

EGS

Ellenoff Grossman & Schole LLP

2019 YEAR END REVIEW

2019 AT A GLANCE

2019 was another record breaking year for Ellenoff Grossman & Schole LLP.

Some key highlights:

The Firm expanded in size and now has a total of **97** attorneys. This represents an increase of **12** attorneys year over year.

The Corporate Group completed over **170** financings and transactions, raising over **\$10 Billion** for issuers and underwriters. The Firm was one of the top 10 IPO law firms in the country, having participated in **37** offerings. We also completed **51** Registered Directs and **17** PIPEs. We also successfully closed **10** M &A deals. EGS led the SPAC IPO Legal League Tables for Full-Year 2019 (breaking our own record from 2018). EGS worked on **33** SPACs (21 on behalf of issuers) this year (out of a total of 59 SPACs) which have raised more than **\$7.3BN**. We were involved with over half of all SPAC capital raised in 2019.

Douglas S. Ellenoff testified in front of the House Financial Service Committee on September 11, 2019 at the Investor Protection, Entrepreneurship, and Capital Markets Hearing: “Examining Private Market Exemptions as a Barrier to IPOs and Retail Investment”. Doug supported several of the bi-partisan proposals that would make the crowdfunding provisions more effective and useable.

We expanded our Intellectual Property practice in June with the addition of 10 new attorneys. The new group adds to our current experience of patent filings and patent prosecutions. James Smedley, who joined with the other new lawyers in this practice area, was named the head of our Intellectual Property department.

Mitchell Borger, who previously was in-house with Macy’s, joined our Labor and Employment practice group; which is among the fastest growing departments in the Firm.

CORPORATE PRACTICE

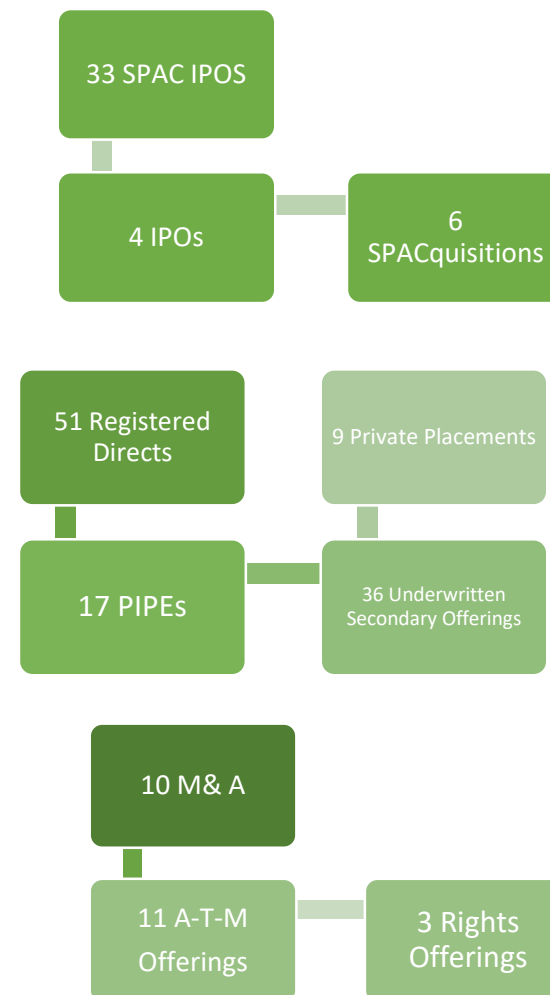
We are proud to represent capital market participants driven by the entrepreneurs who are intent to grow and finance their businesses. The Firm handled **37 IPOs**, for companies that raised more than \$7 billion. The Firm also retained the #1 ranking in number of SPAC issuances – completing 33 SPAC IPOs and 5 SPACquisitions. In addition, the Firm handled numerous PIPEs and Private Placements, Registered Directs, Underwritten Secondary Offerings, Rights Offerings and ATM Offerings. The Firm was involved in almost 150 public offerings, representing issuers, investors and investment banks including Confidentially Marketed Public Offerings. The Firm routinely represents public companies (presently over 70) and their officers, directors and employees in all aspects of the securities law compliance requirements; listing requirements and other regulatory matters. The Firm provides legal services for companies in a variety of industries, including life sciences consumer products, social networking, information processing, telecommunications, Internet and software and real estate.

