

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

November 18, 2019

Via Hand Delivery

New Jersey Select Committee on Economic Growth Strategies
Honorable Bob Smith, Chair
Honorable Dawn Marie Addiego
Honorable Nilsa Cruz-Perez
Honorable Joseph A. Lagana
Honorable Declan J. O'Scanlon
Honorable Joseph Pennacchio

Re: Cooper University Health Care

Dear Honorable Senators:

On behalf of Cooper University Health Care ("Cooper"), I write to address various accusations made by the Governor's Task Force on EDA Tax Incentives ("Task Force") concerning Cooper's application for tax incentives under the Grow New Jersey Assistance Act ("Grow Program"). Prior to reviewing any of Cooper's records or giving Cooper a meaningful opportunity to explain any of the facts or issues surrounding its application, the Task Force issued its First Published Report on June 17, 2019 ("Report"), accusing Cooper of lying to the EDA and claiming that Cooper was not entitled to its tax credits. *Ex. A.* The Task Force is wrong.

In making its accusations the Task Force made fundamental errors of law in interpreting the Grow Program statute, and omitted all of the facts that prove the falsity of its claims. Not only are the Task Force's baseless claims causing reputational damage to Cooper, but the accusations are now being used by the EDA to wrongfully "freeze" Cooper's tax credits even though the EDA itself has apparently conceded that the Task Force's legal conclusions were wrong.

The charge of this Committee includes examining the impact of delayed tax incentives, the expiration of existing tax incentive programs, and the overall impact of tax incentives on the economy. In order to enable the Committee to fulfill its mandate, Cooper respectfully submits to you the relevant history of the Grow Program, information concerning the Cooper application, and an explanation of the harm that is being unjustly inflicted on Cooper by the Task Force.

I. **The Economic Opportunity Act of 2013 did not require Camden applicants to demonstrate that jobs were “at risk” of leaving the state, and the Task Force was wrong to conclude otherwise.**

A fundamental feature of the false and erroneous accusation from the Task Force is whether applicants considering a project in Camden needed to demonstrate that jobs were “at risk” of leaving the state. Prior to the Economic Opportunity Act of 2013, L. 2013, c. 161 (“2013 Act”), the “at risk” showing was indeed required for all applicants. See L. 2011, c. 149, § 3 (N.J.S.A. 34:1B-244).

The 2013 Act recognized, however, that the financial plight of the City of Camden was unique, and in order to attract jobs to the distressed municipality, the Legislature decided to implement different standards for Camden. The amendments under the 2013 Act thus said that “in satisfaction” of the “at risk” requirement, Camden applicants instead needed only demonstrate that the award of tax credits was a “material factor” in the business’s decision to move forward with the project. N.J.S.A. 34:1B-244(d).

As the Senate Budget and Appropriations Committee—of which Senator Pennacchio was then a member—explained when it added this language at its hearing on June 25, 2013, the intent was to “exempt” Camden applicants from the “at risk” requirement that applied to other municipalities. See Senate Budget and Appropriations Committee Statement to First Reprint of A. 3680 (June 25, 2013) at 4. Governor Christie likewise commented that a central feature of the new law was to “lower program eligibility thresholds for” Camden. See Governor’s Conditional Veto to First Reprint of A. 3680 (Sept. 9, 2013). The plain language chosen by the Legislature in the 2013 Act, and the surrounding history leading up to that language, all confirm that applicants proposing a Camden project were “exempt” from the “at risk” requirement.

Hence, the 2013 Act made the “at risk” requirement irrelevant for Camden applicants. However, the Task Force wrongfully concluded that Cooper was legally required to demonstrate that jobs were “at risk” of leaving New Jersey. Therefore, the Task Force accusation that Cooper obtained a benefit to which it was not legally entitled is completely false. *Ex. A*. Cooper responded to that faulty conclusion on July 8, 2019, explaining in detail why the Task Force was wrong. *Ex. B*.

Initially, the Task Force and the EDA were on record concluding that the “at risk” requirement applied “even where an application proposes to move jobs intrastate from a city outside of Camden to Camden.” *Ex. C*. However on October 17, 2019, the Task Force and EDA (in the Task Force’s fourth public meeting) agreed with Cooper’s position that the “at risk” requirement did NOT apply to Camden applicants.¹ Therefore, the crux of the Task Force’s case that Cooper had to show its jobs were at risk of leaving New Jersey for its award is simply wrong, as both the Task Force and the EDA now admit. Yet the Task Force has refused “publicly to admit that it erred” when it accused Cooper of fraud, preferring instead to leave a cloud hanging over the organization.

¹ Task Force on EDA’s Tax Incentives Fourth Public Hearing, available at <https://www.youtube.com/watch?v=VHZu0EJLfNc>. The relevant testimony begins approximately twelve minutes into the hearing.

II. Cooper never certified that jobs were “at risk” of leaving the state as part of its Grow Program application, and the Task Force was wrong to allege otherwise.

After the 2013 Act was signed into law on September 18, 2013, Cooper began to consider whether it should undertake a project to consolidate jobs in Camden and avail itself of the new tax incentives. Cooper identified the L3 building in Camden as an attractive location for this move, provided Cooper received tax credits to help offset the expenses and disruption associated with the relocation. The receipt of the tax credits was certainly a “material factor” in Cooper’s decision to move forward with the Camden project.

On November 7, 2014, Cooper submitted its application to the EDA under the Grow Program. In its certified application, Cooper accurately stated in each instance that jobs were not “at risk” of leaving the state, and that New Jersey was not in competition with any other state for Cooper’s project. *Ex. D.* Contemporaneous communications with an EDA staff member who had been advising on Cooper’s application up through that time confirm that he did not believe that Cooper needed to demonstrate that its jobs were “at risk”—Cooper instead needed to satisfy the “material factor” test. *See Ex. E* (asking Cooper to provide a cost benefit analysis comparing L3 with its existing New Jersey locations, and making no mention of a comparison to an out-of-state alternative).

For its own reasons, on November 13, 2014, the EDA contacted Cooper and, for the first time, requested information on an out-of-state location. In a contemporaneous email dated the very next day, a Cooper employee told his supervisor that the EDA asked Cooper for “a comp from out of state” to support Cooper’s application. *Ex. F.*

Though the EDA’s request was legally irrelevant under the 2013 Act, Cooper nevertheless complied in good faith to satisfy the governmental entity’s request. As demonstrated by contemporaneous internal Cooper emails, Cooper understood that the EDA wanted “a credible location that is LESS expensive than L3.” *Ex. G.* This “credible” alternative to Camden was deemed something that the EDA wanted as part of its underwriting review. Cooper employees voiced that this was not a real search for an alternative location, because there was “no probability” of Cooper actually moving to Philadelphia. *Ex. G.*

In gathering this information to respond to the EDA’s request, Cooper asked that its business partners handle the matter “quietly” so as not to confuse anyone into thinking that it was moving any jobs out the state. *Ex. G.* While Cooper supplied the requested “comp” to the EDA per its request, at no time did Cooper amend its certified application to claim that jobs were “at risk.”

III. The EDA was on clear notice that Cooper never intended to leave New Jersey.

In falsely accusing Cooper of malfeasance, the Task Force claimed that Cooper somehow “tricked the EDA” into thinking that its jobs were actually “at risk.” This claim is readily refuted by the evidence.

Cooper includes with this letter every written correspondence it ever had with the EDA about the requested out-of-state “comp.” *Ex. H.* The transmittal emails demonstrate: (i) Cooper told the EDA that it had never even seen a Philadelphia location prior to submitting its revised cost benefit analysis, (ii) that all prices from Philadelphia landlords were oral, and (iii) that Cooper had not even visited a Philadelphia building until just days before the EDA board meeting, and was only obtaining a written letter of intent because the EDA specifically asked that Cooper do so.

Indeed, as even the Task Force concluded, Cooper never changed its certified application. The Task Force pointed to no document—certified or otherwise—wherein Cooper ever stated that its jobs were at risk of leaving the state. Given the above evidence and the fact that the EDA asked for out of state “comp” information, it is completely inconceivable that the professionals at the EDA could have ever believed that Cooper intended to move any jobs out of state. Anything to the contrary is simply not true.

The Task Force further asserted in its Report that Cooper’s tax credit award was too high (and that Cooper was only entitled to a fraction of the award it received) since none of Cooper’s jobs were at risk of leaving New Jersey. Although the Task Force did not explain the logic for its “revised calculation,” one can only conclude that the Task Force inaccurately and inappropriately applied 2017 regulations instead of the applicable law that was in force in 2014. Hence, the calculation and amount of Cooper’s 2014 tax credit award was and is accurate, appropriate and correct.

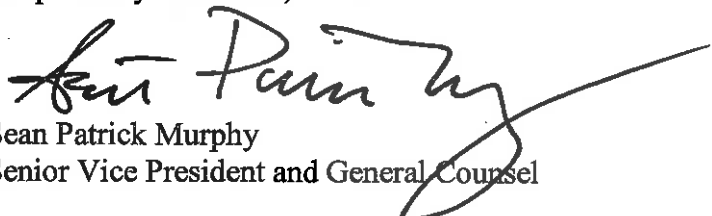
IV. Cooper’s tax incentives have been wrongfully “frozen”.

Despite the fact that Cooper has exceeded all of its obligations under its Grow Program contract with the EDA, the EDA still has not released Cooper’s most recent tax credits. Cooper has explained to the Task Force and the EDA the facts around the Philadelphia location submitted in 2014, and yet the EDA continues to hold Cooper’s tax credits in abeyance seemingly because of some vague, lingering concerns caused by the Task Force’s debunked accusations. Holding up a nonprofit hospital’s incentive credits under these circumstances is an offensive abuse of the public’s trust in its government. This is particularly true given the fact that the only reason Cooper ever submitted any information on out-of-state properties in the first place was because it was trying in good faith to comply with the EDA’s (legally irrelevant) requests during the underwriting process.

Cooper respectfully submits that the harm caused by the Task Force’s and the EDA’s actions extend well beyond Cooper. Vilifying companies that lawfully avail themselves to tax incentives, and withholding those incentive payments indefinitely based on faulty legal analyses and disproved factual allegations stemming from the EDA’s own mistakes, only serves to dissuade other companies from investing in New Jersey. Cooper has been a stalwart supporter of Camden for over a century and a leader in the city’s renaissance, and fears that the recent actions by the Task Force will cause immeasurable harm to both Camden and New Jersey for decades to come.

Cooper thanks the Committee for its time and attention in considering the enclosed information, and the important work that it is conducting for the taxpayers of the state. We look forward to the Committee reviewing this matter and putting an end to this shameful chapter of New Jersey politics.

Respectfully submitted,



Sean Patrick Murphy
Senior Vice President and General Counsel

The Cooper Health System's Grow New Jersey Application

Background

- After the Economic Opportunity Act of 2013 was passed, Cooper considered moving employees to Camden because potential tax credits made it financially feasible to do so.
- Cooper identified the L3 building as an attractive option and arranged to lease the second floor of the building after it received its tax credits.

Cooper did not need to demonstrate that jobs were “at risk” of leaving the state

- The Task Force incorrectly assumed that Cooper needed to demonstrate that jobs were “at risk” of leaving New Jersey for Cooper to be eligible under the Grow Program.
- The Task Force was wrong. The law only requires that the award of tax credits be a “material factor” in the decision to move to Camden.
- Consistent with the legal requirements, Cooper submitted a certified application to the EDA stating that no jobs were “at risk” of leaving New Jersey.
- Cooper never changed its application or its certification to reflect anything otherwise.

The EDA asked for “a comp from out of state”

- After the EDA received Cooper's application on November 7, 2014, the EDA “asked for a comp from out of state” to support the submission.
- The information was legally irrelevant under the Economic Opportunity Act of 2013, but Cooper nevertheless complied in good faith to satisfy the EDA's request.

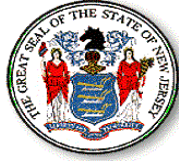
The EDA was on notice that Cooper was not actually planning to leave New Jersey

- Cooper never misled the EDA.
- Cooper consistently and accurately conveyed to the EDA that it had no intention of moving employees out of state, and that it was providing the out-of-state “comp” to satisfy the EDA's request during the underwriting process.
- Cooper has been in Camden for 130 years and no one at the EDA ever could have reasonably believed that it was moving to another state.

Cooper's tax credits have been wrongfully “frozen”

- Cooper has exceeded all of its contractual obligations under its Grow Program contract with the EDA, but the EDA still has not released Cooper's tax credits.
- Vilifying companies that lawfully avail themselves of tax incentives only serves to dissuade other companies from investing in New Jersey in the future.

EXHIBIT A



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Governor's Task Force on EDA Tax Incentives

Established Pursuant to Executive Order No. 52 (Murphy)

First Published Report

Ronald K. Chen
Chairman

Walden Macht & Haran LLP
Quiñones Law, PLLC
Special Counsel

June 17, 2019



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Table of Contents

I.	EXECUTIVE SUMMARY	1
A.	Special Interests, Which Prioritized Benefits to Private Parties Rather than the State, Had a Significant Impact on the Design of the Grow NJ Statutes and Regulations.....	3
B.	The EDA Did Not Have Adequate Procedures in Place to Ensure That It Discovered Relevant Information, Including Applicant Misstatements, That Would Have Led To Rejection of Some Applications or a Significant Reduction in the Amount of Certain Awards	3
II.	INTRODUCTION TO THE PROGRAMS.....	6
III.	INVESTIGATIVE PROCESS	7
A.	First Work Stream: The Design of the Tax-Incentive Programs	7
B.	Second Work Stream: EDA’s Administration of the Tax-Incentive Programs	10
1.	Background Meetings	10
2.	Definition of Scope and Document Preservation and Collection	11
a)	Document Preservation and Company Outreach	11
b)	Refinement of Scope.....	12
c)	Company and Third-Party Production of Documents	13
3.	Witness Interviews.....	13
IV.	LEGISLATIVE FOCUS: THE DESIGN AND IMPLEMENTATION OF THE TAX-INCENTIVE PROGRAMS.....	13
A.	Initial Findings	13
1.	Influence by Special Interests in Grow NJ’s Legislative Design	15
a)	Tax Incentives for Grocery Stores in Camden.....	17
b)	The Alternative Approach to Award Calculation for Incentivized Camden Projects.....	19
c)	Expansion of Capital Expenditures Eligible for Tax Credits.....	21
d)	Phantom Taxes in the Net Benefit Test	22



State of New Jersey

OFFICE OF THE GOVERNOR

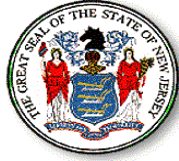
PO BOX 001

TRENTON, NJ 08625-0001

PHILIP D. MURPHY

Governor

e)	The Material Factor Test Applicable to Camden Projects.....	24
2.	Influence by Special Interests in EDA's Implementing Regulations for Grow NJ	30
3.	Inadequate Statutory Requirements to Ensure Job Requirements Are Consistently Met	31
V.	EDA: THE ADMINISTRATION OF THE TAX-INCENTIVE PROGRAMS.....	32
A.	Overview of the Application-Approval Process	32
1.	Pre-Approval Process: Application Review and Board Approval.....	32
2.	Post-Approval Process: Closing Services, Monitoring, and Certification	35
B.	EDA-related Litigation	35
C.	Initial Findings	38
1.	Lack of Written Policies and/or Procedures	38
2.	Failure to Comprehensively Train EDA Staff	39
a)	Inconsistent Understanding of Roles and Responsibilities	41
b)	Inconsistent Understanding of the Program Requirements Concerning Camden and Atlantic City	42
3.	Due Diligence Failures	44
4.	Deficiencies in Assessing Applicants' Alternative Relocation Sites.....	47
a)	The Cooper Health System	49
b)	Conner Strong & Buckelew, The Michaels Organization, and NFI	55
i)	Background Context	55
ii)	The Applications	58
5.	Lack of Proper Reporting Channels.....	64
VI.	THE ACCELERATED RECERTIFICATION PROGRAM (THE "ARP").....	65
A.	Introduction.....	65
B.	ARP Participant Companies	65



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

C.	ARP Process.....	67
D.	Initial Findings	68
VII.	RECAPTURE.....	69
A.	Statutory Recapture Process	69
B.	Task Force Recommendations for Recapture	70
VIII.	RECOMMENDATIONS	71
IX.	NEXT STEPS	74



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

I. EXECUTIVE SUMMARY

The Task Force on the Economic Development Authority's Tax Incentives (the "Task Force") is an advisory body and, pursuant to its mandate, submits this first report (the "First Report") to advise the Governor of its initial findings and recommendations.

