



# MHC TIMES

IN THIS ISSUE:

ISSUE 28 APRIL 2011

REBUILDING CONFIDENCE IN  
FINANCIAL SERVICES IN IRELAND

GROWING A WORLD-LEADING  
KNOWLEDGE ECONOMY FROM  
AN IRISH HUB

THIS ECONOMY'S GOT SMARTS!

MASON HAYES+CURRAN  
SERVING U.S. BUSINESS



Mason Hayes+Curran

# We are what we repeatedly do. Excellence is not an act, but a habit.

ARISTOTLE

Mason Hayes+Curran represented

## **Dragon Oil plc**

in the US\$1.9 billion recommended offer by Emirates National Oil Company for Dragon Oil plc



Mason Hayes+Curran represented

## **FL Partners**

in its acquisition of Sunseeker International (Holdings) Limited



Mason Hayes+Curran represented the

## **Liquidator of Budget Travel Limited**

in the sale of certain IP assets belonging to Club Travel Limited



Mason Hayes+Curran represented

## **LaCrosse Global Fund Services**

in its acquisition of Bank of America Merrill Lynch's global alternative fund administration business



Mason Hayes+Curran represented

## **Mylan Inc.**

in its US\$550 million acquisition of Bioniche Pharma Holdings Limited



Mason Hayes+Curran represented

## **Silicon Laboratories, Inc**

in its acquisition of ChipSensors Limited



Mason Hayes+Curran represented

## **Vedanta Resources plc**

in connection with its US\$1.34 billion acquisition of zinc mining interests



Mason Hayes+Curran represented

## **Berkshire Partners LLC; Advent International Corporation & Bain Capital Partners LLC**

in their US\$1.2 billion recommended offer for SkillSoft plc

**Berkshire Partners**

Mason Hayes+Curran represented

a consortium of investors on the successful acquisition of the regional airline

## **Aer Arann**

from Examinership



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Mason Hayes+Curran



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## EDITOR'S NOTE

Welcome to the 28th issue of MH+C Times. A lot has happened in Ireland since the last issue and some of the major changes are reflected in Christine O'Donovan's article 'Rebuilding Confidence in Financial Services in Ireland.'

Ireland continues to grow its footprint in the digital arena and Philip Nolan reviews some of this activity in his article 'This Economy's got Smarts!'.

Foreign Direct Investment is still a key area of focus and David O'Donnell and John Gulliver highlight some of the on-going benefits of Ireland as a European hub.

As ever we have a round-up of appointments and events and we close this issue with some parapsydokian humour.

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## Managing Partner's Diary



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Ireland has seen huge changes over the last number of months and much of it is positive including a newly elected Dail and Programme for Government, which will help to stabilise and position our country for the future. Financial indicators continue to strengthen with Ireland ranked as second in the world for Foreign Direct Investment and exports increasing month on month.

At Mason Hayes+Curran we believe it is incumbent on every business person in Ireland to be agents for change in rebuilding our economy. We continue to work closely with our clients in these challenging times and have increased our strength in depth by recruiting an additional 62 staff since January of 2010, including a number of new partners and consultants. We will continue to recruit in 2011 with a particular focus on our Tax, Litigation, Corporate and Financial Services department to ensure that we can support our clients and provide seamless service. Our focus is understanding the commercial objectives of our clients and working in partnership to develop the correct legal strategies to achieve those objectives.

In April this year we celebrate five years in South Bank House on Barrow St. This area of Dublin has transformed, since Mason Hayes+Curran was first formed in 1968. The main businesses at the time were Boland Flour Mill and the local Abatoir. Now we have the new Google Europe headquarters, National Performing Arts School, Willis Insurance and U2's The Factory studio, among many other high-profile tenants.

The transformation of business on Barrow St is a microcosm for the development of Ireland as a whole and despite current challenges we must remember that the Irish economy has made dramatic progress and continues to provide a natural home for organisations in sectors as diverse as the arts and technology.

Although Mason Hayes+Curran has been active in global markets for over 20 years, the last 12 months has seen strong investment into Ireland. Our work with international clients has increased with a number of companies investing in Ireland such as the new Irish office for Etsy and Zenimax. The M&A market is performing well and we ranked Top 5 in Ireland for volume of deals in 2010 by Mergermarket including Vedanta, La Crosse Global Fund Services and the BA / Iberia merger.

Mason Hayes+Curran is also investing in the local economy through our Pro Bono and Corporate Social Responsibility (CSR) programmes. We continue our focus on education and are supporting the new UCD Peter Sutherland Law School, a state of the art educational resource for law students, due to open in 2012.

We are positive about the future and despite challenges we see opportunity. As Ollie Rehn, Europe's Commissioner for Economic and Monetary Affairs, commented during his visit to Ireland late last year.

"The Irish are smart, resilient and stubborn people: they will get over this challenge and the EU is supporting them in that".

Our job is to live up to that reputation.

