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NEWSPAPER



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COURTESY OF DIGITAL REMEDY, BUCK ENNIS

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AGENDA

DECEMBER 3, 2018

Parsing public good from personal interest in the Amazon debate

Criticism of the state's deal to lure Amazon to Queens has reached a fever pitch. Protests and strongly worded press releases have raised legitimate questions about the nearly \$3 billion in subsidies offered to one of the globe's richest companies. But amid the free-for-all have seeped less-compelling qualms that smack of self-interest. Let's stop and take a breath.

The bottom line: Adding 25,000 to 40,000 jobs in a decade will be a net win for the region's economy, which needs to diversify to remain resilient and competitive. Observers need to be aware that many of the tomatoes being lobbed at the project are more akin to sour grapes.

One of state Sen. Michael Gianaris' complaints, for example, is that negotiations happened behind closed doors. Of course they did. Deals between governments and private companies are done this way all the time. There could never be enough room at the table for the myriad stakeholders. Because land-use changes are typically handled by the City Council, local member Jimmy Van Bramer saw himself go from the potential lead negotiator to a mere bystander once the state decided to follow its own general project plan. He called that decision undemocratic, mainly because it is being steered by another elected official—Gov. Andrew Cuomo—and not him.

On the other hand, Gianaris and Van Bramer are facing tremendous pressure from constituents concerned about the impact on neighborhood infrastructure and housing costs. Is it any wonder they have emerged as two of the staunchest critics of the plan? Backers, too, have their own agendas, which explains why several labor unions, which are assured of getting a lot of work from the project, are among its most vocal supporters. We don't begrudge stakeholders the right to

Many of the tomatoes being lobbed at the HQ2 deal are more akin to sour grapes



advocate for their interests—which are often a mix of genuine concern and achieving narrower goals—but personal agendas can't get in the way of what's best for the city as a whole.

Meanwhile, the tax breaks Amazon was given have been on the books for years without attracting a fraction of the outrage. Should they not be offered just because Jeff Bezos is the beneficiary?

Of course there are legitimate questions to be addressed. The subways need fixing, and Amazon's commitment to feed an infrastructure fund won't be enough to fix them.

The e-commerce giant is getting a \$500 million grant from the governor. Does it deserve that generosity more than the 400,000 New Yorkers living in decaying NYCHA housing?

There's room for debate about this deal. The key is to make sure it's focused on the needs of the many, not the gripes of a few. — THE EDITORS

FINE PRINT New Year's Eve draws tremendous attention to Times Square, presenting an advertising opportunity that doesn't need to break the bank. Integrated marketer Five Tier is selling \$100 15-second spots from 9 p.m. to 2 a.m. on Seventh Avenue billboards between West 42nd and 49th streets. The downside to these fleeting ads? They compete with dozens of dazzling screens at the world's most-visited tourist attraction.

25 WORDS OR LESS

“Even if there were factors out of our control, what is the problem with saying ‘I’m sorry’?”

—City Council Speaker Corey Johnson on the lack of a direct apology from Sanitation Commissioner Kathryn Garcia for the city's response to last month's snowstorm, which was marked by heavy gridlock and delayed plowing

BY GERALD SCHIFMAN

PHILANTHROPIC PARTIES

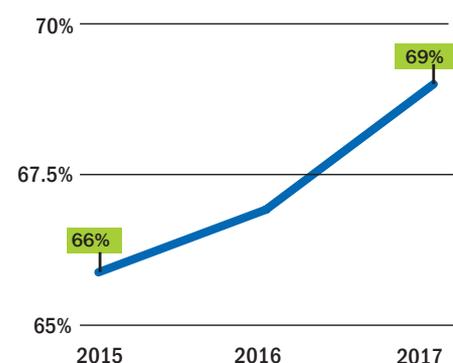
NEW YORK CHARITIES are receiving more of the monies raised by campaigns for which they've hired for-profit fundraising companies. But there are still campaigns where lavish costs exceed the resulting charitable donation.

964 Number of professional fundraising campaigns conducted at least partly in the state last year, a 2.3% decrease from 2016

\$1.2B Total amount raised by those campaigns, a 3.3% decrease from the previous year

156 Number of campaigns in which fundraising expenses exceeded charitable revenue

CHARITIES' PORTION OF FUNDS RAISED



SOURCE: State attorney general

STATS AND THE CITY

JOHN KUCZULA

president K.C. Crain
 senior executive vice president Chris Crain
 group publisher Mary Kramer

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assistant managing editors Erik Engquist, Jeanhee Kim, Robin D. Schatz
copy desk chief Telisha Bryan
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reporters Will Bredderman, Jennifer Henderson, Jonathan LaMantia
digital fellow Lizeth Beltran
columnist Greg David
contributors Tom Acitelli, Cara Eisenpress, Cheryl S. Grant, Yoona Ha, Chris Kobiella, Miriam Kreinin Souccar

to contact the newsroom:

www.crainnews.com/staff
 212.210.0100
 685 Third Ave., New York, NY 10017-4024

ADVERTISING

www.crainnews.com/advertise
advertising director Irene Bar-Am, 212.210.0133, ibaram@crainnews.com
senior account managers Lauren Black, Rob Pierce, Stuart Smilowitz
account manager Jameson Roberts
integrated marketing manager Jonathan Yan, 212.210.0290, jyan@crainnews.com
associate art director/marketing Charles Fontanilla, 212.210.0145, cfontanilla@crainnews.com
sales coordinator Devin Arroyo, 212.210.0701, darroyo@crainnews.com

CUSTOM CONTENT

director of custom content Patty Oppenheimer, 212.210.0711, poppenheimer@crainnews.com
custom project manager Danielle Brody, dbrody@crainnews.com

EVENTS

www.crainnews.com/events
director of conferences & events Courtney Williams, 212.210.0257, cwilliams@crainnews.com
manager of conferences & events Ashlee Schuppis, aschuppis@crainnews.com

AUDIENCE DEVELOPMENT

group director, audience development Jennifer Mosley, jmosley@crain.com

REPRINTS

reprint account executive Lauren Melesio, 212.210.0707

PRODUCTION

production and pre-press director Simone Pryce
media services manager Nicole Spell

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THE ALLIANCE
 OF AREA BUSINESS PUBLICATIONS

Amtrak falls below Trump in governor's pecking order

GOV. ANDREW CUOMO powwowed with President Donald Trump in Washington last week to discuss the Gateway Program, a \$30 billion project that would repair and replace Amtrak infrastructure along the Northeast Corridor. He returned with a radical revision: decoupling the biggest piece—the construction of a new conduit under the Hudson River to carry commuter trains between New York and New Jersey—from the larger enterprise, as well as booting Amtrak's representative from overseeing the Gateway Program Development Corp. and inserting a Trump appointee.

The Democratic governor, who ran his re-election bid vowing to fight the president, jabbed at Amtrak during a news conference at his Manhattan office.

"To put it charitably," he told reporters, "I don't believe Amtrak is the best vehicle to manage this project."

Those looking for a firm federal commitment to fund the initiative were underwhelmed. But those familiar with Cuomo's rhetoric on Amtrak experienced déjà vu. The Hudson River tunnel project ultimately calls for the southward expansion of Penn Station—and Cuomo has made several aggressive attempts to take control of the transit hub's redevelopment.

The governor's "infrastructure czar," **Rick Cotton**, attended Wednesday's meeting. Cotton, Cuomo's top appointee at the Port Authority, is in charge of several other legacy projects including the redesign of Kennedy and LaGuardia airports. He indicated at the news conference that the Gateway Development Corp., for which the Port Authority handles federal grant applications, would look to maintain control of the new tubes even after work is done.

But the railroad signaled it won't get kicked off the train without a fight.

"Amtrak will always remain involved in all aspects of Gateway, Chief Commercial Officer **Stephen Gardner** said, "for the benefit of the region and the nation." — **WILL BREDDERMAN**



TRUMP AND CUOMO met to discuss a \$30 billion Amtrak infrastructure project and emerged with a plan to end Amtrak's oversight of it.

At first blush

Times Square got a fresh face when cosmetics brand CoverGirl opened its first store, at 719 Seventh Ave. The shop offers AI mirrors for customers to test makeup and free 15-minute sessions with makeup artists.

Liquid assets

For those feeling parched on the frozen tundra of Prospect Park Drive, the Prospect Park Alliance spent \$175,000 to install four freeze-resistant water fountains.

Spellbound Broadway

Harry Potter and the Cursed Child broke its own record for weekly ticket sales of a Broadway play when it grossed more than \$2.3 million for the week ending Nov. 25, eclipsing the \$2.27 million mark it set in June. The play, winner of six Tony Awards, opened in April.

Edited out

As Condé Nast consolidates its domestic and foreign divisions, CEO Bob Sauerberg has gone out of vogue. Sauerberg, an 18-year veteran of the publishing house, will remain until the reorganized company taps a global CEO.

In league with gamblers

Major League Baseball and the National Basketball Association took seats at the gambling table. MLB entered a marketing partnership with MGM Resorts International in the United States and Japan, giving MGM access to MLB data

DATA POINT

SOME 254,000 PEOPLE IN NEW YORK WERE HOMELESS AT SOME POINT IN THE PAST YEAR, A NUMBER TOPPING THE POPULATION OF EVERY STATE MUNICIPALITY EXCEPT BUFFALO AND NEW YORK CITY.

and statistics. The NBA hooked up with Genius Sports Group and Sportradar to funnel NBA and WNBA data to sports books throughout the United States.

Stressed out

Deutsche Bank is said to be streamlining Tom Patrick out of its U.S. operations. The restructuring bank, which flunked the Fed's stress test this year, named Patrick head of the Americas last year.

Brightened beach

For the first time in at least a couple of decades, Mermaid Avenue in Coney Island will be merry and bright. Real estate developer Arker Cos. gave \$20,000 for holiday lights and snowflakes to stretch from Stillwell Avenue to West 33rd Street.

Dragon this out

The MTA missed its Nov. 27 deadline to dispense 250,000 limited-edition *Game of Thrones* MetroCards. The agency said it still does not have a firm release date for the cards.

Bad rubbish

The Bronx's largest waste carter, under fire from the City Council, is going out of business. Sanitation Salvage has had 58 crashes in the past three years, was involved in the death of two men and received many safety violations.

Wheels keep on turning

Under a city agreement allowing Lyft to acquire the operator of Citi Bike, the firm will triple its fleet to 40,000 bikes and more than double its service area—adding 35 square miles. The contract is for five years. — **CHRIS KOBIELLA**



Gone girl

Fearless Girl was moved from the path of *Charging Bull* at Bowling Green to a home at the New York Stock Exchange. State Street Global Advisors placed a plaque with shoe prints in her spot asking passersby to "stand for her."

Councilman proposes task force to study brick-and-mortar woes

Lancman's panel would include store owners, landlords and unions **BY WILL BREDDERMAN**

It's the holiday season—but for many small-business owners, it's the winter of discontent.

A new bill proposed by City Councilman Rory Lancman of Queens would assemble a seven-member “retail resurgence” task force consisting of delegates from the storefront sector, landlords and organized labor, plus Gregg Bishop, the city's Small Business Services commissioner. Together, they would analyze what some call a crisis in retail by determining the extent of storefront vacancies, the limits of available data and which public policies are helping, harming and failing to support struggling brick-and-mortar shops.

“The holiday shopping season makes the gaping voids in our real estate storefronts all

the more noticeable and depressing,” Lancman said. “This is the season when our retail stores should be humming.”

Advocates have advanced various theories about what has chilled the fortunes of the city's small stores, and the bill raises “challenges related to gentrification, commercial rent, rezoning and on-line retail.” Business groups, however, often blame rising wages and what they call burdensome regulations.

Mayor Bill de Blasio and City Council Speaker Corey Johnson each would select three unpaid envoys from retail, real estate and unions. The mayor would have an effective majority on the body because Bishop is his appointee. The group would have exactly one year from its inception to

present recommendations to de Blasio and Johnson, and a month to post the proposals online for public review.

'A different type' of panel

Lancman acknowledged that politicians often convene task forces and commissions to reach a preordained conclusion or to defuse a controversy—often by arriving at no conclusion at all, and hoping that concerned citizens have forgotten the issue. But not this panel, the councilman and Queens district attorney candidate promised.

