications companies had been monopolies until the Telecommunications Act of 1996 removed their monopolies and imposed duties on them to facilitate entry of new competitors and encourage competition among them. A class of local subscribers sued them for violating section 1 of the Sherman Antitrust Act, which prohibits "every contract, combination …, or conspiracy, in restraint of trade …" Plaintiffs alleged that Petitioners had restrained trade (1) by engaging in parallel conduct to prevent entry of new competitors; and (2) by refraining from competing against each other. Plaintiffs expressly alleged that this behavior was pursuant to an agreement, and supported this assertion by specific allegations concerning the parallel behavior: to wit, petitioners' common failure to pursue attractive business opportunities in contiguous markets; a statement by a chief executive officer that competing in another Petitioner's territory might be lucrative, but did not seem right; numerous opportunities for Petitioners to communicate among themselves; and grounds for a motive for such an agreement.

The District Court dismissed the complaint for failure to state a claim, because parallel conduct alone does not prove a Sherman Act §1 violation, absent additional facts tending to exclude independent self-interested conduct as an explanation. The Second Circuit reversed. Relying on Conley, it held that it was possible that facts existed "… that would permit a plaintiff to demonstrate that the particular parallelism asserted was the product of collusion rather than coincidence." On further appeal, the Supreme Court, agreeing with the District Court, reversed the Second Circuit.

The Court viewed the complaint as alleging no more than parallel conduct. But parallel conduct can result just as easily from self-interested individual decision-making, which the Sherman Act does not prohibit, as from an illegal agreement. Therefore, proof of parallel conduct alone is insufficient to prove an antitrust violation, absent additional evidence of an agreement or conspiracy. In Twombly, the Court for the first time made what had been a standard of evidence and *proof* into a standard of *pleading*.

The Court held that, in order to state a Sherman Act §1 claim, the complaint must plead additional facts tending to negate the possibility that the actions were taken independently. This flows from a requirement that the complaint plead a factual context rendering the claim "plausible". The Court dismissed as "vague" and "conclusory" the fact that the complaint had alleged that the parallel conduct resulted from a conspiracy. The Court explained.

> "Without more, parallel conduct does not suggest conspiracy, and a conclusory allegation of agreement at some unidentified point does not supply facts adequate to show illegality. Hence, when allegations of parallel conduct are set out in order to make a §1 claim, they must be placed in a context that raises a suggestion of a preceding agreement, not merely parallel conduct that could just as well be independent action. …"

Although it denied it was doing so, Twombly appears to have enacted a heightened pleading standard, at least for antitrust cases. This appears from the exacting scrutiny to which the allegations were subjected, and ultimately found wanting. Significantly, it is hard to imagine what more a plaintiff could allege prior to discovery. Large businesses act through many agents, and conspirators are not known for making their machinations public. Yet the Court held that the complaint's factual allegations did not make the existence of an agreement to restrain trade at least "plausible" enough to warrant the discovery that would be necessary to prove its existence. If, as would appear, a party cannot plead a proper conspiracy unless it can allege the precise individuals who entered into it, when they did it, where they did it, and how they did it, then it will be extremely difficult

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Anti-Trust

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to frame a proper complaint for any kind of conspiracy involving significant business enterprises.

The true rationale for the decision is the Court's expressed concern over the costs and burdens of discovery in antitrust cases. The Court wants the complaint to have "heft" and "plausibility" before subjecting defendants to those burdens. Because of this expressed concern, the case may be limited to antitrust cases and have little impact on other types of cases. Even so limited, Twombly raises significant issues about how to frame a proper antitrust complaint. Unanswered is the question of how a plaintiff can allege, pre-discovery, sufficient facts tending to negate a legitimate explanation for anti-competitive conduct by businesses. These issues will likely generate significant litigation.

