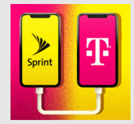


Seward & Kissel LLP

FRONT PAGE FOCUS

November 2019 | **"How Today's Headlines Affect Your Business"** | Issue 1

China-U.S. Trade Dispute – Is It Over?

After a years-long back and forth between President Donald Trump and President Xi Jinping, the U.S. and China have now agreed on the blueprint for a partial trade deal, which, it was indicated, might be signed into a binding agreement by the leaders of the world's two largest economies as early as this month. This announcement came somewhat abruptly and unexpectedly, given the political rhetoric that the two leaders had been voicing to their own constituents, but it was nonetheless welcome news for not only the two countries, but also the world at large that had been indirectly suffering from the side effects of the trade dispute. …Pg. 2

S&K Takeaway

Mike Timpone
(Maritime Finance)

"The uncertainty created by this turbulent situation is bound to continue to impact vessel charter rates and, as a result, vessel values. However, we have seen that charter rates are holding up firmly and even increasing in certain segments of the market, including tankers."

California Leads the Way with Consumer Privacy Act

As public scrutiny of data privacy and security issues mount, California has blazed the trail by adopting the nation's most comprehensive data privacy law, the California Consumer Privacy Act (CCPA), which will become effective on January 1, 2020.

The CCPA applies to large- and medium-sized companies that "do business" in California – meaning that businesses that do not have a physical presence in California may still be covered. Companies must tell consumers what data the company has …Pg. 4

China-U.S. Trade Dispute – Is It Over?

The partial truce was, as President Trump indicated, only the beginning of a broader agreement to be reached. Further, it largely left on the table some of the thorniest issues irking American businesses, namely, the theft of intellectual property, forced transfer of technology and Chinese industrial subsidies.

It remains to be seen what further compromises may be reached in the near future as the U.S. enters its 2020 presidential election season, and whether the two sides will even be able to uphold the limited agreement and avoid any backpedaling. For now, however, the stock market appears to like the new development, and business leaders can breathe a sigh of relief at the prospect of a brighter future.

S&K Takeaway

Debra Franzese
(Investment Management)

"The volatility in the global markets as a result of the lack of resolution on the trade issue has had an impact on investment advisers, regardless of the geographic areas in which they invest. However, in particular, if the U.S. were to implement any restrictions on investing in China, this would be a significant issue for a number of funds that have large exposure to issuers based in China, notably technology companies."

S&K Takeaway

Bob Gayda
(Bankruptcy)

"The financial strain and doubt created by the U.S.-China trade dispute has already taken its toll on a number of entities across various industries, forcing them to seek bankruptcy protection. For example, Tatung Company of America cited the trade dispute as a reason for its bankruptcy, and creditors of Bayou Steel view it as a factor in the company's recent filing. If the pressure continues, it may be a catalyst for the bankruptcy of any number of distressed companies that have been able to limp along by virtue of low interest rates and the available liquidity."

T-Mobile and Sprint Merger Gets FCC Approval: What's Next?

On October 16, 2019, the Federal Communications Commission (FCC) formally approved the $26.5 billion merger between T-Mobile and Sprint. The FCC had indicated it would approve the merger earlier this year, with the formal approval coming on the 3-2 vote on the 16th. The vote was made along party lines, as expected, with the three Republicans voting in favor, and the two Democrats dissenting.

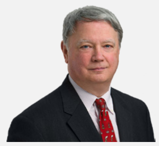
Earlier this year, the United States Justice Department, which had filed a lawsuit to stop the merger, arguing that the deal would violate antitrust law by eliminating a competitor, had approved …Pg. 3

T-Mobile and Sprint Merger Gets FCC Approval: What's Next?

the deal after certain concessions were made to counter the arguments of opponents that the merger would decrease competition, drive up prices, limit innovation and ultimately hurt consumers. In order to increase competition in the market, the companies have agreed to sell Boost Mobile and a portion of their combined wireless spectrum to Dish Network creating a fourth major U.S. carrier. The companies also agreed to work towards a quick and widespread deployment of 5G networks across the country.