“This is a different type of task force,” he said. “This is a task force that puts the stakeholders in a room and gets them to agree on strategies. I think this task force will be successful because all the par-



LANCMAN wants parties with vested interests to stop pointing fingers and start offering solutions to the storefront vacancy problem.

ticipants—real estate, retail and labor—have a vested financial interest in representing their solutions to the government.”

The City Council held a hearing this year on the contentious Small Business Jobs Survival Act, which some refer to as commercial rent control. It would entitle storefront tenants to binding arbitration in negotiating a new decadelong lease with their landlords.

De Blasio's office has repeatedly asserted that the SBJSA would amount to an unconstitutional seizure of property. Johnson—who as a speaker candidate vouched his support

for the proposition—indicated in October that he thought the 30-year-old legislation needed substantial rewriting.

Lancman characterized the proposal as unfair.

“One of the profound issues with the commercial rent-control bill is you can't solve a problem with a solution that imposes all of the burden on one of the stakeholders,” he said. “If you can get real estate and labor and the business community to agree to a set of proposals, that puts tremendous pressure on the council and the mayor to implement them.” ■

GETTY IMAGES

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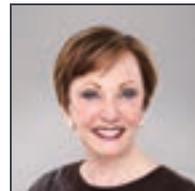
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Bernard H. Mendik
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Citizens Budget Commission



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Helena Rose Durst
The Durst Organization



Kenneth R. Gerrety
Humanitarian Award

Bernard Warren
Webb & Brooker



George M. Brooker
Management Executive of the Year Award

Ira Z. Fishman
HSP Real Estate Group



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Memorial Broker Recognition Award

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Bernstein R.E. Group



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ALAN MUCATEL RISING GROUND

Following Rising Ground's partnership this summer with Brooklyn nonprofit Edwin Gould Services for Children and Families, CEO Alan Mucatel oversees a nonprofit dedicated to child welfare and support for the developmentally disabled that serves some 25,000 clients across the five boroughs and Westchester. The organization recently re-branded, dropping the name Leake and Watts, an orphanage that opened in Manhattan in 1831.

What shape was Rising Ground in when you became CEO in 2009?

It had lost its way. About 80% of the programs were in some form of corrective action; the agency had spent down about \$25 million of its investment portfolio, had just lost a contract and was laying off about 170 staff members. We not only got out of corrective action but became the kind of place where others come to talk to us about how to make improvements in their programs.

What was your turnaround strategy?

We had to take a hard look at ourselves. What are we doing well? What are we not doing well? Let's really listen to feedback we're getting from our government partners and even from our neighbors. And let go of the defensiveness. That process of being introspective has served us well. We also needed a level of institutional accountability and had to put systems in place to provide for that.

How has the dramatic drop in the number of children in foster care in New York City affected your work?

The flip side to the decrease in foster care is the increase in the need for preventive services, which are about strengthening families and helping them address some immediate need or crisis that has caused a family member or a doctor or a teacher to notice a child needs additional attention.

What ties together the vast array of services Rising Ground offers?

Across all our programs, we're trying to help people move upward and forward in their lives, hence the word "rising." That can be a child in foster care or an individual with intellectual and developmental disabilities or a preschooler who's just getting started. The other part is that we provide them with a solid foundation so they can direct their lives. That could be anything from education to skills to concrete services in the community.

How did the partnership with Edwin Gould come about?

In addition to the number of children in foster care dropping, New York state has also said, for example, we don't need so many organizations providing services to people with intellectual disabilities, or nearly as many executive directors, CFOs, directors of human resources. Edwin Gould had financial challenges, and the executive director recognized that it would be stronger in affiliation with another organization. It is now a subsidiary and we perform all its administrative functions. We need to position ourselves not only to deliver the best possible outcomes but to compete effectively, whether it's for contracts or employees or for donors' attention.

Are there program areas the organization is focusing on as it expands?

One is our child welfare work, and the other is services to people with intellectual and developmental disabilities. Our affiliation with Edwin Gould has brought us into the area of intimate-partner violence. It could affect the parent of a young person in one of our early childhood programs, and it's certainly something we've seen in our foster care work. We're committed to the areas of service that we provide today and looking at ways to fill in any gaps. ■

“The flip side to the decrease in foster care is the increase in the need for preventive services to strengthen families

DOSSIER

WHO HE IS CEO, Rising Ground

BUDGET \$130 million

EMPLOYEES 1,800

BORN East New York, Brooklyn

RESIDES Chelsea

EDUCATION Bachelor's in government, Wesleyan University; M.B.A. in economics and master's in politics, New York University

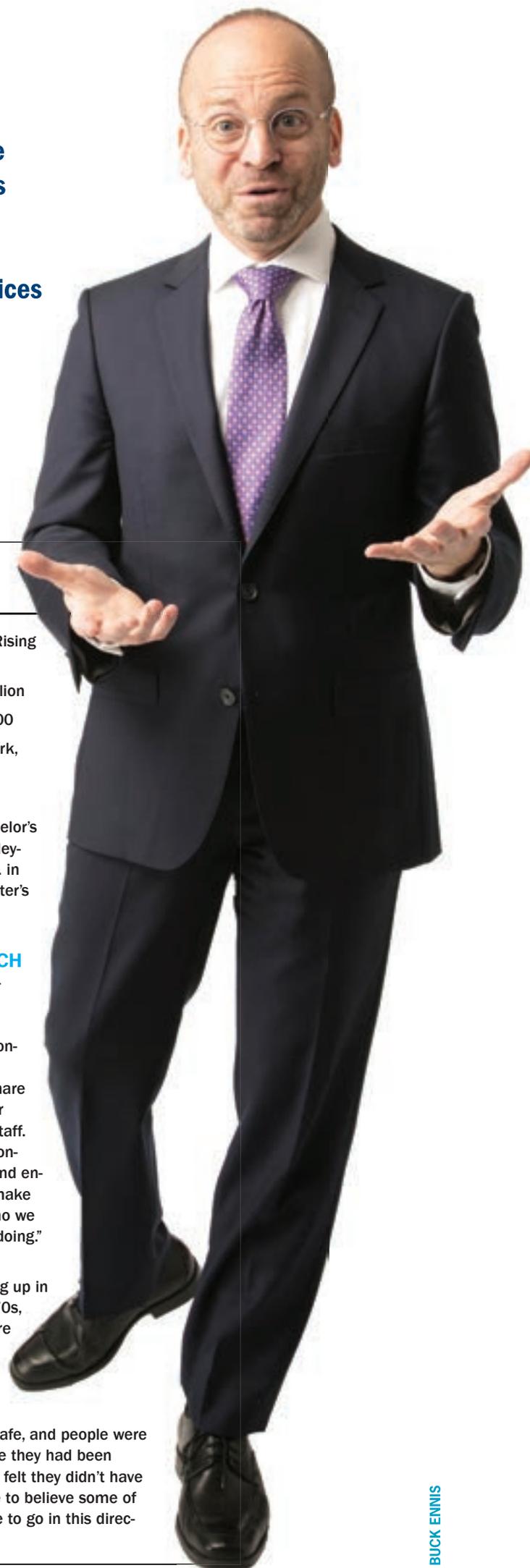
PERSONAL TOUCH

Mucatel dines weekly at one of Rising Ground's residential facilities and occasionally makes surprise late-night visits to share doughnuts and other treats to overnight staff. “We have to try to connect with our staff and encourage them and make them feel part of who we are and what we're doing.”

SUMMER OF '77

Mucatel says growing up in New York in the 1970s, when things felt more chaotic, may have influenced his desire to work in human services.

“Things felt very unsafe, and people were so unsettled because they had been disenfranchised and felt they didn't have opportunities. I have to believe some of that led to my desire to go in this direction in my work.”



BUCK ENNIS

Stringer pitches alternative plan for affordable housing

Comptroller argues city could do more to serve lower-income New Yorkers—by spending billions of additional dollars **BY JOE ANUTA**



Last week Comptroller Scott Stringer issued a report asserting that the city should refocus its affordable housing plan to build nearly 86,000 apartments almost exclusively for the lowest-income New Yorkers. That's probably wishful thinking.

As part of its Housing New York plan, the de Blasio administration pledged to build 100,000 units of affordable housing, serving a range of incomes, between 2014 and 2026, and it is well on its way to reaching that goal. But City Hall has faced criticism that the new apartments are too expensive for the neighborhoods where they are being built.

With that in mind, Stringer's report laid out sever-

al stark facts: The supply of housing has not kept up with demand, and as a result costs have gone through the roof. The need for affordable housing is most acute at the lower end of the income spectrum, where earnings fell in real terms between 2007 and 2016. And the city's program is not meeting this need—by a substantial margin.

Balancing debt

The crux of Stringer's alternate housing plan is simple: The cost of operating and maintaining a building is quite low. Even a complex staffed with union service workers can stay above water by charging an average rent of just \$620, according to the city's own estimates. So why do developers

charge so much more?

With a limited supply of capital, officials have long expected affordable housing developers to take out low-interest loans from the city or banks to help pay for their projects. Because these loans must be repaid with interest, developers charge rent beyond what's needed for basic maintenance. Stringer's idea is to largely get rid of the debt and have the city front the money. Presto: a \$620 apartment.

But doing that would be extremely expensive. Lowering rents at the 85,706 units in the pipeline would cost around double the \$2.5 billion the city has already allocated between 2019 and 2022, Stringer said. The city's affordable housing agency pegged a conservative

estimate closer to \$10 billion, which does not take into account operating costs that taxpayers would have to foot. Because the majority of units in Stringer's plan would rent for less than \$620 a month, many of the resulting buildings would actually lose money and require an ongoing public subsidy, much like the New York City Housing Authority—a problematic concept, many housing experts say.

But the report raises an important question in the affordable housing world: How much debt is the right amount? Use more and you can build for more people, albeit at a mix of incomes. Use less and you can achieve lower rents but build fewer units.

The de Blasio administra-

tion has adjusted its formula once, committing an additional \$1.9 billion to reduce rents in some of its projects. And if billions of additional dollars were to flow to the city from reforms of state mortgage and transfer taxes—which Stringer proposed as a way to pay for his plan—then a similar shift toward lower rents would pencil out without dipping into existing tax revenue.

But every move along the debt spectrum comes with serious trade-offs, meaning there is no unused bundle of money lying around that will be able to solve the city's housing ills. City officials believe they have struck the right balance. Affordable housing advocates, developers and Stringer tend to disagree. ■

GETTY IMAGES

In the nonprofit sector, change agents rule



Tammy Tibbetts, co-founder and CEO of She's the First, speaks at AFP's National Philanthropy Day on November 19

Nonprofit organizations are a vital part of New York City's economy, collectively generating more than \$126 million in revenue each year, according to data from Baruch College's Center for Nonprofit Strategy and Management. But for those organizations to continue to thrive, they must be willing to adapt.

"The telethons are a thing of the past," said John Jay College President Karol Mason speaking to a crowd gathered at Baruch College for National Philanthropy Day.

Presented by the Association of Fundraising Professionals, New York City Chapter, the event featured speakers that urged those in attendance to embrace change and take advantage of new means of raising funds.

Sponsored Content

Tammy Tibbetts, co-founder and CEO of She's the First, did just that when she launched a social media campaign in 2009 to raise awareness of the lack of equal access to education for girls around the world. What began as a short video on Youtube evolved into the nonprofit she helms today, one that has provided scholarships to more than 11,000 girls in low-income countries.

Tibbetts credits her organization's growth to individuals "who have done what they could with what they have, wherever they are."

Another speaker at the event, Eduardo Vilaro, CEO and artistic director of Ballet Hispanico, said he attempts to inspire giving by sharing the passion he possesses for his own organization with potential donors.

"I want them to have their breath taken away by how their money is going to serve the needs of our communities," he said.

"Charity is a short-term solution to alleviate immediate pain and suffering, whereas philanthropy requires a bigger lens and a dig deeper to address the root cause to a problem. I strongly believe we need to harness a younger generation to think like philanthropists."

— Tammy Tibbetts, Co-founder and CEO of She's the First

Mason added that nonprofit officials must also be relentless in their approach to seeking funds.

