

BLANKROME

Frederick D. Lipman | Partner
Corporate

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A graduate of Harvard Law School, Fred is well versed in resolving business and legal problems through creative solutions. Fred advises a wide range of clients in corporate and securities issues such as:

- IPOs
- corporate governance (including special board committee and controlling shareholder representations)
- mergers and acquisitions
- securities, venture capital, and public offerings
- corporate litigation and other business issues
- international commercial transactions
- banking, bankruptcy, regulatory, loans, and workouts
- insurance

He is an internationally known authority on business law and has authored 21 books, including:

- *Enhanced Corporate Governance: Avoiding Unpleasant Surprises* (Daniel Publishing LLC, 2019)
- *Business Exit Strategies: Family-Owned and Other Businesses* (World Scientific Publishing Co. Pte Ltd., 2018)
- *Suzy's Holocaust Story* (Daniel Publishing LLC, 2017)
- *New Methods of Financing Your Business in the United States: A Strategic Analysis* (World Scientific Publishing Co. Pte., Ltd. 2016)
- *International Strategic Alliances: Joint Ventures Between Asian and U.S. Companies (2nd Edition)* (World Scientific Publishing Co. Pte. Ltd., 2014)
- *Whistleblowers, Incentives, Disincentives and Protection Strategies* (John

Wiley & Sons, Inc., 2012)

- *Audit Committees* (The Bureau of National Affairs, Inc., 2012)
- *The Family Business Guide* (Palgrave Macmillan, 2010)
- *International and U.S. IPO Planning* (John Wiley & Sons, Inc., 2009)
- *Valuing Your Business: Strategies to Maximize the Sale Price* (John Wiley & Sons, Inc., 2005)
- *Executive Compensation Best Practices* (John Wiley & Sons, Inc., 2008)
- *Corporate Governance Best Practices* (John Wiley & Sons, Inc., 2006)

His book titled *Corporate Governance Best Practices* is suggested or required reading in universities, both in the United States and internationally, and *Executive Compensation Best Practices* has been cited by the Securities and Exchange Commission in changing its proxy statement requirements for all public companies.

TV AND MEDIA APPEARANCES

Fred has appeared on CNN, CNBC, Bloomberg, and Chinese television and has been quoted in *The Wall Street Journal*, *The New York Times*, *USA Today*, *Forbes*, and many other business publications. He has lectured in China, Thailand, India, Australia, and at the United Nations in Geneva, Switzerland. He has lectured in New York for the Practising Law Institute, the New York City Bar Association, and on numerous occasions for the Pennsylvania Bar Institute and the Philadelphia Bar Association.

FACULTY POSITIONS

Fred was a Lecturer in a private equity course in the MBA program at the Wharton School of Business and was a lecturer in a corporate finance course at the University of Pennsylvania Law School for a combined total of 13 years (1988-2003). The course at the University of Pennsylvania Law School covered federal securities law (particularly, Securities Act of 1933, and Trust Indenture Act of 1939), finance, accounting, and corporate issues. Fred also was a lecturer in merger and acquisition course at the Temple University Law School for five years.

RECOGNITIONS

- 1989–2020, Corporate Law, listed in *The Best Lawyers in America*©
- AV-Preeminent, by Martindale-Hubbell
- 2004–2013, 2017–2018, “Pennsylvania Super Lawyer” in Securities & Corporate Finance, listed in *Super Lawyers*
- 2018, “Influencer of Law: Corporate & Securities,” by *The Philadelphia Inquirer*
- 2017, Giant of the Bar, by the Philadelphia Bar Association
- Listed in *Chambers USA*
- Listed in *Who’s Who in America*, *Who’s Who in American Law*, *Who’s Who in Finance and Industry*, and *Who’s Who in the World*

ASSOCIATION OF AUDIT COMMITTEE MEMBERS, INC.

Fred serves as president of the Association of Audit Committee Members, Inc., a not-for-profit organization dedicated to developing national best practices for audit committees. The organization was founded in 2003 by Fred and Roderick Hills, former SEC Chair.