In January 2018, Governor Philip D. Murphy directed the Office of the State Comptroller to conduct a comprehensive performance audit of the Grow New Jersey Assistance Act ("Grow NJ") and Economic Redevelopment and Growth ("ERG") tax-incentive programs (each a "Program" and together, the "Programs"), and predecessor programs, from 2010 forward, to "inform the public about the EDA's operations" and "assist lawmakers in their deliberations as to whether these programs should be reauthorized when they expire on July 1, 2019." On January 9, 2019, New Jersey State Comptroller Philip J. Degnan (the "Comptroller") issued his audit report¹ of the State's tax-incentive programs. The Comptroller's audit report revealed, among other things, that the New Jersey Economic Development Authority (the "EDA") had failed to comply with the applicable statutes and regulations and to implement key internal controls for monitoring the performance of tax-incentive beneficiaries.

In response to the Comptroller's audit report, Governor Murphy issued Executive Order No. 52, which established this Task Force with the following objectives:

1. Conduct an in-depth examination of the deficiencies in the design, implementation, and oversight of Grow NJ and the ERG tax-incentive programs, including those identified in the Comptroller's audit report, to inform consideration regarding the planning, development and execution of any future structure of these or similar tax-incentive programs; and
2. Hold public hearings and request testimony from individuals who can provide insight into the design, implementation, and oversight of these programs.

The Task Force has been authorized to call upon any department, office, division or agency of the State to supply it with data and any other information or assistance available to such agency as the Task Force deems necessary to execute its duties. Each State agency also has been required to timely cooperate with the Task Force. In addition, Governor Murphy appointed Professor Ronald Chen, as the Chairman of the Task Force, to "perform all of the functions of a duly authorized representative of the Governor" pursuant to N.J. Stat. § 52:15-7, including the ability to "subpoena

¹ A Performance Audit of Selected State Tax Incentive Programs, Jan. 9, 2019.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

and enforce the attendance of witnesses.”² The Task Force has generally sought, in the first instance, to obtain information through witnesses’ voluntary cooperation, but has also relied upon Professor Chen’s subpoena power where necessary.

As described in more detail below, to fulfill its mandate, the Task Force has collected and reviewed thousands of documents—obtained from the EDA and other agencies, from companies awarded benefits under the Programs, and from other parties—and conducted 28 interviews to date. These interviews have included former and current EDA personnel and other government employees, as well as other parties with knowledge of or information about the design and administration of the Programs.³ The Task Force has also interviewed several policy experts to provide insight on the structure and features of New Jersey’s tax-incentive programs.

Although the Task Force’s mandate encompasses both the Grow NJ and ERG programs, its investigation to date has focused primarily on Grow NJ. The Task Force’s investigation is ongoing, and it intends to address ERG, as well as other aspects of Grow NJ, in later reports.

Given its mandate of examining the “design, implementation, and oversight” of the tax incentive programs, the Task Force began its analysis by dividing its efforts into two separate but related areas. In the first, it focused on the Programs’ legislative underpinnings, examining factors relating to the design of the Programs, including whether special interests played a role in the statutory provisions. In the second, the Task Force focused on the EDA’s implementation of the statutes and on its administration of the Programs. This included focus on examining the EDA’s review and diligence over program applications to determine whether the EDA was employing meaningful scrutiny of those applications.

Although there is necessarily crossover among the issues encountered in these separate investigative areas, this investigative structure has enabled the Task Force to most efficiently and comprehensively examine the Programs. The description of our findings below follows this general investigative structure. The Task Force’s findings are based upon the information available to the Task Force as of this date and are subject to further revision as the Task Force’s investigation proceeds and additional information becomes available. In sum, the Task Force has found as follows:

² See March 22, 2019 Letter from Governor Murphy to Professor Chen.

³ We do not name EDA staff referenced herein, but we do name certain EDA senior managers.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

A. Special Interests, Which Prioritized Benefits to Private Parties Rather than the State, Had a Significant Impact on the Design of the Grow NJ Statutes and Regulations

With respect to the design of the statute, special interests—in the form of a law and lobbying firm and the clients on whose behalf it apparently operated—appear to have had a significant impact on the design of the Grow NJ statute as amended by the Economic Opportunity Act of 2013 (or “EOA 2013”) and its implementing regulations. As a result of those special interests, EOA 2013 was—in several ways—structured to favor certain parties while disfavoring others in certain respects. For example, a statutory provision related to grocery stores in Camden appears to have been drafted to permit a particular grocery store to obtain tax incentives, while prohibiting a competitor grocery store from obtaining such benefits. Although neither grocery store ultimately opened in Camden, the drafts of this provision highlight the significant and, in the Task Force’s view, inappropriate role special interests played in crafting the statute.

In addition, the Grow NJ program was dramatically expanded by EOA 2013 in numerous respects. Principal among these amendments were provisions that allowed projects in Camden—where many of the law firm’s clients had business interests—to receive awards far in excess of what would have been possible in other parts of the State. Unlike the requirements applicable in other parts of the State that Grow NJ awards be anticipated to result in a net positive benefit to the State in terms of new tax revenue, these large awards for projects in Camden could be based on “phantom” taxes that would never actually accrue and thus might not result in a gain to the public fisc.

B. The EDA Did Not Have Adequate Procedures in Place to Ensure That It Discovered Relevant Information, Including Applicant Misstatements, That Would Have Led to Rejection of Some Applications or a Significant Reduction in the Amount of Certain Awards

With respect to the administration of the Programs, the EDA had only a few formal written policies and procedures to provide guidance to the EDA employees tasked with reviewing companies’ applications for tax incentives. Even more troubling, the EDA lacked any formal training to ensure those same employees had a common understanding of Program requirements or clear rules for conducting due diligence on tax-incentive applications, which often involved awards of millions of dollars. This fundamental lack of controls led to important misunderstandings over threshold requirements for applications and inconsistency within the EDA in its evaluation and application of Program requirements—including confusion over even the basic level of scrutiny to be applied to applications, with some EDA employees viewing the vetting process as a “box



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

checking” exercise, during which a company’s factual assertions deserved deference, and other employees applying meaningful scrutiny.

Relatedly, the EDA did not have any protocol or written standards for conducting research in connection with companies’ applications for Program benefits. As a result, at least with respect to the applications the Task Force has investigated in detail thus far, some EDA employees conducted independent research to verify aspects of applicants’ factual assertions and others failed to do so, even when relevant information was readily available. For example:

- A simple internet search revealed that one company, Holtec International, had been debarred by the Tennessee Valley Authority, even though Holtec said it had never been debarred in its Grow NJ application. Although such a debarment would have been grounds for the EDA to deny Holtec’s application for tax incentives, the Task Force found no evidence that the EDA discovered Holtec’s debarment. Apparently unaware of the debarment, the EDA ultimately approved Holtec for a \$260 million Grow NJ award.
- Another simple internet search revealed that three companies—Conner Strong & Buckelew Companies, LLC, The Michaels Organization, LLC, and NFI, L.P.—committed to move to Camden more than a year before submitting their applications for tax incentives, in which they claimed they were considering relocating to Pennsylvania as a potential alternative. Had the EDA’s employees found this information,⁴ the EDA may have found these applications materially misleading, and denied an award on that basis. At a minimum, armed with this information, the EDA should have calculated these awards based only on new jobs moving to Camden from outside the State, and the awards to these three entities combined would have been reduced by over \$70 million.

⁴ As we discuss below in Section V(C)(4)(b)(i) of this First Report, we found evidence that the then-President and Chief Operating Officer of the EDA, Tim Lizura, should have reasonably known by September 24, 2015—thirteen months before these three companies applied for tax incentives under the Grow NJ program—that these applicants had committed to the Camden project. This meant that their certifications in their applications that jobs were “at risk” of leaving New Jersey were, at best, dubious. We found no evidence that Mr. Lizura shared this information with either the Business Development Officer or Underwriter responsible for these applications. We continue to investigate this issue.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

To date, our investigation has uncovered no evidence that the EDA intentionally ignored this information, but the failure to have strict guidelines for such research made these lapses possible. Indeed, in another instance, the EDA failed to follow up on red flags (that is, concerns or cause to follow-up) in the actual application materials submitted by the applicant itself. The Cooper Health System acknowledged in its initial application materials that no jobs were at risk of leaving New Jersey and it was not considering any out-of-state locations. The EDA subsequently accepted, without any skepticism or further diligence, Cooper Health's later claim that it was considering an out-of-state relocation, and approved Cooper Health for nearly \$40 million in tax incentives. The evidence shows otherwise. Had the EDA calculated Cooper Health's award based on its initial representation that no jobs were at risk of leaving the State, Cooper Health's award would have been approximately \$7 million—more than \$32 million lower than what it was awarded.

Although the Task Force's investigation is ongoing, below we make a number of recommendations for future legislation, as well as for the EDA's procedures in administering the Programs, based on its findings to date. By way of summary, those include:

- Designing any future legislation to ensure as much as possible that the public policy goals are applied neutrally, without favoring specific business interests;
- Assuring that persons or firms who represent tax-incentive applicants are properly registered as lobbyists under the New Jersey Legislative and Governmental Process Activities Disclosure Act;⁵
- Refraining from providing draft EDA regulations to people or firms that represent tax-incentive applicants outside the public notice-and-comment procedure under the New Jersey Administrative Procedure Act;⁶
- Taking steps to ensure that tax incentives are structured so that they result in a net gain to the State, or, if they do not, that fact is transparent;
- Ensuring that the language of any new legislation and implementing regulations more clearly sets forth the standards to be applied in determining eligibility for tax incentives;
- Strengthening the EDA's ability to withhold all or part of an award where a company has failed to meet its commitments, and ensuring that the EDA has sufficient data to fully evaluate a company's compliance with its incentive agreement;

⁵ N.J. Stat. § 52:13C-18 et seq.

⁶ N.J. Stat. § 52:14B-1 et seq.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

- Requiring the EDA to implement formal written policies and procedures governing all aspects of the Programs and their administration and to undertake to formally train its staff in how to review Program applications and monitor compliance;
- Requiring the EDA to use an experienced professional services firm to conduct a background check on each applicant and its affiliates and senior executives; and
- Strengthening the EDA's process for conducting diligence into an applicant's claim that it intends to locate out of state absent the award of tax incentives from New Jersey.

In addition to examining the design and administration of the Programs, the Task Force has established an accelerated recertification program, or "ARP," pursuant to which companies can voluntarily submit information to establish that they have been and remain in compliance with all Program requirements. We did this for two reasons: (1) we desired to streamline our work to focus on the most serious issues; and (2) if the EDA did an inadequate job vetting applications, but the applicant had business records to demonstrate its compliance with Program requirements, the EDA's oversight lapses for these applications would not have had a negative impact on the public fisc. Currently, 53 companies have pursued participation in the ARP.⁷

Finally, although our focus has been and shall remain on the EDA, our investigation necessarily involves a review of companies' tax-incentive applications to determine how the EDA administered the Grow NJ and ERG programs. As a corollary to our work, the Task Force has uncovered several instances where Program beneficiaries have—whether intentionally or not—failed to comply with Program requirements, either by submitting inaccurate information in their applications or by subsequently falling out of compliance. The Task Force has obtained some voluntary terminations of awards, and has referred others to the State Treasury or either law enforcement agencies, the EDA, or both, which may result in, among other things, steps to suspend or terminate these awards. The aggregate value of the awards that were either voluntarily terminated or may be subject to such suspension/termination actions exceeds \$500 million.

II. INTRODUCTION TO THE PROGRAMS

New Jersey currently has two principal tax-incentive programs: Grow NJ and ERG. A brief summary of both programs follows.

⁷ Of these companies, the Task Force has identified several companies that present threshold issues, which must be resolved before the company can proceed with the ARP. The Task Force is working with these companies to obtain additional information before it makes a final decision regarding their participation in the ARP.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Grow NJ is generally intended to incentivize the creation of new jobs in the State or the retention of existing jobs that, absent the provision of tax incentives, would be eliminated or relocated outside New Jersey. To qualify for tax incentives under Grow NJ, a company must agree to make a minimum capital investment in a business facility—for example, the company may construct a new office building or rent new office space—at which the company agrees to create a minimum number of new jobs or retain a minimum number of existing jobs that, absent the tax incentives, would be eliminated or relocated out of state.⁸ The Grow NJ program is intended to incentivize a company's capital investment and job creation or retention, together often referred to as a "project" by the company. To qualify for the tax incentives, the company is usually required to demonstrate that, unless the incentives are provided (in the language of the statute, "but for" the incentives), the company's jobs would be eliminated or located outside New Jersey.⁹

ERG is generally intended to incentivize commercial and residential real estate development in qualifying locations in the State. To qualify for tax incentives under ERG, applicants are required to demonstrate a project financing gap—the costs that remain to be financed after accounting for all other sources of capital.¹⁰

The Task Force's investigation to date has focused on the Grow NJ program.

III. INVESTIGATIVE PROCESS

In this initial phase of its investigation, the Task Force sought to go beyond the scope of the Comptroller's audit as required by Executive Order No. 52. To that end, the Task Force sought to examine the design of the Programs and, further, to identify and investigate internal-control deficiencies in the EDA's administration and implementation of the Programs. To accomplish these aims, the Task Force established an investigative process for two separate, but related, work streams:

A. First Work Stream: The Design of the Tax-Incentive Programs

To carry out its examination of the design of the Programs, the Task Force needed to examine the history of the statutes relevant to the Programs. These statutes included:

⁸ See N.J. Stat. § 34:1B-244(a).

⁹ See N.J. Stat. § 34:1B-244(d). The statute has different provisions that apply to projects in Camden and Atlantic City, which replace the "but for" test that is applicable in other parts of the State with an alternative "material factor" test. These provisions are discussed below.

¹⁰ See N.J. Stat. §§ 52:27D-489e, 52:27D-489c ("project financing gap" definition).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

- The New Jersey Economic Development Authority Act, which in 1974 created the EDA as a state governmental agency and defined its authority.¹¹
- The New Jersey Economic Stimulus Act of 2009 (the “ERG Act”), which created the ERG program in 2009, to be administered by the EDA.¹²
- The Grow New Jersey Assistance Act (the “Grow NJ Act”), which created the Grow NJ program in 2012, also to be administered by the EDA.¹³
- The New Jersey Economic Opportunity Act of 2013 (“EOA 2013”), which significantly revamped and expanded both the Grow NJ and ERG programs in 2013.¹⁴
- Multiple subsequent statutory amendments that revised the Grow NJ and ERG programs in relatively more minor ways between 2013 and the present.

Since the Governor’s investigatory power is limited to the Executive Branch,¹⁵ the Task Force did not affirmatively investigate the Legislature itself or its passage of these statutes, beyond what is available in the public domain. However, the statutes collectively create and define the Programs and, in addition, set out the parameters of the EDA’s lawful discretion in its administration of them. As such, it is both within the Task Force’s mandate—and necessary to the Task Force’s mission—to analyze all pertinent aspects of the controlling statutory design, as embodied in the relevant statutes.

The Task Force began its analysis of the statutory design and history with publicly available documents, including the current versions of the statutes themselves and proposed and enacted bills and legislative statements.¹⁶ The Task Force also reviewed and analyzed certain non-public evidence bearing upon the statutory design. During the investigation, the Task Force obtained draft

¹¹ P.L. 1974, c. 80 (current version codified at N.J. Stat. § 34:1B-1 et seq.).

¹² P.L. 2009, c. 90 (current version codified at N.J. Stat. § 52:27D-489e et seq.).

¹³ P.L. 2011, c. 149 (current version codified at N.J. Stat. § 34:1B-242 et seq.).

¹⁴ P.L. 2013, c. 161.