"I will not take no for an answer," she said. "When people say no, that just means 'not right now.'"

Beyond raising money, Federation of Protestant Welfare Agencies CEO Jennifer Jones Austin said that nonprofit leaders must look to modify policy and embrace their role as change agents.

"We've got to look beyond the service that's provided on a daily basis, and we've got to think big about systems and policy," she said. "You can fund all the programs that you care to, and it's important to do so, but if you don't engage in systems reform, it's like doing the same thing over and over and expecting different results."

Tibbetts echoed that sentiment, but added that nonprofit leaders need to do more than just be change agents themselves. They must also do their part to inspire and educate the next generation.

Rather than encouraging these young change agents to focus on becoming charitable adults, Tibbetts believes they should instead focus on being philanthropic.

"Charity is a short-term solution to alleviate immediate pain and suffering, whereas philanthropy requires a bigger lens and a dig deeper to address the root cause to a problem," she said. "I strongly believe we need to harness a younger generation to think like philanthropists."

SEC ponders another visit to the loony bin of naked shorts

Risky trading strategy attracts colorful characters and plenty of lawsuits

A day before Thanksgiving, the Securities and Exchange Commission quietly decided that it's time to take a fresh look at more than 40 regulations. Many of the rules concern really arcane matters, such as how transfer agents do their work or who is to be regulated under the Investment Company Act of 1940. But in a potentially much more entertaining move, the SEC determined it might be time to re-examine the rules for naked short-selling.

Naked short-selling—which isn't quite what it sounds like—was one of Wall Street's most durable controversies in the last decade. It now may be poised for a comeback. In September *Forbes* published an article headlined "Will Naked Short Sellers Torpedo the Trump Bull Market?"

Short sales are bearish bets that pay off when markets fall. Ordinarily the bets are made by an investor selling shares borrowed from a broker with the hope of closing the position later at a profit by buying the stock at a lower



AARON ELSTEIN

price. In a naked short, however, the borrowing transaction is never completed; the seller never has to repay the loan and buy back the shares—which results in a wave of selling that can act as a dead weight on a stock. Lehman Brothers CEO Dick Fuld told Congress in 2008 that "naked short attacks" were a key factor in his firm's collapse.

Two years ago Goldman Sachs paid \$15 million to settle SEC allegations that it violated a rule governing naked short-selling, and Merrill Lynch paid \$20 million to settle a naked-shortening lawsuit brought by Overstock.com, a retailer whose CEO once said he was on a "jihad" against the trading. Both cases stemmed from trading activity last decade, when naked shorting became a passionate cause for some really colorful characters.

Foremost was Richard Altomare, above right, who insisted naked short-sellers ruthlessly attacked his Manhattan luggage-handling company, Universal Express.

The bears, it's been alleged, were so

ferocious that at one point 625 Universal Express shares were worth one penny.

Naked shorts may have been one reason Universal Express stock was utterly worthless. Another was that the company issued more than 21 billion unregistered shares, the sales of which paid Altomare's \$1 million salary. The SEC sued in 2004, and a federal judge ordered Altomare to cough up a \$1.7 million penalty.

But Altomare refused to pay, the only case I can think of where a business executive defied a judge. After the judge sent him to the Metropolitan Correctional Center, Altomare issued a statement saying Rosa Parks and Susan B. Anthony also were once vilified.

"Naked short-selling and the unchecked abuse of power of a governmental agency are such valuable causes worthy of the battle," he said.

That wasn't the end of his legal problems. In 2014 Altomare was sentenced



to 37 months in prison in a separate case for agreeing to pay an FBI informant to take part in a "pump-and-dump" stock scheme.

Altomare appealed the verdict all the way to the U.S. Supreme Court, which last year declined to hear his case. His attorney, Howard Schumacher, didn't return a call seeking comment.

The SEC adopted rules during the financial crisis that required brokerage firms to track more closely the stocks they loaned out—which seems to have stamped out most naked shorting.

Maybe the regulator thinks it's time to let this peculiar party start again. ■

Even after bootlegging arrests, smuggling trade keeps growing

Thanks to high taxes, more than half of all cigarettes sold in New York are trafficked in from out of state

Smokers in New York have a choice when buying cigarettes: They can pay \$13 for a pack with all the required city and state taxes included or they can pay half as much for smokes smuggled in from other states. Most are choosing the latter.

The city is now the nation's capital for tobacco smuggling. Nearly 57% of all cigarettes smoked here are carted in from out of state, the highest rate in the country, according to Tax Foundation data. Widespread bootlegging deprives the city and state of hundreds of millions of dollars in tax revenue every year, which is why authorities spend so much time trying to stop it.

Last week they revealed a big win, with the New York attorney general's office charging 17 individuals with smuggling 18 million cigarettes into the city, evading \$3 million in taxes.

"The defendants ran a massive criminal enterprise," Attorney General Barbara Underwood said in a statement. "We have zero tolerance for those who try to game the system and cheat New Yorkers."

New York's smuggling problem includes rampant booze bootlegging.

According to a 2016 *Crain's* investigation, one in every four bottles of liquor sold in the city has been smuggled in.

But cigarettes are a bigger problem, mainly because a lot more cartons of smokes fit in a car trunk than do cases of whiskey or vodka.

The latest tobacco-smuggling take-down, known internally as Operation Big Wheels, was led by the attorney general's office and the New York City Police Department, with assistance from the Department of Homeland Security and the New York state Department of Taxation and Finance, among other agencies. Investigators used wiretaps, GPS tracking, covert cameras and undercover agents to ensnare the ring.

Fewer smokers, more smokes

A decade ago 36% of the cigarettes sold in the city were contraband. The spike in smuggling corresponds with the city and state raising tobacco taxes to curb smoking, a signature issue for Mayor Michael Bloomberg. State cigarette taxes of \$4.35 per pack are the highest in the country, and in 2002 the city boosted its tax to \$1.50 per pack from 8 cents.



HEAVY LIEN: At nearly \$6 a pack, New York's tobacco taxes are the highest in the nation.

From a public health perspective, increasing the levies has been an unqualified success. The latest city data show that 13% of New Yorkers smoke, compared with nearly 22% in 2002, a decline of nearly 450,000 people.

The downside is that the remaining puffers have figured out that cheap bootleg smokes are readily available, thanks to smugglers trucking up from

North Carolina, where cigarettes are taxed at 45 cents per pack, or Virginia, where it's 30 cents.

Big tobacco companies aren't too concerned with smuggling, because their profits aren't affected by how much tax is added to the cost of a pack. Given the massive arbitrage opportunity, it's a little puzzling why any smoker in New York ever pays retail price. —A.E.

A legacy plan that fulfills your vision

There's more to legacy planning than simply putting a will in place. When done right, legacy planning is a long-term, multipronged project that involves determining the optimal ownership of assets during a person's lifetime, minimizing taxes, funding charitable gifts, educating descendants, and planning for the management of wealth after death. And it all starts with an understanding of your family's particular needs and goals.

To learn what goes into turning a legacy vision into an actionable plan, Crain's Custom turned to Goulston & Storrs, a law firm with expertise in managing large and complex estates. We spoke with Andy Rothstein and Michelle Porter, Co-Chairs of Goulston & Storrs's Private Client & Trust Group.

Q Crain's: Should individuals make gifts to family members now, or wait until death? What if things change?

A Rothstein: From an estate and gift tax perspective, it's generally advantageous to give assets during one's lifetime rather than waiting until death. That's because the way the gift and estate tax system works, any appreciation that occurs after the date of the gift will not be subject to estate tax when the giver dies. For example, if an individual gives away an asset that is worth \$100 and dies at a later time when the asset is worth \$1,000 in the recipient's hands, there would be no estate tax on the \$900 of appreciation.



Andrew D. Rothstein
Director, Goulston & Storrs



Michelle M. Porter
Director, Goulston & Storrs

However, fluctuating tax laws suggest that a gift that appears advantageous taxwise today might not be in the future. In addition to the possibility of tax law changes, changed circumstances for the giver or the beneficiaries could cause a giver to question a previous gift decision.

To address the possibility of changes in tax laws or circumstances, we work with clients to build flexibility into their plans to be responsive to the changes. One way we do this is by utilizing trusts to receive gifts, rather than giving gifts outright to individuals. These days, an appropriately structured trust can lock in the benefits of lifetime gifts and adjust to changes that occur over time.

Q Crain's: How can a wealthy family ensure that their children achieve their potential?

A Porter: We are often asked the question, "How much is enough for our children?" or, "Is it possible to give our children too much?" The answer to these questions will be unique to each family in the context of their value system. That being said, a good legacy plan can create structures that can provide guidance to the younger generation and help encourage them to realize their potential. A legacy plan can also identify important trustees and advisers to help the younger generation manage and protect their inherited wealth.

Q Crain's: Is tax planning still part of estate planning?

A Rothstein: Tax planning still plays an important role when wealth is being transferred as part of an estate plan. The federal estate and gift tax exemption was essentially doubled to \$11,180,000 per person beginning January 1, 2018. Under the current law, that exemption is expected to be roughly cut in half at the end of 2025. There may be an opportunity for some individuals to take planning steps to ensure they capture the benefit of the current exemption.

New York's estate tax exemption is currently \$5,250,000. But that exemption is quickly phased out for larger estates. Individuals can take steps to minimize the impact of the phaseout. In addition, New York does not have a gift tax, so lifetime wealth transfers might be a way to minimize the impact of New York estate tax.

Income tax planning remains an important part of estate planning. There are a variety of income tax planning strategies that can be employed to make wealth transfers more effective taxwise. In some circumstances, those strategies have become easier to implement because of increased estate tax exemption amounts.

Q Crain's: Beyond the tax benefits, what role should charity play in an estate plan?

A Porter: As most people know, there are compelling tax reasons to make charitable gifts. Specifically, subject to certain limitations, gifts to charity, either during one's lifetime or at death, will be deductible for tax purposes. That being said, there are also compelling non-tax reasons to consider charitable giving as a component of a legacy plan. There are structures, like a private foundation or donor advised fund, that enable family members to come together to identify charitable objectives. It's more than just leaving a bequest to

charity; it's about creating a charitable mission that the family can develop and seek to achieve together.

Also, in circumstances where there is not a readily identifiable or acceptable family beneficiary, charitable donations can help a person achieve their legacy vision.

Q Crain's: Trusts are often part of any estate plan but sometimes have a negative connotation. How can you best structure a trust for success?

A Rothstein: Sometimes people view receiving a gift or inheritance in trust as having "strings attached" that are meant to keep a beneficiary from enjoying the trust assets. While attaching strings could be appropriate in some circumstances, oftentimes a trust can be used to provide advantages to a beneficiary—a trust can provide for professional management of assets, creditor (or divorce) protection and, to a certain extent, tax savings. In those circumstances, it's possible to retain these advantages while lessening the feeling of there being "strings attached."

This goal can be achieved by including elements in a trust that empower the beneficiaries by incentivizing their participation (for example, through the right to serve as a co-trustee and authority to change trustees) and allow the trustees to be generous (for example, by giving trustees broad authority to liberally distribute funds to the primary trust beneficiary, even to the exclusion of other beneficiaries). Similarly, documenting the wish that the trust provide an advantage to the beneficiaries (rather than strings) could help guide the trustees in exercising their authority in a way that might be more comfortable for the beneficiaries.

Q Crain's: What considerations should be given when selecting a trustee?

A Porter: An important part of a successful legacy plan is identifying the right trustee of any trusts created under the plan. You will want to select someone who has both fiduciary knowledge and experience serving as trustee—someone who will understand the legal requirements of being a trustee, understand the terms of the trust and ensure that the objectives of the trust are accomplished. A trustee should bring a level of expertise and professionalism to the management and investment of the trust assets. The trustee should also provide regular information to the beneficiary and be open to dialogue regarding the beneficiary's needs and expectations. In the best arrangements, there is regular communication between the trustee and beneficiary, and a clear understanding of the terms and purpose of the trust.

Q Crain's: What's the best way to make sure my wishes are carried out after my death?

A Porter: It is important to meet with an attorney every few years to review your estate plan to ensure that all documents are up to date and account for both life changes and developments in the law.