Moreover, the Court did not limit its holding, but went out of its way to reject the famous and oft-quoted language from Conley v. Gibson relied on by the Second Circuit (and by two generations of plaintiffs' lawyers). It seems likely that defendants will use Twombly to try to convince courts to apply a stricter standard for judging complaints. If successful, this will greatly benefit defendants, while placing additional burdens on plaintiffs in federal court. Even if not successful, we can expect to see increased litigation and accompanying costs, as these issues are litigated, as defendants file motions to dismiss they might not otherwise have filed, and as attorneys puzzle over how best to frame a complaint that passes muster

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At the Podium

Nancy Abrams spoke at the PBI Annual Employment Law Institute and is conducting Lorman Seminars on employment issues throughout the summer. *Nancy Abrams: 215-241-8894 or nabrams@lawsgr.com*

Peter Cripps participated in a panel discussion on Transition Strategies at The Entrepreneurship Institute. *Peter Cripps: 215-241-8884 or pcripps@lawsgr.com*

Samantha Evian presented a seminar on family law issues at the Women's Health Conference of Camden County. *Samantha Evian: 215-825-8940 or sevian@lawsgr.com*

Gregory Hyman was a presenter for a seminar hosted by Lorman Educational Services, titled Employment Law A to Z on May 22 in Philadelphia. *Gregory Hyman: 856-778-8100 or ghyman@lawsgr.com*

Stanley Jaskiewicz spoke on electronic information gathering at Temple University's Ambler Campus. *Stanley Jaskiewicz: 215-241-8866 or sjaskiewicz@lawsgr.com*

Alan Mittelman spoke on Estate Planning for Special Needs Families at the North Penn Special Education Council. *Alan Mittelman: 215-241-8912 or amittelman@lawsgr.com*

Drew Molotsky delivered a seminar titled "The Legal Basics of Separation and Divorce" at the Burlington County Women's Opportunity Center in Mount Laurel, New Jersey He also spoke at the Women's Health Conference of Camden County on family law issues. *Drew Molotsky: 856-778-8100 or dmolotsky@lawsgr.com*

Tim Szuhaj spoke at the Complex Intellectual Property Licensing seminar in Philadelphia. *Tim Szuhaj: 856-778-8100 or tszuhaj@lawsgr.com*

Tom Williams gave a presentation to NJ campground owners on "Business Killers – How to get your Business to the Next Generation." He also spoke at The Entrepreneurship Institute's Philadelphia/Delaware Valley Chapter on a panel on "Attracting & Retaining: Above and Beyond Traditional Compensation". *Tom Williams: 215-241-8813 or twilliams@lawsgr.com*

To book a speaker on any of these or other topics, please contact the attorneys directly.

Honors & Appointments

Suzanne Ilene Schiller was re-elected Secretary to the Board of Governors of The Print Center, a nonprofit gallery whose mission is to support printmaking and photography as vital contemporary arts and encourage the appreciation of the printed image in all its forms

Suzanne Ilene Schiller: 215-241-8911 or sschiller@lawsgr.com

Applause for SGR's Super Lawyers

We congratulate the following SGR attorneys, designated by their peers as Super Lawyers for 2007.

Leslie Beth Baskin
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Please visit www.lawsgr.com for full bios on each.

A Not So Black Tie Affair

Attorneys, clients, and spouses recently attended the Not-So-Black-Tie Affair, a fundraiser for the YMCA of Philadelphia & Vicinity. Attending from SGR were Stanley Jaskiewicz, a YMCA board member, Dan Dugan, Jennifer Ward Hampton, and Peter von Mehren.

The Firm bought a table at the Not So Black Tie Affair, held at the University of Pennsylvania Museum of Archeology & Anthropology. The event raised more than $280,000 for the YMCA of Greater Philadelphia. In addition to the Firm's sponsorship, both Jennifer Hampton's guests and Dan Dugan were successful bidders in the charity auction. Back row, l-r: Eve Sturtevant, Wade Hampton, Stanley Jaskiewicz, Patrick Howard. Front row, l-r: Angelo Gonzalez, Jennifer Ward Hampton, Dan Dugan, Ann and Peter von Mehren.

Congress Increases Minimum Wage

Following the lead of a number of states which increased their minimum wage rate in the past two years, Congress approved an increase in the federal minimum wage on May 24, 2007. The increase, the first since 1996, will go into effect in stages over the next two years. Effective July 24, 2007 the federal minimum wage will increase from the current $5.15 per hour to $5.85 per hour. It will increase again to $6.55 on July 24, 2008 and to $7.25 on July 24, 2009. This increase will have little effect on employers in Pennsylvania, New Jersey, Florida and Delaware, all of which raised their minimum wage rate in the past two years. The current minimum wage in Delaware is $6.65 and will increase to $7.15 on January 1, 2008. In New Jersey the minimum wage has been $7.15 since October 1, 2006. Employers in Florida must currently pay employees at least $6.67 per hour.