SELECTED PUBLICATIONS OF NOTE

- *Audit Committees* (published by The Bureau of National Affairs, Inc. in 2017)—This is the most comprehensive treatment of audit committees currently published (over 700 double-spaced pages).
- *Executive Compensation Best Practices* (published in 2008 by John Wiley & Sons, Inc.)—Cited by the U.S. Securities and Exchange Commission in changing compensation disclosures for all public companies in SEC Rel. No. 33-9052, Note 53.
- *Corporate Governance Best Practices: Strategies for Public, Private, and Not-for-Profit Organizations* (published in 2006 by John Wiley & Sons, Inc.)—Used as either required or recommended reading at several international universities.
- *Going Public* (published in 1994 by Prima Publishing and distributed nationally to bookstores)—Designated by Fortune Book Club, a division of the Book of the Month Club. Selected as one of ten best business books of 1994 by *Your Company* magazine, an American Express publication.
- *The SEC's Reluctant Police Force: A New Role for Lawyers* (*New York University Law Review*, 1974)—Cited in *Forbes Magazine*.
- *On Winning the Battle of the Forms: An Analysis of Section 2-207 of the Uniform Commercial Code* (*The Business Lawyer*, April 1969)—Reprinted in part in *Contracts Law in Action – Vol. II*, published by Professor Macaulay, et al, at the University of Wisconsin Law School, assigned reading for law students, and cited in a leading treatise on the Uniform Commercial Code.
- *The Use and Misuse of the Qualified Stock Option* (*Journal of Taxation*, March 1966)—Prior to this article, public companies were generally using qualified stock options and subsequent forms of statutory stock options. This article advocated the use of non-statutory stock options because the income tax savings to the corporation substantially exceeded the tax savings to the employee. Subsequent to this article, public companies (particularly in Silicon Valley) gradually started using non-statutory stock options. According to a *New York Times* article by Gretchen Morgenson dated June 13, 2000, Microsoft Corporation saved \$4 billion in federal income taxes using non-statutory stock options and Cisco Systems was well on its way to eliminating all of its federal income tax liability for the same reason.

SELECTED BOOK REVIEWS

The Family Business Guide: Everything You Need to Know to Manage Your Business from Legal Planning to Business Strategies (published in 2010 by Palgrave Macmillan)

“*The Family Business Guide* takes the mystery out of some of the important, yet

rarely faced family business ‘hot spots’ – wills, pre-nups, compensation, employee agreements, shareholder agreements, and more. Keep this book nearby: It is both a clear guide to several once-in-a-lifetime decisions (i.e., selling the business, facing a financial crisis, planning your estate), but also a great, regular reminder of practical, everyday best (and worst) practices.” – John L. Ward, Kellogg Professor and Principal of The Family Business Consulting Group

“This is a very practical book for every family business. It doesn’t matter if you have been in existence for a year or 1,000 years. The author gives great examples of *best* and *worst* practices that you can examine compared to what you are doing in your business today. Everyone will learn something from this book, from seasoned professionals to those just starting out.” – Phil Clemens, Chairman/CEO of Clemens Family Corporation

“Fred Lipman and his partners represented my 92-year-old family business. Fred, a lawyer’s lawyer, has a unique gift of explaining and solving complex issues. His book contains state of the art thinking about family business strategies as well as valuable family legal agreement forms.” – Larry H. Colin, co-author of *Family, Inc.* and lecturer on family business. [Disclaimer: Prior results do not guarantee a similar outcome.]

Corporate Governance Best Practices: Strategies for Public, Private, and Not-for-Profit Organizations (published in 2006 by John Wiley & Sons, Inc.)

“A thorough and thoughtful guidebook on the governance lay of the land.” – Professor Charles M. Elson, Woolard Chair in Corporate Governance and Director of Weinberg Center for Corporate Governance, University of Delaware

“Frederick Lipman provides a comprehensive approach to best corporate governance practices for all organizations, which is current, thoughtful, and practical. Directors and corporate governance personnel of public, private, and not-for-profit organizations must read this book.” – Professor Raphael H. Amit, Director of Goergen Entrepreneurial Management Program, Wharton School of Business

“Fred Lipman is considered by many directors and CEOs to be the preeminent expert on corporate governance in the country. His advice on this important topic, which impacts the boards of all types of organizations – public, private, and not-for-profit – is required reading in this day and age.” – Frederick (Ted) Peters, Chairman and Chief Executive Officer, Bryn Mawr Bank Corporation (aka The Bryn Mawr Trust Company)