If specific concerns arise about particular assets or potential post-death challenges to an estate plan, consider meeting with an estate planning lawyer as well as a probate litigator. Doing so will allow your team to take proactive steps to resolve issues before death or to reduce the likelihood of post-death complications or disputes.

Another important step is to carefully consider whom to nominate to serve as fiduciaries (including trustees and/or executors). Although family members may be able to serve in these roles, professional fiduciaries may be best suited to fulfill final wishes in complex or contentious situations. ■



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To arrange a consultation with Ari to evaluate your current insurance coverage, please contact him directly at arig@theomniagency.com

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VIEWPOINTS



Flip-flopping on presidential run is no longer just politics

In the age of Trump, truthfulness and accountability are paramount



GREG DAVID

I HAVE NEVER BEEN a big fan of Kirsten Gillibrand's; her changeable beliefs make me wonder about her core values. And Andrew Cuomo, as is the case with just about every-

one I know, is endlessly faceted and a source of exasperation. But the past few weeks have made me more suspicious of New York's U.S. senator while more impressed with its governor.

It's almost as if Gillibrand's history is being conveniently forgotten: Tobacco industry lawyer turned moderate, pro-gun, upstate congresswoman remade as liberal, anti-gun senator now morphing into hard-left progressive and possible presidential candidate.

For me, the presidential question may be the final straw.

In the last week of October, in her only debate with her opponent, Chele Farley, Gillibrand could not have been more definite when she promised: "I will serve my six-year term."

It was the headline on all the post-debate stories.

Only two weeks later, she offered a much different take for talk-show host Stephen Colbert. "I will give (running for president) a long, hard thought of consideration," she said.

So why did she feel the need to lie about her aspirations during the campaign? She was going to win by a big margin, no matter what she said.

Cuomo took the same position on the presidential bid question in his primary debate, saying he would serve a third four-year term as governor unless "God strikes me dead." Since then he has become ever

more resolute that he's not going to run for president; last week he reiterated his position in almost Shermansque terms. His girlfriend, Sandra Lee, told the *New York Times* that he says he is not running.

Cuomo has been equally committed to the deal to bring Amazon and 25,000 jobs to Long Island City, focusing on the specifics, outlining the reasons HQ2 will be good for New York and taking on critics from the *New York Times* to the *New York Post*. (Mayor Bill de Blasio has been helpful too, but less willing to get into the fight). I've been impressed.

The cynics will say I am overreacting to Gillibrand's flip-flop. After all, progressive darling Beto O'Rourke said he

In her only debate with her opponent, Gillibrand could not have been more definite: "I will serve my six-year term"

had no plans to run during his campaign against Ted Cruz only to say now he's considering his options.

Politicians have been using this sort of dodge for decades, they remind me. But in the age of Trump, politics as it was practiced is no longer acceptable. A commitment to truth-telling should be at the top of any list of reasons for supporting a candidate. ■

GREG DAVID writes a regular column for CrainsNewYork.com.

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Pictured: Class Chang, Chief Operating Officer, Intelligence Squared U.S. Debates; 40 Under 40 Class of 2018.

How to Take Advantage of the ‘New Golden Age’ of Private Equity

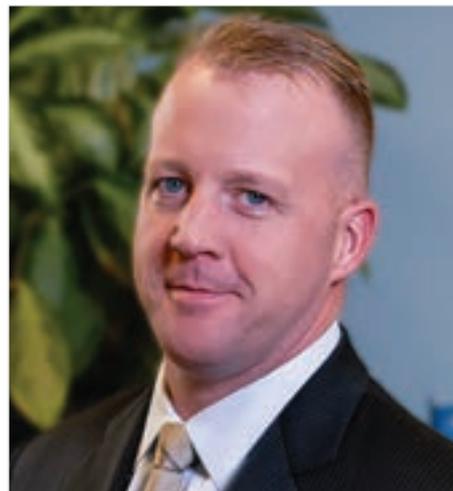


JOHN RUCKSTUHL

Managing Director

212.891.6903

John.Ruckstuhl@EisnerAmper.com



MATTHEW JOHN MCNALLY

Partner

646.398.0909

Matthew.McNally@TPCtax.com



We are living in another golden age of private equity according to many experts. Private equity managers raised \$453 billion from investors in 2017—breaking the record set in 2007—and the trend in 2018 has been more of the same. Based on the growth of the past few years, and assuming a conservative 8% annual compound growth rate, private equity is projected to overtake hedge funds in assets under management within five years.

Private equity largely owes its rise to an extended period of historically low interest rates. Impatient with low yields in the public space, investors increasingly have turned to debt funds, buyouts and other private assets for stronger potential returns. The influx of cash in the private space, coupled with the benefits of private ownership such as more efficient board meetings and executives with a greater personal stake in profitability, has fed the trend of large companies being acquired by private equity firms.

However, private equity’s growth has attracted the attention of federal regulators, who are concerned about the shrinking of public markets. For example, earlier this year the Committee on Foreign Investment in the United States spoke out against Broadcom’s prospective takeover of Qualcomm, citing its fear that Broadcom would run the company in a “private equity style” that emphasized short-term profits over long-term research and development investment.

Buyers and sellers in private equity also must reckon with changes brought by the Tax Cuts and Jobs Act of 2017. The sweeping tax overhaul includes several provisions relevant to private equity investment strategies, such as an increase in the holding period for long-term capital gains with carried interest, restrictions on some deductions and the expansion of others.

What opportunities does this evolving market offer for investors, lenders and recipients of private capital, and how are firms adapting to the prevailing trend? Crain’s Custom turned to two seasoned private equity professionals to learn what the changes mean, and whether the TCJA has been a net positive or negative for the industry:

John Ruckstuhl, managing director in the transaction advisory services group of EisnerAmper LLP. For more than 20 years, he has advised private equity and venture capital firms on their domestic and international transactions.

Matthew McNally, managing director in the asset management tax practice group in the New York office of True Partners Consulting LLC. He works with private equity firms, portfolio companies, hedge funds and venture capital firms..

Crain’s: What are some of the more significant challenges facing private equity buyers looking to complete transactions before the end of the year?

Ruckstuhl: We’ve seen a recent spike in the volume of transactions looking to close before year-end. In order to expedite the process, all of the transaction professionals involved on both sides of the deal—including lawyers, accountants, lenders and investment bankers—need to be fully committed to the various deadlines in order to meet closing deadlines. It is crucial to understand the lead times required for the various parties to complete credit and investment committee reviews.

Crain’s: What are some factors that are either holding up or terminating deals?

McNally: The Tax Cuts and Jobs Act of 2017 has certainly had a significant impact on current and future deals, especially on both debt funds and buyout transactions due to the new limitations on interest expense deductions. Currently, I do not see debt funds or buyout transactions becoming less alluring as long as interest rates remain at historically low levels. If interest rates begin to rise ever more sharply, investment appetites for these funds may begin to wane. The reform has already begun to disrupt how potential buyout targets are valued and how buyout transactions may have to remove some of the leverage. However, the corporate tax cuts may help bolster returns in the future and may offset any adverse consequences the tax reform may have had.

Ruckstuhl: The primary factors that hold up or terminate deals are the financial performance of the target and the language in the purchase agreement. It is not unusual for sellers to take their focus off the operations during the sales process. Sellers need to stay committed to delivering on the near-term projections they provided at the beginning of the process. Sellers also get a first view of the purchase agreement and have to make decisions on the terms. We also see sellers getting their tax advisers involved late in the process, resulting in proposed changes to the structure as the sellers start to focus on the net cash they anticipate from the deal.

John Ruckstuhl is a managing director in the transaction advisory services group of EisnerAmper LLP



“We continue to see an abundance of credit in the market. Traditional banks continue to lend into the middle market. Alternative lenders are also very active and have a lot of dry powder. Lenders looking to sign deals are getting aggressive with pricing and covenant provisions. Higher leverage multiples are contributing to the overall increase in purchase prices.”



Essentially, the cost of debt will effectively increase, because firms no longer get the full benefit of what can be a massive tax write-off. Borrowers should contemplate repaying existing debt, and companies accessing capital markets might want to consider increasing their equity capitalization compared to their debt.

Ruckstuhl: We continue to see an abundance of credit in the market. Traditional banks continue to lend into the middle market. Alternative lenders are also very active and have a lot of dry powder. Lenders looking to sign deals are getting aggressive with pricing and covenant provisions. Higher leverage

Crain’s: How are the debt markets influencing private equity transactions?

McNally: The Tax Cuts and Jobs Act generally restricts net business interest expense deductions to 30% of adjusted taxable income. “Adjusted Taxable Income” is essentially equal to EBITDA (the taxable income of the taxpayer computed without regard to deductions allowable for net interest expense, net operating losses, depreciation, amortization or depletion) but is decreased to EBIT for tax years beginning after Dec. 31, 2021. The decrease will further limit the interest expense deductions starting 2022. The limitation does not apply to businesses with average gross receipts of \$25 million or less, particularly regulated public utilities and real property businesses.

Prior to the law change, there was no limitation and private equity firms had unrestricted leverage limitations when conducting a buyout. This could substantially impact the debt markets, private equity firms and portfolio companies.

multiples are contributing to the overall increase in purchase prices.

Crain’s: Matthew, you brought up the Tax Cuts and Jobs Act of 2017. In what ways has the new law set the private equity industry back, and what opportunities has it created?

McNally: There can be no denying that the TCJA has significantly changed the private equity industry. Under the new law, long-term capital gain treatment on gains associated with a carried interest is generally limited to the sale of underlying property with a holding period greater than three years. Gains related to carried interests with less than the three-year holding period will be reported as short-term capital gains. Carried interests held by corporations are not subject to the new rules. When it comes to S corporations, the IRS recently announced that it plans to release “regulations clarifying that taxpayers will not be able to circumvent the three-year rule by using ‘S corporations.’”

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The TCJA also limits deductions for losses and restricts interest deductibility at 30% of gross earnings, thus making debt less attractive. However, the reform’s positives far outweigh the negatives. For example, the new law grants substantial deductions for capital expenditure and lowers the corporate tax rate from 35% to 21%. These two changes alone should raise the value of U.S. portfolio companies and lead to extensive opportunities and increased gains for private equity firms currently holding U.S. corporations.

Crain’s: How has the TCJA affected the interplay between private equity-owned companies and the PE firms themselves?

McNally: The private equity fund managers will have to consider their specific circumstances and the impact to the specific portfolio companies. Under the new tax regulations, the co-investment vehicles and control of portfolio companies could cause an increase in reporting and income pick-up at the fund level, even before investment returns are ever distributed. The portfolio companies will become increasingly reliant on PE fund managers to help them with the interplay of all these issues to make the right decisions. The TCJA has far-reaching implications for almost every U.S. partnership and corporation. Those implications will quickly develop as the IRS and other authorities begin releasing guidance. Private company and PE fund managers will need to continue to work together to track these issues and make decisions that are mutually beneficial.

Crain’s: How are longer holding periods for private equity investments affecting the marketplace?

Matthew John McNally is a partner and head of the New York City asset management tax practice of True Partners Consulting LLC



“The earlier a private equity firm gets their advisory team involved in the performance of sell-side financial due diligence the more value they will receive... A good tax adviser can help to identify key tax issues and errors in advance of the buy-side advisers getting involved.”



that a partner that is a foreign individual or foreign corporation would have had effectively connected gain or loss if the partnership had sold all of its assets at fair market value on the date of the exchange. Therefore, a partnership, whether U.S. or foreign, that transfers such interests is required to treat the applicable amount of gain or loss as effectively connected income (ECI) and withhold on this amount with regard to any foreign partner under section 1446.

Crain's: Sell-side financial due diligence has become more prominent. How prepared are sellers from a tax perspective?

Ruckstuhl: The average holding period for a PE-owned company is now in excess of six years, according to PitchBook. These longer periods allow the private equity group more time to implement strategic changes and integrate bolt-on acquisitions that should help increase the earnings and, thus, the valuation of the business upon exit. The bolt-on strategy has become a key component to increasing the value of a portfolio company over the last few years. The ability to exit many of these companies is also impacted by an overall reduction in the number of IPOs over the past several years. Size and scale, let alone an increase in market volatility, are important considerations in whether the IPO exit is likely.

