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About Kelley Drye & Warren LLP

Founded in 1836, Kelley Drye is proud to represent
some of the world's most accomplished businesses
and organizations.

Our practice areas include:

Corporate	Intellectual Property
Financing Transactions	Environmental
Venture Capital	Antitrust
Private Equity	Bankruptcy/ Restructuring
Mergers & Acquisitions	Executive Compensation
Securities	Labor & Employment
Real Estate	Employee Benefits
Tax	Government Relations
Advertising	Trade Associations
International Trade	Estate Planning
Litigation/Arbitration	Insurance Recovery
Information Technology	Aviation
Telecommunications	Food and Drug
VoIP/Wireless/Satellite	Privacy
Outsourcing	
Government Contracts	

Recent Kelley Drye Real Estate Transactions in the Washington, D.C. Office Include:

Construction Loan. Kelley Drye represented BB&T in connection with a mortgage loan made to a well-respected local property developer to finance the developer's acquisition of real estate in the up and coming H Street Northeast corridor in Washington, D.C. The loan also includes a commitment to finance a portion of the planned build out of a new tenant restaurant space.

Mortgage Restructure. Kelley Drye successfully concluded negotiations with special servicer C-III Asset Management surrounding the restructuring of a mortgage loan on a shopping center in Millersville, Maryland for its joint venture client. The complicated restructure involved the lender's agreement to provide interest-free treatment on part of the mortgage loan, with possible extinguishment of part of the loan in future years, in exchange for the client's agreement to inject \$1 million of new capital into the real estate, thereby allowing the ownership to sign Shoppers Food Warehouse to an extended lease term with various owner-funded incentives.

Flex Space Acquisition. Kelley Drye represented a prominent local real estate developer in its purchase of a fully tenanted, 42,000 square foot, industrial, flex space property located in Kensington, Maryland. The property's tenants include a variety of uses including an automobile repair and diagnostic center, a security company and a soccer supply company. The legal work involved negotiating the acquisition agreement and financing package.

Mortgage Loan Modification. As a follow up to the successful closing of the original mortgage loan transaction, Kelley Drye represented a joint venture that owns the Plaza East property in Chantilly, Virginia, in the modification of its mortgage loan from EagleBank. The joint venture includes the Washington, D.C.-based MidAtlantic Realty Partners (which happens to be Kelley Drye's landlord at its Washington office) and the Dallas-headquartered Rockpoint Group. The loan modification increased the loan from \$25 million to \$30 million. The new loan proceeds are expected to be used to fund the lease up and build-out of one of the two Class A office buildings located on the property.

Joint Venture Sale of Interests in Kenhorst Shopping Plaza. A Kelley Drye joint venture client sold its joint venture interests in Kenhorst Shopping Plaza located in Kenhorst, Pennsylvania, a 161,424 square foot shopping center that contains a Redner's Market and Sears Hardware store. The transaction involved the sale of the client's ownership interests in certain entities that indirectly owned the property, thereby saving hundreds of thousands of dollars in Pennsylvania transfer taxes. The transaction was complicated by the uncertainty surrounding the ability of the buyer, a New York-based real estate developer, to obtain mortgage financing and close on the purchase as a result of the difficult financing environment.

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Financing for National Retailer in Connection with \$450 Million Secured Loan. Kelley Drye acted as real estate counsel in nine jurisdictions for a national department store chain in connection with a syndicated loan of \$450 million secured by, among other things, its owned and leased real estate. In total, Kelley Drye acted as real estate counsel in connection with 32 separate properties, including 8 properties in Maryland, Virginia and the District of Columbia; the other 24 properties were located in Illinois, Michigan, New Jersey, Connecticut, Pennsylvania and Massachusetts. This loan transaction was complicated by the lender's desire to ensure that each mortgage (or deed of trust), as well as the other loan documents, were substantially similar for each jurisdiction to the extent possible despite differences in the laws of each jurisdiction and our client's desire to minimize the mortgage recordation tax impact in Maryland, Virginia and the District of Columbia.

Kelley Drye Represents K12, Inc. in Herndon Lease Negotiations. Working with Jones Lang LaSalle as the tenant's broker, Kelley Drye concluded the negotiations on a 24,000 square foot office lease for K12, Inc., an online educational company, in the Northridge II building at the Woodland Park office development located in Herndon, Virginia. The lease includes a substantial tenant build-out allowance and rent abatement. It also contains extensive forward-looking tenant concessions that provide K12 with maximum flexibility, both to acquire more space in the building and expand, or to terminate the lease early by payment of an agreed fee. These expansion and early termination rights are coupled with traditional renewal rights to extend the lease term. The lease also includes a controllable expense cap and a reduced supervisory fee for tenant improvements that combine to make the lease more tenant-friendly and economical throughout the lease term.