The Firm distinguishes itself from many other transactional law firms on the basis of its ability to be part of the establishment of new alternative securities programs where the Firm’s professionals have played leadership roles by assisting in the creation, formation and strategies relating to those financings, as well as, working closely with the regulatory agencies, including the SEC and FINRA; and listing exchanges such as the NYSE and NASDAQ.

The Firm’s Merger and Acquisitions Practice Group had an active 2019, including closing 6 SPACquisition transactions (with an aggregate value of over \$2 billion) and signing an additional 2 SPACquisition transactions, as well as representing various public and private companies in domestic and international mergers, acquisitions, divestitures, joint ventures and minority investments. The M & A Practice Group represented public companies in 4 acquisitions of private companies and represented a private equity fund in the acquisition of a private portfolio company. In addition, EGS represented a private equity firm in the acquisition of a majority interest in a private company as well as the sale of one of its portfolio companies.

Our investment management and private investment fund practice continued to flourish in 2019. We formed a real estate investment vehicle overseeing a portfolio of over \$1 billion, and a private equity fund focused on the security space which has already closed on two portfolio company acquisitions. In addition, we continue to assist hedge funds, private equity funds, and real estate funds and other investment vehicles ranging from emerging managers to the largest publicly traded investment firms in their structuring and formation, execution of investment strategy and transactions, regulatory compliance and broader legal needs.


Our China Practice continues to grow. We now have 10 Mandarin speaking attorneys, continue to do senior exchange listed IPOs, secondary offerings, up-listings to senior exchanges, SPACs (sponsors originating from China) and SPAC mergers with Chinese based operating companies. The firms attorneys visit Mainland China on a regular basis; and speak at seminars and before focus groups of professionals seeking to work with Chinese based operating companies seeking to list on US exchanges. We also service such Chinese companies that are US public companies and work on their basic securities law filings, financings, shelf registration filings, proxies and basic corporate work as a US public company such as corporate governance.




REPRESENTATIVE M&A SPAC TRANSACTIONS




In March 2019, Haymaker Acquisition Corp., a publicly traded special purpose acquisition company, and OneSpaWorld, the pre-eminent global provider of health and wellness products and services onboard cruise ships and in destination resorts around the world, announced that having satisfied all closing requirements, they completed their previously announced business combination. Under the terms of the agreement, Haymaker and OneSpaWorld combined under the new holding company, OneSpaWorld Holdings Limited, in a business combination involving \$850.7 million in total consideration. EGS acted as counsel to Haymaker.




In June 2019, MTech Acquisition Corp. (“MTech”), the first US-listed special purpose acquisition company focused on acquiring a business ancillary to the cannabis industry, announced the closing of its previously announced business combination transaction with MJ Freeway LLC, a leading seed-to-sale regulatory compliance technology provider and developer of the cannabis industry’s first enterprise resource planning (ERP) platform, and Akerna Corp., a newly formed Delaware corporation that became the successor public company to MTech in the transaction, with the combined company becoming the first compliance technology company in the cannabis space to be traded on Nasdaq. EGS acted as counsel to MTech.




In July 2019, Thunder Bridge Acquisition, Ltd. (“Thunder Bridge”), a special purpose acquisition company, announced the closing of its previously announced business combination transaction with Hawk Parent Holdings, a leading provider of vertically-integrated payment solutions through its subsidiaries including Repay Holdings, LLC, with the total consideration provided to Hawk Parent Holdings equity holders valued at approximately \$580.7 million. In connection with the closing, Thunder Bridge reincorporated to Delaware and changed its name to Repay Holdings Corporation. EGS acted as counsel to Thunder Bridge.



