



LADDEY CLARK & RYAN

ATTORNEYS AT LAW

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NEWSLETTER

CONTENTS

- 1 *Profile:*
Lawrence J. Supp
- 2 *Sarbanes-Oxley: It's Impact On Private Companies*
- 3 *LCR In The News*
Brian M. Laddey Named To Outstanding Lawyers of America
Richard I. Clark Featured Speaker on Land Use Issues
LCR In Action
- 4 *LCR In Action (cont'd)*

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Profile: Lawrence J. Supp, Esq.



Lawrence J. Supp has confirmed his love of the law three times in his adult life. The first time was when he made a decision to further his education (after graduating with a Bachelor's degree from Massachusetts Institute of Technology) and entering and graduating from Rutgers School of Law. Larry had spent five years doing engineering-related work and found he just liked law more than engineering.

After Law School, Larry joined a Morristown firm and gained valuable litigation experience in both plaintiff's personal injury and insurance defense. Later, he opened his own practice with offices in Belvidere and Hackettstown. For 15 years, Larry was doing everything, balancing litigation and court time with running a business, maintaining an office, meeting with clients, etc. His second affirmation of his love of law came...

...when he joined Laddey, Clark & Ryan, and he could do what he loved best: be a full time lawyer.

"At Laddey, Clark & Ryan, experience counts. I have handled many cases in my career, but I still work with clients as I always have, on a one-to-one basis. A lawyer must know the law, but at the center of every case is a client. I really get to know each client on a personal level through the litigation process. It is very

rewarding to see a client's life turn around because you were able to win the case. At Laddey, Clark & Ryan, clients become part of the team ... a team that works diligently toward a common goal."

Teaching legal studies (at Warren County Community College) is "very rewarding", according to Larry - a third confirmation of his love of law. "You have a chance to impart some of the skills and learning you've gathered and watch the students progress." Larry has taught a number of different courses at WCCC including litigation, business law and legal research since 2001.

Larry and his wife, Shirley, have been married for 18 years and are Liberty Township residents. His stepson, Graham, graduated from Johns Hopkins University and is currently the University's Manager of Instructional Technologies.

He's a self-taught pianist with the help of just a few lessons way back when. Larry has been playing the piano since he was 10 and finds it fun and relaxing. Rag-time, classical, and pop tunes are his favorites, but he doesn't perform publicly (well, maybe at a party).

During the warm-weather months, he and his wife enjoy canoeing down the Delaware River and bicycling up and down the rolling hills near their home.

While Larry's work continues with the insurance industry, he currently focuses primarily on litigation, assisting all of the Laddey, Clark & Ryan partners with trial matters in their respective specialties.

Larry can be reached at: lsupp@lclrlaw.com or at 973-729-1880.

Sarbanes-Oxley: Its Impact on Private Companies

By Jarrod C. Cofrancesco, Esq.



In the vastly growing, complex, and extremely competitive world of corporate America, today's business leaders face many challenges. To

be successful, products manufacturers must strategically maintain themselves on the "cutting edge" of innovation and development. Service providers must relentlessly seek fresh, more efficient ways to accommodate the general public's increasing hunger for speed and style. Where one company fails, rest assured that another will succeed. In a world where profitability is all that really matters, this unforgiving and often unrelenting business environment presents the perfect breeding ground for the destruction of sensible corporate governance. The enactment, in July 2002, of the Sarbanes-Oxley Act, is the U. S. Congress' way of preserving and enforcing sound corporate governing practices, and, in essence, protecting the interests of business leaders, employees, and investors alike.

MAIN POINTS OF THE LAW

Sarbanes-Oxley imposes corporate reforms in the areas of accounting, financial reporting, and overall management practices. Specifically, the Act creates and establishes a Public Company Accounting Oversight Board and imposes on it the responsibility of regulating public accounting firms that audit public companies. The Act emphasizes Auditor Independence, and imposes special reporting regulations on accounting firms conducting audits of public companies. Sarbanes-Oxley mandates that the Principal Executive and all financial officers of every public company assume Corporate Responsibility by certifying to and

making certain representations in each annual and quarterly filing with the SEC. Enhanced Financial Disclosure is required on all corporate transactions especially those involving management and principal stockholders. Finally, the Act imposes harsh Criminal Penalties, including imprisonment, for all fraudulent and white collar criminal activities.