“Boards of directors must be aware of best corporate practices in order to be effective in their oversight role and that is true for all not-for-profit organizations, including universities, as well as public and private companies. Frederick Lipman has authored a practical and comprehensive guide to ‘best practices’ for all boards of directors, which is required reading.” – George P. Tsetsekos, PhD, Dean, Bennett S. LeBow College of Business, Drexel University

“In a world of ‘good,’ ‘better,’ ‘best,’ where ‘good’ and ‘better’ may not be good enough, Fred Lipman’s new book is a straightforward, and even comforting, compendium of BEST governance practices for serious directors. It is a handy and reassuring tool for the conscientious.” – Allen R. Freedman, Audit Committee Chairman, StoneMor Partners, LP, Founding Director, Association of Audit Committee Members, Inc.

BOOK LIST (21 books)

- *Enhanced Corporate Governance: Avoiding Unpleasant Surprises* (Daniel Publishing LLC, 2019)
- *Business Exit Strategies: Family-Owned and Other Businesses* (World Scientific Publishing Co. Pte Ltd., 2018)
- *Suzy’s Holocaust Story* (Daniel Publishing LLC, 2017)
- *Audit Committees* (The Bureau of National Affairs, Inc., 2017)
- *New Methods of Financing Your Business in the United States: A Strategic Analysis* (World Scientific Publishing Co. Pte. Ltd., 2016)
- *International Strategic Alliances: Joint Ventures Between Asian and U.S. Companies (2nd Edition)* (World Scientific Publishing Co. Pte. Ltd., 2014)
- *International Strategic Alliances: Joint Ventures Between Asian and U.S. Companies* (Daniel Publishing LLC, 2012)
- *Whistleblowers: Incentives, Disincentives, and Protection Strategies* (John Wiley & Sons, Inc., 2012)
- *The Family Business Guide: Everything You Need to Know to Manage Your Business from Legal Planning to Business Strategies* (Palgrave Macmillan, 2010)
- *Being a U.S. Public Company* (Bowne & Co., Inc., 2010)
- *International and U.S. IPO Planning: A Business Strategy Guide* (John Wiley & Sons, Inc., 2009)
- *Executive Compensation Best Practices* (John Wiley & Sons, Inc., 2008)
- *Corporate Governance Best Practices: Strategies for Public, Private, and Not-for-Profit Organizations* (John Wiley & Sons, Inc., 2006)
- *Valuing Your Business: Strategies to Maximize the Sale Price* (John Wiley and Sons, Inc., 2005; distributed nationally to bookstores)
- *The Complete Guide To Employee Stock Options* (Prima Publishing, 2001)
- *The Complete Guide to Valuing and Selling Your Business* (Prima Publishing, 2001)
- *The Complete Going Public Handbook*, subtitled “Everything You Need to Know to Turn a Private Enterprise into a Publicly Traded Company” (Prima Publishing, 2000)
- *Financing Your Business With Venture Capital*, subtitled “Strategies to Grow Your Enterprise With Outside Investors” (Prima Publishing, 1998)
- *How Much Is Your Business Worth? A Step-by-Step Guide to Selling and Ensuring the Maximum Sale Value of Your Business* (Prima Publishing, 1996)
- *Venture Capital and Junk Bond Transactions* (American Law Institute-American Bar Association, 1996); used at the University of Pennsylvania Law School

- *Going Public* (Prima Publishing, 1994; distributed nationally to bookstores)

PUBLICATIONS (OTHER THAN BOOKS) (57 articles)