EMER GILVARRY

# Rebuilding Confidence in Financial Services in Ireland



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The Eurogroup and ECOFIN Ministers in their statement on 21 November 2010 acknowledged the need to build on the strong fundamentals of the Irish economy. Whilst acknowledging the measures taken prior to November 2010 to address the difficulties in the Irish banking sector, one of the pillars of the programme was and remains the need to strengthen and to carry out a comprehensive overhaul of the banking system – including deleveraging and restructuring. Matthew Elderfield, Head of Financial Regulation at the Central Bank of Ireland in an address on March 22, 2011 commented that “to enable the Irish banks to meet the required international metric of liquidity, the Irish banking system will have to be slimmed down and right-sized over time.”

Following recent elections, the new Government and the Central Bank are actively implementing new legislation and regulatory measures to fulfil our commitment to overhaul, right-size and improve the banking system.

This Article provides a timely summary of the key legislative and regulatory measures enacted or proposed which will shape, mould and assist in restoring the Irish banking system in line with requirements of the EU/IMF Programme. This Article is not a comprehensive account of all recent regulatory enactments and specific and detailed advice ought to be obtained on matters outlined below.

## CENTRAL BANK & REGULATORY REFORM

The Central Bank Reform Act 2010 established the Central Bank as a single fully integrated structure with a unitary board – the Central Bank Commission – replacing the Boards of the Central Bank and the Irish Financial Services Regulatory Authority (IFSRA).

The Act enhances the system of regulatory control and confers additional powers on the Central Bank and its Governor (see examples below) to support the stability of the banking system and to protect users of financial services.

Some of recent initiatives include: (1) Corporate Governance Code (2010); and (2) Consultation Paper on Fitness and Probity (2011).

## 1. Corporate Governance Code for Credit Institutions and Insurance Companies (2010)

Corporate Governance is defined in the Code as;

“procedures, processes and attitudes according to which an organisation is directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among the different participants in the organisation – such as the board, managers, shareholders and other stakeholders – and lays down the rules and procedures for decision making”.

The Code was introduced in November 2010 and applies to existing boards and directors of financial institutions with effect from 1 January 2011. To allow time for transition and implementation, institutions will have until 30 June 2011 to introduce required changes. In specific circumstances such as board membership compliance, the period may be extended to 31 December 2011.

The governance structure of each credit institution is required to be sufficiently sophisticated to ensure effective oversight of the activities of the institutions taking into account the particular facts, scale and complexity of such business.

The Code contains specific provisions relating to; the composition of the Board; the Chairman; CEO; Independent Non-executive Directors; Non Executive and Executive Directors; Role of the Board; Committees of the Board; Appointments; Risk Appetite; Conduct of Meetings; Reserved Powers; Consolidated Supervision; and Compliance Statements.

Contravention of the Code shall permit the Central Bank to use its regulatory powers including (i) imposition of administrative sanctions; (ii) prosecution of offences; (iii) deny/refuse applications by a proposed director to any pre-approval controlled function where prescribed by the Central Bank pursuant to Part 3 of the Central Bank Reform Act 2010; and/or (iv) suspension, removal or prohibition of an individual from acting in a controlled function which is prescribed by the Central Bank pursuant to Part 3 of the Central Bank Reform Act 2010.



Matthew Elderfield commented that improving corporate governance is high on the supervisory agenda of the Central Bank and is critical to raising standards. He expressed confidence that the Code represents a balanced and proportionate approach to strengthening the governance of Irish banks and insurance companies and acknowledged that the standards outlined in the Code are more demanding than those in place in other jurisdictions. The aim of the Code is to set high standards which do not merely match best practice elsewhere but which raise the bar. The real challenge for the Central Bank will be monitoring and policing these new qualitative requirements.

## 2. Consultation Paper on new Fitness and Probity Standards (March 2011)

The paper sets out the framework to ensure that the people operating at senior levels in credit institutions are fit and proper. The new requirements will apply to all entities regulated by the Central Bank (except credit unions).

Following the consultation process, which concludes in May, it is anticipated that new statutory powers will be introduced to allow the Central Bank to apply an enhanced fitness and probity regime to individuals and entities – it is expected to come into effect in September 2011. When implemented, the Central Bank will be able to act both as a gatekeeper for individuals entering and an enforcer to remove individuals from positions where the required standards are not met or fail to be maintained.

## STABILISATION OF THE IRISH BANKING SECTOR

It is generally accepted that the Irish banking system will have to be slimmed down and right-sized over time. To allow for efficient and effective rightsizing the former government enacted legislation in the Credit Institutions (Stabilisation) Act, 2010 (December 2010) to provide for the reorganisation and restructuring of the retail banking system. In addition, in February 2011, a bill entitled The Central Bank and Credit Institutions (Resolution) Bill 2011 was presented to parliament with similar objectives.

## THE CREDIT INSTITUTIONS (STABILISATION) ACT 2010

The Act provides for the reorganisation and restructuring of the retail banking system as agreed in the joint EU/IMF Programme for Ireland. The Act conferred powers on the Minister for Finance, after consultation with the Governor of the Central Bank, to direct the affairs of and restructure certain credit institutions and reorganise their assets and liabilities.