The recent increase in Pennsylvania differed depending upon the number of employees a company has. For employers who have the equivalent of eleven (11) or more full time employees, the minimum wage increased to $6.25 per hour beginning on January 1, 2007 and will increase again to $7.15 per hour

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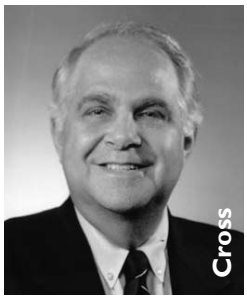
Jersey Rocks *continued from page 1*

Seventh grader Mary Kylee Smith of Neeta School in Medford Lakes won for "My Chemical Romance." Winners received a $500 U.S. Savings Bond plus a $500 check for their schools.

SGR attorneys George M. Vinci, Jr., and Richard C. Klein present Mary Kylee Smith with her South Jersey Rocks art show award. With them are, l-r, school board member Kelly Rickert, art teacher Mary Beth Wells, Neeta School principal Carol Rampage, and Dr. James Lynch, superintendant of Medford Lakes School District. Mary Kylee is a seventh grader whose entry was entitled "My Chemical Romance," lauded for its integration of New Jersey's history and symbols.

Purchase Price for Buy-Sell Agreements



When two or more people own a business it is imperative that they have a Buy-Sell Agreement which sets forth the terms by which an owner can sell his/her ownership interest back to the business. The establishment of a buy-out price if one of the owners desires to sell his/her ownership interest in the business is the most difficult issue in the Buy-Sell Agreement to negotiate and resolve. The following are alternative methods to consider to determine a selling owners purchase price:

- Establish a buy-out price annually for the business, with each owner signing off on the agreed annual valuation for the business. This requires that the parties do this on an annual basis before the price becomes outdated. Too often the parties never get around to doing it, or are unable on an annual basis to agree on a value for the business. This leaves the existing valuation which may not be what the owners want.
- Obtain an independent appraisal of the business each year.
- Define a formula approach to a business valuation: (i) most formulae will start with book value, and if a low valuation is being sought, will end at that point; (ii) some will make adjustments to the valuation of the business for the appraised value of specified hard assets, such as real estate, equipment and fixtures and, possibly, good will; (iii) other formulae will peg the valuation of the business to a multiple of earnings or income capitalization calculations.

...establishment of a buy-out price... is the most difficult issue in the Buy-Sell Agreement to negotiate and resolve.

Each of the above have their own advantages and disadvantages.

Often a Buy-Sell Agreement is funded with life insurance purchased by the business to assure that the business has the capability of making payments to the heirs of a deceased owner. Both life insurance and disability insurance can be acquired by the business to cover these events. However, the more difficult question is how do you fund the retirement or early departure of an owner? In these cases, terms of payment of the purchase price can be established by an agreement. For example, the owners may provide that the selling owner accept payment of the purchase price over five or ten years, with a specified interest rate, to assure that the business

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Disclosure Traps

No one would expect to get in trouble for disclosing information that has already become public. What harm could there be from opening the barn door, when the horse is already outside?

Yet that paradox could occur, due to the complex interplay of boilerplate confidentiality agreements, and the emerging law of privacy and "personally identifiable information" (such as medical records of employees, or social security information and credit history of employees or customers).

Most confidentiality agreements contain relatively standard exceptions, for when disclosure is permitted by the recipient, or the "Receiving Person," notwithstanding the agreement to keep information shared by the "Disclosing Person" confidential. For example, information already available to the public, or known by the Receiving Person at the time of disclosure by the Disclosing Person, is usually not treated as "confidential." Sometimes the same treatment applies to information independently developed by the Receiving Person (as long as confidential information was not used), or received from a third party not subject to any confidentiality obligation. If a governmental authority compels the Receiving Person to disclose – a subpoena, for example – the confidentiality duty may not apply either.