- “Enhanced Corporate Governance Requires Proactive Strategy,” *Law 360* (October 29, 2019)
- “Counseling Independent Directors on Reputational Risks and Responsibilities,” *The Legal Intelligencer* (February 19, 2018)
- “Audit Committees Need Independent Counsel,” *Directors & Boards* (Third Quarter 2016)
- “JOBS Act Exemptions are Expensive & Burdensome but Loopholes Exist,” *Crowdfund Insider* (April 7, 2016)
- “SEC Regulations on Investment Securities Crowdfunding,” *The Legal Intelligencer* (July 16, 2015)
- “Women as Whistleblowers: Does Gender Affect Retaliation?” *The Legal Intelligencer* (June 30, 2015)
- “Looking to exit soon? Consider Regulation A,” *Private Equity Manager* (July 10, 2014)
- “Compensation Committee Mistakes When Hiring CEOs,” *Today’s General Counsel* (October/November 2013)
- “Absolute Protection of Internal Whistleblower’s Identity is Essential,” *Corporate Compliance Insights* (September 26, 2013)
- “5 Reasons to Adopt a Robust Internal Whistleblower Policy,” *Business Finance Magazine* (September 20, 2013)
- “Robust Internal Whistleblower Policies and the U.S. Department of Justice Criminal Guidelines,” *Corporate Compliance Insights* (August 29, 2013)
- “Problems with the Current Internal Whistleblower Systems,” *Corporate Compliance Insights* (August 7, 2013)
- “Improving the Flow of Information to the Audit Committee,” *Compliance Online* (June 28, 2013)
- “Whistleblowing and Compliance Risk Management,” *The Conference Board Research Report* (June 2013)
- “A Constitution is a Tool to Preserve a Family’s Legacy,” *Family Business Magazine* (March/April 2012)
- “From Enron to Lehman Brothers,” The Conference Board, “Director Notes” (March 26, 2012)
- “Why Should Organizations Adopt a Robust Whistleblower System?” Association of Audit Committee Members, Inc. (February 2012) (www.aacmmi.org)
- “The SEC’s “Change the Sign” Rule,” *Insights* (Volume 25, Number 9, September 2011)
- “SEC Proposed Whistleblower Reward Program,” *Corporate and Securities Update* (November 2010 (No. 7))
- “Securities Regulation of Small Public Companies, What We Can Learn From the British,” *Insights* (July 2009)
- “Navigating a Crisis with ERM,” *Corporate Secretary* (November 2008)
- “Best Practices in Legal and Insurance Departments of Organizations,” *The Legal Intelligencer* (November 17, 2008)

- “On Being a Successful Audit Committee Chair,” *Directors & Boards Magazine* (April 2008)
- “Meeting the Section 409A Deadline,” *Corporate Counselor* (November 2007)
- “Six Common Mistakes of Audit Committees,” *Directors and Boards Magazine* (July 5, 2005)
- “Being Public—The Personal Duties of Directors, Officers and Principal Stockholders Under the Securities Exchange Act of 1934 (including a summary of the Sarbanes-Oxley Act of 2002) and Rule 144 of the Securities Act of 1933,” St. Ives Burrups (2004)
- “Audit committee members need an association,” *Directorship Magazine* (February 2004)
- “SEC Proposes New Limits on Auditor Tax Services,” *Tax Notes* (January 2003)
- “Alternatives to Incorporating In Delaware,” *New York Law Journal* (November 6, 1997)
- “The Best Way to Launch An Initial Public Offering,” *The National Law Journal* (April 17, 1995)
- “What Should the Audit Committee Do?” *The Corporate Governance Advisor* (March-April, 1995)
- “Accounting Principles and Economic Growth,” *Venture Capital Journal* (November 1994)
- “Advanced Planning Needed for Your IPO,” *The Small Business Controller* (Fall 1994)
- “Securities Law Developments,” *Securities Regulation Law Journal* (Spring 1994)
- “CERCLA vs. The Bankruptcy Code: LTV Reaffirmed,” *The Banking Law Journal* (July-August 1993)
- “A New State of Confusion – Pa.’s New Corporation Law Needs a Rewrite,” *Focus* (January 17, 1990)
- “Guest Headnote: New Risk-Based Capital Guidelines Will Change Banks’ Future,” *The Banking Law Journal* (January-February 1990)
- “Risk-Weighing Banking’s Future,” *Philadelphia Business Journal* (November 13-19, 1990)
- “An Examination of Opting Out,” *Philadelphia Business Journal* (July 9–15, 1990)
- *The Quality Pursuit* (The American Bar Association, 1989): author of chapters titled “Legal Opinions” and “Responding to Auditor’s Letters”
- “Good And Bad News About Dividends,” *The Legal Intelligencer* (December 8, 1989)
- “Responding to Auditors’ Letters,” *Legal Economics* (October 1989)
- “Another Generation of Anti-Takeover Laws Beginning to Develop,” *The National Law Journal* (February 20, 1989)
- “One Share, One-Vote Rule: Smothering Stock Owners with Love?” *Legal Times*, Washington, D.C. (November 14, 1988)
- “Explaining New Takeover Law,” *Philadelphia Business Journal* (June, 1988)
- “Takeovers of Corporations More Difficult Under Pennsylvania Act,” *Pennsylvania Law Journal-Reporter* (May 16, 1988)