The Act is intended to cease to have effect on 31 December 2012 (although this date may be extended) and permits the Minister, following consultation with the Governor, to apply to the High Court seeking judicial order in support of;

- Direction Order – an order to direct a credit institution to take specific action or to refrain from or cease taking action.
- Special Management Order – an order to appoint for a period of 6 months (which may be extended) a suitably qualified manager to take over the management of a credit institution's business and to carry on as a going concern with a view to preserving and restoring its financial position.
- Subordinated Liabilities Order – applies to those institutions in receipt of financial support from the State, where the Minister may seek an order related to subordinated liabilities.
- Transfer Order – Minister may seek a transfer order in respect of assets or liabilities of a relevant institution.

The Act creates a number of judicial procedures which regulate and serve to check the exercise of the new powers by the Minister. Each order requires judicial approval and as such this safeguard is intended to serve as an objective review and assessment of the proposed action. On the 14 April 2011 Mr. Justice McGovern of the High court made the first such orders following an application by the Minister of Finance for subordinated liabilities orders in relation to Allied Irish Banks plc pursuant to Section 29 of the Act.



## THE CENTRAL BANK AND CREDIT INSTITUTIONS (RESOLUTION) BILL 2011

The Bill was published on 28 February 2011 to make provision for an effective and expeditious resolution regime for certain credit institutions at minimum cost; amend certain existing enactments and permit actions related to main purpose. It seeks to confer on the Central Bank certain powers to take swift action in relation to distressed credit institutions and to protect the stability of the banking sector.

The legislation was initiated prior to the change of government (March 2011) and as prepared contemplates an effective date of 1 January 2013. It remains to be seen if the new government will require revisions to the legislation.

The 2010 Act shall cease to have effect from December 2012 (unless otherwise extended), and the 2011 Bill is intended to give effect to a more permanent resolution regime. The Bill will apply to all authorised credit institutions in Ireland and not just those in receipt of financial support from the government. However the regime proposed in the Bill will not apply to those institutions subject to the 2010 Act, unless the Minister agrees to disapply the 2010 Act.

In the Bill, the powers of resolution are conferred on the Central Bank. A summary of the purposes of the Bill include:

- To provide an effective and efficient resolution regime for authorised credit institutions that are failing or are likely to fail;
- To provide for a resolution regime for such credit institutions that is effective in protecting the Exchequer, the stability of the financial system and the economy;
- support and respect the independence of the Central Bank;
- Establish the Credit Institutions Resolution Fund;
- To facilitate the orderly winding up of an authorised credit institution that is insolvent;
- Permit establishment of a bridge bank – entity to receive assets and/or liabilities of relevant institution;

- If specified intervention conditions (defined in the Bill) are met, empower the Central Bank to order assets and liabilities of a relevant institution to be transferred to a third party including a bridge bank;
- If specified intervention conditions are met appoint a suitably qualified special manager to take over the management of credit institution; and
- Empower the Central Bank to require an authorised credit institution to prepare and implement a recovery plan and the Central Bank to prepare and implement a resolution plan.

The 2011 Bill will not immediately apply to domestic institutions which are covered by the 2010 Act, but does apply to all other banks authorised to carry on business in Ireland, foreign owned subsidiaries and banks operating in the IFSC.

## CONCLUSION

The legislative and regulatory initiatives serve to reinforce Ireland's commitment to resolve and restore confidence of the public in this sector and greater transparency in relation to fitness and probity of senior executives working in financial institutions.

This will be achieved through the process of open and transparent regulation; effective and efficient resolution regime for failing institutions; and the active process of deleveraging and downsizing some of the existing institutions in an orderly and transparent manner. The proposed changes and the commitment of the Central Bank to implement such changes will assist in remedying some of the disparities in the system and with renewed confidence lead the institutions into the future.

If you require more information on matters referred to here please contact Christine O'Donovan, Partner, Head of Financial Services or Fionán Breathnach, Partner.

# Growing a World-Leading Knowledge Economy from an Irish Hub



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In the last twelve months, Ireland has been at the forefront of becoming a new hub for all forms of e-commerce ranging from e-gambling, e-learning to social networking. This builds on its established reputation as one of the world's leading hubs for investment funds, asset finance especially aircraft leasing and pharmaceutical groups. This work is driven by the fiscal and other attractions Ireland offers multi national groups. Ireland's commitment to its 12.5% tax rate is protected from challenge under EU law.

## MASON HAYES+CURRAN'S DEAL FLOW

Our corporate and tax work in this area is unrivalled. In late spring, we acted for Bain, Advent and Berkshire Partners in their €1.2 billion acquisition of the e-learning business, SkillSoft. This transaction was conducted as a scheme of arrangement free of transfer taxes for the purchaser using an Irish BidCo to preserve the group's relatively low world tax rate. Around the same time, we acted for LaCrosse in its acquisition of Bank of America's tax exempt funds platform. The transaction caused the funds under management of the purchaser to increase from US\$15b to circa US\$21b.