Notwithstanding the regulatory approvals, the merger faces a final hurdle in the form of a lawsuit brought in June by a coalition of State attorneys general. The companies indicated that they would not go forward with the deal until the litigation is resolved. The States are trying to block the merger as a result of concerns over reduced competition and increased prices. Mississippi dropped out of the litigation after the companies agreed to a number of Mississippi-specific commitments, and on October 21st, Colorado abandoned the litigation after the companies agreed to statewide, enforceable broadband pricing and buildout commitments. The companies are aggressively trying to convince the States to drop out of the litigation; however, fifteen States, in addition to the District of Columbia, remain in the litigation led by New York, California and Texas. A court date is set for December 9th, with a decision expected in 2020.

S&K Takeaway



Jim Abbott
(Business Transactions Group)

"What happened here shows how hard it is to get clearance for a large deal in a concentrated industry. The parties will have had to agree to significant divestitures to gain federal government approval, and still must prevail in litigation seeking to block the deal. The time, cost and uncertainty of navigating that minefield has to be factored into the business decision to pursue a merger, but for a transformative deal the determination is often to press ahead at any cost and hope for the best."

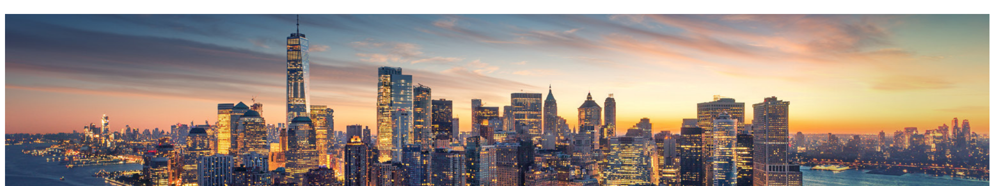
S&K Takeaway

Mark Kotwick
(Litigation)

"The States' lawsuit creates uncertainty with respect to whether the merger actually gets consummated. While the companies' settlement with Colorado and Mississippi addressed State-specific concerns, it is unclear whether that approach will work with States like New York and California."

S. John Ryan
(Employee Benefits)

"While there has been no indication the companies will merge the retirement plans, the fact that Fidelity is the recordkeeper for both companies' 401(k) plans makes a plan merger more likely."



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CALIFORNIA LEADS THE WAY WITH CONSUMER PRIVACY ACT

about them, and delete or stop sharing that data upon request. The CCPA is similar, but not identical, to the EU's new data privacy law. Notably, much, but not all, of the data processed by financial institutions are exempt from the law.

On October 10, 2019, the California Attorney General proposed new regulations detailing how companies must comply with the CCPA. A recent amendment also exempts personal data collected by businesses about job applicants, employees, owners, directors, officers, medical staff members and independent contractors if the data relates to that person's role at the business. This exemption sunsets after one year.

In the wake of the CCPA, several states have proposed their own privacy rules, and several data privacy bills have been introduced in Congress. Due to the size of the California delegation in the U.S. House of Representatives, any new federal law will probably build on the California standards. Such legislation is unlikely before 2021.

The CCPA will have a significant impact on many businesses both inside and outside of California. It is vital that companies determine their CCPA obligations soon to prepare for the law's effectiveness in 2020.

S&K Takeaway

Julia Spivack
(Employment Law)

"Businesses need to be aware of their evolving obligations to safeguard personal information of consumers, counterparties and employees. California's statute is just the beginning – it will only be a matter of time before other states and Congress enact their own data privacy legislation. It will be incumbent upon firms to adopt appropriate policies to avoid penalties or claims under the new law."

S&K Takeaway

Paul T. Clark
(Data Privacy)

"This new law fragments U.S. data privacy law, and other states may soon follow. Businesses with California customers or investors need to determine quickly what, if anything, they must do under this new law and monitor other emerging state laws."

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