¹⁵ N.J. Const., art. V, § 4, ¶ 5 (“The Governor may cause an investigation to be made of the conduct in office of any officer or employee who receives his compensation from the State of New Jersey, except a member, officer or employee of the Legislature or an officer elected by the Senate and General Assembly in joint meeting, or a judicial officer.”).

¹⁶ These draft versions of the bill are attached as Exhibits 1 and 2. The current statutes, as well as proposed and enacted bills legislative statements, are available on the Legislature’s website. See N.J. Legislature, <https://www.njleg.state.nj.us>.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

versions of the EOA 2013 bill dated June 21, 2013.¹⁷ The draft reflected revisions made in “track changes” mode and included metadata showing the author of each respective revision. The Task Force also acquired and analyzed a substantial number of documents from governmental sources, including the EDA. In many cases, these documents provided further evidence concerning relevant context surrounding the statutory design and the parties who impacted it.¹⁸ The Task Force also spoke to witnesses who provided context concerning the special interests that affected the statutory design in various respects.

Through review and analysis of these public and non-public materials, the Task Force acquired significant information concerning the design of the Programs and the limitations on the EDA’s discretion in its administration of them. The Task Force received evidence demonstrating that the EDA opposed some of these statutory provisions and in certain instances advocated for alternative provisions. However, because they were enacted into law, the EDA was required to faithfully administer them, irrespective of whether they were justifiable as sound policy.

The Task Force also analyzed the design and history of the EDA’s implementing regulations for the Programs. Like other governmental agencies tasked with the administration of government programs, the EDA is authorized by New Jersey law to promulgate regulations that interpret the statutes implemented by the agency, including the Grow NJ and ERG Acts. While agency regulations must be faithful to the laws they implement, they may provide additional rules beyond those expressly set out by the statutes—in this way, agency regulations serve to effectively “fill in the gaps” in the statutes. The New Jersey Administrative Procedure Act (the “APA”) sets out certain procedures that New Jersey agencies, including the EDA, must follow when promulgating regulations.¹⁹ The APA requires a so-called “notice-and-comment” process in which agencies, before issuing final regulations with the force of law, must first provide the public with notice of the regulations they are considering and receive and consider comments from interested members

¹⁷ One of these draft versions was in the EDA’s files. In addition, the Task Force learned that a law firm likely had additional versions of the draft legislation. Although this firm initially promised full cooperation with the Task Force, it subsequently declined to produce these versions without a subpoena.

¹⁸ This investigation revealed that certain persons appeared to have engaged in unregistered lobbying in New Jersey, in apparent violation of the New Jersey Legislative and Governmental Process Activities Disclosure Act, N.J. Stat. § 52:13C-18 et seq. The Task Force referred this matter to appropriate law enforcement authorities, as previously disclosed.

¹⁹ See N.J. Stat. § 52:14B-1 et seq.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

of the public. The Task Force has investigated the EDA's processes in this respect, primarily through analysis of documents and information provided by the EDA.

B. Second Work Stream: EDA's Administration of the Tax-Incentive Programs

To carry out its examination of the EDA's administration and implementation of the Programs, the Task Force established an Investigative Process to methodically identify, collect, review, and analyze pertinent information and data. The Task Force began by conducting a linear investigation of the Grow NJ and ERG application processes, from pre-application discussions through approval to annual certification and credit of the tax incentive awards. We examined these processes both by looking at the EDA's internal processes and files and by gathering information about, and from, the companies that were awarded incentives under the Programs.²⁰ At the onset of our investigation, we met with Friedman Kaplan Seiler and Adelman LLP ("Friedman Kaplan"), counsel for the EDA to get an overview of the EDA's processes and procedures. We then deepened our understanding of the processes and applicants—and various issues with them—through interviews of relevant personnel (both from within the EDA and outside the EDA) and review of relevant documents. As discussed below, the initial scope naturally expanded as the Task Force acquired, reviewed, and analyzed relevant evidence bearing on the EDA's processes and individual companies.

1. Background Meetings

The Task Force requested to meet with the EDA, State Treasury, and the State Comptroller's Office immediately after its inception to better understand the interplay of various State agencies involved in the process. At the initial meeting referenced above, Friedman Kaplan provided a high-level overview of the application process from pre-application through certification of a tax-incentive grant. Friedman Kaplan has continued to work cooperatively with the Task Force to produce documents and information and to review and assess the internal processes and controls within the EDA as they relate to the tax-incentive programs.

The Task Force also met with members of the Treasury Department's Division of Taxation (the "Treasury"). The Treasury provided an overview of its role in the administration and implementation of the Programs. Beyond a general overview, Treasury explained the

²⁰ Although we have begun our investigation of the certification and credit-award processes, our investigation thus far has largely been focused on the earlier stages of the approval process.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

documentation, memoranda, and certifications it reviews and approves before awarding a tax credit to a Program applicant.

The Task Force interviewed State Comptroller Philip Degnan and members of his audit team with the goal of obtaining a better understanding of the Comptroller's findings regarding the EDA's processes and procedures. Comptroller Degnan and his team provided an overview of their audit and findings and have continued to work collaboratively with the Task Force to provide information and offer consultation with respect to the Comptroller's audit.

The Task Force requested ongoing cooperation with the EDA and the State Comptroller's Office and for both entities to ensure that they were preserving relevant documents. The EDA, Treasury, and Comptroller's office have provided the Task Force with numerous documents in response to our requests. The bulk of the documents the Task Force has obtained have come from the EDA. Thus far, the Task Force has obtained over 1,069,789 pages of materials from the EDA and is continuing to conduct a strategic review of these materials.

2. Definition of Scope and Document Preservation and Collection

The Task Force worked collaboratively with the EDA to compile a list of all companies that have been certified to receive a Program award and did in fact receive a tax credit. Based on these parameters, there were 106 projects in the Task Force's initial scope. The Task Force subsequently expanded the scope of its investigation to include certain additional companies that had been approved for a tax-incentive award but that had not yet received tax credits. Those companies are discussed in more detail below.

a) Document Preservation and Company Outreach

The Task Force sent document preservation directive letters to companies that were identified as within its initial scope. The preservation notice informed the companies that the Task Force may seek information and documents relevant to the Programs and that the companies should take affirmative steps to ensure that all relevant documents would be preserved. To date, the Task Force has sent preservation letters to 116 companies.²¹ In addition, the Task Force sent preservation notices to additional entities identified as related to Program applications and legislative design. In order to understand the EDA's review process for Program applications, the Task Force sought to identify what business records and documents existed, which would bear on company applications and certifications, even if the EDA chose not to request such documentation. The EDA has broad

²¹ This includes companies that did not fall within the Task Force's initial scope but were later added to the investigative work stream based on leads obtained during the investigation.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

authority to request additional information from applicants,²² but did not use this express authority in every case.

The Task Force reached out to each company to confirm (a) that the company had received the preservation directive; and (b) that the company was taking requisite steps to comply with the directive. The Task Force made contact with a majority of the companies. However, there is still a small number of companies that have not been reached due to inaccurate contact information, dissolution of the company, or failure of the company to respond.

b) Refinement of Scope

In order to methodically review the EDA's oversight of Program applications, as discussed below in detail, the Task Force created an "accelerated recertification program" ("ARP"). In the ARP, the Task Force is providing companies an opportunity to demonstrate that they (a) are in compliance with the Programs and (b) applied for tax incentives in good faith. For companies that successfully recertify through the ARP, the Task Force has agreed not to request further documents or information.

The Task Force segregated processes for companies enrolled in the ARP from the remaining companies (the "Non-ARP Group"). As of the date of this report, there are 63 companies in the Non-ARP Group. For these companies, the Task Force is conducting a thorough investigation of the EDA's oversight of these applicants. We also interviewed a number of witnesses, who provided information concerning relevant misconduct by individuals associated with Program applicants.

The Task Force initially focused on Program applications where a "red flag" had been raised through our initial document review and interviews. In this regard, a draft of EOA 2013 edited by Parker McCay, a law and lobbying firm that represented several clients whose interests, as discussed below, were impacted by EOA 2013 played an important role in our focus. Because those drafts were edited by a private law and lobbying firm, which seemed to be adding special provisions to the bill to benefit particular clients, the Task Force viewed this as a serious "red flag" for those clients who certified that their jobs were "at risk" of leaving the State. The Task Force was skeptical that a client, on the one hand, would consult with their lawyer about—what amounted to—special legislation for their benefit but, on the other hand, was seriously considering a move

²² See N.J. Admin. Code §§ 19:31-18:5 (Grow NJ) and 19:31-4.4 (ERG) (setting forth application submission requirements and providing that the EDA may request "any other necessary and relevant information as determined by the [EDA] for a specific application").



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

out of the State knowing it could receive very significant awards through the inclusion of those provisions.

c) Company and Third-Party Production of Documents

The Task Force has also obtained relevant documents from companies in the Non-ARP Group, from consultants and lawyers retained by companies in connection with their Program applications, and from additional parties with relevant information. The Task Force sought voluntary cooperation from all companies, individuals, and related entities, but when necessary, the Task Force recommended that Professor Chen issue subpoenas to obtain relevant documents.

3. Witness Interviews

In addition to the initial interviews described above, the Task Force has conducted numerous interviews of individuals relevant to its mandate. The Task Force has interviewed 12 current EDA employees. The employees interviewed were involved in the application pre-approval process at the officer, manager, and director levels as well as individuals in Human Resources, Operations and tax credit transfer positions. The Task Force has interviewed 2 former EDA employees who held senior leadership positions, Tim Lizura, the former President and Chief Operating Officer, and Maureen Hassett,²³ a former Senior Vice President of Finance and Development.

The Task Force also reached out to non-EDA individuals and potential witnesses identified as having information relevant to the Programs or to award recipients. Thus far, the Task Force has interviewed 14 non-EDA witnesses.

IV. LEGISLATIVE FOCUS: THE DESIGN AND IMPLEMENTATION OF THE TAX-INCENTIVE PROGRAMS

A. Initial Findings

As further discussed below, the draft versions of the EOA 2013 bill dated June 21, 2013, reviewed in conjunction with publicly available versions of the bill and other documents and information in the Task Force's possession, indicated that certain special interests played a key role in numerous provisions that were ultimately enacted into New Jersey law, and which, when administered by the EDA, would provide significant benefits to those special interests. Certain aspects of the Grow NJ program's design are difficult to justify from a rational policy perspective and can be understood only as the result of a process in which certain favored private parties were

²³ Ms. Hassett is currently working with the Treasury Department, but is still employed by the EDA.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

permitted to shape the legislation to their benefit—and further, in some cases, to disfavor potential competitors.

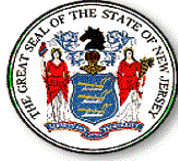
The Task Force has found that the same special interests who successfully impacted the legislative design of the Programs were also afforded privileged status with respect to the Programs' implementing regulations. The EDA provided these special interests with early information about the regulations the agency was considering, prior to the notice provided to other members of the public, and permitted them to provide private feedback—which, in some instances, the EDA accepted and incorporated into the regulations. Moreover, the influence exerted by these special interests over this process was not disclosed to the public.

Thus, the Task Force's investigation to date has found that special interests succeeded in molding both the Programs' legislation and implementing regulations in their favor. The result is that New Jersey's tax-incentive programs have not been "neutral" in their design but have rather been structured in respects both large and small to favor the business interests of favored parties, sometimes in ways of debatable merit from a public policy standpoint. This is troubling for many reasons, including that the New Jersey Constitution contains certain prohibitions on "special legislation."²⁴ These constitutional prohibitions, the New Jersey Supreme Court has explained, were intended to combat "the propensities of legislatures to indulge in favoritism."²⁵ Given the findings discussed below, there may be reasonable questions as to whether New Jersey's current tax-incentive laws are compatible with constitutional requirements.

Some will certainly note that the problematic examples described below center on projects located in the City of Camden. The Task Force should not be misunderstood as disagreeing in any way about the desirability—indeed the necessity—of the State finding ways to encourage substantial reinvestment and growth in Camden, and in helping it meet the substantial challenges that it faces. Reinvestment in Camden has rightly been a priority for governors from both major political parties for decades. But as laudable as that *end* is, it does not necessarily justify, without any question or limitation, every conceivable *means* to accomplish it. "Shoehorning" the priority of *capital investment* in Camden in the Grow NJ program, the priority of which is the equally desirable but very different goal of *job growth*, has led to confusion in eligibility criteria, mismatched metrics of accountability, and lack of enforcement of the program requirements by the very agency that is responsible for monitoring it. Allocation of scarce public resources must inevitably involve some inquiry into the relationship, and resulting efficiency, between ends and

²⁴ N.J. Const., art. IV, § VII, ¶¶ 7-9.

²⁵ *Vreeland v. Byrne*, 72 N.J. 292, 298 (1977).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

means, and the absence of that logical nexus has been painfully evident in the course of the Task Force's work.

1. Influence by Special Interests in Grow NJ's Legislative Design

The Grow NJ program was created in 2012 by the Grow NJ Act.²⁶ Compared to the version of Grow NJ that exists today, the original iteration of the program was relatively modest. Individually, the maximum awards available to program beneficiaries were far smaller than the maximum awards now possible under the current version of Grow NJ. Collectively, the original Grow NJ program provided a programmatic cap of up to \$200 million in tax credits that the EDA could approve.²⁷ The current version of Grow NJ, by contrast, has no such programmatic cap, which has allowed tax incentive approvals to balloon to the point that billions are now outstanding. Indeed, under the current version of Grow NJ, multiple companies have been individually approved for awards in excess of \$200 million in tax incentives, meaning that each of these companies by itself exceeded the maximum programmatic cap under the original iteration of the Grow NJ program.

The original version of Grow NJ existed for less than two years before it was significantly revamped and expanded by EOA 2013. The initial EOA 2013 bill was introduced in the New Jersey General Assembly on January 14, 2013 as Assembly Bill Number 3680. The Assembly passed the bill on May 20, 2013, and sent it to the Senate.

The Task Force has received evidence and information demonstrating that, during this period when EOA 2013 was before the Senate, certain special interests became involved in the drafting process—namely, the Parker McCay P.A. law and lobbying firm based in Mount Laurel, Hamilton, and Atlantic City, which drafted large swaths of the bill in various respects that appear to have been intended to benefit the firm's clients. Based on evidence and information in possession of the Task Force, Philip A. Norcross, Parker McCay's Managing Shareholder and Chief Executive Officer, and Kevin D. Sheehan, another partner of the firm, both worked on the drafting of the bill. Among other apparent intended beneficiaries of Parker McCay's drafting work was the Conner Strong & Buckelew insurance brokerage firm, headed by its Executive Chairman, George E. Norcross, III—the brother of Philip A. Norcross. Several years after EOA 2013 was enacted, on March 24, 2017, Conner Strong & Buckelew was approved for an \$86 million award to relocate its

²⁶ P.L. 2011, c. 149.

²⁷ The EDA was also statutorily permitted to raise the programmatic cap if it would determine that doing so was "reasonable, justifiable, and appropriate."



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

offices to Camden. An award of that size would have likely been impossible if not for statutory amendments that Parker McCay played a pivotal role in incorporating into the legislative design.

The Task Force has received two Microsoft Word draft versions of the bill, both dated June 21, 2013—one draft dated several hours earlier than the other one—with revisions in “track changes” mode. The metadata in these documents appear to attribute many, but not all, of the revisions in the bill to Mr. Sheehan of Parker McCay.²⁸ In addition to this metadata, other documents and information in the Task Force’s possession further corroborate that Mr. Sheehan, with the potential influence of Mr. Norcross, drafted these changes to the bill.

On June 24, 2013, the Senate Budget and Appropriations Committee favorably reported its amended version of the bill, which incorporated many of the bill revisions that were drafted in whole or in part by Parker McCay and reflected in the June 21, 2013 working drafts. As a result of these changes, the bill dramatically expanded in both length—the version of the bill favorably reported by the Senate committee was double the length of the bill that had been passed by the Assembly—and substantive scope. Numerous provisions were added to the bill expanding the availability of tax incentives under the Grow NJ program.