With our funds colleagues we had already established the first tax exempt US\$1 billion fund for Middle East investors on behalf of the National Investor of Abu Dhabi.

Later in the summer, we acted for Mylan Inc in its circa US\$550m acquisition of Bioniche Pharma, an Irish based generic pharmaceutical corporate that benefitted from Ireland's low corporate tax rate and tax breaks for intellectual property. Throughout this period we continued to advise numerous financiers in respect of the use of Ireland as the primary onshore location from which to build out an aircraft leasing platform, and provide daily advice to some of the world's leading social networking and other Internet based businesses.

## THE FISCAL CATALYST TO MAXIMISE SHAREHOLDER'S RETURN ON EQUITY

For decades Ireland has and continues to maintain an all-party commitment to a low corporate tax regime. The 12.5% corporate tax rate has caused numerous MNC's to establish EMEA hubs in Ireland.

The effective cash tax rate of such MNC's is considerably lower than their competitors located in other countries, ensuing higher returns on equity invested.

The introduction of an intellectual property regime that enables a wide-ranging definition of intangible assets to obtain tax amortisation on assets as diverse as secret processes and formulae further enhances Ireland's fiscal attractions. This is further enhanced by a pan European Research and Development tax credit regime.

The absence of Irish tax anti-avoidance as found in the likes of the US and UK in the form of a controlled foreign corporation regime has caused many groups to establish their overall holding company in Ireland. Whilst the mere establishment of an Irish holding company may not of itself create significant employment opportunities in Ireland, it can facilitate the establishment of major international hubs in Ireland that generate jobs that would otherwise be lost overseas.

## THE FUTURE - WHERE NEXT FOR THE IRISH KNOWLEDGE ECONOMY

As the private equity firms seek to maximise investor value, Ireland provides a unique platform to maximise shareholder returns. At the fund level, investors from locations anywhere outside of Ireland can obtain returns tax-free through structuring investments into onshore targets in Ireland or elsewhere through Irish regulated funds. Where the target is Irish or indeed, has an Irish incorporated parent which may be listed, opportunities abound for using the target as a means to maintain or indeed drive a low cash tax rate for a business combination. We are beginning to see interest in the reversal of relatively high taxed MNC's under Irish incorporated parents

Finally, there is the Irish and other banks' exposure to property-related loans located throughout the world. Opportunities arise to obtain control of the underlying properties by establishing mechanisms to acquire and dispose of the loans using Ireland's established fiscal and corporate platform for structuring such deals through Ireland.

If you require more information on matters referred to here please contact John Guilliver, Partner, Head of Tax or David O'Donnell, Partner, Head of Corporate.

# This Economy's Got Smarts!



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## INTRODUCTION

For some time, Ireland has been reaching for a position at the forefront of the global smart economy. We have attracted significant interest from further afield, while also rearing some of our own homegrown enterprises. The emphasis on succeeding as a dynamic, knowledge based economy is now more important than ever. The extent of such emphasis is evident from the winning proposals in the recent 'Your Country, Your Call' initiative to source ideas which would expand Ireland's Smart Economy. The two winners comprised data and content driven proposals to establish Ireland as a "data island" and as a "global media hub" respectively. Mason Hayes+Curran were actively involved and are now advising one of the winners to help commercialise their concept.

## OUTSIDE HELP

Ireland is seeing more knowledge based investments in areas of RD&I and IP, with 2009 figures demonstrating 49% of total investments being RD&I based. There can be no doubt that a considerable amount of the world's largest firms and most recognisable brands have actively chosen to invest in this area, with many opting to base their European EMEA headquarters in Ireland. It has been suggested that having the ability to operate in a single multilingual, multicultural and multicurrency location, such as Ireland, can provide great benefits for a multinational. Apart from the specificities of the workforce, Ireland has an established reputation as a hub for business process improvement across EMEA. It is a strategic location with easy access to the EMEA region. This is supported by an advanced communications infrastructure, with state-of-the-art fiber optic networks and international connectivity. In addition, there exists strong Government support for productive collaboration between industry and academia and a strong legal framework for the development, exploitation and protection of Intellectual Property rights.

In addition, we are seeing increasing numbers of smaller enterprises investing at earlier stages of their lifecycle, looking to use Ireland as a base to establish their growing operations.

Despite the global downturn and economic challenges domestically, the tech sector has undoubtedly provided some of the best news for Ireland Inc over the past two years. Both Google and Facebook have announced the expansion of their Irish undertakings. eBay, which employs over 1,600 staff in conjunction with its co-operator, PayPal, announced a further 150 new positions earlier this year. LinkedIn has also established its EMEA headquarters in Ireland. Stream Global Services is also proposing to add another 300 jobs with the establishment of its video game support call centre.