Purchase and Financing of Multi Family Project in Alexandria, VA. Kelley Drye acted as local real estate counsel for a national real estate investor in connection with its acquisition and financing of a multifamily apartment building in Alexandria, Virginia. Our client assumed from the seller of the property both the existing \$125.8 million Fannie Mae first mortgage loan as well as an existing mezzanine loan for up to \$12 million.

Boston Office Lease. Kelley Drye concluded negotiations on a 14,000 square foot office lease for The Reznick Group at One Boston Place in Boston, Massachusetts. Along with the more customary provisions for lease extension and expansion rights, the lease also includes limitations on the landlord's ability to charge overages for operating costs in the event a timely true-up statement is not submitted, an expedited process for obtaining landlord's consent to tenant improvements, clarification of landlord's obligations regarding climate control, reduction of interruptions during tax season and a limitation on management fees, all of which contribute to make the lease more advantageous to the tenant throughout its term.

Kelley Drye's D.C. Corporate Group Has Seen an Uptick in Corporate Transactions Including the Following:

Refinancing Transaction. Kelley Drye represented VersaPharm Incorporated in connection with the refinancing of its senior credit facility. VersaPharm is a portfolio company of Kelley Drye client Tailwind Capital, a private equity firm that invests in growth-oriented middle market companies in the healthcare and business and communications services sectors. VersaPharm, a pharmaceutical developer and marketer of specialty prescription products, including those used in the treatment of tuberculosis, entered into a new \$30 million senior secured credit facility, from Madison Capital Funding. The new facility consists of a \$5 million revolving credit facility, an \$18 million term loan and a \$7 million delayed draw term loan. VersaPharm used the loan proceeds to pay off its existing senior credit facility and then applied the remainder to working capital purposes. The VersaPharm transaction was complicated by the fact that the availability of the delayed draw term loan is conditioned on the receipt of FDA approval of a specific VersaPharm product and also by the need to address VersaPharm's tiered company structure, including a parent holding company.

Filing Registration Statement on Form S-1. Kelley Drye assisted Data Storage Corporation in filing a registration statement on Form S-1 with the Securities and Exchange Commission. The registration statement will register the resale of shares of the Company's common stock to be sold to Southridge Partners II, LP pursuant to an equity purchase agreement. That agreement obligates Southridge to purchase up to \$20 million of the Company's common stock over the course of two years.

Loan Transactions. Kelley Drye concluded loan modifications between EagleBank and a local company developing cutting edge energy technology in order to extend and conform the \$7 million of existing loans to recent changes in the borrower's corporate structure and its obligations to the U.S. Department of Energy. Within months, Kelley Drye closed simultaneous modifications, cancellations and extensions on these loans, reducing EagleBank's exposure. Additional loans totaling \$11 million with a principal in the energy technology company were extended, and terms modified, to provide the borrower with greater flexibility while still protecting EagleBank's position.

Kelley Drye Represents Tailwind Capital in Acquisition of Controlling Interest in Cumberland Consulting Group. Kelley Drye represented New York-based private equity firm Tailwind Capital in the acquisition of a controlling interest in Cumberland Consulting Group, a Tennessee-based consulting company focused on healthcare providers and payors, from its seven principals. Cumberland is one of the emerging leading providers of national project management and technology implementation services in the fast-growing healthcare information technology sector. Cumberland was founded in 2004 by four former Ernst & Young consulting executives. Cumberland's

KELLEY DRYE CORPORATE TRANSACTIONS CONTINUED

clients are primarily ambulatory, acute and post-acute healthcare providers. Tailwind Capital is a private equity firm investing in growth-oriented middle market companies in healthcare and business and communications services.

Sale of Freedom Innovations to Health Evolution Partners.

Kelley Drye represented New York-based private equity firm Tailwind Capital and San Francisco-based private equity firm Telegraph Hill in their recent sale of Freedom Innovations, a leading developer and manufacturer of high tech prosthetic devices, to San Francisco-based private equity firm Health Evolution Partners. In late 2011, Freedom Innovations engaged investment banks Bank of Montreal and Piper Jaffray to assist with its equityholders' efforts to sell the company through a managed auction process. In mid-January 2012, Health Evolution Partners announced its intention to preempt the auction process, and the parties then worked to complete an acquisition agreement within approximately two weeks, and then closed the sale three weeks later.

Kelley Drye Represents West Corporation in Acquisition of HyperCube LLC.