On June 27, 2013, the Senate passed its version of the EOA 2013 bill, incorporating many of Mr. Sheehan’s revisions, and returned the bill to the Assembly. That same day, the Assembly concurred in the amended bill, with additional amendments, and returned it to the Senate. The Senate passed the amended bill on August 19, 2013, sending it to the Governor. Governor Chris Christie conditionally vetoed the bill on September 9, 2013, recommending limited revisions. The Assembly and the Senate both concurred in Governor Christie’s recommended revisions and returned the bill to him. The EOA 2013 was finally enacted into law on September 18, 2013. The provisions of the bill drafted in whole or in part by Parker McCay largely survived this iterative process and were included in the final bill enacted into law.

Several of the most important or otherwise notable aspects of Grow NJ’s amendments under the EOA 2013 are discussed below. These amendments, each of which Parker McCay appears to have had some role in drafting, are illustrative of some of the ways Grow NJ’s statutory design following the enactment of the EOA 2013 was structured to favor chosen special interests in ways both large and small, sometimes arguably to the detriment of the public interest. It is important to

²⁸ These draft versions of the bill are attached as Exhibits 1 and 2. The authorship information in the metadata is not visible in these exhibits.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

note that the EOA 2013's changes to the Grow NJ program were innumerable and complex, and most will not be discussed in this First Report.

a) Tax Incentives for Grocery Stores in Camden

Grow NJ, both in its original and current iterations, has generally precluded tax incentives for retail businesses.²⁹ The EOA 2013 included several provisions, however, drafted in part by Parker McCay, which expressly authorized the EDA, as an exception from the otherwise applicable exclusion for retail projects, to award tax incentives to companies that would build grocery stores in Camden. The policy basis to incentivize development of grocery stores in Camden is readily apparent, because Camden has for decades been described as a "food desert" in which there are insufficient grocery stores to serve the city's residents.³⁰

However, notwithstanding the indisputable need to increase food access in Camden, the EOA 2013 did not allow tax incentives for all or even most potential grocery stores that could be built in the city. Instead, the EOA 2013 amended the Grow NJ statute to allow tax incentives for a "full-service supermarket or grocery store" *only* if it would be "at least 50 percent" of a larger retail development "of at least 150,000 square feet."³¹ Therefore, the grocery store itself must be at least 75,000 square feet at a minimum to qualify for tax incentives. For reference, the average American grocery store size around this time was reported to be approximately 46,000 square feet—far below the minimum threshold size required to qualify for tax incentives under Grow NJ as amended by the EOA 2013.³² If the goal was to alleviate the lack of local food access for Camden residents, an ostensible policy justification for limiting the incentives to supersized grocery stores, while

²⁹ See N.J. Stat. § 34:1B-243 (generally excluding "business[es] that [are] . . . engaged in final point of sale retail" from the definition of the "qualified business facilit[ies]" that are eligible for tax incentives).

³⁰ See Hr'g Tr. (May 2, 2019) at 202:24-203:6 (testimony that Camden was considered a food desert in which the city's residents lacked convenient access to a grocery store).

³¹ See N.J. Stat. § 34:1B-243 ("qualified business facility" definition).

³² See Brad Tuttle, *Your Grocery Store May Soon Be Cut in Half*, MONEY, June 2, 2014, <http://money.com/money/136330/why-your-grocery-store-may-soon-be-cut-in-half>; Brad Tuttle, *Fewer Choices, More Savings: The New Way to Buy Groceries*, TIME, Jan. 25, 2011, <http://business.time.com/2011/01/25/fewer-choices-more-savings-the-new-way-to-buy-groceries>.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

excluding such incentives for grocery stores of average or even large sizes that would also provide Camden residents with increased food access, is not obvious.³³

The Task Force's investigation to date has found that the cause of this statutory limitation appears to have not likely been considerations of the public interest, but rather the private business interests of one of Parker McCay's clients. In March of 2013, before the EOA 2013 was enacted, the owners of several grocery stores in New Jersey and a development firm announced that they had partnered in a joint venture to open a ShopRite grocery store in Camden, which would anchor a larger retail shopping center.³⁴ Mr. Sheehan and Mr. Norcross of Parker McCay represented the retail project, which, when completed, was planned to be over 150,000 square feet, with at least 50 percent occupied by the grocery store. Meanwhile, around this same time, another developer had separate plans to build a different retail development in Camden that would also be anchored by a grocery store. This competitor retail development was planned to be smaller, such that it would not qualify for tax-incentive subsidies under the EOA 2013 amendment, while the retail development that Parker McCay represented would.

It should be noted that both projects ultimately failed, and neither grocery store was built. The Task Force has received evidence demonstrating that the project Parker McCay represented initiated efforts to receive tax incentives from the EDA, but the project collapsed before any award was approved.³⁵ The competitor project, which was necessarily disqualified for tax incentives as a result of this EOA 2013 amendment, also failed.

³³ EDA's former President and Chief Operating Officer Tim Lizura testified at the Task Force's May 2, 2019 public hearing that "[y]ou can make an argument" for tax incentives for grocery stores of any size in Camden, but with respect to this limitation, "it didn't offend us that that was the provision that was there." Hr'g Tr. (May 2, 2019) at 236:16-238:9.

³⁴ See Mayor Redd, The Goldenberg Group, and Ravitz Family ShopRites Announce Major Retail Project in Camden, CITY OF CAMDEN, March 19, 2013, <https://www.ci.camden.nj.us/releases/mayor-redd-the-goldenberg-group-and-ravitz-family-shoprites-announce-major-retail-project-in-camden>.

³⁵ See Allison Steele, *Long-promised Camden supermarket isn't coming*, PHILA. INQUIRER, Aug. 9, 2016, https://www.inquirer.com/philly/news/new_jersey/20160810_Long-promised_Camden_supermarket_isn_t_coming.html ("Plans to build a ShopRite supermarket on the Admiral Wilson Boulevard in Camden, a project that officials had said would create permanent jobs and provide improved access to fresh, affordable food, have fallen apart, according to sources with knowledge of the situation. Instead, Actega North America Inc., a Delran-based company that makes coatings and sealants, on Tuesday was approved to receive \$40 million in state tax incentives if it decides to



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

b) The Alternative Approach to Award Calculation for Incentivized Camden Projects

As a general rule, the Grow NJ Act provides that the size of a tax incentive award is determined by a relatively straightforward formula that is tied to the number of new jobs created by the company in New Jersey and/or the number of existing jobs retained by the company in New Jersey that, absent the tax incentive award, would be relocated out of state or eliminated.³⁶ First, a “base” amount per job—ranging from between \$500 to \$5,000 annually—is determined based on certain statutorily defined factors (primarily the location of the project).³⁷ Second, any applicable statutorily defined “bonus” amounts are applied to increase the total award per job.³⁸ For example, jobs in a “targeted industry” (the EDA is statutorily authorized to determine which industries are “targeted”) are eligible to receive an increase of \$500 annually per job.³⁹ Under this statutory formula, the maximum possible award per job is \$15,000 annually.⁴⁰

However, provisions of the EOA 2013, drafted in part by Parker McCay, amended the Grow NJ statute to set out an additional, alternative approach to award calculation exclusively for incentivized projects located in Camden. Under these provisions, the award calculation for Camden projects is effectively decoupled from the number of jobs created or retained by the company, and is instead tied to—and, unless capped by an applicable statutory limitation, equal to—the size of the company’s capital investment in the project.⁴¹ These provisions have allowed companies that agreed to make large capital investments in projects located in Camden to qualify for awards far exceeding the amounts that would have otherwise been permitted.

For an illustration of the difference between the statutory formula approach under Grow NJ for award calculation and what is often referred to as the “Camden alternative” approach, consider a hypothetical project in which a company will invest \$100 million to build a new office building in New Jersey at which the company plans to hire 250 new employees. Under the formula approach applicable to projects in most of the State, with a maximum annual per-job award of \$15,000, as

build a 130,000-square foot headquarters on the site. . . . No explanation has been provided for why the ShopRite project collapsed.”).

³⁶ See N.J. Stat. § 34:1B-246(a)–(d).

³⁷ See N.J. Stat. § 34:1B-246(b).

³⁸ See N.J. Stat. § 34:1B-246(c).

³⁹ See N.J. Stat. §§ 34:1B-246(c), 34:1B-243 (“targeted industry” definition).

⁴⁰ See N.J. Stat. § 34:1B-246(d).

⁴¹ See N.J. Stat. § 34:1B-246(d) (subsection beginning, “Notwithstanding anything to the contrary set forth herein and in the provisions of subsections a. through f. of this section . . .”).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

discussed above, the largest possible award for the company would be \$3.75 million each year (\$15,000 x 250 jobs). Over the ten-year term for awards under Grow NJ, the maximum award would be \$37.5 million (\$3.75 million x 10 years). If the project were in Camden, however, and subject to the Camden alternative approach to award calculation, the company could receive an award of \$100 million, equal to the size of the anticipated costs to build the new office building—over twice the size of the maximum award available in other parts of the State.

Numerous Parker McCay clients have benefited from the Camden alternative approach to award calculation. As noted previously, Parker McCay client, the Conner Strong & Buckelew insurance brokerage firm, was approved by the EDA on March 24, 2017 for an \$86 million award to relocate 268 jobs from the company's existing offices to a new office tower to be built on the Camden waterfront. Pursuant to the Camden alternative provisions of EOA 2013, this award was based on the claimed anticipated costs of the office tower's construction. Under the formula approach to award calculation, the company could have potentially, in the best possible circumstances for it, qualified for a maximum award of \$40.2 million (\$15,000 x 268 jobs x 10 years).

The Task Force has not conducted an economic analysis of the approaches to award calculations under Grow NJ and therefore has made no finding concerning whether the increased size of Camden alternative awards is sensible as a matter of public policy. Indeed, given the enormous challenges facing Camden, one of New Jersey's poorest cities, an up-front decision by the State to appropriate substantial resources—through the normal procedures for allocating State resources—to invest in the capital infrastructure would have been completely understandable.

However, while there are certainly rational policy justifications for providing incentives for capital projects located in Camden, the Camden alternative approach in the EOA 2013, which do so in the context of an enhanced tax-incentive program ostensibly dedicated to job growth, has been criticized as excessive by a number of parties given the potentially large cost to the State, and even many of its defenders have said that it may need to be appropriately reconsidered in future legislation. For example, a July 2018 report (the "Rutgers Report") by Will Irving, Michael L. Lahr, and Ray Caprio of the Edward J. Bloustein School of Planning and Public Policy at Rutgers, the State University of New Jersey, which analyzed data concerning Grow NJ awards approved by the EDA to date, found that the average cost in tax incentives per job incentivized by the formula approach was \$55,888, while the average cost per job under the Camden alternative approach was



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

\$340,000—over six times more.⁴² The Rutgers Report recommended that the Camden alternative approach “be revised to tie awards more closely to the employment created by these firms.”⁴³

Additionally, it should be noted that the “capital investment” definition in the statute, which, as described above, effectively operates to define the expenditures for which companies are eligible to receive recompense via tax credits, is extremely broad. The statute defines “capital investment” with respect to projects in Camden to include, among other things, any and all “development, redevelopment, and relocation costs.”⁴⁴ The result is that a broad range of expenditures in Camden by Grow NJ beneficiary companies may be effectively reimbursed via tax credits—notably, including expenditures for which the public interest in state subsidization is debatable. For example, the new office tower on the Camden waterfront for which Conner Strong & Buckelew was approved for an \$86 million award included a rooftop helipad, the construction of which is within the scope of the statutory “capital investment” definition. Whether Grow NJ was intended to enable the State to subsidize helipads for corporate executives can reasonably be questioned.

c) Expansion of Capital Expenditures Eligible for Tax Credits

As discussed above, the “capital investment” definition in the Grow NJ statute effectively operates to define the expenditures for which companies with projects in Camden are eligible to receive recompense via tax credits. It appears that Kevin Sheehan of Parker McCay had a role in amending the statute’s “capital investment” definition in two ways apparently intended to benefit the firm’s clients.⁴⁵

First, Mr. Sheehan appears to have amended the definition to include, as an eligible expenditure, “pier, wharf, [or] bulkhead . . . construction or repair.”⁴⁶ This amendment was likely intended to benefit several Parker McCay clients, including Conner Strong & Buckelew, that, as discussed in Section V(C)(4)(b) of this First Report, had plans to construct a new office tower on a pier on the Delaware River waterfront of Camden. As a result of this amendment, these clients would be allowed to receive tax credits for any such construction or repairs on the pier.

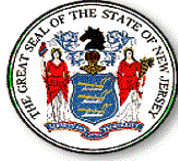
⁴² Rutgers Report at i–ii. The Rutgers Report is available on the EDA’s website, at https://www.njeda.com/pdfs/NJEDA-Final-Incentives-Report_Governor.aspx.

⁴³ Rutgers Report at iii.

⁴⁴ See N.J. Stat. § 34:1B-243 (“capital investment” definition).

⁴⁵ In addition, it is notable that the “capital investment” definition was expanded to include expenditures on “professional services.” However, the metadata does not reflect that Kevin Sheehan made that amendment.

⁴⁶ See N.J. Stat. § 34:1B-243 (“capital investment” definition).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Second, Mr. Sheehan appears to have also amended the “capital investment” definition to include “site acquisition” as an eligible expenditure if purchased within 24 months prior to the Grow NJ application, thereby allowing the firm’s clients with planned projects in Camden to potentially receive tax credits for real estate that the company purchased before even applying to the EDA for the tax incentives.⁴⁷ This amendment has a clear tension with the overarching purpose of tax-incentive programs, which are intended to incentivize companies to make decisions that they have not already made and would not make absent the incentive. This provision, by contrast, affords tax credits for company decisions already made—that is, real estate already purchased. Precisely because of this tension, the EDA’s former President and Chief Operating Officer Tim Lizura testified at the Task Force’s May 2, 2019 public hearing that this provision “was always a challenge to administer” and he “never really understood the policy behind it.”⁴⁸

d) Phantom Taxes in the Net Benefit Test

Under the Grow NJ Act, every tax-incentive award must be anticipated to “yield a net positive benefit to the State.”⁴⁹ In this context, the “benefit to the State” means tax revenues collectible by the State as a result of the fruition of the project for which the tax incentives were awarded—that is, tax revenue that the State would not collect in the absence of the tax incentives. For example, consider construction work in New Jersey that would not occur unless tax incentives are provided. If the incentives are awarded and the construction is commenced, any taxes collected by the State as a result of such incentivized construction, such as property taxes on the developed property and sales taxes on the building materials used in the construction, are “benefits to the State.” Because of this so-called “net benefit” requirement under the Grow NJ Act, tax incentives under the Program are sometimes said to effectively “pay for themselves.” That is, if the statute operates as intended, the State will collect tax revenue at least in the amount that the State “spends” on tax incentives, meaning that there is no loss to the public fisc.

⁴⁷ Although the text of this provision has been revised by subsequent statutory amendments, Mr. Sheehan’s amendment remains in substance in the current law. *See* N.J. Stat. § 34:1B-243 (defining “capital investment” in pertinent part: “In addition to the foregoing, in a Garden State Growth Zone [including Camden], the following qualify as capital investment: . . . site acquisition if made within 24 months of application to the [EDA]”).

⁴⁸ Hr’g Tr. (May 2, 2019) at 228:11-230:19. As for why the provision would allow tax credits for site acquisition up to two years prior to the Grow NJ application but not earlier periods, Mr. Lizura said that he did not know of a policy reason for the distinction. *Id.* at 233:6-14.

⁴⁹ N.J. Stat. § 34:1B-244(a)(3).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

However, the EOA 2013's amendments to the Grow NJ program included certain provisions that significantly undermined the net benefit requirement for projects in Camden. Pursuant to these provisions, the net benefit calculation "may utilize" the value of certain taxes that would otherwise accrue but were exempted from payment by operation of other provisions of law.⁵⁰ In other words, the Grow NJ Act was amended to provide that the net benefit calculation for projects in Camden may include "phantom taxes" as ostensible "benefits to the State" even if the State will never collect those taxes. As a result of these provisions, the "net positive benefit to the State" that is purportedly required by the law may be rendered illusory.⁵¹

The bill drafts in Microsoft Word format in the Task Force's possession, both dated June 21, 2013, do not contain these provisions, which were apparently not yet incorporated into the bill as of this date.⁵² Therefore, the Task Force does not have a document with metadata that indicates the author of these provisions. However, the Task Force is in possession of email correspondence between government officials who were involved in the EOA 2013's drafting that refers to "the 'phantom tax' notion for NBT that Phil and Kevin laid out in [the] original bill draft."⁵³ Because Parker McCay represented numerous clients with project plans in Camden, these provisions would have allowed these companies to potentially receive large Grow NJ awards—pursuant to the Camden alternative approach provisions discussed above—without the State receiving a corresponding net positive benefit.⁵⁴

⁵⁰ N.J. Stat. § 34:1B-244(a)(3)(b).