...businesses should consider modifying standard confidentiality forms...

But what if a disclosure permitted by one of these exceptions contains "personally identifiable information," that has become public (such as through a security breach, or which is available in a public records filing somewhere)? Even though the original Disclosing Person may have no claim against the Receiving Person for violation of the confidentiality agreement, paradoxically the Disclosing Person itself may be liable to a third party for a privacy law violation, because of the Receiving Person's permitted disclosure.

To prevent this problem in situations where personally identifiable information must be exchanged, businesses should consider modifying standard confidentiality forms to create "an exception to the exception." Several of the standard "permitted disclosures" should be subject to a "privacy override," that prohibits disclosure of personally identifiable information.

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Section 1031 Tax-free Exchanges – a Perspective – and Some Cautions

Congress long ago determined, as a policy matter, that gain on "like-kind" exchanges of real estate and certain other property would not be recognized (i.e., it would be deferred) if certain requirements were met. Unfortunately, however, unlike the situation with respect to an involuntary conversion (Section 1033) and certain other situations, Congress, in this area, chose to burden the statute with a series of highly-technical rules and other requirements which substantially frustrate this purpose and create many traps for unwary taxpayers.

Due to space limitations, this article will summarize just a few of the more glaring instances of this overly-burdensome statute:

1. **Numerical Requirements.** There are basically two numerical requirements. First, gain is recognized to the extent that the entire sales proceeds (including amounts used to satisfy indebtedness on the relinquished property) are not reinvested. Second, even if this full reinvestment occurs, there is the added requirement that the gain is recognized to the extent that all cash received from the sale is not reinvested. This rule permits the taxpayer to use mortgage financing to provide a portion of the funds for the replacement property but also requires that the taxpayer invest its own funds to the extent of cash received from the sale. Obviously, this arrangement encourages earlier debt financing on the relinquished property so that there will be less cash received at closing of the relinquished property. Certain creative planning is suggested by these rules.

2. **Timing.** There are strictly-construed time periods for acquiring the replacement property. First, the property must be identified within forty-five (45) days of closing on the relinquished property. Second, the purchase of the relinquished property must be closed within one hundred and eighty (180) days. (This time period is to be contrasted with the two year period which Section 1033 allows for replacement of involuntarily-converted property). Both of these requirements, particularly the first, seem unduly burdensome and totally unrealistic in the context of modern day real estate purchases and financing. The practical effect is that taxpayers are well advised to begin to search for replacement properties well before they close on the sale of the relinquished property.

3. **Qualified Intermediary.** Even more burdensome and arcane is the requirement that the proceeds from the sale of the relinquished property must be held by a "qualified intermediary" (essentially an escrow agent) with an array of technical requirements as to how that intermediary must handle the funds. Again, there is no such "escrow" requirement under Section 1033; nor was there any such requirement under the old Section 1034 which dealt with replacement of a personal residence (before the law was simplified to provide for a $500,000 exclusion - with no replacement requirement - for taxpayers who meet the statutory requirements). The practical effect of this "intermediary" requirement is simply to add an additional layer of transaction costs (including increased legal and accounting fees) to the transaction. One may question what other purpose this requirement serves.

4. **Partnership Interests.** Perhaps even more arbitrary and burdensome than the above requirements is the prohibition against the purchase of a partnership interest as replacement property. The statute specifically prohibits the purchase of a partnership interest even though the partnership in question owns no assets other than qualifying real estate (i.e. the statute specifically requires that the taxpayer acquire a direct interest in real estate and that the real estate be purchased by the very same taxpayer that sold the relinquished property). This requirement has spawned complex "structuring," including, most notably, the purchase of tenant-in-common (TIC) interests to satisfy this restriction against purchase of partnership interests. Again, this requirement is unrealistic in the modern world of real estate financing where larger properties are, for many practical reasons, typically purchased, owned and operated in a partnership (or LLC) structure. Therefore, all that this requirement accomplishes, again, is to add a substantial layer of compliance costs and legal uncertainty without serving any purpose that advances the philosophy of the statute.