In October 2019, Greenland Acquisition Corporation and Zhongchai Holding (Hong Kong) Limited jointly announced the closing of the previously-announced business combination pursuant to which Zhongchai Holding became a wholly-owned subsidiary of the Company and the former shareholder of Zhongchai Holding acquired 7,500,000 ordinary shares of the Company. EGS acted as counsel to Greenland.

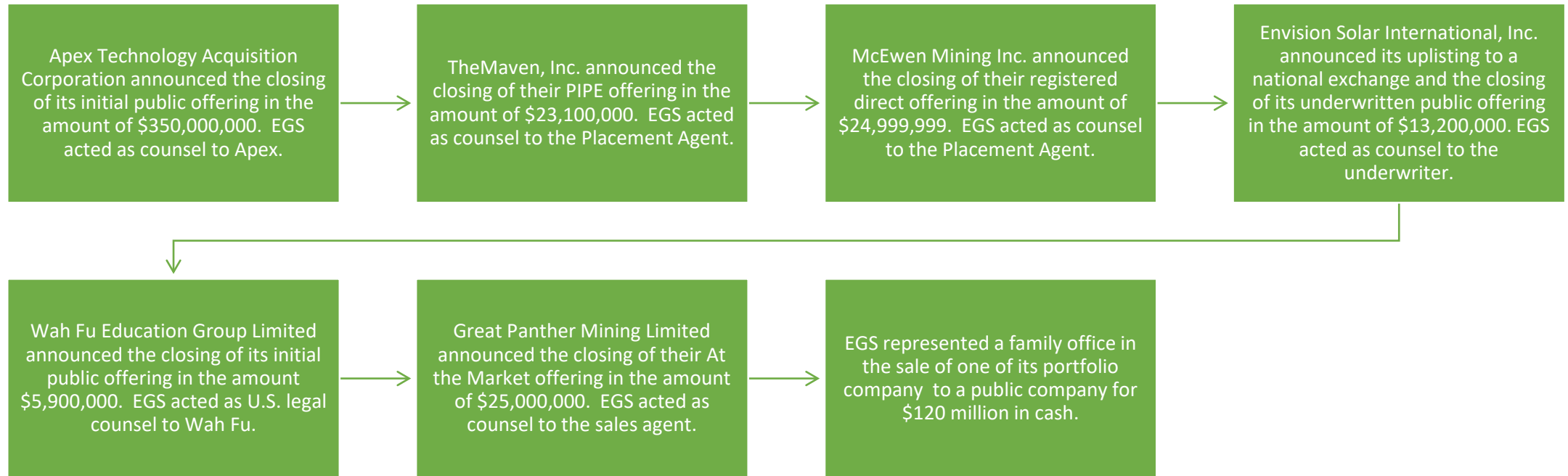


In November 2019, Trinity Merger Corp. and the Broadmark real estate lending companies announced the completion of their previously announced business combination. In connection with the completion of the business combination, the combined company was renamed Broadmark Realty Capital Inc. Broadmark Realty is an internally managed real estate investment trust (REIT) specializing in short-term financing for the acquisition, renovation and development of residential and commercial properties. EGS acted as counsel to the placement agent.



In December 2019, Twelve Seas Investment Company (“Twelve Seas”), a special purpose acquisition company, announced the closing of its previously announced business combination transaction with Brooge Petroleum and Gas Investment Company FZE, a United Arab Emirates company in the oil storage and services business, and Brooge Holdings Limited, a newly formed Cayman Islands company that became the successor public company to Twelve Seas in the transaction, with the total consideration provided to Brooge Petroleum and Gas Investment Company FZE equity holders valued at over \$1 billion. EGS acted as counsel to Twelve Seas.