⁵¹ At the Task Force's May 2, 2019 public hearing, the EDA's former President and Chief Operating Officer Tim Lizura was asked whether these provisions "allowed projects to get through even though they weren't paying for themselves." Mr. Lizura responded, "I would say that's a pretty accurate statement." Hr'g Tr. (May 2, 2019) at 257:9-15.

⁵² We have been advised that a law firm has additional versions of drafts of EOA 2013 from this time period. The Task Force has attempted to obtain these drafts through voluntary cooperation from that firm. To date, we have not been successful.

⁵³ Exhibit 3. The EDA's Tim Lizura, who received this email, testified concerning the email's reference to "Phil": "I assume that's Phil Norcross." Hr'g Tr. (May 2, 2019) at 251:3-19.

⁵⁴ Mr. Lizura testified that he recalled the following companies with approved Grow NJ awards as having benefited from the phantom tax provisions: Holtec International, Philadelphia 76ers, L.P., American Water (American Water Works Company, Inc., American Water Works Service Company, Inc., and American Water Enterprises, Inc.), Subaru of America, Inc., Conner Strong & Buckelew Companies, LLC, The Michaels Organization, LLC, NFI, L.P. When asked whether Parker McCay represented all of those companies, Mr. Lizura responded, "I recall they represent[ed] some, some role in most of those." Hr'g Tr. (May 2, 2019) at 257:16-258:14.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

e) The Material Factor Test Applicable to Camden Projects

For incentivized projects in most parts of New Jersey, it is indisputable that, for a company to receive Grow NJ tax incentives for existing jobs in New Jersey, those jobs must be at risk of leaving the State or being eliminated. This is clearly set out in the statutory text, which requires companies to establish that “but for” the provision of tax incentives, the jobs would be relocated out of state or eliminated:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating: (1) that any existing full-time jobs are at risk of leaving the State or being eliminated; (2) that any projected creation or retention, as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and (3) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate”⁵⁵

As discussed above, the Task Force reviewed the June 21, 2013 EOA 2013 bill drafts.⁵⁶ The metadata in these documents appear to show that Kevin Sheehan of Parker McCay amended the above-quoted language to add a provision expressly stating that the risk of an out-of-state relocation “shall not be required with respect to projects in [Camden].” Mr. Sheehan proposed to amend the provision as follows:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating that: (i) any existing full-time jobs are at risk of leaving the State or being eliminated; (ii) that any projected creation, or retention as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and, (iii) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate, **provided however, item (i) shall not be required with respect to projects in [Camden].**”⁵⁷

⁵⁵ N.J. Stat. § 34:1B-244(d).

⁵⁶ Exhibits 1 and 2.

⁵⁷ Additionally, in the current version of the statute, there is also language that makes this provision apply to projects in Atlantic City as well as to projects in Camden. The Atlantic City language was



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

(Emphasis added).

On Friday, June 21, 2013, at 8:12 PM, an aide to then-Governor Chris Christie, Colin Newman, who was involved in EOA 2013's drafting, sent an email to several senior EDA officials—Tim Lizura, Maureen Hassett, and Michele Brown—attaching a working draft of the bill containing the above-quoted amendment by Mr. Sheehan of Parker McCay.⁵⁸ Mr. Newman noted in the email that the bill draft presented certain “issues” that needed to be discussed over the weekend.⁵⁹ On Sunday, June 23, 2013, at 10:31 PM, Mr. Newman sent an email to Mr. Lizura and Ms. Hassett, stating that they needed to prepare “compromise language” with respect to the above-quoted provision.⁶⁰ Mr. Newman proposed language that would have restored the requirement that, for projects in Camden, there be a risk of out-of-state relocation to receive tax incentives for retaining jobs.⁶¹ Throughout the morning and afternoon of Monday, June 24, 2013, Mr. Newman, Mr. Lizura, and Ms. Hassett proceeded to iteratively draft additional versions of proposed compromise language, while appearing to complain that the other side of the negotiations continued to produce “unsatisfactory” counterproposals.⁶²

By the afternoon of June 24, 2013, the negotiating parties appear to have agreed to compromise language that rejected the “shall-not-be-required” language that Mr. Sheehan had drafted and replaced it with a “material factor” test that was ultimately enacted into law, and is still embodied in the version of the statute in force now. That material factor test is as follows:

“[T]he business’s chief executive officer, or equivalent officer, shall submit a certification to the [EDA] indicating: (1) that any existing full-time jobs are at risk of leaving the State or being eliminated; (2) that any projected creation or retention, as applicable, of new full-time jobs would not occur but for the provision of tax credits under the program; and (3) that the business’s chief executive officer, or equivalent officer, has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate, provided however, that **in satisfaction of the provisions of paragraphs (1) and (2) of this subsection, the certification**

added in 2014 statutory amendments. Because the current discussion concerns EOA 2013's amendments, which did not yet apply to Atlantic City, we omit that language here.

⁵⁸ Exhibit 4.

⁵⁹ Exhibit 4.

⁶⁰ Exhibit 5.

⁶¹ Exhibit 5.

⁶² See Exhibits 6, 7, and 8.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

with respect to a project in [Camden⁶³] . . . shall indicate that the provision of tax credits under the program is a material factor in the business decision to make a capital investment and locate in [Camden]”

(Emphasis added).⁶⁴

Thus, the statute provides that, for projects in Camden to be eligible for tax incentives, the company must be facing a “business decision” concerning where to “locate.” One option must be Camden, and the provision of tax incentives must be a “material factor” in the company’s decision to locate there. However, the statutory text *does not specify one way or the other* whether the “business decision” concerning the company’s location (a) must be between Camden versus an out-of-state location or (b) may be between Camden versus another New Jersey location. No court has yet had occasion to interpret this clause and resolve this statutory ambiguity concerning whether tax incentives are available for intra-state relocations to Camden when no potential out-of-state relocation is considered. From the Task Force’s perspective, the former interpretation—that is, that tax incentives for projects relocating to Camden, like tax incentives for projects relocating elsewhere, are available only if the company is considering a potential out-of-state location—is likely the better interpretation. This is so for at least two reasons. First, the New Jersey Supreme Court has repeatedly taught that “the furtherance of legislative purpose is the key to the interpretation of any statute,”⁶⁵ and here, the Grow NJ statute expressly states that a purpose of the program is to “preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.”⁶⁶ The statute does *not* say that its purpose is to incentivize the relocation of jobs to Camden from elsewhere in New Jersey, even if those jobs are not at risk of

⁶³ The statutory text that is replaced here with the bracketed “Camden” notation for ease of readability is the following: “a Garden State Growth Zone that qualifies under the ‘Municipal Rehabilitation and Economic Recovery Act,’ P.L.2002, c. 43 (C.52:27BBB-1 et al.).” Camden is the only municipality that fits that definition, as it is “the only municipality affected by the provisions of the [Municipal Rehabilitation and Economic Recovery Act].” Fiscal Impact Statement for Assembly Bill No. 4375 (Jan. 4, 2010), https://www.njleg.state.nj.us/2008/Bills/A4500/4375_S1.HTM.

⁶⁴ N.J. Stat. § 34:1B-244(d).

⁶⁵ *GE Solid State, Inc. v. Dir., Div. of Taxation*, 132 N.J. 298, 308 (1993). *See also, e.g., In re Young*, 202 N.J. 50, 64 (2010) (explaining that statutory interpretation must be intended to “effectuate the fundamental purpose for which the legislation was enacted”).

⁶⁶ N.J. Stat. § 34:1B-244(a).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

leaving the State. It would further the statute's express purpose, therefore, to construe the out-of-state requirement that is applicable to projects in the rest of the State to also apply to Camden.⁶⁷ Second, if the statute were to be interpreted as intended to incentivize the relocation of jobs to Camden from other parts of New Jersey, a question would arise as to whether the statute would be unconstitutional because it would favor Camden over other parts of the State and, as such, arguably be an impermissible "private, special or local law."⁶⁸ Statutory interpretations that avoid such serious constitutional questions are typically favored.⁶⁹ For these reasons,⁷⁰ if a New Jersey court

⁶⁷ Cf. *Murray v. Plainfield Rescue Squad*, 210 N.J. 581, 592 (2012) ("We do not view the statutory words in isolation but in context with related provisions so as to give sense to the legislation as a whole.").

⁶⁸ See N.J. Const., art. IV, § VII, ¶ 7 ("No general law shall embrace any provision of a private, special or local character.") and ¶ 9(6) ("The Legislature shall not pass any private, special or local laws . . . [r]elating to taxation or exemption therefrom."); *Mooney v. Bd. of Chosen Freeholders of Atl. Cty.*, 122 N.J. Super. 151, 154 (Law. Div.), *aff'd*, 125 N.J. Super. 271 (App. Div. 1973) ("[L]ocal and special laws rest on a false or deficient classification in that . . . they create preference and establish inequalities; they apply to persons, things or places possessed of certain qualities or situations, and exclude from their effect other persons, things or places which are not dissimilar in these respects.") (internal quotation marks and citation omitted). While the Legislature may in some cases adopt special laws if there is prior public notice (¶ 8), the prohibition in ¶ 9(6) against special laws "[r]elating to taxation or exemption therefrom" is absolute.

⁶⁹ See, e.g., *Silverman v. Berkson*, 141 N.J. 412, 417 (1995) ("Unless compelled to do otherwise, courts seek to avoid a statutory interpretation that might give rise to serious constitutional questions.").

⁷⁰ Additionally, it is also notable that, whether the EDA is applying the "material factor" test that is applicable to Camden or the "but for" test that is applicable to the rest of the State, in both cases the statute directs the EDA to consider the same evidence concerning the company's potential relocation sites: "When considering an application involving intra-State job transfers, the [EDA] shall require the business to submit the following information as part of its application: a full economic analysis of all locations under consideration by the business; all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations; and all lease agreements, ownership documents, or substantially similar documentation for **the potential out-of-State location alternatives**, to the extent they exist. Based on this information, and any other information deemed relevant by the [EDA], the [EDA] shall independently verify and confirm, by way of making a factual finding by separate vote of the [EDA]'s board, the business's assertion that the jobs are actually at risk of leaving the State, and as to the date or dates at which the [EDA] expects that those jobs would actually leave the State, or, with respect to projects located in [Camden] . . . , the business's assertion that the provision of tax



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

were to construe this “material factor” provision, the Task Force believes the court would more likely than not conclude that an out-of-state location is required for projects in Camden.⁷¹ Putting our view aside, whatever the Legislature intended, any representations Grow NJ applicants made to the EDA concerning their potential out-of-state relocation were required to be truthful, so falsely stating that jobs were at risk of leaving the State and, accordingly, that an out-of-state alternative was under consideration would be highly problematic.⁷²

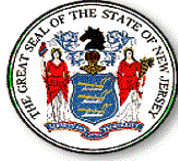
In any event, whether or not a risk of an out-of-state relocation is strictly required under the statute for projects in Camden, it is indisputable, based on provisions of the Grow NJ Act and EOA 2013 separate and apart from those discussed here, that whether or not such an out-of-state relocation is contemplated is a critical factor bearing upon the potential size of any award. This is because of Grow NJ’s “net benefits” requirement, which mandates that every Grow NJ award be anticipated to result in a net benefit to the State in terms of new tax revenue.⁷³ For companies relocating existing jobs from somewhere within New Jersey to Camden, those jobs create no new “benefit” to the State, since the “benefits” test is state wide and those jobs would yield no new tax

credits under the program is a material factor in the business’s decision to make a capital investment and locate in [Camden] . . . before a business may be awarded any tax credits under this section.” N.J. Stat. § 34:1B-244(d) (emphasis added). If a potential out-of-state alternative location were not required for projects in Camden, it is difficult to understand why the statute directs the EDA to consider evidence of the company’s “potential out-of-state location alternatives” (“to the extent they exist”) in the same manner as if EDA were considering a project outside Camden, where there is no question that an out-of-state location alternative is required.

⁷¹ The “material factor” provision applicable to Camden, in the Task Force’s view, is likely best understood as intended to reduce the required showing for the at-risk nature of the jobs: outside Camden, the CEO has to certify that but for the tax incentives jobs would leave the State (that is, the tax incentives are a determinative factor in the company’s decision); by contrast, in Camden, the CEO has to certify that the tax incentives are a material factor in locating the jobs in Camden rather than in another state (that is, the tax incentives are an important factor in the company’s decision but are not necessarily determinative).

⁷² See N.J. Stat. § 34:1B-244(d) (requiring an applicant’s CEO or other equivalent officer to certify that he or she “has reviewed the information submitted to the [EDA] and that the representations contained therein are accurate”). For criminal penalties under New Jersey law potentially applicable to misrepresentations in connection with Grow NJ applications, see N.J. Stat. §§ 41:3-1 (perjury), 2C:28-2 (false swearing), 2C:28-3 (unsworn falsification), 2C:21-3(b) (fraud relating to public records), 2C:20-4 (theft by deception), 2C:21-7(h) (deceptive business practices).

⁷³ See N.J. Stat. § 34:1B-244(a)(3) (requiring Grow NJ awards to “yield a net positive benefit to the State”).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

revenue.⁷⁴ Put another way, New Jersey accrues tax revenue from those jobs whether or not they are relocated, since in either case they are in the State. Based on this principle, when in-state jobs are relocated to Camden and no potential out-of-state alternative is contemplated, the “benefit” calculation is minimal, and the potential tax incentive award must be reduced as a result.⁷⁵ Thus, if a company falsely certified that its jobs were “at risk” of leaving the State—when they were not at risk—such a representation would likely affect the size of the company’s potential award, and, as such, would surely be material.⁷⁶

We hasten to note that the above discussion relates to the Grow NJ statute itself—not to the EDA’s administration of the law, which is covered later in this First Report. Here, the Task Force notes that with respect to the “material factor” provision of the statute, there is a notable ambiguity, which, as shown by the evidence above, may have been by design—as a compromise between, on the one hand, those parties who advocated for the statute to expressly provide that a risk of out-of-state relocation “shall not be required” for projects in Camden, and, on the other hand, those parties who advocated for the statute to require a showing that jobs were at risk of out-of-state relocation.⁷⁷

⁷⁴ This principle, which is inherent in the notion of a state-wide “benefits” test, is expressly set out in EDA’s regulations for Grow NJ, which provide in pertinent part: “Retained employees in a project in [Camden] . . . shall not be included [in the benefits calculation] unless the business demonstrates that the award of tax credits will be a material factor to retain the employees **in the State . . .**” N.J. Admin. Code § 19:31-18.7(c) (emphasis added).

⁷⁵ This issue is discussed further below, in Section V(C)(2)(b) of this First Report.

⁷⁶ As EDA’s former President and Chief Operating Officer Tim Lizura explained at the Task Force’s May 2, 2019 public hearing, “the net benefit test was a statewide test, and that would suggest, or would then require that the jobs would be at risk of leaving New Jersey in order to include [the] economic impact of those jobs under the net benefit test. If there was not a risk of leaving the state, we would include all the other drivers of the net benefit test except the economic activity from the employees, which is the largest driver of the economic output.” Hr’g Tr. (May 2, 2019) at 262:8-18).