Beyond the focus of Dublin, Cork has also seen its fair share of smart economical investment. Apple has long been an investor, providing hundreds of jobs at its Cork facility. The antivirus provider McAfee has also established a 120 person technical support unit there recently. The videogames industry, a €50 billion-plus a year operation, has also been of influence in Cork. Big Fish Games proposes to create a further 100 positions, whilst one of the world's leading publishers, Activision Blizzard, has hired a massive 740 people earlier this year. Not all of the videogames industry comes from outside investment, however. Havok, an indigenous Trinity College Dublin spinout acquired by Intel for \$110 million in 2007, is leading the field in the area of physics engines but also seeking to branch out with the era of motion sensitive and 3D gaming approaching. Mason Hayes+Curran advises Zenimax Online Studios LLC, which develops massively multiplayer role playing games in its new exciting Irish operation.

## CLOUD 9

While there is a breath of technology and opportunities prevailing, one of focuses in the smart economy has centred on 'the cloud' in recent times. Heralded as the biggest thing to happen since the Internet and lauded by many, most notably the World Economic Forum, cloud computing promises to be one of the biggest trends in the business IT space this decade.

At its core, cloud computing allows a user to get the benefit of powerful computer infrastructure without paying the capital cost of purchasing such hardware and software. Under a traditional approach to IT procurement, the buyer pays an upfront cost to purchase the necessary computer hardware and software. For large



*Pictured at the recent 'Cloud Effect' seminar at Mason Hayes+Curran, from left to right are: Wayne Leone, IBM, Paul Rellis, Microsoft, Philip Nolan, Mason Hayes+Curran.*

bodies, such as government departments or agencies, this usually takes the form of buying powerful, but expensive, computers called servers. Along with the upfront capital cost, the buyer also needs to budget for the storage, upgrading and maintenance of the hardware purchased, not to mention licence fees for software to run on such servers.

Cloud computing is based on the idea that computer power, software and memory are commodities, like electricity or gas, that can be purchased only when needed. Companies, known as "cloud providers", operate large "server farms", which are essentially buildings full of powerful computers. Under a cloud computing arrangement, the cloud provider rents this computing power to its customers. Users can buy processing power or memory storage from a cloud provider and upload or download information to the cloud provider via the Internet.

Under this arrangement, the user avoids paying any of the upfront costs traditionally associated with IT procurement. Rather, the user pays a set fee based on its use of the cloud (i.e. for the software and computer power used). In addition, a large number of smaller IT companies, many of them Irish, have begun to use the cloud as a platform to sell software to end users. For example, an IT company may decide to provide online account management software to businesses. This company could host this online service "on the cloud", i.e. using space on a server farm. Businesses that use the cloud in this manner are usually termed "end user service providers".

Beyond merely reducing users' costs and improving their processes, the cloud has the ability to enable new products and services, along with collaboration and information sharing. It has been estimated that new and existing operations could help create up to 20,000 cloud related jobs in Ireland. Figures suggest continued expansive growth, with Salesforce.com, one of the original cloud computing majors, named the world's fourth fastest growing company by Fortune. At a Washington summit, Microsoft's Steve Ballmer predicted spending on cloud applications will grow five times faster than other software spending. The attendance of 74 Irish firms, with Tradefacilitate

getting a personal mention from Ballmer, attests the recognition by Irish firms of the growth potential for this technology.

Already, Ireland is making sure to reap the benefits from growth in this area and the figures are beginning to back this up. Hewlett Packard's Galway operation recently won a cloud computing contract with GS1 to deploy a cloud-based product recall system that tracks, traces and recalls potentially harmful food, healthcare and other products from the supply chain. Salesforce has announced the creation of a further 100 jobs to meet the demands of growth and expansion, many of which are highly skilled positions. Service Source, another significant multi-national in the cloud computing frame, is seeking to create a further 70 highly skilled positions. Another indigenous operation, Servecentric, is planning to invest €1m in its new cloud computing platform, Kloud Centric.

## FUTURE PROSPECTS

With predictions by one of the 'Your Country, Your Call' winners that the amount of data created and distributed worldwide by the end of this decade will increase by a factor of 44, it is hard not to see why these areas are being viewed as paramount to both recovery and future growth. Ireland's progression towards being a data-rich, knowledge based economy is collecting steam and the potential to become a global leader is real.

Successes in attracting investors to expand our knowledge-based economy are certainly having a knock-on effect and it seems that Ireland is truly moving towards a position as a world leader in this sphere.

If you require more information on matters referred to here please contact Philip Nolan, Partner, Mason Hayes+Curran.

# Mason Hayes+Curran

## Serving U.S. Business



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For very many years Mason Hayes+Curran has focussed on delivering world class legal services to U.S. corporates coming to do business in Ireland. The volume and diversity of our activities for American clients continue to be a true indicator of our familiarity with the needs and priorities of U.S. business operating in Ireland.

Our depth of experience ensures that the standard of our legal services and their mode and speed of delivery align exactly with the wishes and expectations of the American client; it encounters no surprises in dealing with our firm.