REPRESENTATIVE CORPORATE TRANSACTIONS



PUBLIC COMPANY PRACTICE

The Firm's Corporate and Securities Practice Group has grown to more than 50 professionals and is one of the leading practices in the U.S. focusing on smaller public companies and the investment banks and capital sources that focus on this segment of the market.

EGS presently represents approximately 70 public companies (including approximately 20 foreign issuers). EGS was involved in over 50 financings in 2019 as issuer counsel, and we participated as both buyer's and seller's counsel in multiple public merger and acquisition transactions, including 10 transactions in 2019 each with a value close to or in excess of \$ 1 billion.

Indonesia Energy Corporation Limited announced the closing of its initial public offering in the amount of \$15,000,000. EG&S acted as counsel to Indonesia Energy.

Thunder Bridge Acquisition, II Ltd. announced the closing of its initial public offering in the amount of \$345,000,000. EG&S acted as counsel to Thunder Bridge.

DiamondPeak Holdings Corp. announced the closing of its initial public offering in the amount of \$250,000,000. EG&S acted as counsel to DiamondPeak.

Cellular Biomedicine Group, Inc. announced the closing of its underwritten public offering in the amount of \$17,500,000. EGS acted as counsel to Cellular Biomedicine.

Proficient Alpha Acquisition Corp. announced the closing of its initial public offering in the amount of \$115,000,000. EG&S acted as counsel to Proficient.

Hennessy Capital Acquisition Corp. IV announced the closing of its initial public offering in the amount of \$261,000,000. EG&S acted as counsel to Hennessy.

REAL ESTATE PRACTICE GROUP

EGS' Real Estate practice group assisted their clients in a steady flow of leasing, real estate acquisitions and development, and mortgage financing transactions. Our Real Estate practice group proved to be a valuable resource for its clients in a wide variety of representations. The broad scope of the real estate group's practice is reflected in the types of transactions described below:

2/12/19 – \$52,000,000.00 mortgage loan in connection with the \$90.5MM acquisition of a multifamily, mixed-use building in Manhattan, NY, containing 48 residential apartments and 2 office spaces. EGS represented the borrowers.

2/22/19 – \$60,000,000.00 construction loan in connection with the refinance of 3 buildings in Atlanta, GA containing ~156,000 square feet of office, retail and showroom space, with ~419 parking spaces. EGS represented the borrowers.

3/5/19 – \$65,000,000.00 construction loan (\$53MM mortgage, \$12MM mezzanine) in connection with the joint-venture development of a 10-story, 142,500 SF, 74-unit, mixed-use condominium project in Queens, NY. EGS represented the borrowers.

4/8/19 – \$3,250,000.00 sale of an unoccupied, single-floor commercial warehouse (3,600 SF of retail space; 7,200 total buildable SF) in the Gowanus section of Brooklyn, NY. EGS represented the seller.

4/15/19 – \$31,000,000.00 mortgage loan (small portion of which was mezzanine-financed) in connection with the refinance of 2 inter-connected creative office buildings in Chicago, IL, containing ~150,000 net rentable square feet and a 1.12 acre surface parking lot with 141 parking spaces. EGS represented the borrowers.

5/6/19 – \$3,000,000.00 mortgage loan in connection with the refinance of mixed-used property containing 14 apartments and 2 ground-floor commercial units in Brooklyn, NY. EGS represented the lender.

5/17/19 – \$24,250,000.00 joint venture acquisition of a building, a 227,211 square foot historic office building in Minneapolis, MN, including \$26,000,000.00 mortgage loan to finance the acquisition of the property, as well as future capital improvements and leasing commissions. EGS represented the purchaser/borrower.