⁷⁷ In 2014, this provision of the Grow NJ Act was again amended to provide that Atlantic City would be treated in the same manner as Camden. Therefore, under the current version of the statute, companies may be eligible for Grow NJ benefits when the tax incentives are a “material factor” in the company’s decision to locate in either Camden or Atlantic City. The statutory ambiguity discussed in this section with respect to Camden applies likewise with respect to Atlantic City.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

2. Influence by Special Interests in EDA's Implementing Regulations for Grow NJ

After EOA 2013 was enacted in September of 2013, it fell to the EDA to promulgate regulations to implement the law's amendments to the Grow NJ program. As described previously, New Jersey law required the EDA to use a "notice-and-comment" process in connection with its issuance of such regulations—that is, to provide public notice of the regulations it was considering and to receive and consider comments from interested members of the public in response to such proposals. However, the Task Force has received information and documents that appear to show that—before the EDA publicly announced any proposed regulations—Kevin Sheehan of Parker McCay privately lobbied the agency to adopt provisions favorable to the firm's clients. At least one of these requests was incorporated in the EDA's first publicly proposed regulations, which the agency announced on January 6, 2014.

Grow NJ, as previously noted, generally excludes retail businesses from eligibility for tax incentives.⁷⁸ Parker McCay represented The Cooper Health System—the parent of Cooper University Hospital in Camden—in connection with its Grow NJ application. If the hospital were to be deemed a retail business, it would be ineligible for tax incentives under the statute. (From a policy perspective this exclusion is sensible, since a retail business—especially a hospital dedicated to serving a local community—is unlikely to make a business decision to move out of state absent tax incentives.) On December 10, 2013, Mr. Sheehan sent an email to the EDA's then President and Chief Operating Officer Tim Lizura: "[I]n reviewing the qualified business facility definition in the [regulations] that we discussed, my suggestion would be to add a sentence at the end of the definition to say: a university research hospital shall not be considered final point of sale retail. Thanks."⁷⁹ The EDA incorporated the request into its initial January 6, 2014 regulatory proposal as well as its final regulations adopted on December 15, 2014, and the provision remains in effect in the regulations in force now.⁸⁰ The Cooper Health System—deemed eligible for tax incentives pursuant to this regulation—would later be approved by the EDA for an approximately \$40 million award. Meanwhile, the EDA does not appear to have disclosed that, outside of the public notice-

⁷⁸ See N.J. Stat. § 34:1B-243 (generally excluding "business[es] that [are] . . . engaged in final point of sale retail" from the definition of the "qualified business facilit[ies]" that are eligible for tax incentives).

⁷⁹ Exhibit 9.

⁸⁰ See N.J. Admin. Code § 19:31-18.2 (in the "qualified business facility" definition, carving out "university research hospital[s]" from the scope of ineligible "business[es] . . . engaged in final point of sale retail business").



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

and-comment period, its regulations had been amended in response to the request of a private party, apparently to assist a specific client.

3. Inadequate Statutory Requirements to Ensure Job Requirements Are Consistently Met

The current statutory requirements and EDA regulations governing reporting requirements and required annual jobs reports for companies to receive awards are inadequate to ensure that companies are consistently creating or retaining the required number of jobs and achieving the aims of Grow NJ. Based on the language of the regulations, a company need only submit an annual report, certified by the company's chief financial officer or equivalent, showing that it created or retained the required number of jobs for the last tax year before the credit amount is approved and issued. There is no additional certification requirement to ensure that these jobs are maintained to further the aims of economic growth and job creation. In essence, a company could create the number of jobs required in its agreement, certify, receive the first tenth of its overall credit, and then eliminate or fail to retain the required number of jobs immediately after receiving its credit while still retaining the award for the full year.

Indeed, in one instance, World Business Lenders, LLC ("WBL"), moved to New Jersey from another state in July 2016. WBL's award was contingent on its promise to bring a specific number of jobs into New Jersey, and its Incentive Agreement provided that it would remain in New Jersey for fifteen years. By October 2016, WBL had hired enough employees to meet the employment numbers set forth in its Incentive Agreement. WBL's submission to the EDA showed that it had satisfied the employment numbers set forth in its Incentive Agreement in October 2016. In the beginning of December 2016, the EDA certified to the Division of Taxation that the company was eligible for its overall tax credit certificate of approximately \$16 million. At the beginning of January 2017, however, the company laid off a significant number of its employees, sending its job numbers well below the number required to continue to qualify for a tax-incentive grant. The EDA learned of the mass layoffs through news reports. The company subsequently submitted a report showing that it had met the required employment numbers for November and December 2016. Therefore, despite having seen indications that the company had terminated its employees after satisfying the requirements to receive its tax credit for 2016, the EDA asked the Division of Taxation to issue the company the first tenth of its overall credit, amounting to approximately \$1.6 million. The company received this award even though it had been located in New Jersey for only six months, had submitted only three months of employment data, and had laid off a significant number of employees shortly after qualifying for the first year of its award.

The Task Force is still investigating this issue and has not reached any conclusion regarding the company's conduct or intent in connection with its application, and the company has maintained



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

that it acted entirely in compliance with Grow NJ's requirements. Regardless, the Grow NJ regulations did not specifically require that the company prove that it maintained the agreed-upon number of jobs for a full twelve-months, did not require that it be located in New Jersey for a full year in order to receive a full year's award, and did not have a mechanism requiring that a company maintain a minimum number of jobs after the award was issued in order to retain its award. The company was not certified to receive the second tenth of its award in 2017 because it did not employ the required number of employees for that tax year.

V. EDA: THE ADMINISTRATION OF THE TAX-INCENTIVE PROGRAMS

In its examination of the EDA's implementation and administration of the Programs, the Task Force set out to: (1) further examine and assess the EDA's process and control failures, including in the EDA application-approval process, from pre-application through approval and certification; (2) evaluate the effectiveness of existing EDA policies and procedures relating to the roles and responsibilities of individual EDA officers, EDA staff training, and EDA officers' understanding of the purpose, implementation, requirements, and administration of the Grow NJ and ERG tax incentive programs; (3) assess the administration of the tax incentive programs and subsequent monitoring of grant recipients; and (4) determine whether or not external or internal pressures were brought to bear on the EDA in connection with its application approval, compliance, monitoring, and certification processes, as well as its rulemaking processes relating to the Programs.

A. Overview of the Application-Approval Process

In order to evaluate any problems relating to the Programs' design, implementation, or administration, the Task Force had to begin with an understanding of the relevant statutes and of the EDA's tax-incentive application and administration process, from application through the annual award of tax-incentive grants. As noted previously, the Task Force focused primarily on Grow NJ during the initial phase of its investigation. A high-level overview of the Grow NJ process is below:⁸¹

1. Pre-Approval Process: Application Review and Board Approval

Companies learn of EDA tax-incentive programs and make initial contact with the EDA through various channels. The EDA receives potential application referrals through a customer care telephone line, through the Business Action Center ("BAC"), which is housed within the New

⁸¹ Although there is significant overlap between the Grow NJ and ERG processes, particularly in the pre-application through approval stages, the differences in the Grow NJ and ERG Program requirements result in divergent approaches to the administration of these Programs. We will provide an overview of the ERG process in a later report.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Jersey Department of State, and through Choose New Jersey, a 501(c)(3) non-profit whose mandate is to act as the marketing arm of the State and attract out-of-state and international businesses to New Jersey. BAC personnel frequently work with EDA officers to attract and obtain program applicants, and the BAC has historically been the biggest driver of application lead referrals to the EDA. Separately, the EDA's Community Development Officers ("CDOs") and Business Development Officers ("BDOs")⁸² are also charged with developing business relationships and recruiting potential applicants. Indeed, a BDO's year-end performance is evaluated, in part, on their outreach efforts as well as whether they have met yearly goals in the volume of applications submitted to the EDA. Potential applicants may also directly contact the EDA to obtain information about the Programs. In addition, applicants are often represented by consultants, lawyers, lobbyists, or real-estate agents, and those representatives may also reach out directly to EDA personnel prior to the submission of a tax-incentive application.

Before submitting a Program application, a potential applicant often has an initial meeting or conversation with EDA personnel—typically a BDO—in order to discuss the applicant's business, needs, and Program requirements. Potential applicants occasionally meet with members of the EDA's senior leadership team in addition to or in lieu of meeting with a BDO. Pre-application dialogue between Program applicants and the EDA is not required, but in practice, often precedes formal submission of a company application by weeks or months.

A company formally submits its application through the EDA's electronic application system. At that time, the company pays an application fee and a BDO is assigned to the application. Often, it is the same BDO that worked with the company pre-application. The BDO is responsible for conducting an initial review of the application and assisting the applicant—or "client"—in ensuring that the applicant has submitted all required documentation prior to transmittal of the application file to Underwriting. BDOs must consult their Program Manager and Managing Director for application reviews before the application is submitted to the Underwriting group.

During the underwriting phase, underwriters are responsible for conducting due diligence and vetting an application to ensure it sufficiently meets all Program requirements and to address any outstanding concerns. Although underwriters bear the primary responsibility for conducting due diligence and follow-up with applicants, they often include the assigned BDO in correspondence to the applicant as the face of the relationship. Among other factors, underwriters

⁸² These roles and titles within the EDA are now consolidated and currently all Community Development Officers ("CDOs") are now referred to as Business Development Officers ("BDOs"). For the sake of consistency, the Task Force's First Report will refer to both CDOs and BDOs at various times as BDOs.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

assess the applicant's submitted cost benefit analysis⁸³ and conduct the required net benefits analysis.⁸⁴ Underwriters are also responsible for drafting project summary memoranda, which are presented during "Project Review Meetings." At those meetings, the assigned underwriter presents the application to EDA personnel and members of the New Jersey Attorney General's Office. The EDA staff discusses and raises any issues or concerns related to the application, which the assigned underwriter answers or addresses directly with the applicant as follow-up.

After the Project Review meeting, the underwriter presents the application to the Incentive Committee of the EDA Board, after which the Incentive Committee either does or does not recommend an application for approval by the Board. Although an application may proceed to Board review without a recommendation by the Incentive Committee, more often, the applicant will withdraw its application if the Incentive Committee does not recommend approval.

If the Incentive Committee recommends that the EDA Board approve an application, the application is presented during an EDA Board meeting for approval. EDA Board meetings are conducted on a regular basis and are open to the public. Prior to the Board Meeting, EDA personnel provides the EDA Board with memoranda detailing the project applications that are subject to review and approval at the upcoming meeting. If the Board votes on an application and it is approved, the Governor has ten days to veto the approval. Board-approved projects are required to pay a non-refundable fee of 0.5% of the approved award amount, capped between \$50,000 to \$500,000, prior to final approval.

Depending on the complexity of the application, the full review process may last a number of months. EDA employees said that, in the early period of Grow NJ's administration, they often processed applications in one or two months, but now, although they can process more complete applications in as little as two months, it could take several months to a year to process others.

⁸³ The EDA requires Grow NJ applicants to submit "Cost Benefit Analysis" (or "CBA") forms with their applications. These forms compare the costs of the applicant's proposed New Jersey site and the applicant's alternative site. The purpose of the form is to demonstrate that the applicant's proposed New Jersey location is more expensive than the alternative location—and thus, tax incentives are required to offset the higher costs.

⁸⁴ As discussed in further detail herein, the EDA conducts a net benefit analysis ("NBA") to determine that every Grow NJ award is anticipated to "yield a net positive benefit to the State" of at least 110%, with the exception of Camden, where the requirement is 100%.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

2. Post-Approval Process: Closing Services, Monitoring, and Certification

After Board approval, the EDA executes an approval letter and the project moves to Closing Services, during which a conditions of approval officer monitors the project to ensure that any conditions imposed on the project have been met. The conditions of approval, outlined in the approval letter, may include, for example, site plan approval, site control, committed project financing, eligible minimum capital investments, and updated status reports. Once the conditions have been met, Closing Services prepares an Incentive Agreement in consultation with the New Jersey Attorney General's Office. Once the Incentive Agreement is executed, a closing date is set. After closing, the company may receive a tax award the following year, provided it can certify that the project has met all the conditions of the Incentive Agreement in the prior year.

Once the closing process is complete and an Incentive Agreement has been executed, the project is transferred to the Portfolio Management and Compliance⁸⁵ group for monitoring and annual certification. Projects have three years to certify that they have met all the conditions and requirements of the Program and Incentive Agreement, with the possibility of up to two six-month extensions of time. Once a project certifies to the EDA that it has met all conditions and requirements of the Program and Incentive Agreement, the EDA's Portfolio Management and Compliance group then certifies the same to the Department of Treasury. The Treasury Department then issues the tax-incentive award. Projects are required to certify their compliance on an annual basis to obtain their tax-incentive award, which is distributed evenly in increments of 1/10th of the total award, across a ten-year period.

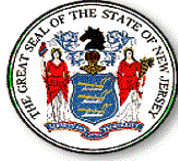
If the Portfolio Management and Compliance Group determines that a project is non-compliant with its Incentive Agreement or the Program requirements, the tax incentive award is subject to potential forfeiture, recapture, or recoupment.

B. EDA-Related Litigation

In the early stages of the Task Force's investigation, the Task Force discovered a whistleblower complaint, *Veyis Sucsuz v. New Jersey Economic Development Authority, John J. Rosenfeld, Michele Brown, Fred Cole, Anne Cardello, and John Does 1-10*,⁸⁶ filed on May 11, 2015 in New Jersey Superior Court, Mercer County, by a former EDA underwriter, Veyis "David" Sucsuz. Mr. Sucsuz was employed at the EDA for over ten years until his termination in September 2014. He began at the EDA as a legal assistant in lending services and later became an underwriter,

⁸⁵ The Portfolio Management and Compliance Group was reorganized and renamed in late 2018 and previously existed as the Finance & Development – Post-Closing Financial Services Group.

⁸⁶ No. MER-L-001083-15 (Super Ct., Mercer Cty. filed May 11, 2015).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

responsible for the review and processing of Grow NJ and ERG incentive award applications, among other incentive programs.

In his complaint, Mr. Sucsuz alleged employment discrimination claims in addition to claims that he witnessed misconduct in connection with Grow NJ and ERG incentive program approvals, and that he was fired when he resisted directives from senior management to alter or promote applications that should have otherwise been rejected. Among other claims of misconduct by both applicant companies and individuals within the EDA, Mr. Sucsuz alleged, both in his complaint and under oath in deposition testimony, that certain applicants to the Grow NJ Program provided fabricated or “phantom” out-of-state locations.⁸⁷ Mr. Sucsuz alleged that in some instances, applicants fabricated an alternate out-of-state location to conceal a pre-existing intention to locate or expand in New Jersey. Mr. Sucsuz alleged that such applicants were nevertheless approved for Grow NJ tax incentive grants. Mr. Sucsuz further alleged that he was directed by his supervisor to alter or manipulate cost inputs for the cost benefit analysis or net benefit test in order to qualify applicants that would not have otherwise qualified with the cost inputs provided. He alleged that when he refused to alter the cost inputs, his supervisor would do it himself.

The case ultimately went to jury trial, which began on April 30, 2018 and lasted eight days. The jury announced its verdict on May 10, 2018. While Mr. Sucsuz did not ultimately prevail on his retaliation claim, the jury unanimously found that Mr. Sucsuz had a reasonable belief that the EDA violated a law, rule or regulation in the processing of application for loans, grants and tax incentives, and had proven by a preponderance of the evidence that he performed a “whistleblowing” activity as defined by the New Jersey Conscientious Employee Protection Act (“CEPA”).

Despite testimony at the May 2, 2019 hearing by a Senior Vice President of Operations for the EDA that Mr. Sucsuz’s allegations “identif[ied] potential fraud or misrepresentation in the application[s] submitted to the EDA for tax incentive programs” and also “focused on the EDA’s review and approval of tax incentive awards,”⁸⁸ the EDA took no action to investigate any of Mr. Sucsuz’s whistleblower allegations. While the Task Force has taken no position on the accuracy

⁸⁷ As discussed in Section V(C)(2)(b) of this First Report, for incentivized projects in most parts of New Jersey, it is indisputable that, for a company to receive Grow NJ tax incentives for existing jobs in New Jersey, those jobs must be at risk of leaving the state or being eliminated. Thus, where jobs are not at risk of elimination, applicants must demonstrate an alternate out-of-state location. In any event, any proposed alternate out-of-state locations must be legitimate and comparable.

