

2023 Letter to Our Clients

Looking back over the year in business, it's fair to say we've seen plenty of ups and downs. Low unemployment meant a strong job market. Crypto markets were a roller coaster, tempered significantly by the collapse of FTX and the watchful eyes of regulators. Tech innovation, spurred in part by generative AI, soared. Corporate defaults are trending upward, and rising interest rates (until recently) exacerbated fears of a recession for most of the year and led to overall economic uncertainty.

Uncertainty often means deals get sidelined, not because the players aren't motivated to proceed but because the timing isn't right. We've seen some of this slowdown in certain sectors. We've also seen smart deals close, leaving us with a positive view of 2023 and optimistic we'll see even more activity in 2024. This is particularly the case in the middle market, where activity is poised to rebound because of the higher cost of capital and increased regulatory scrutiny of larger deals. We expect private equity investors to continue focusing on buy-and-build strategies, driving smaller deal volume. We also expect to see increased regulatory scrutiny as we begin to see the implications of the Corporate Transparency Act (CTA), which went into effect on January 1, as businesses document and report more detailed information about who owns specific entities in US markets. We've closely monitored the CTA, [issuing a comprehensive advisory in November](#) and working directly with clients to navigate new beneficial ownership requirements and exemptions.

Sophisticated Teams Drive Results

Our attorneys collaborated throughout the firm and worldwide, leveraging resources and cross-border knowledge to form teams tailored to deliver customized solutions. Against this backdrop, we adjusted to evolving market dynamics, contributing to several significant accomplishments for our clients in 2023. Notably, we shepherded a successful and precedent-setting appeal for Mylan Pharmaceuticals in a patent infringement case involving its generic alternative to a much-needed blood pressure medication. We represented real estate developer BRP in a complex \$635 million transaction to facilitate the rehabilitation of NYC Housing Authority buildings with nearly 1,700 units in Brooklyn that had fallen into disrepair. We served as lead debtors' counsel on four major Chapter 11 cases, each resulting in a confirmed plan of reorganization. While the deal market may be in flux, we advised on several key transactions, including Shorehill Capital's sale of Power Grid Components to Blackstone Energy Transition Partners, a major entertainment deal that saw Pinstripes trading publicly after its combination with Banyon Acquisition Corporation (a special purpose acquisition company), and Bitcoin miner Peak Mining's purchase of a 33-acre, 300-megawatt mining data center site in Texas. We also represented separate buyer groups that acquired controlling stakes in the Charlotte Hornets and the Dallas Mavericks. And we advised premier sports agency Excel Sports Management on its strategic acquisition of REP 1 Football to create Excel Football, one of the largest full-service football agencies in the industry.

These matters and other legal achievements can be credited to our deep bench of talented legal professionals. These sophisticated attorneys excel in creative problem-solving and strategic approaches. In 2023, we added 11 partners to our roster to develop and expand our capabilities in key areas, including International Arbitration; Insolvency and Restructuring; Consumer Finance Litigation and Regulatory Compliance; and Environmental, Social and Governance (ESG). This dynamic group of attorneys brings experience in active and emerging areas, notably ESG, which now includes attorneys with securities enforcement defense, financial markets, class actions, capital markets, sustainability compliance and investigations experience. We cover legal and regulatory developments in our monthly newsletter, [ESG Guidepost](#). Despite the backlash in some quarters against certain ESG-related initiatives, the effects of climate change and social justice issues are driving activity in this space. Our team is especially well-positioned to help our clients respond effectively to shareholder activism, stay compliant, and develop policies while advancing their long-term ESG goals.

[UK Financial Insights from Katten](#), our London-based "(mis)Conduct, Money & Reputation" podcast and the new ESG newsletter are among the latest of our suite of publications developed to keep our contacts tapped into new developments and fresh perspectives. More of our attorneys contribute to our [Quick Reads](#) channel,

which offers legal insights on everything from the latest SEC rules and actions to estate planning strategies. These blog posts and newsletters complement the client alerts we produce to help make sense of developments critical to client operations.