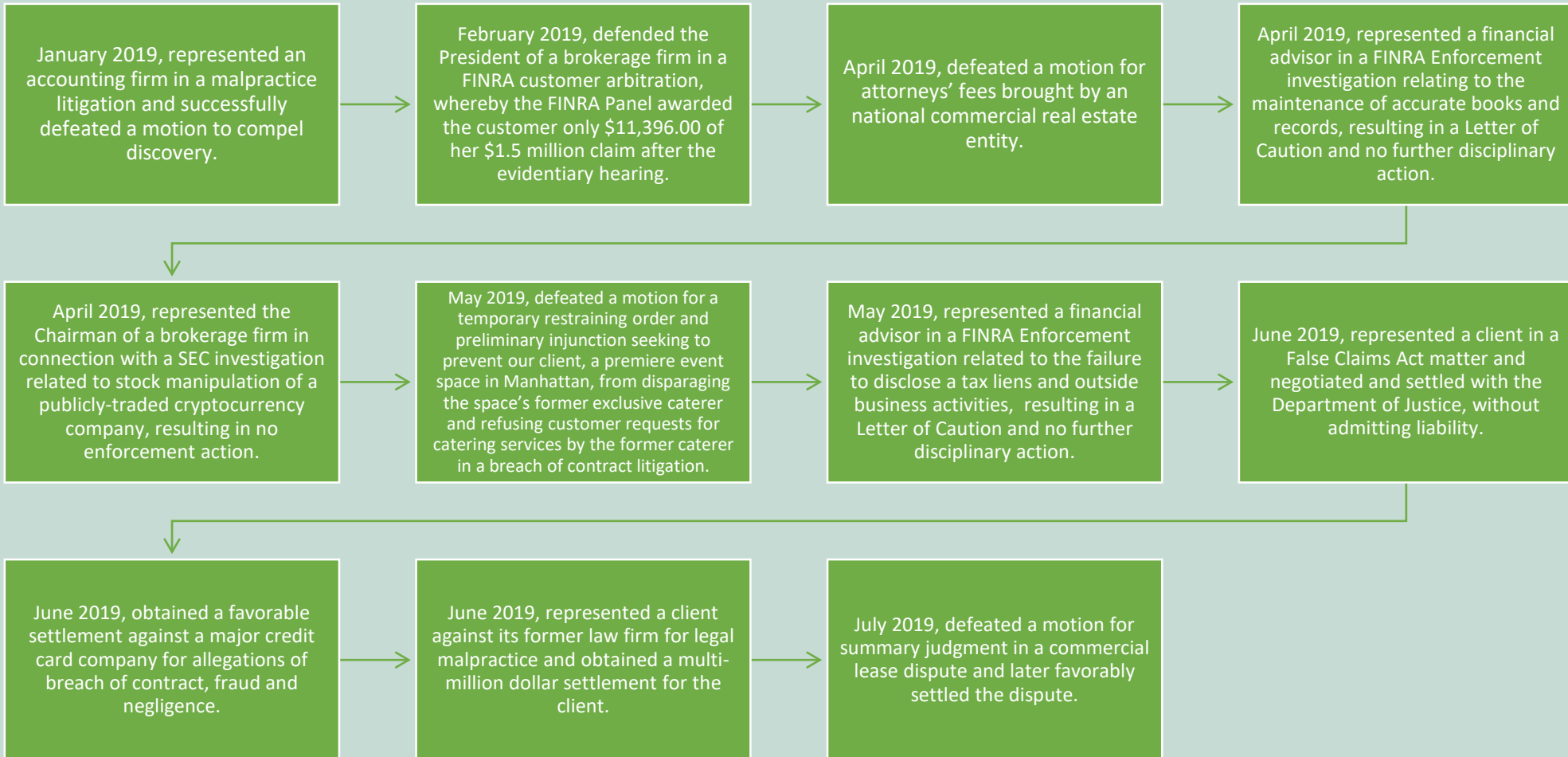
6/27/19 – \$3,900,000.00 mortgage loan in connection with the acquisition of a mixed-used property in Bronx, NY, containing 38 apartments and 1 ground-floor retail unit. EGS represented the lender.