McNally: As mentioned, PE firms keep the portfolio company investments in their funds an average of five to six years. During this time period the PE firm focuses on increasing the value of the company through operational enhancements, growing the company's market position and increasing the return on equity capital through leverage. After the PE firm sells the portfolio company the proceeds are then distributed to the investors (limited partners), who are then free to invest the funds back in new private equity funds or other investment vehicles. Therefore, a prolonged private equity holding period can have an adverse impact on the private equity firm if the additional time was not adequately planned.

Long-hold private equity vehicles have just begun to gain popularity and at this point it is too soon to say how attractive they may eventually become. Taxable investors who are interested in longer-term strategies can help PE firms compete more effectively for assets against corporate buyers. If a business owner is considering a PE firm as a prospective buyer, they would be more inclined to sell if they knew the business was not going to be flipped for a profit as soon as possible.

Crain's: What are the implications of the new rules regarding the sale of partnership interest by a foreign partner?

McNally: The TCJA added a requirement for the acquirer (buyer) of a partnership interest to withhold a 10% tax on the amount realized on the transfer unless the transferor (seller) gives a certificate (typically Form W-8 or W-9) to the buyer stating that the seller is not subject to withholding. If the buyer does not withhold the tax, the partnership must withhold from distributions to the transferee until the outstanding withholding tax (plus interest) has been satisfied. The new law also provides that gains or losses from the sale, exchange or other disposition of a partnership interest are effectively connected with a U.S. trade or business to the extent

Ruckstuhl: Many sellers focus on the gross (rather than the net) amount of the transaction proceeds. This often leads to missed structuring opportunities. Issues specific to the transaction, such as the determination of nexus and appropriate state and local matters, are often left to the buyer to identify. Sellers typically know there are some exposures, but they fail to quantify and address them proactively.

McNally: The earlier a private equity firm gets their advisory team involved in the performance of sell-side financial due diligence the more value they will receive. I have on many occasions watched as management has had to scramble to provide information that could have been readily available if they would have worked with their tax adviser prior to the sale. A good tax adviser can help to identify key tax issues and errors in advance of the buy-side advisers getting involved. This will help relieve unnecessary stress and prevent adverse implications on deal price and potentially stop the deal from being killed.

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CRAIN'S 2018 best places to work in NYC

BY CARA S. TRAGER

Recognizing that size is crucial when it comes to benefits and perks that companies can afford to provide, *Crain's* this year divided our 100 top-rated workplaces by the number of each employer's full-time workers: small, with 50 or fewer; medium, with 51 to 100; and large, with more than 100.

Topping our three categories are Unified, a social advertising data company that has 126 local employees; marketing technology firm Digital Remedy, with 90; and—for the third year in a row—commercial real estate brokerage Transwestern, with 30. All three offer perks such as tuition assistance or reimbursement and the option to telecommute.

Crain's partnered with independent research firm Best Companies Group, which dispatched surveys to more than 23,000 local employees. Each worker answered a confidential 86-question survey, and the scores were combined with results from a separate 78-question survey completed by their employers. The questions focused on working conditions and internal communications. Results from the employee surveys made up 75% of the total score; answers from employers constituted the rest. To be eligible for the list, a business must employ 25 or more workers within the five boroughs.

Although tech and advertising-marketing companies represent about half of this year's Best Places winners, the roster mirrors the city's diverse economic landscape. Firms hail from a range of industries including accounting, construction, engineering, finance, law and real estate. But all the companies are tied together by a common value: They create supportive, collegial and empowering workplaces.

► The list begins on page 16.



best
large
company
UNIFIED



best
medium
company
DIGITAL REMEDY



best
small
company
TRANSWESTERN

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RANK	COMPANY / INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/ WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
1	TRANSWESTERN Real estate	1978	30	1,909	34%	15%	Offered	Not offered	Offered	Offered	Offered	Offered
2	KOMODO HEALTH Technology	2014	32	74	31%	13%	Offered	Not offered	Offered	Offered	Offered	Offered
3	SURGO Technology	2010	29	29	60%	1%	Offered	Not offered	Offered	Offered	Offered	Offered
4	DATAPRISE Technology	1995	27	278	7%	10%	Offered	Not offered	Offered	Offered	Not offered	Offered
5	COCKROACH LABS Technology	2015	48	48	21%	6%	Offered	Offered	Offered	Offered	Offered	Offered
6	KINNEK Technology	2012	25	25	44%	33%	Offered	Offered	Offered	Offered	Offered	Offered
7	ADAM LEITMAN BAILEY PC Legal	2000	44	44	58%	11%	Offered	Not offered	Offered	Offered	Not offered	Offered
8	INSPIRITY Human resources	1986	46	2,900	n/d	n/d	Offered	Not offered	Offered	Offered	Offered	Not offered
9	ELITE SEM Advertising/PR/marketing	2004	32	310	53%	2%	Offered	Not offered	Offered	Offered	Offered	Offered
10	ATLAS SEARCH Staffing	2015	44	46	41%	5%	Offered	Not offered	Offered	Offered	Offered	Offered
11	PRAGMA SECURITIES Financial	2003	46	46	15%	7%	Offered	Offered	Not offered	Offered	Not offered	Offered
12	VIRGINIA & AMBINDER Legal	1994	30	30	67%	0%	Offered	Not offered	Offered	Offered	Offered	Offered
13	THE HUDSON COS. Real estate	1985	27	27	44%	4%	Offered	Offered	Offered	Offered	Offered	Offered
14	COMPSTAK Technology	2011	36	36	24%	10%	Offered	Not offered	Offered	Offered	Not offered	Offered
15	THEODORE PAPPAS AGENCIES Insurance	1951	43	65	30%	10%	Offered	Not offered	Not offered	Offered	Offered	Offered
16	LEANPLUM Technology	2012	25	182	30%	1%	Offered	Offered	Offered	Offered	Offered	Offered
17	LIVEAUCTIONEERS Technology	2002	25	44	43%	15%	Offered	Not offered	Not offered	Offered	Not offered	Offered
18	HOTWIRE Advertising/PR/marketing	2000	25	61	60%	26%	Offered	Not offered	Offered	Offered	Offered	Offered
19	J PUBLIC RELATIONS INC. Advertising/PR/marketing	2005	32	62	100%	20%	Offered	Not offered	Offered	Offered	Offered	Not offered
20	BUZZBACK Advertising/PR/marketing	2000	40	40	65%	0%	Offered	Offered	Offered	Offered	Offered	Offered
21	BEESWAX Technology	2014	44	46	15%	0%	Offered	Not offered	Not offered	Offered	Offered	Offered
22	BIA Technology	2002	31	66	22%	6%	Offered	Not offered	Offered	Offered	Offered	Offered

RANK	COMPANY/ INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
23	DIRECT AGENTS Advertising/PR/marketing	2003	49	60	53%	12%	Offered	Offered	Offered	Offered	Offered	Offered
24	PTEX GROUP Advertising/PR/marketing	2001	29	29	50%	10%	Offered	Offered	Offered	Offered	Offered	Offered
25	NEW FORTRESS ENERGY Energy	2014	26	80	35%	n/d	Offered	Offered	Offered	Offered	Offered	Offered
26	SPOTX Technology	2007	26	310	27%	17%	Offered	Offered	Offered	Offered	Offered	Offered
27	GOOD APPLE Advertising/PR/marketing	2008	44	50	82%	20%	Offered	Offered	Offered	Offered	Offered	Offered
28	DOM & TOM Technology	2009	38	63	26%	16%	Offered	Offered	Offered	Offered	Offered	Offered
29	ATTUNE INSURANCE Insurance	2016	34	34	29%	0%	Offered	Offered	Offered	Offered	Offered	Offered
30	BEACON HILL STAFFING GROUP Staffing	2000	47	656	72%	0%	Offered	Offered	Offered	Offered	Offered	Offered
31	NEVERWARE Technology	2011	26	26	19%	13%	Offered	Offered	Offered	Offered	Offered	Offered
32	LAMB INSURANCE SERVICES Insurance	2008	29	90	52%	10%	Offered	Offered	Offered	Offered	Offered	Offered
33	BENHAR OFFICE INTERIORS Furniture	2003	38	38	70%	8%	Offered	Offered	Offered	Offered	Offered	Offered

Voluntary turnover rate is for the organization's most recently completed fiscal year. n/d -Not disclosed.

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Profile of Atlas Search



An annual tradition: Atlas Search's employees donned baseball caps in June as part of a fundraiser that supported the ALS Foundation.

Atlas Search LLC is very much like a family—generous, flexible and close-knit.

Amid its highly supportive atmosphere, the three-year-old executive recruiting company spares no effort or expense in enabling its 50 plus employees to succeed. Its helpfulness runs the gamut, from classes on effective written communication to state-of-the-art technology. And with Atlas's open workspace, the firm's three partners are readily accessible for mentoring and training.

"If you come here with the ability to work hard, then the partners will make sure you succeed," said Managing Director Heather Cianchetti, who oversees the firm's temporary recruitment division.

Joining Atlas about six months ago after working for 12 years at another staffing firm, Cianchetti continues to marvel at her employer's "huge" commitments to technology—regardless of their cost—including up to three computer screens for each employee and standing desks.

"I have gotten everything I've asked for," said Cianchetti, including a subscription to a message service that helps her remotely manage the firm's Pittsburgh office from New York.

In addition, the firm provides workers with a powerful proprietary recruiting software since "none of the off-the-shelf products meet our needs," said Peter Riccio, a founding partner who developed it.

The combined investment in technology and automation, Riccio added, "creates an innovative platform for our recruiters to achieve unprecedented sales volume, and it's no coincidence that we have the highest billing recruiters in the industry."

In a company that not only feels like a family but also understands what it means to be part of a family, a flexible work option reflects Atlas's uncompromising commitment to employees whose personal lives require an abbreviated schedule but want to continue in their profession.

This includes a highly supportive parental leave policy that frees these employees to unplug without angst, so they don't have to choose between starting a family and furthering their career.

The firm understands, too, workers' occasional need to arrive late or leave early, whether to attend a school play or accompany an aging parent to the doctor. "The rationale is that you need to take care of yourself in order to make sure you're happy," said Cianchetti.

Atlas also fosters employees' happiness with an array of social activities, including a softball league, fantasy football, holiday parties and happy hours, as well as with a library of 10,000 classic and retro video games.

And in a family-like company that regards niceties as necessities, Jonathan Silverman, a director who helps oversee the accounting/finance recruitment division, recalled how his casual remark about being warm in the office resulted in a pleasant surprise the next day: a fan.



#33 SITECOMPLI



#8 mPARTICLE



#13 RAND ENGINEERING & ARCHITECTURE



#17 FSASTORE.COM/HSASTORE.COM

MEDIUM-SIZE COMPANIES

51 to 100 NYC employees

RANK	COMPANY/ INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	COMPANY PERKS					
							EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/ WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
1	DIGITAL REMEDY Advertising/PR/marketing	2000	90	125	36%	27%	Offered	Not offered	Offered	Offered	Offered	Offered
2	BOMBAS Retail	2013	51	51	49%	0%	Offered	Offered	Offered	Offered	Offered	Offered
3	ALLISON & PARTNERS Advertising/PR/marketing	2001	68	255	72%	0%	Offered	Not offered	Offered	Offered	Offered	Offered
4	BUTTON Technology	2014	73	74	38%	13%	Offered	Offered	Offered	Offered	Offered	Offered
5	STRIDE CONSULTING Technology	2014	58	58	33%	3%	Offered	Not offered	Offered	Offered	Not offered	Offered
6	DOTS Technology	2013	53	53	30%	6%	Offered	Offered	Offered	Offered	Offered	Offered
7	UPDATER Technology	2010	76	76	43%	1%	Not offered	Offered	Offered	Offered	Offered	Offered
8	mPARTICLE Technology	2012	60	103	38%	2%	Offered	Offered	Offered	Offered	Offered	Offered
9	STREETEASY Real estate	2005	86	86	42%	8%	Offered	Offered	Offered	Offered	Offered	Offered
10	INTENT MEDIA Technology	2009	92	92	37%	13%	Not offered	Not offered	Offered	Offered	Offered	Offered
11	BETTERCLOUD Technology	2011	79	176	40%	16%	Not offered	Offered	Offered	Offered	Not offered	Offered
12	FUNDERA Financial services	2013	76	76	39%	18%	Not offered	Not offered	Offered	Offered	Offered	Offered

Voluntary turnover rate is for the organization's most recently completed fiscal year. n/d-Not disclosed.