Client-Centered Approach to AI

The accelerating world of technology innovation, specifically generative AI, is one area many are struggling to grasp. Now over a year old, ChatGPT may have lost its novelty but not its power to effect change. We are harnessing the power of the latest tech tools to benefit our clients. To *benefit our clients* is the key here. AI isn't new at Katten. Indeed, we've used AI tools for our clients, attorneys and operations for many years. Now, with our client-facing data science team, [Katten DataLAB](#), we readily leverage AI to support clients in a variety of matters involving litigation and transactions. And while generative AI will play an increasing part in what we all do, we are committed to a client-centered approach, building tech solutions to address specific, real-world use cases.

Our People Are Our Strength

Without the foundation we've built over the years, we wouldn't be where we are today, nearly 700 attorneys strong as we approach our 50th anniversary. Because we know our people are our strength, we invest in their development and growth. We launched a new Embedded Expert Program for attorneys, allowing partners to meet one-on-one with Katten professionals and outside consultants to advance personal career goals. Also new is our *Workshop on Internal Networking (WIN)*, where, working in small groups, partners were challenged to cultivate a business development mindset of "How can I help?" It's incredibly gratifying to see how this program has resulted in lasting relationships, as some of the small groups assembled during a 2023 firm retreat have continued to work together in the months since to find ways to better serve our clients.

Peer mentorship through programs such as *WIN* contributes to a rich culture of mentorship at Katten, providing the connection and collaboration that is so important in our post-COVID work environment. Mentors offer invaluable career development, open doors, and create a culture of connection and belonging. This year, our menu of mentoring options expanded to include practice-specific mentor pairings. We celebrated our mentors with the Second Annual John P. Sieger Excellence in Mentoring Awards, which we expanded this year to include business professionals in addition to attorneys.

We also expanded our career advising and coaching offerings this year. Our internal career coaches are leaders on Katten's professional development and diversity teams. They leverage their experience and coaching certification to help Katten attorneys be more effective, successful and balanced in their work by helping them to identify strengths, build awareness of blind spots, manage critical inner voices, and gain clarity and focus.

Diversity, Equity and Inclusion

Katten is committed to fostering a culture of inclusion. A measurable commitment to diversity, equity and inclusion (DEI) is essential in a healthy modern workplace and, as a benefit, helps strengthen relationships with like-minded clients. In 2023, we were honored to be included in Seramount's Hall of Fame for its annual list of "Best Law Firms for Women & Diversity," having been recognized as a top 50 firm more than 10 times since the list's creation in 2007. We also achieved our Mansfield Rule certification for the sixth consecutive year and received a Mansfield Certified Plus distinction for the third straight year. In addition, we expanded our [Kattalyst Sponsorship Program](#) to allow more associate, counsel and partner participants. And we are proud to call our 2023 Diversity Summit a success. The Chicago-based summit drew 150 attorneys and included frank conversations with clients on how to win business and leverage DEI. Beyond these targeted programs, we hosted several renowned and inspiring speakers for firmwide programs in honor of Black History Month, Pride Month, Hispanic Heritage Month and UK Black History Month.

Full-Circle Approach to Service

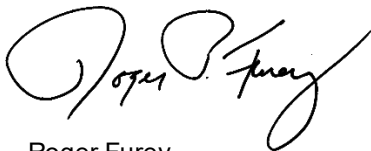
The number of attorneys who devote their time to service projects is an inspiration. As we detail in our 2023 [Pro Bono Annual Review](#), our attorneys take a “full-circle” approach to pro bono, going beyond a range of services to include the relationships they develop. Our pro bono work expands our circle beyond fellow attorneys, large companies and wealthy individuals typically associated with major law firms. Over the last year, our attorneys wiped out a clinic’s backlog of immigration cases involving juveniles, helped incarcerated mothers maintain relationships with their children, helped strengthen nonprofit organizations so they can better serve neighborhoods and, through the Katten Legal Clinic embedded in Chicago’s José de Diego Community Academy, helped low-income families that need counsel on family law, public benefits, landlord/tenant and consumer issues.

Up, Down and Forward

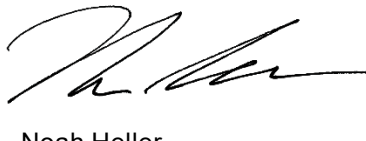
As we look ahead this year and beyond, we are mindful of the role we must play for our firm, clients and communities. We are trusted legal advisors and counselors. We are moving forward, ready to face any coming ups and downs, thanks to our solid foundation and the relationships we are building with you.

We look forward to working with you in the New Year.

Sincerely,



Roger Furey
Chairman



Noah Heller
Chief Executive Officer