Kelley Drye represented West Corporation, a leading provider of technology-driven, voice and data solutions in the acquisition of HyperCube LLC. HyperCube was founded in 2005 and has become a premier provider of switching services to telecommunications carriers throughout the United States. HyperCube exchanges or interconnects communications traffic to all carriers, including wireless, wire-line, cable telephony and Voice over Internet Protocol (VoIP) companies. The combination of West and HyperCube is expected to better enable clients to develop and deliver mobility and next generation IP-based solutions. These solutions include hosted telephony and network services, device-to-device applications and secure private voice and data network solutions. The acquisition is expected to close after satisfaction of certain closing conditions, including customary regulatory approvals. West expects this transaction to be accretive to its leverage ratio. After closing, HyperCube plans to continue to offer its full portfolio of services to its existing clients and continue to build relationships with other providers.

Kelley Drye Represents DLJ Merchant Banking. Kelley Drye represented DLJ Merchant Banking, the Private Equity arm of Credit Suisse, in connection with the sale of DenMat Holdings, LLC, a portfolio company, in the fourth quarter of 2011. The purchaser of DenMat is an entity controlled by Centre Partners, another private equity firm. DenMat is the world leader in thin, porcelain veneer systems for smile enhancement, and it offers a wide-range of other aesthetic and restorative smile solutions, as well as a broad array of professional dental materials and supplies. The transaction was structured as a sale of all of the equity of DenMat Holdings, LLC.

Kelley Drye News

Jennifer McCadney Joins Firm as Special Counsel

Jennifer E. McCadney has joined the firm as a special counsel, working in the Washington, D.C. office. Ms. McCadney is part of the firm's government relations practice, although she will also be involved on customs and other trade policy issues given her significant experience in trade legislation, trade policy and U.S. competitiveness, including tariff reductions, Congressional approval of free trade agreements (specifically the recently enacted agreements with Panama, Colombia and Korea), Middle East trade issues and Customs and Border Protection oversight. She also has extensive knowledge of U.S. customs laws and regulations.

Having worked for Kelley Drye earlier in her career, Ms. McCadney now returns to the firm from the U.S. House of Representatives Ways and Means Trade Subcommittee, where she served as a trade counsel for four years. She was also a trade and tax counsel in the office of Congressman Sander Levin (D-MI).

Three New Partners in Top-Tier Intellectual Property Practice

Three new partners have joined Kelley Drye's Intellectual Property practice – Douglass C. Hochstetler and Beth D. Jacob joined the firm as partners in the Intellectual Property and Technology Litigation group working from the firm's Chicago and New York offices; and Paul R. Garcia joined the firm as a partner in the Intellectual Property group working in the Chicago and Stamford offices. Doug and Beth focus on patent infringement litigation representing pharmaceutical companies in Hatch-Waxman litigation. They come from the law firm of Schiff Hardin, where both were partners. Paul is a former Assistant U.S. Attorney with substantial experience as lead counsel in trials and appeals in both jury and bench trials, and joins Kelley Drye from Kirkland & Ellis LLP, where he was a partner for the past decade.



State of the Real Estate Market

A Conversation With Ethan Penner

On Tuesday, April 24th, Kelley Drye invites you for a discussion of the current state of the commercial real estate and mortgage market and anticipated trends in 2012. Ethan Penner of CBRE Capital Partners and Cliff Mendelson of Metropolis Capital Finance will share their expert market commentary of the national and local real estate market.

Featuring Ethan Penner, President and founder of CBRE Capital Partners, which is CBRE's global real estate finance platform. Mr. Penner was the founder of Capital Company of America, formerly known as Nomura Asset Capital Corporation. Mr. Penner is a renowned expert in the fields of finance and real estate, and considered by many to have pioneered the application of securitization to real estate finance.

Real Estate Happy Hour – March 1, 2012

On March 1, 2012 Kelley Drye's Real Estate practice group hosted a Happy Hour for young Real Estate professionals at Mate' in Georgetown. The Happy Hour was a successful networking opportunity for local real estate professionals. The event was hosted by associate Aaron Rosenfeld.

Cliff Mendelson will lead a conversation with Mr. Penner about the status of today's capital markets in the real estate industry, and industry trends to expect through the balance of 2012. Mr. Mendelson, a principal of Metropolis Capital Finance, specializes in funding unique debt and equity capital for commercial real estate projects. Prior to Metropolis Capital, Mr. Mendelson was the head of the Structured Finance Group at Transwestern.

When: Tuesday, April 24, 2012, 8:00AM – 10:30 AM

Where: Hyatt Regency Bethesda, One Bethesda Metro Center, Bethesda, MD 20814

RSVP: email dcevents@kelleydrye.com or contact Cassidy Russell at 202.342.8400

This seminar is free of charge, but space is limited. Reserve your place today.

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