COMPANY PERKS ■ Offered ■ Not offered

RANK	COMPANY/ INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
13	RAND ENGINEERING & ARCHITECTURE Engineering	1987	90	90	38%	5%	Offered	Not offered	Offered	Offered	Offered	Offered
14	AAPTIV Technology	2015	98	98	45%	6%	Not offered	Not offered	Offered	Offered	Not offered	Offered
15	QUOVO Technology	2013	70	70	35%	6%	Not offered	Not offered	Offered	Offered	Offered	Offered
16	CAPACITY INTERACTIVE Advertising/PR/marketing	2008	52	52	79%	n/d	Offered	Not offered	Offered	Offered	Not offered	Offered
17	FSASTORE.COM/HSASTORE.COM Retail	2010	58	58	45%	3%	Offered	Not offered	Offered	Offered	Offered	Offered
18	MELTWATER GROUP Technology	2001	70	763	45%	18%	Offered	Not offered	Offered	Offered	Not offered	Offered
19	ARLO HOTELS Hospitality	2016	52	52	65%	23%	Offered	Not offered	Offered	Not offered	Not offered	Offered
20	TEACHABLE Technology	2014	73	73	41%	11%	Offered	Offered	Offered	Offered	Offered	Offered
21	ANIMOTO Technology	2006	77	95	44%	4%	Offered	Offered	Offered	Offered	Offered	Offered
22	WEST MONROE PARTNERS Consulting	2002	73	1,000	30%	11%	Offered	Not offered	Offered	Offered	Offered	Offered

Continued on page 21

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Profile of Arlo Hotels



Proud of where they work: Arlo employees recently celebrated the NoMad property's recognition by Condé Nast as a top New York City hotel.

At Arlo Hotels, the hospitality extends not just to guests but employees.

With Arlo's culture rooted in a profound respect for the individual, the 58-employee firm is dedicated to making each employee feel welcomed and at home. It encourages workers to be themselves in everything from their interactions with guests to their professional development; and it supports their personal passions.

"We want our team members to embrace their DNA—who they are—and to be proud of that," said Heather Berti, the corporate director of people services at the two-year-old company, which has lodgings in SoHo and NoMad and another under construction in the Hudson Yards area. "This core value is embedded in all that we do."

With that in mind, the growing firm permits workers to display their piercings and tattoos, and with no name tags affixed to their casual-looking uniforms, they are allowed to interact naturally with guests for an unscripted, authentic rapport.

"We want people with personality and charisma," said Managing Director Javier Egipciano. "Once you put handcuffs on how people should express themselves, then they aren't who they are."

That openness to individualism translates into offering a three-week paid internship, which exposes existing employees to different departments, such as human resources and sales, and enables them to consider what direction they want their hotel career to take. Arlo

then formulates a professional development plan based on each worker's interests and strengths.

And with promotions from within a priority, 87% of the firm's available positions have been filled by existing staffers.

Arlo also conveys its commitment to workers with many perks and benefits, including generous bonuses for referring new employees whose tenure surpasses 90 days; wellness programs, such as rooftop yoga and free or discounted gym memberships; and an employee assistance program that provides legal and emotional counseling for employees and their family.

Plus, when health-related questions or challenges arise, workers, who are fully covered, can access patient advocates who secure the answers employees need, arrange appointments with specialists and make certain that medical reports and images are sent and received.

Moreover, Arlo supports employees' pet causes. Team members' joint volunteer efforts have included transforming a tired classroom into a lively music room with New York Cares' Day for Schools, mentoring youngsters at the Henry Street Settlement and cleaning up Rockaway Beach with Rockaway Waterfront Alliance. Workers' environmental concerns have also led the firm to banish plastic straws, even though the paper variety isn't as durable, said Egipciano.

Personal pastimes count, too. One of the tunes that fills Arlo's hotel lobbies, for example, was written and performed by a lobby host's band.

"We're not only about what's inside at work but what you do outside," said Berti.

WORKING FROM OM

Crain's best workplaces embrace yoga and meditation classes to help reduce stress, enhance happiness—and boost productivity

BY CARA S. TRAGER



SILVERLINE'S YOGA CLASSES help employees relax and improve their focus.

Twice each week, Silverline employees in Manhattan can kick off their shoes, step onto their mat and twist, bend and stretch in a one-hour yoga class. And every day for 10 minutes, starting at 2 p.m., they can turn inward with a company-provided meditation app at their desk or in the training room, where dimmed lights, soothing sounds and projected beach images create a contemplative vibe.

"People feel more focused on work and more relaxed afterward," said Kevin Hoxie, Silverline's office manager. The company offers consulting services for Salesforce products and scored 12th among large firms on the *Crain's* annual Best Places to Work ranking.

Among this year's top employers, more than a quarter aren't just serving up the usual pingpong tournaments and happy hours to help workers de-stress. Their perks portfolio includes yoga, meditation or both, providing a holistic approach to employees' mental and physical well-being.

More than 20% of this year's best places offer yoga, 16% provide meditation and 10% offer both. Available across a spectrum of top employers, regardless of company size or industry, the perks often stem from employees' requests. In other cases, top executives with their own longtime devotion to yoga or meditation decide to offer the classes to all their workers.

Such mindfulness programs can help restore employees' energy and concentration in a frenetic workplace and imbue them with a sense of calm, executives say. Paying for instructor-led sessions is an investment in employee health and happiness, they add.

Exubrancy, a group fitness organization with 22 *Crain's* Best Places among its corporate clients, charges firms \$225 per week for a 30-minute meditation session and \$250 for a 60-minute yoga class. It offers discounts for more frequent classes.

'Mental space'

Yoga and meditation give employees "a chance to slow down and have some mental space," said Carol Fitzgerald, BuzzBack president and CEO, whose firm ranked 20th on this year's *Crain's* list of small companies. "Meditation makes me feel more focused and a little more relaxed."

In making such perks readily available to workers, this year's top companies are mirroring a national trend. Surveys by the International Foundation of Employee Benefit Plans show that about 31% of U.S. employers are offering mindfulness programs, compared with 19% in 2016.

Ross Blankenship, chairman and CEO of venture-capital firm Angel Kings Investment Group, takes a dim view of startups that spend on "nonsense items, like cappuccino." But he is a proponent of yoga and meditation. Such programs not only keep employees healthy and happy, he said, they also can improve recruitment and retention.

"It's all about enriching lives," Blankenship said. "The happier you are, the longer you'll stick around."

For many employees, however, busy work schedules, deadlines and phone calls get in the way of regular attendance at yoga and meditation classes.

"Being able to take the time every week doesn't happen, even if you want it to," said Alana Elias Kornfeld, vice president of brand strategy and content at FSAsore.com/HSAstore.com. The firm, which captured the No. 17 spot in the medium-size category, offers a 45-minute weekly meditation session.

At J Public Relations, No. 19 among small companies, meditation sessions have yielded unforeseen benefits, said Sarah Evans, an owner. Three employees effectively pitched and won a large account after meditating together, she said.

"Meditation," Evans said, "really gives people the opportunity to be more focused, intentional and clear about one thing at a time." ■

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FORTIS LUX
FINANCIAL

MEDIUM-SIZE COMPANIES

51 to 100 NYC employees

RANK	COMPANY/ INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	COMPANY PERKS					
							EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/ WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
23	CAPTIVATE Advertising/PR/marketing	1997	57	154	58%	10%	Offered	Not offered	Offered	Offered	Offered	Offered
24	BRANDWATCH Technology	2007	87	92	51%	3%	Offered	Not offered	Offered	Offered	Offered	Offered
25	GPB CAPITAL HOLDINGS Financial services	2013	63	81	38%	2%	Offered	Not offered	Offered	Offered	Offered	Offered
26	MEADOWS OFFICE INTERIORS Contract furniture	1967	81	81	69%	8%	Offered	Offered	Offered	Offered	Offered	Offered
27	PATH INTERACTIVE Advertising/PR/marketing	2006	54	54	44%	6%	Offered	Not offered	Offered	Offered	Offered	Offered
28	OTC MARKETS GROUP INC. Financial services	1913	78	91	28%	8%	Not offered	Not offered	Offered	Not offered	Offered	Offered
29	BITLY Technology	2008	54	93	46%	27%	Offered	Not offered	Offered	Offered	Offered	Offered
30	DOSOMETHING.ORG Nonprofit	1993	55	55	63%	20%	Offered	Offered	Offered	Offered	Offered	Offered
31	YOTPO Technology	2011	99	99	40%	n/d	Offered	Offered	Offered	Not offered	Not offered	Not offered
32	PLACEIQ Technology	2010	78	108	35%	n/d	Not offered	Not offered	Offered	Offered	Offered	Offered
33	SITECOMPLI Technology	2008	55	55	36%	17%	Offered	Offered	Offered	Offered	Offered	Offered

Voluntary turnover rate is for the organization's most recently completed fiscal year. n/d-Not disclosed.

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Profile of West Monroe Partners



Amid the inspiring beauty of Mother Nature, future strategy, team-building activities and relaxation topped the agenda at West Monroe's annual retreat last year in the Poconos.

Intent on creating the next generation of leaders, West Monroe Partners goes the distance in enabling employees to achieve their professional best.

With its multi-faceted approach to career development, the 16-year-old business and technology consulting firm does everything from offering one-on-one career advisement to empowering employees to spearhead initiatives. As a result, an entrepreneurial, can-do vibe permeates the rapidly growing organization.

Beyond West Monroe's robust training program, including continuing education, employees receive abundant guidance and feedback from career advisors who are senior-level individuals in the advisees' practice area or department and familiar with their work. Employees can also turn to mentors—colleagues with a bit more tenure than their mentees—for informal support.

For those seeking a much higher level of engagement in their professional development, West Monroe suggests tapping senior-level

executives—in and outside of the company—in order to form their own board of career advisors.

"We encourage different mechanisms to help people focus on where they want their career to go," said Senior Managing Director Gil Mermelstein, leader of the firm's financial services practice and leader of its New York City office.

Not long after joining West Monroe, new staffers are keenly aware that their professional aspirations needn't be the stuff of dreams. The firm not only asks them to write a letter communicating their three-year professional goals; it encourages workers to share the letter with their career advisors for guidance in turning their ambitions into realities.

In addition, the company, which serves Fortune 1000 and mid-market firms with its nine offices across the United States, enables relative newcomers to get involved in transformational work—alongside clients' C-level executives or in business and practice development.

"Early on, we provide skill-building, growth opportunities, including practice and business development, because they're vital to a successful career," said Mermelstein.

West Monroe is also a workplace where office politics are shunned, everyone's door is open for accessibility and collaboration and ideas and input are welcomed from all corners.

"You can build, change and execute here," said Mermelstein, whose New York office is home to 100 of the firm's more than 1,000 employees. "Nothing stops you."

That overarching entrepreneurial sensibility led the firm five years ago to adopt an Employee Stock Ownership Plan, turning all employees into owners.

"ESOP shows that we're all about the people," said Mermelstein.

Other ways the firm conveys its people-focus include introducing unlimited PTO last year to give employees more latitude in managing their personal and professional lives. And, depending on their personal passion, West Monroe's Fisher Fellowship Program enables employees to receive half their salary while taking a three- to six-month leave of absence to volunteer for meaningful global causes.

Plus, with consulting particularly challenging for working parents—because of the hours and travel involved, West Monroe accommodates their requests for a flexible schedule and local work.

"No one is a cog," said Mermelstein.



#6 FLUENT INC.