For the most part, these reforms are applicable only to "public" companies (i.e., those companies traded on the stock exchanges), however, as indicated below, private companies stand to be greatly affected by the mandates imposed by this new law and should seriously consider instituting corporate governing policies that coincide and mimic those set forth in Sarbanes-Oxley.

WHY PRIVATE COMPANIES SHOULD CARE

Private companies should institute policies and procedures in accordance with those required by Sarbanes-Oxley for the following reasons:

Going Public. In the event a private company decides to go public, it will immediately come within the regulatory realm of Sarbanes-Oxley. If Sarbanes-Oxley standards of governance are not already in place, the transition into a public company could be significantly delayed, costly, and certainly more complicated.

Business Relationships. Third parties may be reluctant to involve themselves in a business not regulated under the Sarbanes-Oxley reforms. Concerns about job security may

cause employees to seek certain financial disclosures. Banks and other lenders may be reluctant to deal with a private company that fails to appoint independent auditors and members to the Board of Directors. Finally, governments may require institution of certain controls that mimic those of Sarbanes-Oxley prior to awarding contracts.

Acquisitions/Sales. Prospective investors and buyers, who rely heavily on financials, may also require independent auditing practices and the appointment of an independent member to the Board of Directors.

Officer/Director Duties. The fiduciary duties of care and loyalty are bestowed on all Officers and Directors of private as well as public companies. Engaging in the sound corporate governing practices established by Sarbanes-Oxley will invariably raise the standards of conduct under which private companies operate, and thereby reduce the possibility of litigation and improve overall management and goodwill of the business.

WHAT SHOULD PRIVATE COMPANIES DO?

To avoid the pitfalls and potential damaging effects, private companies should focus on "independence." An individual or groups of individuals, independent of the company, not financially connected in any way, should be granted some role in oversight and auditing. Non-independent management does not have to relinquish governing power, but share it with those who offer insight, auditing, and overviews not attached to personal financial motivation. Consideration should be given to adding independent Board members, those with no personal financial motivation, to the Board of Directors. Audit Committees should be independent, and private company Board of Directors should impose on them the obligation to adopt auditing practices that mimic those required by Sarbanes-Oxley. Finally, a code of business conduct and ethics along with an informative and

continued on page 3

Sarbanes-Oxley: Its Impact on Private Companies

continued from page 2

detailed employee handbook should be adopted for the purpose of establishing guidelines in conformance with those imposed by Sarbanes-Oxley.

CONCLUSION

Sarbanes-Oxley has significantly raised the standards for corporate governance in America. By taking a proactive approach and adopting similar, but appropriate reforms, private companies can better position themselves for success and growth in the future. A company operated under the sound governing policies and procedures mandated by Sarbanes-Oxley will significantly improve its face to the public at large. Third parties will be more willing to do business with a company with sound governance. Overall, Sarbanes-Oxley, while crafted to regulate public companies in America, can strategically strengthen and improve private companies as well.

Jarrod's practice areas include corporate and business law.

Jarrod may be contacted at: jcofrancesco@lcrlaw.com or 973-729-1880.

LCR In Action

Partner Thomas N. Ryan recently served as Chairman of the Lakers Sports Club's Golf Committee, which held a very successful Golf Outing at the Knoll West Country Club in Parsippany on June 11th. Approximately 140 golfers attended and raised over \$45,000, which will fund scholarships for Mountain Lakes High School's scholar athletes and for extraordinary equipment/programs. Mr. Ryan is also the Immediate Past President of the Lakers Sports Club, a non-profit organization established to provide support for athletic programs and student athletes.

continued on page 4

LCR in the News

Brian M. Laddey Named To Outstanding Lawyers of America



Partner Brian M. Laddey has been named a member of the prestigious Outstanding Lawyers of America (OLA) organization.

OLA was founded to recognize and promote outstanding achievement in the practice of law, and to provide an easy and convenient way to locate quality legal counsel across the nation. Membership in OLA is limited to only 100 highly rated attorneys in each state and Washington D.C. A not-for-profit organization, OLA members are selected in a variety of ways including through nomination by other attorneys,

reviews of their professional achievements, accomplishments, and accolades, and/or through the use of results and ratings from surveys conducted by various organizations and publications.