5. **Agreements of Sale.** Although taxpayers generally think of the statute in terms of selling and purchasing fee interests in real estate, there is persuasive authority that permits a Section 1031 tax deferral in the case of the sale of an agreement of sale where the seller has not yet settled on the relinquished real estate. This approach has its own set of problems but may be effective in minimizing or eliminating transfer taxes and other costs. It is also helpful where the taxpayer has held the agreement for more than one year but would have to establish a new one year holding period were he to first settle on the underlying real estate.

SGR Caution. Given some of the complexities and costs involved in effecting a tax-free exchange, one might wonder whether tax-free exchanges are worth all the costs and trouble. In this regard, it should be remembered that, basically, Section 1031 simply permits a deferral (as opposed to an avoidance) of tax. Further, it should be noted that the tax cost (absent the replacement) is approximately fifteen percent of any gain realized if the property were, instead, sold (with an added ten percent to the extent of past depreciation). If we add state income taxes to the equation, the cost in Pennsylvania is about 18%. On the other hand, the "cost" of deferral is reduced depreciation on the replacement property; such depreciation would generally be applied against income taxable at "regular" rates-currently up to 35%; however, depending on the nature of the replacement property, the tax savings from such depreciation is spread out over 27 to 40 years. Thus, in present value terms (depending on interest rates) the taxpayer generally comes out ahead by deferring the taxes and, of course, there is much to be said for retaining the tax dollars and investing "Uncle Sam's money" in a productive asset. However, the important caution here is that (although counterintuitive), it may be better to pay the tax today rather than rush into an uneconomic or marginal deal simply to defer the tax.

SGR has worked with the many nuances of the above problems and can provide creative structures in these and numerous related situations.

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Informational Rights Within Pennsylvania Business Organizations

In Pennsylvania, business people can employ a variety of different forms, e.g., corporations, partnerships and limited liability companies, as the vehicle to conduct their business affairs. See, e.g., 15 Pa.C.S. § 1802(a)(1). A number of different factors influence what type of organizational structure business people choose to employ. The right of the various participants in the enterprise to obtain confidential financial and other organizational information is often not considered. However, if a dispute develops between the various participants in the enterprise, the chosen organizational form will have a substantial impact on the organization's ability to protect its financial and/or proprietary information from disclosure.

In a Pennsylvania corporation, shareholders have limited rights to corporate information. A shareholder must submit a written request to the corporation stating the reasons why he wishes to inspect corporate documents and establishing that the request is "reasonably related to the interest of the person as a shareholder". The statute further suggests that a shareholder's inspection rights may still be limited to a review of the corporation's share register, accounting records, and minutes of organizational meetings.

Corporate directors, as fiduciaries with obligations of loyalty and due care to the organization, have an almost unqualified right to obtain corporate information. For this reason, PA recognizes that a corporate director should be provided access to corporate information in most instances. The statute does provide, however, that corporate information need not be turned over to a director if the corporation can establish that the sought-after information is not reasonably related to a director's performance of his duties and/or is likely to be used for an improper purpose.

Informational rights within partnerships depend on the nature of the fiduciary relationships between the partners. In a general partnership, under the Uniform Partnership Act, 15 Pa.C.S. § 8301 *et. seq.*, a general partner owed and owing broad fiduciary duties, like a corporate director, has an almost unqualified right to access the partnership's books and other confidential information. Section 8333 of the Act states that partnerships "shall render on demand true and full information of all things affecting the partnership to any partner." This provision may be limited, however, by the suggestion in Section 8335 that a general partnership might be able to resist demands for financial information where it can be shown that the partner does not have a "good reason" for requesting that information.

In a limited partnership, a limited partner's right to obtain organizational information is generally governed by the terms of the partnership agreement. Nevertheless, in Pennsylvania, limited partners have a statutory right to inspect copies of (1) a current list of the names and addresses of each partner and limited partner; (2) the certificate of limited partnership and all amendments thereto, together with any executed copies of powers of attorney pursuant to which any certificate has been executed; (3) copies of the limited partnership's federal, state and local tax returns for the three most recent years; and (4) a copy of the effective written partnership agreement and of any financial statements for the three most recent years. If the limited partnership agreement is appropriately drafted, however, other attempts by a limited partner to review records may be severely limited.

