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The Shimon Peres Presidential Conference 2008: A Participant's View

The Editor interviews Mark S. Levenson, Chair of the Israel Business Practice Group and the Corporate Real Estate Practice Group at Sills Cummis & Gross P.C.

Editor: Mr. Levenson, would you tell our readers something about your professional experience?

Levenson: I have been a real estate lawyer for 26 years, practicing in both New Jersey and New York. I joined Sills Cummis & Gross in 2002. Prior to that, I was a partner in a New York law firm, and I spent eight years as the senior real estate lawyer at a major financial services company. During my career I have spent a significant amount of time working on international real estate and other projects in the UK, India, Czech Republic, Latin America and other parts of Europe. I have also always been active in a variety of philanthropic, nonprofit and pro-bono organizations. Currently, I am president of the Jewish Federation of Greater Clifton/Passaic. I am also involved in the New Jersey-Israel Commission, which promotes trade between New Jersey and Israel, and the American Israel Chamber of Commerce. I consider my nonprofit work to be as important as my remunerative work.

Editor: You are Chair of Sills Cummis & Gross' Israel Business Practice Group. Please give us an overview of this practice.

Levenson: About a year ago Steve Gross, Sills Cummis & Gross chairman, and Max Crane, the firm's Managing Partner, asked me to start an Israel Business Practice Group. Over the years, I have represented a number of Israeli companies in the U.S., and we receive numerous referrals to assist Israeli clients. While most of my work in this area has been real estate related, the firm also does significant corporate, licensing and IP work for Israeli clients, and we represent Israeli clients across the (legal practice) spec-



Shimon Peres and Mark S. Levenson

trum in the technology and the life science areas as well. Last week, for example, we were asked to address an employment law issue by an Israeli client with headquarters in New Jersey, and this aspect of our practice seems to be growing as well. It is not well known, but New Jersey is home to the largest number of Israeli companies with headquarters in the U.S.

Editor: Does that have something to do with New Jersey's pharmaceutical industry?

Levenson: In part. Many of the Israeli companies we represent outside the real estate arena are developing products that will end up in the pharmaceutical pipeline, and the Israeli companies want to enter into licensing and other partnering arrangements with the large pharmaceutical and medical device companies that are based in New Jersey. However, most of the Israeli companies coming to the U.S. are looking to grow their businesses, add strategic partners and executive talent, and access capital. After the U.S., Israel is in a virtual tie with Canada for the largest number of NASDAQ-listed companies. Therefore, our work for Israeli companies is not limited to the pharmaceutical industry. Sills Cummis & Gross has a large

New York office and a significant number of my partners are also New York-admitted and trained, so we can provide the expertise and resources needed by the Israeli firms seeking to establish themselves in the U.S.

Editor: I think you are saying that the firm's Israel practice does not have a specific focus.

Levenson: Correct. The firm's Israel Business Practice Group is multi-disciplinary and includes corporate, real estate, IP, technology, licensing, life sciences, taxation, litigation and employment law. We draw lawyers from across the firm. It is important to note that Sills Cummis & Gross is not looking to open an office in Israel, but rather we seek to represent Israeli companies doing business in the New Jersey-New York area. In fact, we have close working relationships with several of the leading Israeli law firms.

We believe the Israel Business Practice Group presents a real growth opportunity for Sills Cummis & Gross. Notwithstanding the political situation in the Middle East, Israel is the number one investment target country for venture capital funds outside the U.S. In 2006, for instance, Berkshire Hathaway – Warren Buffett – acquired controlling interest in ISCAR, an Israeli company and one of the most important manufacturers of cutting tools for metalworking in the world, for \$4 billion. Israel presents a whole range of business opportunities for inbound investment, and outbound investment, especially into the U.S., which is dramatically increasing. Developments such as this augur well for our Israel Business Practice Group.

Editor: You have just returned from Israel and the Shimon Peres Presidential Conference 2008. For starters, why were you invited to the conference?

Levenson: Principally on account of my work with the American Israel Chamber of

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Commerce, the New Jersey-Israel Commission and as president of a Jewish federation. I have been traveling to Israel on a regular basis – more than 60 trips – since 1982, right after I took the bar. In addition to attending dozens of business conferences in Israel, I have co-chaired or participated in numerous leadership and political missions to the country as well as numerous solidarity missions during the wave of terrorist bombings in the 1990s, during the two Intifadas, during the Lebanon war two summers ago, and, notably, the mission that turned out to be the 9/11 Mission with (Senator) Frank Lautenberg and Bret Schundler, who was then running for governor of New Jersey. This conference, however, has to rank as the best.

Editor: Who were some of the heavyweights who attended?