8/14/19 – \$70,000,000.00 joint venture acquisition of 4 land parcels (encumbered by 2 ground leases) in Los Angeles, CA, including ~\$60,000,000.00 in CMBS mortgage financing. EGS represented the purchasers/borrowers.

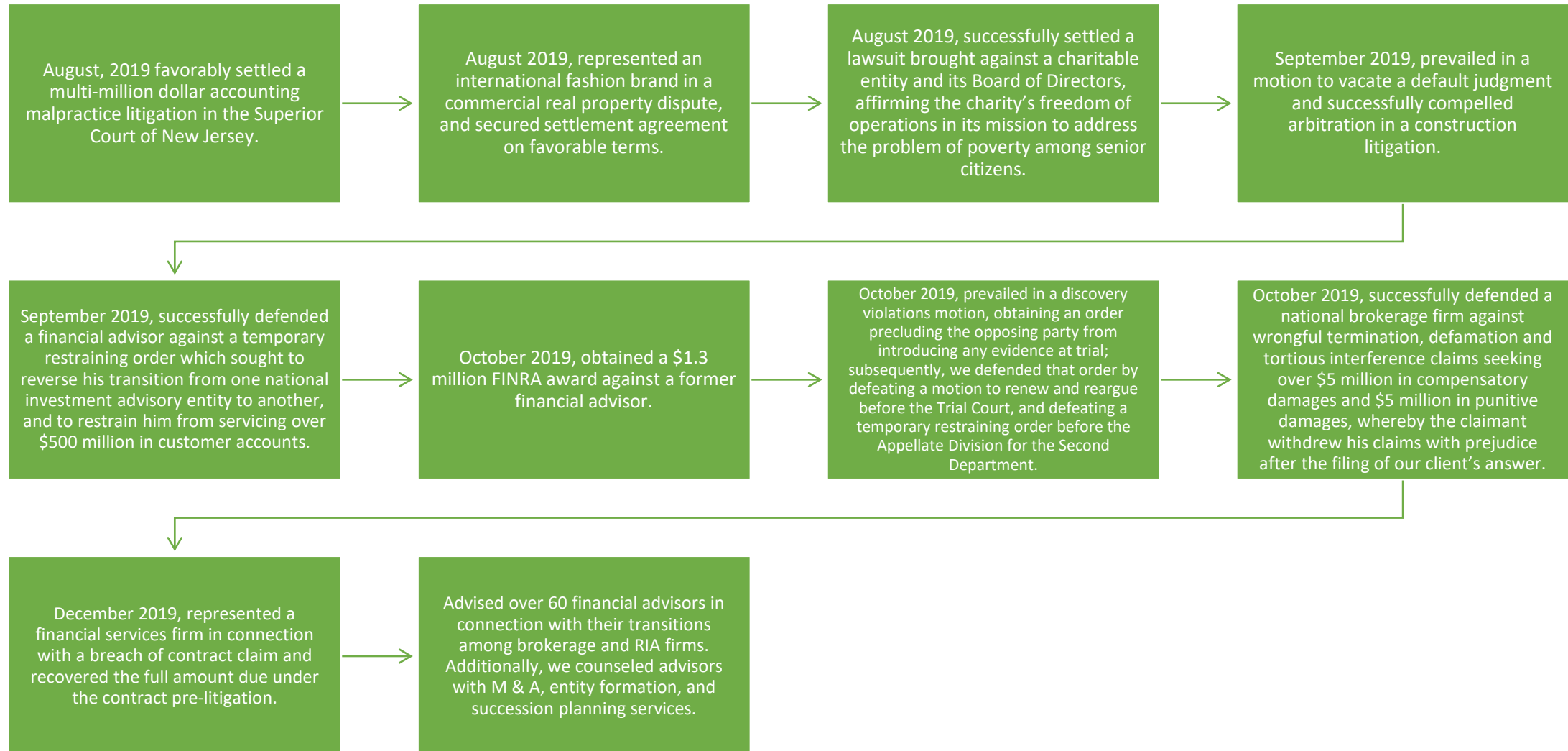
10/1/19 – \$57,000,000.00 sale of NNN, ground-leased business park in San Diego, CA, including the purchaser's assumption of the seller's existing mortgage debt (~\$31,000,000.00). EGS represented the seller.