#7 SALESFORCE

LARGE COMPANIES

More than 100 NYC employees

RANK	COMPANY / INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	COMPANY PERKS					
							EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS / WELLNESS INITIATIVES	TUITION ASSISTANCE / REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
1	UNIFIED Technology	2011	126	180	39%	21%	Offered	Not offered	Offered	Offered	Offered	Offered
2	GREENHOUSE Technology	2012	208	242	47%	17%	Offered	Not offered	Offered	Offered	Offered	Offered
3	ADTHEORENT Advertising/PR/marketing	2011	108	173	46%	14%	Offered	Not offered	Offered	Offered	Offered	Offered
4	COOLEY Legal	1920	275	1,992	50%	12%	Offered	Not offered	Offered	Offered	Offered	Offered
5	FORTIS LUX FINANCIAL Financial services	2016	149	149	30%	2%	Offered	Not offered	Offered	Offered	Offered	Offered
6	FLUENT INC. Advertising/PR/marketing	2010	151	151	38%	10%	Offered	Not offered	Offered	Not offered	Offered	Offered
7	SALESFORCE Technology	1999	865	17,400	39%	n/d	Offered	Not offered	Offered	Offered	Offered	Offered
8	LIQUIDNET HOLDINGS INC. Financial/technology	2001	256	270	25%	5%	Offered	Not offered	Offered	Offered	Not offered	Offered
9	CONDUCTOR Technology	2010	206	226	37%	3%	Offered	Not offered	Offered	Offered	Offered	Offered
10	BETTER MORTGAGE Financial services	2014	119	162	42%	14%	Offered	Not offered	Offered	Offered	Offered	Not offered
11	T.G. NICKEL Construction	1998	139	139	12%	2%	Offered	Not offered	Offered	Offered	Not offered	Offered
12	SILVERLINE Technology	2009	191	191	36%	11%	Offered	Not offered	Offered	Offered	Offered	Offered
13	REED SMITH Legal	1877	232	2,089	46%	11%	Offered	Not offered	Offered	Offered	Offered	Offered
14	THE TRADE DESK Technology	2009	183	585	51%	5%	Offered	Not offered	Offered	Not offered	Not offered	Offered
15	SLICE Technology	2010	101	101	44%	17%	Offered	Not offered	Offered	Offered	Offered	Offered
16	SCHRODINGER INC. Software	1991	180	308	21%	7%	Offered	Not offered	Offered	Offered	Offered	Offered
17	MONGODB Technology	2007	368	667	30%	12%	Offered	Not offered	Offered	Offered	Offered	Offered
18	CLUNE CONSTRUCTION CO. Construction	1997	104	401	24%	14%	Offered	Not offered	Offered	Offered	Offered	Offered
19	ALPHASIGHTS Information services	2008	224	251	60%	19%	Offered	Not offered	Offered	Offered	Not offered	Not offered
20	EVOKE HEALTH Advertising/PR/marketing	2006	103	307	55%	18%	Offered	Not offered	Offered	Offered	Offered	Offered
21	FRANKFURT KURNIT KLEIN & SELZ Legal	1977	129	146	55%	8%	Offered	Not offered	Offered	Offered	Not offered	Offered
22	ANCHIN, BLOCK & ANCHIN Accounting	1923	356	356	51%	6%	Offered	Not offered	Offered	Offered	Offered	Offered
23	GILBANE BUILDING CO. Construction	1873	361	2,405	24%	13%	Offered	Not offered	Offered	Offered	Not offered	Offered

RANK	COMPANY/ INDUSTRY	YEAR FOUNDED	NYC EMPLOYEES	U.S. EMPLOYEES	% FEMALE EMPLOYEES	% VOLUNTARY TURNOVER	EMPLOYER MATCHES RETIREMENT PLAN CONTRIBUTIONS	EMPLOYER PAYS 100% OF EMPLOYEES' MEDICAL PREMIUMS	FITNESS/WELLNESS INITIATIVES	TUITION ASSISTANCE/ REIMBURSEMENT	PAID TIME OFF FOR COMMUNITY SERVICE	TELECOMMUTING OPTION
24	FIRST Events	1996	169	187	75%	17%	Offered	Offered	Offered	Offered	Offered	Offered
25	DIGITALOCEAN Technology	2012	170	430	40%	13%	Offered	Offered	Offered	Offered	Not offered	Offered
26	CB INSIGHTS Technology	2008	196	196	35%	13%	Offered	Offered	Offered	Offered	Not offered	Offered
27	VARONIS SYSTEMS INC. Technology	2005	206	581	27%	n/d	Offered	Offered	Offered	Offered	Offered	Offered
28	BAKER TILLY VIRCHOW KRAUSE Accounting	1931	146	2,720	49%	17%	Offered	Offered	Offered	Offered	Offered	Offered
29	SHEPPARD MULLIN Legal	1927	135	1,543	48%	9%	Offered	Offered	Offered	Offered	Not offered	Offered
30	SEATGEEK Technology	2009	183	259	31%	7%	Offered	Offered	Offered	Offered	Not offered	Offered
31	LOWENSTEIN SANDLER Legal	1961	138	575	48%	8%	Offered	Offered	Offered	Offered	Offered	Offered
32	WITHUMSMITH & BROWN Accounting	1974	127	899	32%	6%	Offered	Offered	Offered	Offered	Offered	Offered
33	VTS Technology	2012	140	156	35%	24%	Offered	Offered	Offered	Offered	Not offered	Offered
34	UNDERTONE Advertising/PR/marketing	2002	136	191	53%	9%	Offered	Offered	Offered	Offered	Offered	Offered

Voluntary turnover rate is for the organization's most recently completed fiscal year. n/d-Not disclosed.

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Profile of Lowenstein Sandler



Spirit Day recently underscored Lowenstein Sandler's caring culture, with employees wearing purple to stand with LGBTQ youth who are bullied and harassed because of their identities.

At Lowenstein Sandler, people are the priority—regardless of who they are or what they do.

The firm displays a steadfast commitment not only to clients but to employees, their families, and the community beyond its doors. Together and separately, Lowenstein's professional and personal support, diversity initiatives, philanthropic efforts, collaborative atmosphere and sleek midtown offices underscore its people-first focus, according to employees.

Those factors, and so many others, contributed last year to Lowenstein's 10% average voluntary turnover rate, as compared to the legal profession's average of 38% during the same period.

"If you're looking for a job, this is a place where you'll be challenged and where you can learn, grow, succeed and be happy," said Chief Operating Officer Joe Palermo. "You'll be called on to help others, and you'll also be cared for."

Lesley Adamo, a tax attorney who joined Lowenstein five years ago, praises the firm's hiring process for helping to ensure a congenial workplace filled with "friendly, smart and amazing people." And regardless of seniority, the firm's leadership, she said, is both accessible and supportive, providing mentoring and training to advance career goals.

"Lowenstein provides the kind of environment that is enjoyable to come to every morning," said Adamo.

Steven Siesser, a partner and co-head of Lowenstein's 138-employee New York City office, credits the late Alan V. Lowenstein, one of the firm's founders and a humanitarian in his own right, with establishing its guiding principles of "being respectful" to all and "doing the right thing."

To that end, Lowenstein recognizes employees' beyond-the-call-of-duty efforts with bonuses, as well as with shout-outs in emails, the firm's

newsletter and through its WOW Awards Program. And while the firm has long supported workers' affinity groups focused on issues such as race, gender and sexual orientation, it added a new position last July: a manager of diversity and inclusion. A Heritage event held in October, featuring the ethnic cuisines and cultures of the firm's diverse workforce, is just one of many events and initiatives that support and reinforce the firm's commitment to an inclusive atmosphere.

An inclusive mindset extends to family members, with Lowenstein providing generous health benefits for employees and their dependents and a connection to the firm with family events.

Lowenstein also extends that same caring and inclusive mindset to the community. As an example, for a number of years, the firm has hired diverse students for firm internships from the All Stars Program, a national nonprofit that uses a performance-based approach to help tens of thousands of inner-city youth and their families create success in their lives.

With four employees to manage the firm's pro bono efforts, Lowenstein is equally dedicated to helping those in need. In 2018 alone, the firm has provided a wide array of services, including advocating for tenants living in squalid housing and serving as one of the leading law firms in the effort to ensure representation for immigrant children separated from their parents at the border.

And when a former partner died after leaving the firm, Lowenstein and its employees contributed to a fund to assist his children.

"It's definitely a caring culture at all levels," said Palermo.

CLIMBING TO THE TOP

AS PART OF THE SUBMISSION PROCESS for the *Crain's* Best Places to Work feature, companies filled out exhaustive surveys. All those data points tell us a few things about how successful businesses build their workplaces—and what it takes to earn a spot on the *Crain's* rankings. — GERALD SCHIFMAN



POPULAR PERKS

Tuition assistance and telecommuting options are offered at nearly all the companies on our rankings. Paid time off for community service and matched retirement-plan contributions are less common.

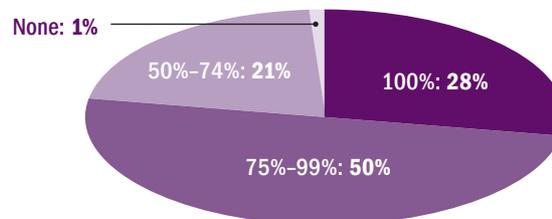
Tuition assistance	90%
Telecommuting	89%
Time off for community service	71%
Matched retirement contributions	64%

76% PORTION of the small companies that offer wellness benefits, compared with 100% for the medium and large firms

HAPPY AND HEALTHY

Most employees working at the Best Places have nearly all their health premiums paid by their company.

Portion of premium paid

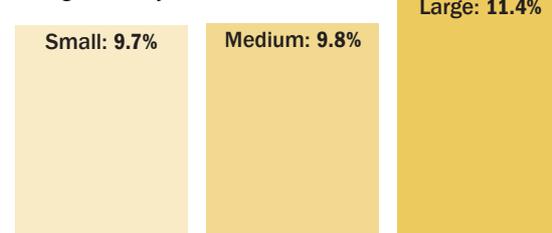


77% PORTION of companies on the list whose CEO is based in New York City

SIZE MATTERS

The large companies on the Best Places list tend to have higher turnover rates than the smaller companies, which might have a tougher time adjusting to the loss of key team members.

Average voluntary turnover rate



10 AVERAGE NUMBER of years that the Best Places CEOs have been with their company

GENDER DYNAMICS

Several industries that dominate the lists have notable splits in their gender breakdown. Nearly three in five employees at the advertising, public relations and marketing companies are women. Most employees at the tech firms are male.

Portion of female employees, on average

Advertising/PR/marketing	59%
Legal	53%
Technology	36%
Financial services	32%

21 AVERAGE AGE of the Best Places companies

NEW IN TOWN

■ Café Bark

833 W. 181st St.

Bring your dog while you enjoy coffee and baked treats at this eatery plus pet boutique. While you're at it, you can buy coordinating human-canine jewelry.

■ Frances Valentine

793 Madison Ave.

The handbag and accessories brand co-founded two years ago by Kate Spade, who died in June, has opened a pop-up shop in Midtown through January.

■ Japan Village

220 35th St., Brooklyn

A Japanese food hall has taken root in Industry City with sushi, bento and street food as well as a liquor store, grocery store, bakery and salad and juice bar.

■ Nike NYC, House of

Innovation 000

650 Fifth Ave.

At the brand's tech-forward, 6-story Midtown flagship,

one floor stocks goods based on data on what's popular in the city. There's also a pickup locker for online shoppers.

■ Nittis

523 Ninth Ave.

The Bond fashion designers opened a classic Italian restaurant in Hell's Kitchen.

■ Shoo Shoo

371 Broome St.

Two Israeli natives opened an all-day Mediterranean restaurant in Nolita with year-round outdoor dining.

■ Venchi

861 Broadway

The Italian chocolatier made a splash in its Union Square shop with the self-declared largest chocolate waterfall in North America.

MOVES AND EXPANSIONS

■ Joe's Steam Rice Roll

265 Canal St.

The popular Flushing Cantonese food vendor has a new location in Chinatown.

■ Momofuku Noodle Bar

10 Columbus Circle

David Chang is expanding his original dining concept. The city's second noodle bar opened with a menu by executive chef Tony Kim.

■ The North Face

134 N. Sixth St.

The outerwear brand opened a concept store that sells apparel exclusive to the Williamsburg location.