Mr. Laddey is a former Prosecutor of Sussex County and a former President of the Sussex County Bar Association. He is a Trustee of the New Jersey State Bar Association, a Master Emeritus at the Worrall F. Mountain Inn of Court, a member of the Association of Trial Lawyers of America and a trustee of Trial Attorneys of New Jersey. Mr. Laddey was named Professional Lawyer of the Year by the New Jersey Commission on Professionalism In The Law in 1997 and was recognized by Trial Lawyers Care for the free legal advice he provided to victims' families following the September 11th tragedy.

Mr. Laddey concentrates his practice on issues involving personal injury, and civil litigation, in addition to representing municipalities. He has served as the Attorney for Sparta Township since 1983. The New Jersey Supreme Court, for Civil, General Equity and Probate matters has also selected him as a court-approved mediator.



Richard I. Clark Featured Speaker on Land Use Issues



Partner Richard I. Clark, a trustee of the New Jersey State Bar Land Use Section and Vice Chairman of the League of Municipalities Land Use Law Drafting Committee, was a featured speaker at a seminar on New Jersey land use issues. Mr. Clark is a panel member for the 2004 Land Use Update series of seminars sponsored by the New Jersey Institute for Continuing Legal Education (NJICLE). The seminar enlisted recognized attorneys in the land use field to educate other attorneys who practice land use law in New Jersey. The annual seminar focuses on recent case law, legislative, and other legal developments. NJICLE is the continuing legal education division of the New Jersey State Bar Association.

Laddey, Clark & Ryan will sponsor the Sussex County Chamber of Commerce's breakfast meeting on October 12th at Perona Farms.

LCR In Action *continued from page 3*

Associate Michael Garofalo coached 12 students from High Point Regional High School for a Mock Trial involving a criminal trial. Mike met with the students, beginning in May, two or three nights a week. The group, ranging from sophomores to seniors, made it all the way to the County finals! They were judged on presentation, advocacy skills and knowledge of trial rules. Mr. Garofalo said he was "amazed at the students' dedication" and found it interesting that most were

involved with the Mock Trial for the learning experience and leadership and presentation skills it taught.

Congratulations to the HPRHS Mock Trial team!



Partner Richard I. Clark was a recent guest on "The Buzz", broadcast on Service Electric Cable TV. Mr. Clark, along with two other panelists, discussed municipal law cases. Mr. Clark has focused his practice on New Jersey's land use laws for over 30 years.

The "hot topics" of the show were the discussion of Smart Growth and Town Center Designations, both timely issues for elected and appointed officials in Sussex County.

Additionally, Mr. Clark was an Official Supervisor of Scoring at the USGA's 104th U. S. Open held at Shinnecock Hills Golf Club, Southampton, NY in mid June. Mr. Clark is an avid golfer and has been a member of the Newton Country Club for 25 years.

Partner Andrew Fraser is serving as the Chairman of the Department for Person's with Disabilities (DPD) Annual "Thunder for the Disabled Motorcycle Tour" which will be held on Saturday, September 25th (rain date September 26th). Registration is from 10AM to 11AM at the Chatterbox Restaurant at the junction of Routes 206 and 15 in Augusta.

The Tour is particularly scenic as it winds its way through Sussex County, specifically Stillwater, Newton, Andover, Sparta and ending in Jefferson at the DPD Farm located on Weldon Road, where the DPD will host a picnic and hold

Andy Fraser with Chief Palko, Jefferson Township Police Department at the 2003 "Thunder for the Disabled Motorcycle Tour".



special activities. Mr. Fraser, who has been a long-time board member of the DPD, will be riding his 1999 Yamaha V-Star and his wife, Lisa, will ride her Honda Rebel. The Tour is coordinated with a walk-a-thon and bike tour.

All proceeds will benefit the DPD, a nonprofit agency responsible for the care and housing of developmentally disabled persons. The DPD operates 12 group homes (most of the residents have either lost their parents or their parents are too old to care for them), a farm and a vocational training center in Jefferson.



*Andy's
1999
Yamaha
V-Star.*