Levenson: For starters, 30 heads of state or former heads of state. The opening plenary alone featured Shimon Peres, Israel's president, Tony Blair, Mikhail Gorbachev, and the presidents or prime ministers of Ukraine, Poland, Rwanda, Uganda, Latvia, Slovakia and Mongolia, among others. Henry Kissinger, Elie Wiesel and Vaclav Havel participated along with numerous other Nobel Prize winners. Significant business leaders such as Rupert Murdoch, Sergey Brinn (Google co-founder), Terry Semel and Abby Joseph Cohen were present, as well as parliamentarians, diplomats and journalists from many of the leading western countries. Among the Israeli political leader participants were Ehud Olmert, the current prime minister; Benjamin Netanyahu, a former prime minister and current opposition leader; Ehud Barak, another former prime minister and the current defense minister; and just about every leading economic, political and scientific leader in the country, as well as senior military and intelligence leaders. Natan Sharansky, the former Soviet refusenik, was also present.

Shimon Peres, Israel's current president and also a former prime minister, is the only surviving member of the country's leadership from the state's founding in 1948, when he served as an aide to David Ben-Gurion. He is a world-renowned, respected and beloved statesman. Shimon Peres established the conference as an Israeli version of the Davos economic conference, held annually in Switzerland. For me, the plenaries, panels and sessions – and the opportunity to interact – with some of the greatest leaders of the free world and many of the greatest thinkers of our time was an incredible learning experience. I did miss part of one day of the conference, but that was to attend the special session of the Israeli Knesset at which President Bush spoke in celebration of Israel's 60th anniversary. It is a rare and historic

occurrence when an American president speaks to the Knesset. It was a privilege and honor to be there for the president's speech.

Editor: Would you share with us your thoughts on what the conference accomplished?

Levenson: The conference was intended to accomplish several things. Number one, of course, was to celebrate Israel's 60th birthday. As is often noted, Israel lives in a dangerous neighborhood, and at the time of its founding in 1948, it was far from certain that Israel would be around to celebrate 60 years of existence.

Secondly, the conference was designed to showcase the tremendous achievements of the past 60 years, as well as highlight Israel's contributions to the world. The conference showcased the business, political, scientific and technological accomplishments of Israel and allowed for extraordinary networking and deal-making opportunities. The conference also presented a terrific opportunity to exchange views and to participate in wide-ranging discussions on a variety of issues.

Editor: Did the conference get into the Israeli-Palestinian conflict?

Levenson: Yes. It would be difficult to hold a conference in Israel on *anything* without getting into the Israeli-Palestinian issue, and a number of the sessions addressed this, as well as the nuclear threat from Iran and the issues related to Hamas in the Gaza Strip.

There are two schools of thought on the "peace process," and both found expression at the conference. One school of thought is that Israel must strive to make further accommodations and reach "peace" agreements or understandings with the Palestinians before Hamas, Hezbollah and the other terrorist groups and rogue countries accumulate more power and become more entrenched. The other school of thought believes Israel's unilateral withdrawal from places like Lebanon and Gaza has only brought more casualties and terrorism to Israel and that before additional irreversible territorial concessions are undertaken, the parties to be engaged must prove in deed – and not just in word – their ability to stop terrorism and create the environment for peaceful cooperation and neighborly relations. There is no uniformity of thought as to the correct solution among the political leaders of Israel, nor, I might add, in the Israeli military or intelligence communities.

One of the central themes of the conference was Israel's astounding economic development and its significant technological and scientific achievements. The hope is that these achievements and economic cooperation will help bring about new solutions,

peaceful solutions, to the problems in the region.

Editor: I understand that a second reason for your visit to Israel was to invite Israeli companies to join you for the recent America-Israel Green Buildings Conference in New York and New Jersey.

Levenson: Yes. The American Israel Chamber of Commerce and the New Jersey-Israel Commission sponsored a Green Buildings Conference in early June to highlight the issues of clean technology and sustainability and Israel's successes and innovation in these areas. A number of Israeli companies, including Intel-Israel, attended the conference. Israel is a leader in "green" initiatives or "clean-tech," as well as a leading developer and innovator in the alternate energy area, water reclamation, desalinization and the like. The presenting companies have that entrepreneurial and innovative spirit that is so much a signature of the Israeli technology sector. The conference introduced these companies to New Jersey and the state's business and governmental leaders with the hope that these companies will select New Jersey as the site for their U.S. headquarters, as so many other Israeli companies already have.

Editor: Both New Jersey and New York have recently introduced strong regulatory and statutory controls with respect to the environment. Are these Israeli companies looking to develop the technologies that will enable people here to meet the new standards?

Levenson: Israel does not have the level of regulation or the environmental standards imposed by the federal government or New Jersey and New York. However, in a textbook case of the private sector being ahead of its government, Israel is a leader in this area as a consequence of its very limited energy and water resources and its vaunted technological and scientific ability; and Israel's entrepreneurs are applying the knowledge gained in high-tech to clean-tech. As such, there are numerous Israeli companies that are positioned to contribute to the environmental and compliance needs of American companies facing the new regulations and standards in this area.

We look at the New Jersey-Israel connection as a two-way street. We want Israeli enterprises to set up operations in New Jersey and make New Jersey their U.S. headquarters. We are also looking to provide a platform for Israeli companies to be introduced to New Jersey companies and to help New Jersey companies bring to Israel what New Jersey has to offer. That was the overriding purpose of the conference in June.