LITIGATION PRACTICE GROUP

The Firm's Litigation strengths are extremely broad, including sophisticated corporate and securities-related litigation, complex commercial disputes, SEC and FINRA regulatory defense, real estate litigation, securities and commercial arbitrations, consumer credit and banking law, construction matters, employment law, and executive compensation disputes.



LITIGATION PRACTICE (CONTINUED)



BROKER-DEALER REGULATION

Our Broker-Dealer Regulatory Department continues to work with the SEC, FINRA and state regulators on crowdfinance issues and with industry participants on multi-purpose platforms hosting offerings under Regulations D, A+ and/or Crowdfunding while continuing to provide counsel on traditional legal and compliance concerns of our broker-dealer clients.

- EGS counseled several clients through the FINRA membership process, with a focus on alternative trading systems for exempt securities and navigating the SEC and FINRA Joint Statement on Broker-Dealer Custody of Digital Assets.
- For the fourth consecutive year, EGS conducted a legal review of the adequacy of policies and procedures and their implementation for the US broker-dealer affiliate of a large global bank.
- EGS advised the US broker-dealer affiliate of a large global bank on compliance with the Foreign Corrupt Practices Act (FCPA) and in drafting of appropriate procedures.
- EGS advised an established broker-dealer client on development of crowdfinance website to support its traditional financing activities.
- EGS represented a former senior manager of a broker-dealer affiliated with a large Chinese bank in reaching a resolution with the SEC in connection with its long-running industry-wide investigation of trading in pre-released American Depositary Receipts (ADR).
- EGS worked with several underwriters to establish procedures for to address evolving exchange listing requirements.
- EGS advised multiple broker-dealers on compliance issues related to FINRA's new licensing and registration rules and prepared multiple waiver applications for senior managers of one large investment adviser-affiliated broker-dealer.
- We performed conflict of interest and information barrier reviews for two clients including revising policies and procedures for both and creating inter-affiliate agreements between one broker-dealer and its venture fund and investment adviser affiliates.
- EGS consulted with the FINRA Corporate Financing department to optimize the public offering filing process.

INTELLECTUAL PROPERTY PRACTICE GROUP

Take down of major infringing copycat website of a video game client

Completed acquisitions of competitive patent portfolios for multiple clients

Successfully defended client against claims of patent infringement by an institutional manufacturer of construction equipment

Successfully overcame dozens of Alice based 35 USC 101 rejections on software and other CBM patent applications

Numerous successful actions before the Patent Trial and Appeal Board on complex issues, including subject matter eligibility under 35 USC 101

Obtained a favorable settlement for a well-known apparel retailer in New York State requiring the opposing party to cease use of its infringing mark

Managed numerous takedown campaigns for clients on ecommerce providers (e.g., Amazon, Etsy, Shopify) against sellers of counterfeit and infringing goods

Filed over 150 new patent applications for clients

Received approximately 50 granted patents for our clients in disciplines such as Software, BioTech, FinTech, Consumer Goods, Artificial Intelligence, Blockchain and New Materials/Chemicals

Drafted, prosecuted and provided counseling to clients on dozens of inventions or patents in the biospace, including those related to the therapy of terminal illnesses like cancer and infectious diseases, organ transplants, allergies, gene therapy, expression systems, gene sequences and their promoters, innovations relating to CBD oil and cannabinoids, and in the material sciences field, to name but a few