⁸⁸ Hr’g Tr. (May 2, 2019) at 58:18-59:2.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

or truthfulness of Mr. Sucsuz's allegations, the Task Force has taken steps to investigate Mr. Sucsuz's various claims, which will be detailed in a later report.⁸⁹

We also found that the EDA lacks the proper internal controls with respect to the processing and review of internal whistleblower complaints. During the second day of the Task Force's public hearing, we heard testimony from a Senior Vice President of Operations at the EDA, Fred Cole, who admitted to a failure within the EDA to investigate a former EDA underwriter's whistleblower complaints regarding various failures within the EDA with respect to tax incentive applications. At the May 2, 2019 public hearing, Mr. Cole acknowledged that the whistleblower allegations implicated conduct related to the EDA's tax-incentive programs, specifically that the allegations "identif[ied] potential fraud or misrepresentation in the application submitted to the EDA for tax incentive awards" and "also focused on the EDA's review and approval of tax incentive awards."⁹⁰ Yet, Mr. Cole testified that neither he nor anyone else at the EDA conducted an internal investigation into the allegations of fraud and misconduct. The Task Force takes no position on the accuracy or truthfulness of the whistleblower allegations. However, the EDA's processes failed when it took no steps to investigate the whistleblower claims which, as Mr. Cole admitted, could have had merit and, if true, could have carried significant financial ramifications.

In addition to the EDA's failure to conduct an internal investigation into the former EDA employee's whistleblower allegations, the EDA further failed to disclose this litigation to the Office of the Comptroller during its 2018 audit despite an affirmative obligation to disclose pending claims and litigation against the EDA. Indeed, the EDA's failure to disclose occurred despite the fact that members of its senior leadership team were deposed shortly before and during the beginning stages of the Comptroller's audit in late 2017 and early 2018 and despite the fact that the trial took place in April 2018 while the Comptroller's audit was ongoing. In fact, at the conclusion of the Comptroller's audit on January 3, 2019, Mr. Cole signed a management representation letter to the Comptroller's office, representing that, for the ten years prior and through the close of the Comptroller's audit, the EDA was not aware of any allegations of fraud or suspected fraud affecting

⁸⁹ During its investigation, the Task Force made several attempts to contact Mr. Sucsuz for testimony but was ultimately unsuccessful. The Task Force first attempted to obtain Mr. Sucsuz's voluntary testimony by contacting him through his former counsel; however, when Mr. Sucsuz failed to return the Task Force's requests to meet, the Task Force requested the issuance of a subpoena from Professor Chen. After several attempts to serve Mr. Sucsuz, the Task Force ultimately effectuated proper service of two subpoenas for both deposition and public hearing testimony on Mr. Sucsuz. He nevertheless failed to appear at both the date set for his deposition and the May 2, 2019 public hearing of the Task Force.

⁹⁰ Hr'g Tr. (May 2, 2019) at 58:18-59:2.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

the EDA received in communications from employees or former employees and had disclosed all details concerning any pending claims, assessments and litigation against the EDA of which the EDA was aware and which would have a significant impact on financial operations.⁹¹ EDA representatives are unable to offer an explanation for their failure to disclose the whistleblower litigation and a basis for its false representations to the Comptroller that it had, in fact, disclosed all relevant and pending claims and litigation.

C. Initial Findings

1. Lack of Written Policies and/or Procedures

The Task Force sought to review all of the EDA's written policies and procedures relating to the Programs. In seeking that information, the Task Force discovered that in the immediate years following the passage of EOA 2013, from approximately 2013 through 2017, the EDA had virtually no written policies or procedures regarding its process for reviewing and approving applications.⁹² Although some practices and procedures have recently been memorialized in written memoranda to senior leadership and the Board, the EDA continues to lack a sufficient set of formal written policies and procedures to disseminate to personnel and ensure a consistent application review and approval processes.

Furthermore, to the extent policies have been memorialized by the EDA, we do not believe, based on the inconsistency of responses received from EDA employees when asked about such documents, that those policy documents have been consistently and comprehensively distributed amongst EDA personnel. For example, several BDOs were unaware of existing BDO checklists or flowcharts when shown during interviews. Indeed, most of the current EDA employees interviewed did not recall reviewing or receiving a training manual, memorandum, or set of written policies relating to the EDA tax incentive program approval process.

The EDA also lacks sufficient written policies detailing the roles and responsibilities of specific positions within the EDA. The Task Force received a "Grow NJ Processing Steps" chart, which was finalized in April 2015, identifying the EDA employee responsible for each step in the Grow NJ application process. However, several of the EDA employees that the Task Force interviewed had never seen this document. Moreover, the chart does not provide detail or guidance

⁹¹ Exhibit 10.

⁹² The EDA does have a few written policies, including on the net benefit test and the factors (including the possibility an out-of-state location) affecting that test.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

on how to execute each step outlined and therefore does not provide guidance as to the roles and responsibilities for personnel.

The Task Force observed that BDOs and underwriters rely primarily on basic “checklists” implemented in 2014, which set forth the documentation required for a complete application. These checklists, however, do not provide guidance on how EDA personnel are expected to review or analyze required documentation, which would be more helpful to guide the process. Rather, they require only that the BDOs and underwriters confirm that the Program applicant submitted required documentation before the application was transmitted to the Underwriting group. As indicated, they do not offer guidance on what is considered adequate documentation. It appears, moreover, that at least some EDA employees believed the documents listed on the checklists were not all required to proceed with an application: a senior underwriter responsible for ERG applications described the ERG checklist, which identified “Items required prior to submission to underwriting” as including both required items and items that would be “nice to have.” That same underwriter told us that, for example, the Chief Executive Officer (“CEO”) Certification is a “nice to have” item from this checklist, despite the clear regulatory requirement for a CEO Certification under the ERG Act.⁹³

2. Failure to Comprehensively Train EDA Staff

The effect of the EDA’s lack of written policies and procedures was exacerbated by its failure to comprehensively train its staff while onboarding and during promotions and role transfers, or on an ongoing basis. The EDA did not comprehensively train its staff regarding: (1) the requirements and responsibilities of roles within the EDA; (2) the Programs’ requirements; (3) amendments to the Programs’ requirements; and (4) the EDA’s implementation of the Programs’ requirements. Indeed, each of the employees the Task Force interviewed confirmed that he or she did not receive any formal training when onboarded to the EDA; they also did not receive any formal training following a promotion or transfer to a new role. Rather, training was “on the job” and involved shadowing senior management and/or colleagues. In some cases, employees stated that they were provided with the relevant statutes and instructed to “familiarize themselves” with the provisions.

EDA employees also did not receive comprehensive training regarding the statutory requirements of the Programs and the Programs’ subsequent amendments. Some senior EDA employees recalled that, after the EOA 2013 was passed, employees attended a training seminar or

⁹³ The regulations governing ERG expressly require, as part of the Program’s application submission requirements, a “written certification by the chief executive officer, or equivalent officer for North American operations.” N.J. Admin. Code § 19:31-4.4.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

seminars with the New Jersey Attorney General's Office that provided an overview of the Programs and guidelines. However, all the interviewees indicated that the EDA did not provide subsequent trainings when new statutory amendments were passed. Although some EDA personnel recalled that senior leadership briefed EDA personnel regarding statutory and regulatory amendments and changes to the EDA's tax-incentive Programs during Pipeline Meetings, others indicated that although they might have received a copy of a regulatory amendment and had an opportunity to ask questions, they did not recall receiving formal notice or follow-up training when regulatory changes took place. Indeed, two senior underwriters stated that, when statutory or regulatory requirements were amended, underwriters simply reviewed the amended language and learned how to enforce the new amendments "on the job."

Furthermore, EDA personnel were not adequately trained to review and analyze information and documentary evidence applicants were required to submit. For example, employees did not receive training on how to review and identify problems with lease agreements, letters of intent, or requests for proposals that are consistently submitted with project applications to support proposed project locations. EDA employees generally seemed completely unaware of the kinds of documents a business would generate if it were seriously considering a move of its facilities to another state, and some appeared to be reluctant to "ask too many questions."⁹⁴ We discuss some examples of the impact of those failures in Section V(C)(4) of this First Report below.

Finally, given the critical importance of screening applications for potential misconduct, some training in fraud detection is critical for program underwriters. Not only did the Task Force determine that the EDA provided no such training at any time, up to the present, many EDA employees we interviewed expressed the view that their vetting required them to take information at "face value."

⁹⁴ At the Task Force's May 2, 2019 public hearing, John Boyd, a principal at a corporate site selection firm in New Jersey, testified that for a relocation of several hundred office employees, companies typically conduct a serious analysis to select the ideal location. The process often includes meetings with employees from multiple departments (including accounting, legal, human resources, and communications), memoranda and reports, and multiple site visits. Mr. Boyd testified at the Task Force's hearing that he "agree[d]" that, to determine whether a company was sincere in its considerations of a potential relocation site, there should be "a lot of documentation of [the company's] deliberations" that "the company should be able to produce." See Hr'g Tr. (May 2, 2019) at 101:9-107:17.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

a) Inconsistent Understanding of Roles and Responsibilities

The EDA's failure to comprehensively train its staff has resulted in an inconsistent understanding of the roles and responsibilities of specific positions within the EDA. The Task Force observed that among the BDOs we interviewed, there was a broad range in the understanding of their responsibilities. All BDOs interviewed understood their role as business developers and advocates for the applicants or "clients." However, several BDOs expressed the belief that their review of applications did not require independent verification of information and required only "perusing the application" for "red flags" or "glaring errors" that would potentially disqualify an applicant. Their supervisors, on the other hand, expected their officers to also conduct preliminary due diligence on the submitted documentation and conduct independent diligence in the form of internet-based searches on the applicant, including the business, its senior leadership, and the applicant's exposure to legal risks. Unfortunately, because of a complete lack of policies concerning how to conduct internet and other public searches for such information and what to look for, the quality of such diligence varied from BDO to BDO, and application to application. Indeed, as noted above, we found important information through simple internet-based searches which BDOs missed completely, including potentially disqualifying information.⁹⁵ BDO supervisors expected BDOs to review application materials and address as many potential issues or questions in order to present a complete application to Underwriting. Although some BDOs believed their role was to both assist and scrutinize the applicant, all the BDOs understood that it was primarily the underwriter's responsibility to conduct due diligence, investigate, and verify information provided by the applicant.

Nearly all of the underwriters interviewed understood their responsibility to conduct due diligence and investigate and verify information applicants provided; however, at least one senior underwriter understood the role to be that of a "processor" who "checks off the boxes." The same underwriter believed that the underwriters needed to review applications to ensure the required documentation and materials had been submitted but did not need to assess whether applicants' representations were truthful. This approach is inconsistent with the underwriters' gatekeeping role: the underwriters are the primary means to ensuring that applications comply with the Programs' requirements.

⁹⁵ However, the Task Force did observe other instances where BDOs did perform sufficient due diligence and identified one company's failure to disclose on its application potentially relevant lawsuits. The EDA eventually resolved the initial non-disclosure with the company.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

b) Inconsistent Understanding of the Program Requirements Concerning Camden and Atlantic City

The EDA personnel interviewed thus far have, in some important areas, exhibited inconsistent, incomplete, or inaccurate understandings of certain Program requirements, specifically with respect to (a) the circumstances in which Grow NJ applicants are required to demonstrate a risk that their jobs may be relocated outside of New Jersey and (b) the effect such a relocation risk may have on the terms of any tax incentives award.

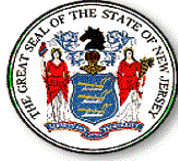
As discussed in Section IV(A)(1)(e) of this First Report, the Grow NJ Act expressly states that a “purpose of the [Grow NJ] program is . . . to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.”⁹⁶ In most cases, Grow NJ applicants are indisputably required to demonstrate to the EDA, in order to qualify for tax incentives, that they are considering an out-of-state relocation. However, because of an ambiguity in the statute’s text, it is arguable that tax incentives may be available (although only in a reduced amount, for reasons discussed below) for relocating existing New Jersey jobs to Camden or Atlantic City, even when no potential out-of-state relocation is contemplated.⁹⁷ The EDA has on one occasion approved tax incentives for a company that relocated from within New Jersey to Atlantic City even though that company was not contemplating a possible out-of-state relocation—thus, the company was approved for tax incentives even though its jobs were not “in danger of being relocated outside of the State.”

Whether or not an out-of-state relocation is strictly required under the statute for projects in Camden or Atlantic City to receive tax incentives, it is indisputable, based on a separate provision of statute, that whether or not such an out-of-state relocation is contemplated is a critical factor bearing on, at a minimum, the potential size of any award. As discussed previously, the Grow NJ Act requires that every tax incentive award be anticipated to “yield a net positive benefit to the State.”⁹⁸ In this context, the “benefit to the State” means tax revenues collectible by the State as a result of the fruition of the project for which the tax incentives were awarded—tax revenue, that is, that the State would not collect in the absence of the tax incentives. Under the statute, no tax incentive award under the Grow NJ program may be larger than the anticipated benefit to the State. If the anticipated benefit is smaller than the award that for which the applicant would otherwise be

⁹⁶ N.J. Stat. § 34:1B-244(a).

⁹⁷ As discussed previously, EOA 2013 introduced this provision with respect to Camden, and the statute was amended again in 2014 to have the provision apply to Atlantic City as well.

⁹⁸ N.J. Stat. § 34:1B-244(a)(3).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

eligible, then the award must be reduced. For example, if an applicant would otherwise be eligible for a \$50 million award for a project in Camden, but the EDA anticipates that the project will yield only \$10 million in resultant tax revenue to the State, then the applicant's award must be reduced to \$10 million only rather than \$50 million.

A company's certification that jobs are at risk of leaving the State—and thus that it is considering an out-of-state alternative—may have a critical and material effect on the net benefit test, particularly with respect to income taxes that accrue from employment. The net benefit test required by the Grow NJ Act is a statewide test that assesses benefits to the State as a whole—rather than to a particular locality within the State. When an applicant's jobs are already in New Jersey, any income taxes related to those jobs are factored into the net benefits calculation only if the jobs are at risk of being relocated out of state. There, the provision of tax incentives, which keeps the jobs in the State, provides a clear benefit to New Jersey. By contrast, if an applicant is not considering moving out of state, and a job will exist somewhere in New Jersey in any event, there can be no benefit to the State as a whole. Thus, the EDA's implementing regulations for Grow NJ provide that, for projects in Camden and Atlantic City, "[r]etained employees . . . shall not be included [in the net benefits calculation] unless the business demonstrates that the award of tax credits will be a material factor to retain the employees in the State"⁹⁹ This rule is also set forth in several EDA policy documents.

Some EDA employees demonstrated a limited understanding of these issues. At least two EDA employees believed that, as administered by the EDA, projects moving to Camden did have to show jobs were at risk of leaving the State.¹⁰⁰ Some were unclear about whether the possibility of an out-of-state relocation is strictly required as a matter of threshold eligibility (rather than a factor in award size) for projects in Camden or Atlantic City, and did not know whether the EDA had ever processed applications concerning projects in Camden or Atlantic City for which no potential out-of-state relocation was contemplated. Although the existence of a potential out-of-state relocation clearly has an effect on the net benefit test and, therefore, on the size of any potential

⁹⁹ N.J. Admin. Code § 19:31-18.7(c).

¹⁰⁰ See Hr'g Tr. (May 2, 2019) at 135:9-20 (testimony of David Lawyer, the EDA's managing director of underwriting since May 2017: "Q. And for companies that were, at the time of their application, they were already in New Jersey, does every Grow applicant need to show that the jobs were at risk, as the program was administered, does every applicant have to show that the jobs were at risk of moving out of the state? A. That is my understanding. Q. And that is true even where an application proposes to move jobs intrastate from a city outside of Camden to Camden? A. That is my understanding, yes.").



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

award, at least one EDA employee misapprehended this rule. Given that the risk of jobs leaving the State is a core element of the Grow NJ program, it is important for all EDA employees responsible for processing Grow NJ programs to fully understand the pertinent issues, and EDA employees should have a firmer understanding of them.

3. Due Diligence Failures

The Task Force has found that the EDA's due diligence practices in connection with review of applications have generally been insufficient. Program applicants are required to make a number of representations in connection with their applications, both about the applicant itself and about the circumstances under which they are seeking tax incentives. Because these representations are critical to determining whether the applicant is eligible for the tax incentives requested, it is important to conduct sufficient due diligence to detect fraud, misrepresentations, or error.