- “Directors’ Liabilities: Legislature Lends a Helping Hand,” *Focus* (October 1987)
- “Interstate Bank Mergers,” *The National Law Journal* (April 1986)
- “Will Pennsylvania Permit Non-Bank Banks?” (co-author), *Focus* (October 1984)
- “Boards Must Act by March 22 on ‘Takeover’ Law,” *Philadelphia Business Journal* (February 1984)
- “Notes as Securities,” *The Review of Securities Regulations* (1981)
- “Bank Loans as Securities,” *The Review of Securities Regulations* (1978)
- “The SEC’s Reluctant Police Force: A New Role for Lawyers,” *New York University Law Review* (1974)
- “Cooling Mergers,” *The Review of Securities Regulations* (1971)
- “On Winning the Battle of the Forms: An Analysis of Section 2-207 of the Uniform Commercial Code,” *The Business Lawyer* (April 1969)
- “The Use and Misuse of the Qualified Stock Option,” *Journal of Taxation* (March 1966)
- “Malingering in Personal Injury Cases,” *Temple Law Quarterly* (March 1962). Selected for publication as one of 32 best articles in personal injury field for 1962 by *Personal Injury Annual*. Also republished in *Insurance Law Journal* (July 1962)

Select Engagements

- Representation of a public company which is controlled by a trust and related litigation.
- Representation of special board committee of NYSE company which declared a \$1 billion dividend.
- Sale of control of an internal audit outsourcer to a private equity firm.
- Leverage recapitalization of a discount retailer based upon a \$60 million valuation.
- Acquisition of over 100 cemeteries.
- \$47 million IPO of a long-distance telecom services company.
- Joint venture to construct \$2.8 billion salt-water desalinization and power plant in Saudi Arabia.
- Major victory in bankruptcy court for high-tech environmental company requiring secured lenders to refinance debt.
- \$600 million bank merger.

Admissions

- Pennsylvania
- New York

Memberships

- Philadelphia Bar Association
- Advanced Technology Center of Greater Philadelphia

- Bezalel
- Greater Philadelphia Chamber of Commerce
- Harvard Law School Association of Greater Philadelphia
- Madlyn and Leonard Abramson Center for Jewish Life
- PENJERDEL Council
- Pennsylvania Bar Institute
- Walnut Street Theatre

Education

- Temple University, BA, summa cum laude
- Harvard Law School, LLB

Professional Activities

- President and Director, Association of Audit Committee Members, Inc.
- Philadelphia Geriatric Center: Board of Directors, 1991–Present
- Walnut Street Theatre, Philadelphia: Board of Trustees, 1998–2001
- The Penjerdel Council: Member of the Board of Directors, 1996–2001
- Pennsylvania Bar Institute: Lecturer on corporate, securities and banking law subjects around the state
- Greater Philadelphia Chamber of Commerce: Member of Executive Committee of Board of Directors, 1984–1990; Chairman of Technology Council, 1983–1985
- The Philadelphia Bar Association:
 - Member of Board of Governors, 1984 and 1985
 - Chairman, Business Law Section, 1984 (This section consists of over 1,500 business lawyers.)
 - Chairman, Securities Law Committee, 1980–1982
 - Chairman, Accounting Committee, 1988 –Present
 - Chairman, Ad Hoc Committee on Revision to Pennsylvania Corporation Law, 1982
 - Chairman, Ad Hoc Committee to Review Pennsylvania Business Corporation Law 1983
- President, Harvard Law School Association of Greater Philadelphia, 1988–1989
- Director, Policy Governing Board, Advanced Technology Center of Greater Philadelphia, 1984, 1985
- Director and Co-President, Bezalel, 1988–1990
- Other Directorships: Former Director of Butler International, Inc., a New York Stock Exchange company, and of Kinetics Technology International, Inc., a privately-held petro-chemical engineering firm based in Monrovia, California