Drafted, prosecuted and provided counseling to clients on dozens of inventions or patents in the computer related arts, including those related to artificial intelligence, machine learning, IoT devices, vision systems, specialized sensor hardware and software methods

LABOR AND EMPLOYMENT PRACTICE GROUP

Successfully handled 800+ matters for 400+ clients, including numerous harassment, discrimination and wage/hour class and collective litigations, sexual harassment prevention trainings, employment contracts, compliance projects (including employee handbooks) and DOL audits. Some 2019 highlights:

Practice group leader Amanda M. Fugazy was again named "A Top Woman in Foodservice & Hospitality" by Total Food Service for her considerable results in handling employment law issues within the industry.

Ilan Weiser was named a Partner of the Firm.

Partner Amanda M. Fugazy was named a "Super Lawyer", and Partners Valerie J. Bluth and Ilan Weiser and Associate Mohammed Shihabi were named "Rising Stars." Only up to 5% of the lawyers in the state are named to Super Lawyers, and no more than 2.5% are named to the Rising Stars list.

Partner Mitchell F. Borger was elected chair of the New York State Bar Association's 1,500 member Corporate Counsel Section.

Successfully negotiated dismissal of two wage & hour lawsuits resulting in no damages for clients to pay.

Won a motion to compel arbitration in a hybrid discrimination, wage & hour lawsuit, and, in doing so, obtained a stay of a PAGA action.

Won a motion in a wage & hour action resulting in the application of NJ over NY law and permitting the fluctuating work week method of calculating damages, resulting in a savings of over \$500,000 for our client.

Won an arbitration finding that our client had just cause to dismiss the union employee where the acts in question took place outside of work hours and off the grounds of the workplace.

Obtained dismissal of complaint for unpaid wages filed with VT Department of Labor.

Successfully negotiated significant reduction in penalties imposed by NYS DOL for independent contractor misclassification.

Successfully resolved dozens of wage & hour claims for a fraction of potential damages.

Successfully negotiated separation terms by preventing a terminated executive from receiving full severance and resulting in a savings to client of approximately \$400,000.

Successfully defended a client in a NYC Earned Safe and Sick Time Act action and negotiated a consent decree with the NYC Department of Consumer Affairs for a minimal monetary fine.

Discovered, in an FLSA collective action against a restaurant client, that a plaintiff was suing another New-York based restaurant alleging identical dates and hours worked at both restaurants and filed a motion for fraud (decision pending).

Counseled several hedge fund managers in their successful transitions from their then current funds to new funds.

Counseled on employment terms and agreements being offered to C-suite executives in connection with dozens of mergers, financings and SPAC transactions.

Provided training to dozens of clients, in both English and Spanish, in compliance with the new NYS and NYC annual anti-harassment training requirement.

TRUSTS AND ESTATES

The Firm's Trusts and Estates practice continued to grow this year. Despite historically high Federal estate tax thresholds, estate planning is still crucial for the vast majority of clients. Possible political changes in the years to come underscore the importance of planning for the future of our clients' families and businesses. In addition, we have helped innumerable clients deal with the death of a loved one and the plethora of emotional and financial issues that derive therefrom. No two estates are the same and we therefore strive to individualize our attention to each one.

EGS

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We'd like to take this opportunity to thank our clients and friends for helping us to achieve these and other successes in the past year. We look forward to working with you in 2020. Also, we encourage you to visit our website (www.egsllp.com) to familiarize yourselves with the new faces in the Firm, access key resources and to learn more about our range of practice areas and expertise.

If you have any questions or comments, please feel free to call us.

ELLENOFF GROSSMAN & SCHOLE LLP

1345 AVENUE OF THE AMERICAS, 11TH FLOOR
NEW YORK, NEW YORK 10105

TELEPHONE: 212-370-1300 FACSIMILE: 212-370-7889

www.egsllp.com