Interestingly, members of limited liability companies have varying rights based on whether the company is organized with or without non-member managers. If the certificate does not contemplate managers, the members have the informational rights of general partners. Alternatively, where a limited liability company has managers, the managers have the informational rights of general partners and the members have the rights of a limited partner.

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...shareholders have limited rights to corporate information.

Buy-Sell Agreements *continued from page 5*

has the capability of meeting its current business obligations, as well as the obligations for payment of the purchase price to the retiring or departing owner. The owners should consider a reduced purchase price if the selling owner departs voluntarily before an agreed upon retirement age.

Buy-Sell agreements are usually vigorously negotiated between owners. The agreement should be done when the owners are beginning the business and are enthusiastic and looking forward to working together, and before work load, family considerations, or financials matters play into decisions. A Buy-Sell Agreement can be amended by all the owners, however, getting all of the owners to agree on a change after the agreement is signed often becomes difficult.

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New SGR Members *continued from page 1*

in several landmark second-hand smoking cases, custody cases, and issues concerning the Internet has received broad print and broadcast coverage.

Mr. Klein is chairman of the Domestic Violence subcommittee of the Burlington County Bar Association Family Law Section, past Chairman of the Camden County Bar Association Family Law Section, a trustee of the Camden County Bar Association from 1993 to 1996, a past member of the Executive Committee of the New Jersey State Bar Association Family Law Section, and a member of major family law committees on the county and state levels. In 1987, he was appointed to the select subcommittee of the New Jersey State Family Law Section for alimony, child support, and maintenance. He earned a J.D. from Rutgers University.

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Heather M. Eichenbaum is known internationally for her work handling defense and corporate matters for amusement venues such as Steel Pier, Holiday World, TRG10, LLC, Rides-4-U, Pyrotechnico, Reithoffer Shows, Moser Rides, and other national and international amusement related clients. She provides corporate assistance to amusement venues, employee training on safety and regulatory issues, customer service and incident reporting, as well as guidance on employment issues encountered in the amusement industry. Ms. Eichenbaum serves on the Board of the National Association of Amusement Ride Safety Officials and as its national legal counsel. She is a bi-monthly columnist for internationally-circulated *ParkWorld* magazine.

Ms. Eichenbaum also handles matters involving products liability, insurance, and subrogation claims in the Firm's Insurance and Casualty Litigation Department, commercial litigation matters, appellate cases and legal, medical and dental malpractice. Ms. Eichenbaum regularly serves as an Arbitrator with the Philadelphia Court of Common Pleas.

While earning her J.D. from Temple University School of Law, Ms. Eichenbaum clerked for The Honorable Charles R. Weiner, Senior Judge of the U.S. District Court for the Eastern District of Pennsylvania (Philadelphia). She previously served as an intern for both the Monroe County Public Defender's Office and the Monroe County District Attorney's Office (Rochester, NY) and as a teaching assistant at Temple University School of Law, where she taught legal writing and research.

Before entering the legal profession, Ms. Eichenbaum gained valuable experience in property management and human services. She also started and managed her own small business. She is currently putting this experience to work while serving her second term as President of the Board of Trustees of the Cotswolds Condominium Association and as Vice President of the Board of Trustees of the Hamlets Condominium Association.

Ms. Eichenbaum is a member of the American, Pennsylvania and Philadelphia Bar Associations and has been admitted to the bars of Pennsylvania, New Jersey, the Third Circuit Court of Appeals, the U.S. District Courts for the Middle District of Pennsylvania, the Eastern District of Pennsylvania, the District of New Jersey, and the Southern District of Indiana. She also regularly handles matters involving amusement and recreation venues in Florida.

Ms. Eichenbaum holds a J.D. with Honors from Temple University School of Law and a B.A. in political science and philosophy from the University of Rochester.

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Minimum Wage *continued from page 4*

beginning on July 1, 2007. For employers who have the equivalent of ten (10) or fewer full time employees, the minimum wage increased to $5.65 per hour beginning on January 1, 2007 and will increase again to $6.65 per hour beginning on July 1, 2007 and to $7.15 per hour beginning on July 1, 2008.

If the state rates remain unchanged, the federal minimum wage will exceed all of these state rates by July 24, 2009 and the federal rate of $7.25 will govern.

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