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RELATED PRACTICES

Corporate Governance
Lawyers and Ethics Compliance
Operational Advice
Regulation and Compliance
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Trading/Ethical Policies and Compliance

Evaluation of Regulatory Risk

In today's regulatory environment, businesses cannot limit their diligence efforts to legal document review and financial analysis. A meaningful evaluation of whether to move forward with a proposed business combination with a regulated entity requires that one gain insights into the target entity's legal and reputational risk tolerances, approach to disclosure and internal controls, tone at the top and compliance orientation, among other matters. We draw on our past public service as former regulators, our deep experience with the regulations affecting the financial services and securities industries, our compliance expertise and our ongoing work as litigators, corporate advisers, and transactional lawyers when we conduct this type of due diligence work for clients contemplating business combinations.

We undertake multi-dimensional evaluations of the target business – focusing on, among other things, the quality of the business's management, and its compliance orientation and tone at the top, the nature of the business's internal controls, and the quality, effectiveness and scalability of its compliance and risk management processes. These evaluations help our client to, among other things, determine an appropriate valuation for the target's assets and understand whether the target's compliance and risk management infrastructure can support business expansion or will require bolstering if the business combination is effected. Our evaluations, in some instances, may lead our clients to abandon the transaction at an early stage, saving substantial cost and averting potential reputational risk.

PUBLICATIONS

- "Still in Flux: Legal and Regulatory Developments Affecting the Analysis of Information Flow in the U.S. Secondary Loan Market" by Julia Lu and Jennifer Grady published in the *LSTA 2012 Loan Market Chronicle*
- "Puncturing a finance myth of the digital age" by Craig Newman published by *The Deal*
- "Why Your Investment Management Company May Soon Be a CFTC-Regulated Entity" by Julia Lu, John Clark, Eva Marie Carney and Kimberly Versace
- "Anti-Bribery Compliance for Private Fund Managers" by Paul Leder and Sarah Swanz published in *The Hedge Fund Law Report*
- "Registering Investment Advisers Take Note: Drafting Your Compliance Manual is Just the First Step Toward Satisfying the Compliance Rule" by Michael Mann, Eva Marie Carney and Kimberly Versace
- "Clamping Down on Kleptocrats" by William Barry and Sarah Swanz published by *Risk Management*
- "Buying a Majority Interest in a Hedge Fund Manager: An Acquirer's Primer on Key Structuring and Negotiating Issues" by Scott Budlong, Eva Marie Carney, Thao Do, Eric O'Meara, William Orbe and Kenneth Werner published in *The Hedge Fund Law Report*

EVALUATION OF REGULATORY RISK (Cont.)

"Fund managers: Prepare for Bribery Act" by Carl Winkworth and William Barry published in *Financial Times*

"Now You Have a Security, Now You Don't - Antifraud and Anti-Manipulation Regimes for Loan Derivatives Products Under Dodd-Frank" by Julia Lu and Eva Marie Carney published in the *Futures & Derivatives Law Report*

PRESENTATIONS

RK&O partners participate in the panel discussion "Receiving Information, Managing Risk, and Preserving Liquidity: Strategies for the Current Regulatory Landscape" at the Financial Services General Counsel Luncheon in San Francisco

RK&O partners present "Receiving Information, Managing Risk and Preserving Liquidity: Strategies for the Current Regulatory Landscape" at the Alternative Asset Management General Counsel Luncheon in New York City

Jon Kibbe speaks at the 15th Annual Conference of The Loan Syndications and Trading Association

NEWS & ANNOUNCEMENTS

Eva Marie Carney quoted in *Hedge Fund Law Report* article "Dual-Hatting: Benefits, Challenges and Recommendations for Persons Simultaneously Serving as General Counsel and Chief Compliance Officer of a Hedge Fund Manager"

Craig Newman quoted in *Law360* article "With More Investor Safeguards, JOBS Bill Heads To Obama"

U.S. News-Best Lawyers awards RK&O "Law Firm of the Year" in White Collar-Government Investigations Law and recognizes firm's other practice areas

Richards Kibbe & Orbe LLP names Jeffrey Lehtman a partner and Catherine Turgeon and Ryan Jackson counsel

RK&O's representation of ORIX USA on agreement to acquire a majority interest in Mariner Investment Group mentioned in *The Am Law Daily*