It is interesting to consider some of the matters which Mason Hayes+Curran has handled for U.S. clients over the past year. One of our most interesting current matters involves advising a world leading social networking business on its Irish and European activities. Like so many American corporates, the client chose to establish its European headquarters in Dublin, and is rapidly growing and developing its operations here. Our lawyers are providing sophisticated and specialised support in a range of legal areas, to facilitate the rapid and efficient spread of the client's operations in Europe.

Separately, mergers and acquisitions are an important part of Mason Hayes+Curran's business. Every year we represent many U.S. corporates whose chosen method of entering the Irish marketplace is via the acquisition of an Irish enterprise. Recent such transactions where we advised include (1) the acquisition of an engineering business in County Kerry by a Californian client, (2) the acquisition of an Irish semiconductor company by a Texan client, (3) the acquisition of an international fund administration businesses for a major U.S. institution, and (4) the acquisition of a leading Irish biotechnology company for an American medicines manufacturer.

One of Ireland's great success stories continues to be its ability to attract foreign corporates wishing to establish start-up enterprises here. The reasons for Ireland's attractiveness to the foreign direct investor are well known, and include our highly competitive corporate tax rate; our educated and flexible workforce; and the fact that we transact our business in the English language. The United States of America supplies the highest proportion of FDI arrivals in Ireland. American entrants derive great comfort and confidence from the fact that so many existing businesses operating in Ireland are U.S. owned

or managed, a really reliable indicator that Ireland is a hospitable, well organised and profitable location for new establishments.

Mason Hayes+Curran represents a great number of FDI entrants when they establish in Ireland including a 300 employee insurance related establishment, a 100 employee online retailer and a 375 employee gaming industry operation. We anticipate that FDI client activity will accelerate significantly over the coming year.

Of course, not every client's issue relates to corporate transactions and establishments. Mason Hayes + Curran has one of Ireland's leading litigation practices, and U.S. entities frequently use our services to litigate or arbitrate disputes. Ireland's Commercial Court system provides a fast track business specific litigation structure which produces rapid results. We had multiple matters before the Commercial Court in 2010, including an interesting matter representing a world famous American singing artist who was in dispute with Irish litigants. We worked closely with the artist's U.S. counsel to produce a satisfactory resolution of the relevant disputes.

In these hard times for the global economy we advise on a great number of matters involving insolvencies, corporate bankruptcy and Chapter 11 type court protection matters. We frequently work co-operatively with leading U.S. law firms in multi-country bankruptcy matters, and co-operate in making necessary court applications in Ireland, and generally co-ordinating legal responses in several jurisdictions contemporaneously.

The compelling driver for U.S. corporates coming to Ireland relates to tax. It is worthwhile mentioning just some of the tax advantages which Ireland offers.

- Corporate tax rate of 12.5%,
- World's leading location for tax exempt asset management,
- World's leading location for tax-efficient aircraft leasing,
- No controlled foreign companies anti-avoidance tax legislation,
- Very limited thin capitalisation anti-avoidance tax legislation.

If you require more information on matters referred to here please contact Declan Moylan, Chairman, Mason Hayes+Curran.

# Mason Hayes+Curran Appointments

In the last 12 months Mason Hayes+Curran has recruited 62 new personnel. The firm now has 50 partners and plans to recruit up to 50 new staff in the next 12 months to meet increasing business from local and international clients, adding to the strength and depth of the service offering. Mason Hayes+Curran currently employs over 270 personal.



## Two Partner Hires to strengthen the Administrative Law Unit of the Litigation Department

Pictured from left, Brian Horkan, Partner, Administrative Law Unit of the Litigation Department, Mason Hayes+Curran, James Bardon, Partner, Administrative Law Unit of the Litigation Department, Mason Hayes+Curran and Edward Gleeson, Partner and Head of the Administrative Law Unit of the Litigation Department, Mason Hayes+Curran.



## Mark Browne joins Investment Funds Department

Pictured from left, Mark Browne, Partner, Investment Funds, Mason Hayes+Curran, and Fionán Breathnach, Partner and Head of Investment Funds, Mason Hayes+Curran.



## Eimear Collins joins Commercial Litigation Department

Pictured from left, Declan Black, Head of Litigation Department, Mason Hayes+Curran and Eimear Collins, Partner, Commercial Litigation Department, Mason Hayes+Curran.



## Niall Collins joins Commercial Department

Pictured from left, Niall Collins, Senior Associate, Commercial Department, Mason Hayes+Curran and Philip Nolan, Partner and Head of the Commercial Department, Mason Hayes+Curran.

## Mason Hayes+Curran News & Events



### IDA Ireland, Enterprise Ireland and Mason Hayes+Curran host joint event in Irish Embassy, Paris

The government agencies IDA Ireland, responsible for promoting Foreign Direct Investment to Ireland and Enterprise Ireland, the Irish trade and technology agency together with Mason Hayes+Curran organised a joint-event in the Irish Embassy in Paris. The event, showcased Ireland's strengths in the Clean Technology sector before an audience of key influencers and stakeholders in the French market. It provided an opportunity to engage with French multinationals and stimulate their interest in Ireland as a location for Clean Tech development.