STOCK TRANSACTIONS

■ Yext (YEXT-N)

CEO Howard Lerman sold 60,000 shares of common stock at prices ranging from \$16.43 to \$17.49 per share Nov. 16 to 19 in transactions worth \$1,020,700. He now holds 5,480,627 shares.

■ Foot Locker Inc. (FL-N)

Board member Matthew McKenna sold 7,000 shares of common stock for \$50.81 per share Nov. 19 in a transaction worth \$355,670. He now holds 32,014 shares.

REAL ESTATE

RETAIL

■ Rumble signed for 7,300 square feet at **415 Red Hook Lane**, Brooklyn. RKF and Newmark Knight Frank represented the fitness club. Ripco Real Estate represented the developers, Lonicera Partners and Quinlan Development Group.

■ Deer Grow Developments purchased a seven-unit, 5,736-square-foot retail strip at **1326-1342 Beach Channel Drive**, Queens, for \$3 million. Cushman & Wakefield brokered for the seller, Beach Channel 12.

■ Dan Kluger is leasing 5,000 square feet at **28-07**

Jackson Ave., Long Island City, from Tishman Speyer. The Loring Place chef plans to open The Jacx in 2020.

COMMERCIAL

■ Bloomberg LP, represented by CBRE, renewed its lease for 468,000 square feet at **120 Park Ave.** through February 2029. JLL represented the landlord, Global Holdings.

■ Peloton inked a deal for 312,000 square feet at **441 Ninth Ave.** The exercise tech company plans to move its headquarters from 125 W. 25th St. by early 2020.

Newmark Knight Frank represented Peloton. CBRE brokered for the landlord, Cove Property Group.

■ Broadridge Financial Solutions nabbed 85,000 square feet at **605 Third Ave.** The fintech firm plans to move from 1 Park Ave. The asking rent of the 15-year deal was in the low \$80s per square foot. Oxford & Simpson represented the tenant. Cushman & Wakefield represented the landlord, the Fisher Brothers.

■ Law firm Moses & Singer renewed its lease for 73,485 square feet at **405 Lexington Ave.** to remain on two floors of the Chrysler Building for 15 years. The asking rent was \$65 per square foot. Colliers International represented the tenant. Landlord Tishman Speyer represented itself. — YOONA HA

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For the Record is a listing to help businesspeople in New York find opportunities, potential new clients and updates on customers. Bankruptcy filings from the eastern and southern districts of New York are listed alphabetically. Stock transactions are insider transactions at New York companies obtained from Thomson Reuters and listed by size. Real estate listings are in order of square footage.

NEXT LEVEL



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SPRING Semester 2019 - December 15, 2018
FALL Semester 2019 - Priority: January 15, 2019; Final: July 1, 2019,
with the exception of Real Estate and Sports programs, which
have a Final Deadline of April 15, 2019

INTERNATIONAL APPLICATION DEADLINES:

FALL Semester 2019 - Priority: January 15, 2019; Final: April 1, 2019



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PUBLIC & LEGAL NOTICES

Notice of Formation of Modify Films, LLC Arts of Org filed with Secy of State of NY (SSNY) on 9/7/2018. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Robert Mead, 65 Central ParkWest #3E NY NY 10023 Purpose: any lawful act or activity

Formation of ESPR, LLC filed with the Secy. of State of NY (SSNY) on 10/09/18. Office loc.: NY County. SSNY designated as agent of LLC upon whom process against it may be served. The address SSNY shall mail process to Elliot Sloane, 2109 Broadway, Unit 10-18, New York, NY 10023. Purpose: Any lawful activity.

NOTICE OF QUALIFICATION of Integro Insurance Brokerage Services, LLC. Application for Authority filed with the Secretary of State of New York (SSNY) on 10/19/2018. Office location: NEW YORK County. LLC formed in DE on 9/18/2018. SSNY has been designated as an agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: c/o Gary T. Harker, Esq. 6 Clement Ave, Saratoga Springs, NY 12866. The principal business address of the LLC is: 1 State Street Plaza, 9th Floor, New York, NY 10004. DE address of LLC is: 1201 N. Orange Street, Suite 710, Wilmington, DE 19801. Certificate of LLC filed with Jeffery W. Bullock, DE Secretary of State, located at: 401 Federal St #4, Dover, DE 19901. Purpose: Insurance sales and services.

One Pediatrics (NY) PLLC Arts of Org. filed SSNY 9/17/18. Office: NY Co. SSNY design agent of PLLC for process & shall mail to 180 West 80 St Ste. 214 New York, NY 10024 General Purpose

Notice of Qualification of OLIVE TREE ASSET MANAGEMENT LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/19/18. Office location: NY County. LLC formed in Delaware (DE) on 08/04/17. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

COMMUNITY CARE IPA, LLC filed Arts. of Org. with the SSNY on 10/15/18. Office location: New York County. SSNY has been designated as agent of the LLC upon whom process against it may be served and shall mail process to: The LLC, 80 State St., Albany, NY 12207. Purpose: any lawful act.

Notice of Formation of OLD TOWN ROAD HOLDINGS LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 10/31/18. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

Notice of Qualification of OLIVE TREE MULTIFAMILY HOLDINGS LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/19/18. Office location: NY County. LLC formed in Delaware (DE) on 05/02/17. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207-2543. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of KK-RR FINCO, LLC Appl. for Auth. filed with Secy. of State of NY (SSNY) on 11/01/18. Office location: NY County. LLC formed in Delaware (DE) on 10/29/18. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207. DE addr. of LLC: 251 Little Falls Dr., Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corps., John G. Townsend Bldg., 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

This is notice of formation of DN Daniele Nunes LLC with Article of Organization filed with the Secretary of State NY on 09/06/2018. Office location in New York County. The principle address of the business and of registered agent is 239 E 58th Street, 3H, New York, 10022.

DWITTE LLC, Arts. of Org. filed with the SSNY on 10/22/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: The LLC, 249 Eldridge St., Apt. 2, NY, NY 10002. Purpose: Any Lawful Purpose.

Notice of Formation of Analytics Hall of Fame LLC. Arts of Org. filed with Secy of State of NY (SSNY) on 9/5/18. Office location: NY County. SSNY designated agent whom process may be served and shall mail copy of process against LLC to 319 W 18th St, Apt 5C, NY, NY 10011. RG Agent: US Corp Agents, Inc. 7014 13th Ave, #202, BK, NY 11228. Purpose any lawful act.

NOTICE OF FORMATION of JOSHUA Z. TAL, PHD, PSYCHOLOGIST, PLLC. Arts. of Org. filed with Secy of State of NY (SSNY) on 9/18/18. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against PLLC to 26-14 12th St, #2F, Astoria, NY 11102. Purpose: any lawful act.

Notice of Qualification of KOI ESPORTS, LLC Appl. for Auth. filed with Secy. of State of NY ("SSNY") on 10/4/18. Office location: NY County. LLC formed in Delaware ("DE") on 8/31/18. Duration of LLC is perpetual. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to National Registered Agents, Inc. at 111 Eight Ave. - 13th Floor New York, New York 10011. Name and address of managing member available from SSNY. DE address of LLC: National Registered Agents, Inc. at 160 Greentree Dr., Ste 101 Dover, DE 19904. Cert. of Form. filed with Secy. of State, Div. of Corps., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

NOTICE of FORMATION OF ANNEJMILLERMD LLC. Arts. Of Org. filed with Secy of State of NY (SSNY) on Oct. 30, 2018. Office location: NY County. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 151 W86th St, Apt 9D, NY, NY 10024. Purpose: any lawful act.

TRULANE LLC, Arts. of Org. filed with the SSNY on 09/04/2018. Office loc: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: The LLC, 545 8th Ave., Ste #1700, NY, NY 10018. Purpose: Any Lawful Purpose.

NOTICE OF FORMATION of GROWTH X DESTRUCTION III, LLC. Arts. Of org. filed with secy of State of NY (SSNY) on 8/27/18. Office location: NY county. SSNY designated agent upon whom process may be served and shall mail copy of process against LLC to 546 Main St, Apt 530, NY, NY 10044. Purpose: any lawful act.

NOTICE OF FORMATION OF Context Is King Music LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on 8/23/18. Office location: NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is: 151 Spring St #3, New York, NY 10012. The principal business address of the LLC is: 151 Spring St #3, New York, NY 10012. Purpose: any lawful act or activity

83-87 AUDUBON AVENUE, LLC. Arts. of Org. filed with the SSNY on 01/03/11. Latest date to dissolve: 12/31/2081. Office: New York County. SSNY designated as agent of the LLC upon whom process against it may be served. SSNY shall mail copy of process to the LLC, 31-10 37th Avenue, Suite 500, Long Island City, NY 11101. Purpose: Any lawful purpose.

NOTICE OF FORMATION OF Five Iron Golf Philadelphia LLC. Articles of Organization filed with the Secretary of State of NY (SSNY) on August 8, 2018. Office Location: NEW YORK County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him/her is 155 E. 49 St, Apt 6B, New York, NY 10017. The principal business address of the LLC is: 138 Fifth Ave, 4th Floor, New York, NY 10011. Purpose: any lawful act or activity

Notice of Formation of ROCKAWAY SOUTH DEVELOPER, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/13/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

Notice of Formation of NORTHGATE PRESERVATION GP, LLC Arts. of Org. filed with Secy. of State of NY (SSNY) on 11/13/18. Office location: NY County. Princ. office of LLC: 60 Columbus Circle, NY, NY 10023. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

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CNY

Ms. AnaTracey Hawkins' focus is on strengthening and growing CNY's position in the industry. Her responsibilities include identifying and implementing new business strategies in current sectors and innovative business initiatives for its expansion.



CONSTRUCTION MANAGEMENT

Structure Tone

The Structure Tone organization has added the role of Chief Administrative Officer to its executive team. Construction industry professional **Greg Dunkle** has joined the firm to take on the new position.



CONSTRUCTION MANAGEMENT

TG Nickel & Associates

Chris Cestone joins TG Nickel to lead our Institutional Division. Chris will utilize his 30+ years of experience to expand TG Nickel's presence with a focus on the life sciences, healthcare, academic, and agency construction management markets.



CONSTRUCTION MANAGEMENT

TG Nickel & Associates

Henry Mack joins TG Nickel to lead our Interiors Division. Henry will utilize his 30+ years of experience to expand TG Nickel's presence with a focus on the corporate interiors, retail, and special projects construction management markets.



EDUCATION

Baruch College, The City University of New York

Dr. Mitchel B. Wallerstein, president of Baruch College of The City University of New York, will step down at the end of the academic year. During his nine-year tenure, Wallerstein achieved nationally recognized success in advancing social mobility for thousands of graduates, launching a global education program, setting fundraising records, and adding new facilities. Wallerstein plans to serve as a CUNY Professor teaching in areas of his expertise on international security and public policy.



HEALTHCARE / INSURANCE SERVICES

Brighton Health Plan Solutions

Brighton Health Plan Solutions, a leading health care enablement company, announced the promotion of **Rondi Rabuse** to President of Network. Formerly Vice President of Network Strategy, Rabuse brings extensive local and national health care experience to the role. As President of Network, Rabuse will develop strategic provider partnerships for Create and MagnaCare that enable the best network solutions for employers and members, and differentiated value to health care providers.



FINANCIAL SERVICES

Bank of America

Connie Verducci has been appointed Market Executive at Bank of America, overseeing New York City, Westchester County and Long Island local market initiatives. Since joining Bank of America in 2006, Connie has served in various capacities delivering Bank of America's core philanthropic and sponsorship strategies.



PUBLIC RELATIONS

Marino

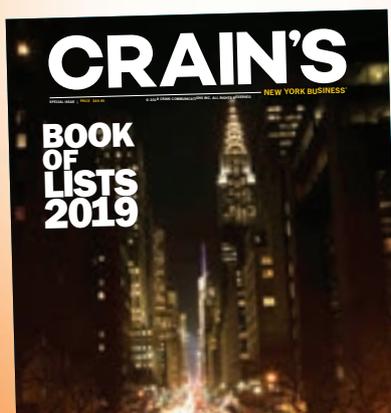
John F. Marino has been named president of Marino - the full-service communications firm founded by his father, Frank C. Marino, who will continue in his role as the agency's chief executive officer. John Marino has been with the firm since 2002.



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