From above top, left to right: Paul Kavanagh, Irish Ambassador to France, Mara Gajic, Groupe Muller (Glen Dimplex), Eamon Ryan, Minister for Communications, Energy & Natural Resources, Lisa Amini, Director Smart Cities, IBM, Prof. Mark O'Malley (R&D Center UCD), John Gulliver, Head of Tax, Mason Hayes+Curran.



### In-House Counsel Seminar

Mason Hayes+Curran hosted a breakfast seminar specifically for In-House counsel. This was the fourth Masterclass for In House Counsel and the topic for the briefing was "Show me the Money: Challenges for In-House Counsel in Managing Insolvency Risks".

Pictured below, from left to right: Neil Steen Barrister at law, Declan Black, Partner and Head of Litigation, Mason Hayes+Curran, Emer Gilvary, Managing Partner, Mason Hayes+Curran, who chaired the event and Paul Egan, Partner and Chairman Corporate Department, Mason Hayes+Curran.

The speakers' topics were as follows:

- the current trends in relation to Receiverships, Examinerships and Liquidations and what can be done to mitigate potential losses when they occur, Declan Black
- directors' and officers' rights, obligations and liabilities in and prior to insolvency and how to deal with the substantial risks involved relating to these positions, Paul Egan
- the various remedies available to creditors in seeking to maximise recovery from debtors with scarce resources and provided an insight into current trends in the Courts to include the Commercial Court, Neil Steen

The seminar concluded with an interactive Q&A session during which the speakers addressed a range of legal concerns arising across various organisations.

### TBA Breakfast Briefing: Economic Policy for the Next Generation

Trinity Business Alumni hosted a unique breakfast briefing with finance spokespeople from the main political parties in the Dining Hall, Trinity College, Dublin with in excess of 150 attendees.

Pictured above from left: Brian Hayes T.D. (Minister of State with special responsibility for Public Service Reform and the OPW - Department of Finance - Fine Gael), Joan Burton T.D. (Minister for Social Protection - Labour), Brian Lenihan T.D. (Former Minister for Finance - Fianna Fail) and David O'Donnell, Partner and Head of Corporate, Mason Hayes+Curran.

As corporate partners of Trinity Business Alumni, Mason Hayes+Curran was delighted to support this TBA Breakfast Briefing where senior political representatives discussed their economic policies for 2011 and beyond. Attendees heard first hand how Ireland can tackle the current fiscal and monetary challenges while still fostering growth for the next generation.





## David Manley Emerging Entrepreneur Awards 2011

Mason Hayes+Curran were delighted to continue their involvement with the David Manley Emerging Entrepreneur Awards as sponsors, committee members and legal mentors for the award. This year Mason Hayes+Curran hosted the awards in their offices, where the overall winner Anne Bedos, Rothar was announced.

The David Manley Awards are run and managed by a diverse group of companies and individuals who have come together to support the ideas and qualities of a man who left his mark on the world. This unique award programme run in David's memory, rewarding emerging arts, business and social entrepreneurs with the 'Gift of Time' from some of the country's leading experts in key business fields. The overall winner receives over €100,000 worth of services and support, along with €10,000 in cash.

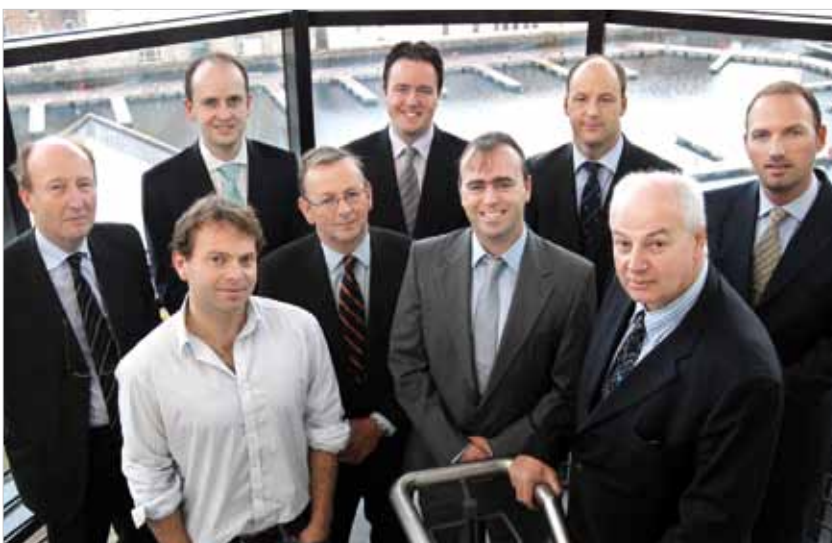
Pictured left, from left to right, Angel Luis Gonzalez, Photolreland Festival, Dr. Chris Horn, Anne Bedos, Rothar, Dr. Emmeline Hill, Equinome and Gerard Ryan, Partner Corporate Department, Mason Hayes+Curran.



## UCD Law School

Pictured above are Emer Gilvarry, Mason Hayes+Curran with President Hugh Brady, UCD at the official launch of the new UCD Peter

Sutherland Law School. Mason Hayes+Curran is a proud sponsor of this state of the art educational resource for law students, due to open in 2012.



## Entrepreneurial Lessons Learned

Mason Hayes+Curran, corporate partners of Trinity Business Alumni (TBA), hosted the TBA Breakfast Briefing.

Pictured left, from left to right are: back row, Shane Ross TD, Dylan Latimer, (Mason Hayes+Curran), Alan Foy (Blueface Ltd), David O'Donnell (Mason Hayes+Curran), Kevin Neary (GameStop) front row, Dylan Collins (JOLT Online Gaming), Michael Murphy (NCB Ventures), Kevin Neary (GameStop) and Bobby Kerr (Insomnia).

The seminar focused on the theme of "Entrepreneurship" and all the panellists shared their stories and experiences on their journey to success with the assembled delegates.

## Mason Hayes+Curran News & Events



### Marathon Runners

Congratulations to our energetic colleagues who completed the Dublin City Marathon. Pictured above top, from left to right: Niall Michel, Peter O'Neill, Laura Kearney, Jerome Dupuy, Rachel Carney, Ailbhe Gilvray and Jason Harte



### First Annual Report on Fundraising in Ireland – Event Highlights

Philanthropic Income is down 13% according to the First Annual Report on Fundraising in Ireland in the non-profit sector. Non-profit sector specialists 2into3, launched the report. The study represents the first analysis of the effects of the economic downturn on income.

Pictured above from left to right: Kevin Hoy, Partner and Head of Real Estate, Mason Hayes+Curran, Dee Ahearn, CEO, Barretstown and Dennis O'Connor, Founding Director, 2into3.

The research is based on figures from the annual accounts of 80 non-profit organisations. The research allows CEO's and fundraisers to get an overall view of the condition of the sector, and to determine their own fundraising performance compared to that of other similar nonprofits.

Kevin Hoy, Partner and Head of Mason Hayes+Curran's Charities Law Team said: "The Report highlights the importance of organisations having appropriate structures to support sustainable operations."



### NAWIC Event

NAWIC held their 6th event in the office of Mason Hayes+Curran. NAWIC is an international organisation of women working in the construction industry with over 6,000 members worldwide.

Pictured above are Susan Bryson, Partner, Mason Hayes+Curran and Robert McKiernan, McKernan Training Solutions.

The event welcomed facilitator/ speaker Robert McKiernan who presented on the topic of Negotiation Skills, beyond the usual textbook theory of negotiation, which looked at the interesting insights on personal interaction during a negotiation process. The event was attended by a cross section of attendees all of whom are members of NAWIC Ireland.

# Closing Argument

PARAPROSDOKIAN SENTENCES : A PARAPROSDOKIAN IS A FIGURE OF SPEECH IN WHICH THE LATTER PART OF A SENTENCE OR PHRASE IS SURPRISING OR UNEXPECTED IN A WAY THAT CAUSES THE READER OR LISTENER TO REFRAME OR REINTERPRET THE FIRST PART. IT IS FREQUENTLY USED FOR HUMOROUS OR DRAMATIC EFFECT.

I asked God for a bike, but I know God doesn't work that way. So I stole a bike and asked for forgiveness.

Do not argue with an idiot. He will drag you down to his level and beat you with experience.

The last thing I want to do is hurt you. But it's still on the list.

Light travels faster than sound. This is why some people appear bright until you hear them speak.

If I agreed with you we'd both be wrong.

We never really grow up, we only learn how to act in public.

War does not determine who is right - only who is left.

Knowledge is knowing a tomato is a fruit; Wisdom is not putting it in a fruit salad.

The early bird might get the worm, but the second mouse gets the cheese.

To steal ideas from one person is plagiarism. To steal from many is research.

A bus station is where a bus stops. A train station is where a train stops. On my desk, I have a work station.

How is it one careless match can start a forest fire, but it takes a whole box to start a campfire?

Dolphins are so smart that within a few weeks of captivity, they can train people to stand on the very edge of the pool and throw them fish.

Whenever I fill out an application, in the part that says "If an emergency, notify:" I put "DOCTOR".

I didn't say it was your fault, I said I was blaming you.

A clear conscience is usually the sign of a bad memory.

You do not need a parachute to skydive. You only need a parachute to skydive twice.

The voices in my head may not be real, but they have some good ideas!

Hospitality: making your guests feel like they're at home, even if you wish they were.

I discovered I scream the same way whether I'm about to be devoured by a great white shark or if a piece of seaweed touches my foot.

Some cause happiness wherever they go. Others whenever they go.

You're never too old to learn something stupid.

To be sure of hitting the target, shoot first and call whatever you hit the target.

Some people hear voices. Some see invisible people. Others have no imagination whatsoever.

A bus is a vehicle that runs twice as fast when you are after it as when you are in it.

Change is inevitable, except from a vending machine.

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