Many EDA employees we interviewed did not believe independent verification of an application's accuracy or truthfulness was warranted because the EDA required an applicant's CEO to certify under penalty of perjury that the representations contained in the application were accurate and that the CEO had taken steps to ensure that the application materials were complete. However, if the answers provided by an applicant are taken at face value, without any effort to cross-corroborate or verify through public sources, applicants could easily present and certify false, misleading, or inaccurate information to the EDA without consequence.

Some EDA employees stated that they conducted internet searches regarding applicants and their senior personnel to identify potential red flags and issues, but it appears that those searches, when conducted at all, were insufficiently broad and failed to identify key information that should have raised red flags or at least warranted follow-up questions to applicants. For example, the Grow NJ application requires applicants to state whether the applicant has ever been debarred by any state or federal governmental department, agency, or instrumentality. Under the EDA's regulations, such a debarment could constitute grounds for the EDA to deny an application for tax incentives.¹⁰¹ One company, Holtec International, represented in its application—certified by its CEO—that it had no prior history of debarment.¹⁰² In fact, however, Holtec had previously been debarred by the Tennessee Valley Authority, a congressionally chartered corporation of the United States. The EDA then approved Holtec for a \$260 million award under Grow NJ. Had the EDA conducted cursory internet research, it could have found that Holtec's answer was inaccurate. Yet EDA

¹⁰¹ N.J. Admin. Code § 19:30-2.2(a)(1)(10).

¹⁰² See Exhibits 11 and 12.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

personnel failed to independently uncover Holtec's misrepresentation when it approved Holtec's award, one of the largest tax incentive awards in New Jersey history.¹⁰³

Although Holtec's undisclosed debarment was potentially disqualifying, other examples abound where readily available information—if the EDA had found it—would have at least merited follow-up questions to program applicants. However, even more concerning were examples found where EDA personnel did, in fact, conduct internet searches that yielded red flags, including relevant lawsuits involving the company, but EDA failed to investigate and conduct further due diligence that could have uncovered material misrepresentations. For example, NFI, L.P. ("NFI"), submitted its Grow NJ application on October 24, 2016. It asserted that in exchange for Grow NJ tax incentives, it would continue to employ 670 employees in New Jersey rather than move the jobs to Philadelphia. NFI submitted a chart of affiliates identifying the related companies, which included NFI Industries, Inc., National Freight, Inc., and NFI Interactive Logistics, LLC. As part of its application, NFI was required to answer a series of background questions related to legal matters. The application asked whether the "applicant, any officers or directors of Applicant, or any Affiliates (collectively, the 'Controlled Group') [had] been found guilty, liable or responsible in any Legal Proceeding for any of the following violations or conduct." NFI answered "No" for each listed question, which included offenses indicating a lack of business integrity or honesty, such as fraud, and violations of the governing hours or labor, minimum wage standards, and prevailing wage standards laws. While the EDA may have a timeframe that it considers relevant for legal proceedings, the actual application does not indicate that a company should limit disclosures to a period of five or ten years. Therefore, each company is presumed to have disclosed all legal proceedings relevant to the disclosure questions regardless of whether EDA would find it impactful on a company's eligibility.

The Task Force has reviewed the application and full company file of NFI and found that the EDA was aware of at least three lawsuits related to NFI.¹⁰⁴ In its Grow NJ transmittal form,

¹⁰³ Last month, Holtec acknowledged that it did not disclose its prior debarment in its application and sought to amend its application. The EDA has since suspended Holtec's tax-incentive award, pending further investigation.

¹⁰⁴ First, an Equal Employment Opportunity Commission action in which NFI paid \$45,000 to settle gender-discrimination allegations about unequal pay; second, a Department of Labor action in which NFI was ordered to pay 350 workers over \$1 million in back wages for misclassifying them as exempt from overtime; and third, a Department of Labor action in which NFI was ordered to reinstate a trucker and pay him \$276,870 after he alleged he was fired for refusing to make a trip that would have violated federal "hours of service" restrictions.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

which is an internal request for application review, an EDA BDO, listed four articles highlighting these three lawsuits under the section “Google Search of Applicants/Owners.” Our review of correspondence indicates that on October 24, 2016, the EDA BDO sent an email to Mr. Sheehan of Parker McCay, who represented NFI, asking for an explanation and status of the three cases she found based on her internet search. On October 31, 2016, Mr. Sheehan responded with a brief explanation and stated that NFI disputed each claim but settled “to avoid protracted and costly litigation.” The EDA BDO referred the issue and lawsuits to an EDA Senior Legislative Officer. In her correspondence, the EDA BDO highlighted for the EDA Legislative Officer that NFI answered “No” for the legal questions on their application. Based on a review of the correspondence, it appears that the EDA Legislative Officer directed the EDA BDO to request the settlement agreements from Mr. Sheehan and had further communications with Mr. Sheehan regarding details and his initial concerns regarding lawsuits involving NFI.

While the Task Force appreciates that the EDA BDO conducted initial diligence, it believes that further diligence would have unveiled a criminal conviction and guilty plea by affiliate Interactive Logistics, Inc. d/b/a NFI Interactive Logistics, Inc. and at least two additional legal proceedings.¹⁰⁵ The Task Force reviewed publicly available documents indicating that in November 2005, an NFI-related entity, Interactive Logistics, Inc. d/b/a NFI Interactive Logistics, Inc., pled guilty to three counts of wire fraud for defrauding Anheuser-Busch.¹⁰⁶ In addition, the Task Force reviewed publicly available documents related to lawsuits alleging violations of wage and hours laws. The Task Force finds this concerning on numerous grounds. It further highlights potential misrepresentations by NFI, and Sidney Brown, NFI’s CEO who certified on its behalf, that all information contained within the company’s Grow NJ application was true. Second, it is concerning that—after the EDA questioned Mr. Sheehan and NFI about the discovered lawsuits—neither he nor Brown was forthcoming about the criminal conviction or additional lawsuits, especially those of a nature required to be disclosed on the EDA application. Finally, from an EDA perspective, the Task Force believes that in-depth due diligence would have found the publicly available lawsuits. While the EDA Legislative Officer identified the need to review the settlement agreements in the lawsuits that were found, neither he nor the EDA BDO seemed appropriately concerned that at the crux of the matter, NFI’s application contained potential misrepresentations

¹⁰⁵ *Interactive Logistics, Inc. v. Markel Insurance Co.*, No. 08-CV-1834 (D.N.J.); *Brime v. Eckenrode and Interactive Logistics, LLC*, No. 08-CV-0095 (E.D.V.A.) (previously captioned *Brime v. Eckenrode and Interactive Logistics, Inc. t/a National Freight, Inc.*).

¹⁰⁶ *United States v. Interactive Logistics, Inc.*, No. 05-CR-00872 (D.N.J.); see Exhibit 13.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

and a potentially fraudulent CEO certification. Even more, despite learning this, the EDA approved NFI's application for an approximately \$80 million award.

4. Deficiencies in Assessing Applicants' Alternative Relocation Sites

The Task Force has investigated applicants' consideration of locations outside of New Jersey. Because a core goal of the Grow NJ program is "to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State,"¹⁰⁷ Grow NJ applicants are required to provide information about the locations in New Jersey and other states to which they are considering relocating.¹⁰⁸ The Task Force's investigation to date has found clear deficiencies in the EDA's evaluation of applicant submissions about these alternative sites. In some instances, Grow NJ applicants have made representations about a potential out-of-state alternative site that should have raised serious red flags about whether the applicant genuinely intended to move out of state, but the EDA failed to take any action to investigate the issue.

The Task Force has examined the EDA's processing of several applications of Program awardees thus far, and that investigation is ongoing. The Task Force selected certain applications to prioritize for investigation if it received information about red flags in connection with a particular application or applicant—for example, if a whistleblower indicated that there were potential concerns with a company's application or compliance with Program requirements. In some instances, however, the Task Force did not initially intend to include certain companies in its priority review, but information arising during the Task Force's investigation alerted it to potential issues that should be further examined.

As noted previously, the draft versions of the EOA 2013 that included revisions from Parker McCay were, from the Task Force's perspective, a very significant red flag. The Task Force remains skeptical that a company whose lobbyist had placed special provisions for its benefit in the tax-incentive legislation would have a legitimate business plan to move jobs to a different state. Indeed, three of these companies—Conner Strong & Buckelew Companies, LLC ("CSB"), The Michaels Organization, LLC ("TMO"), and NFI—had publicly committed to moving to Camden on September 24, 2015—thirteen months prior to their Grow NJ applications, which would seem

¹⁰⁷ N.J. Stat. § 34:1B-244(a).

¹⁰⁸ N.J. Stat. § 34:1B-244(d) ("When considering an application involving intra-State job transfers, the authority shall require the business to submit the following information as part of its application: a full economic analysis of all locations under consideration by the business; all lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations; and all lease agreements, ownership documents, or substantially similar documentation for the potential out-of-State location alternatives, to the extent they exist.").



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

to directly belie their claim that they were considering an out-of-state move. Yet, although the Parker McCay-edited version of the EOA 2013 had, we have determined, been shared with the EDA's then President and Chief Operating Officer, Tim Lizura, we saw no evidence that Mr. Lizura considered these applications with any skepticism or alerted the BDOs and underwriters reviewing the applications to apply any heightened scrutiny themselves. We thus worried that the process may have been compromised.¹⁰⁹ We therefore made our review of the EDA's oversight of some of these applications a key priority.

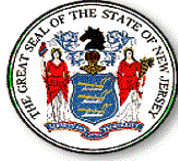
To compound our concerns, on March 11, 2019, the Executive Chairman of CSB and member of the Board of Trustees of The Cooper Health System ("Cooper Health"), George Norcross, III, published an Op-Ed on *NJ.com*. In the Op-Ed, Mr. Norcross stated, among other things, that the Programs' tax credits were intended to "convince firms to move to Camden," but "were **not intended** to entice firms that were leaving the state to remain." (Emphasis added).¹¹⁰ Mr. Norcross's contention caught the Task Force's attention because, in point of fact, every application for an in-state company that proposed a move to Camden did, in fact, certify that jobs were "at risk" of leaving the State (except one that had planned to eliminate jobs if denied tax incentives), including applications from entities with affiliations to Mr. Norcross, including CSB and Cooper Health.¹¹¹ We also learned that TMO and NFI were affiliated with Mr. Norcross in that their applications were related to CSB's application. The Op-Ed thus raised a concern about whether any of these companies had not, in fact, been considering moving out of the State at the time they applied for tax incentives under Grow NJ. The Task Force decided to review the applications for those companies and—even on a cursory review—additional concerns arose, and the Task Force determined that an examination of the EDA's oversight of these applications was appropriate.

Thus, we reviewed the applications of Cooper Health, CSB, TMO, and NFI, to examine whether the EDA gave any meaningful scrutiny to their certifications that jobs were at risk of leaving New Jersey and whether they had viable out-of-state locations that were bona fide, suitable,

¹⁰⁹ To date, we have found no direct evidence that Mr. Lizura's actions and inactions were motivated by any corrupt intent.

¹¹⁰ George E. Norcross, III, *George Norcross: We need tax incentives to continue to rebuild Camden*, NJ.COM, March 11, 2019, <http://s.nj.com/okKoUPg>.

¹¹¹ Although Cooper Health's application indicated that jobs were not at risk of leaving the State, it subsequently informed the EDA during the course of EDA's processing of its application that—in fact—it was considering an out-of-state move to Philadelphia. These circumstances are described more fully below. The EDA did not require Cooper Health to submit a revised application, nor did it require a new certification from Cooper Health's CEO.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

and available.¹¹² After conducting this review, we found that the EDA's scrutiny of these four entities' applications was inadequate in several material respects and that, as a result, the EDA failed to discover significant problems with those applications. We describe below EDA's deficiencies in assessing these four applications.

a) The Cooper Health System

On November 7, 2014, Cooper Health applied to the EDA for tax incentives under the Grow NJ program. Just over a month later, the EDA approved Cooper Health for a tax-incentive award of \$39,990,000, in exchange for Cooper Health's relocation of certain back-office operations from various existing sites in Cherry Hill and Mt. Laurel, New Jersey to Camden, New Jersey. During the EDA's processing of Cooper Health's Grow NJ application, Cooper Health represented to the EDA that it was considering relocating its operations to Philadelphia, Pennsylvania as an alternative to Camden. Based on this representation, an internal EDA memorandum recommended awarding the tax incentives to Cooper Health to "make New Jersey more competitive." However, there is significant evidence, described below, that Cooper Health's purported alternative location in Philadelphia was illusory, and the EDA failed to sufficiently investigate that possibility based on the information in its possession.

Cooper Health's tax credits were for its relocation of certain administrative functions to One Federal Street, Camden, New Jersey, in a building often referred to as the "L-3 Building." Internal Cooper Health documents indicate that Cooper Health favored the L-3 Building in Camden as a relocation site as early as March 2014, months before its November 2014 application for tax incentives: on March 28, 2014, Douglas Shirley, Cooper Health's CFO, sent an email to John Sheridan, Cooper Health's President and CEO: "I have the proposal . . . and it is very rich! From a cash flow and balance sheet [sic] the L-3 is the best deal by a long shot. No other option can touch it, so you need to be okay with this option before we go out with it."¹¹³ In addition, an internal Cooper Health document dated April 1, 2014, entitled "Potential Cooper Office Options," contains a chart of three possibilities for Cooper Health's office, including the L-3 Building in Camden and two other potential locations—both also in Camden.¹¹⁴ The chart does not list any potential Philadelphia location. The EDA did not request contemporary business records from Cooper Health concerning relocations it was considering, so it did not have the benefit of these documents.

¹¹² The Task Force has examined several other applications for these same purposes but has not found other instances—at this stage—where serious concerns were apparent.

¹¹³ Exhibit 14.

¹¹⁴ Exhibit 15.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

When Cooper Health initially applied to the EDA for tax incentives on November 7, 2014, it did not claim that it was considering relocating out of state. The application asked: “Are any jobs listed in the application at risk of being located outside of New Jersey?” Cooper Health answered “No.”¹¹⁵

On November 8, 2014, the day after Cooper Health’s application was filed, Cooper Health’s representative, Kevin Sheehan of the Parker McCay law and lobbying firm, sent an email to an EDA employee that processes Grow NJ applications, copying EDA’s Tim Lizura, to “give . . . a heads up that Cooper Hospital filed its GrowNJ application.” Mr. Sheehan added, “As you review the application, if you need anything, let me know.”¹¹⁶

A few days later, on November 10, 2014, the EDA employee responded to Mr. Sheehan with a list of several items the EDA needed, including a completed “Cost Benefit Analysis” (or “CBA”) form.¹¹⁷ The EDA’s CBA forms are used by Grow NJ applicants to list certain information about the potential relocation sites the applicant is considering, and to show the difference in costs between, on the one hand, the more expensive New Jersey location for which the applicant is seeking tax incentives, and, on the other hand, the less expensive alternative location that the applicant will ostensibly relocate to if denied tax incentives in New Jersey. Responding to the EDA employee’s request for a CBA form, Cooper Health’s Vice President of Real Estate and Facilities, Andrew Bush, copying Kevin Sheehan, submitted to EDA on November 11, 2014, a CBA form that compared the costs of the L-3 Building in Camden, for which Cooper Health sought tax incentives, to the costs of Cooper Health’s existing facilities in Cherry Hill and Mt. Laurel, New Jersey—not to the costs of any out-of-state alternative site.¹¹⁸ In other words, the CBA form was consistent with Cooper Health’s representation on its application that no jobs were at risk of being relocated outside of New Jersey, since the CBA listed only in-state locations as under consideration.

Two days later, on November 13, 2014, the EDA employee sent an email to Parker McCay’s Mr. Sheehan: “I need to talk to you about Cooper, what time do you have today or tomorrow to talk?”¹¹⁹ Mr. Sheehan responded later that day: “I have [sic] here for the rest of the day today. Let me know what time works for you.”¹²⁰ Later that night, Mr. Sheehan wrote to the EDA employee

¹¹⁵ Exhibit 16.

¹¹⁶ Exhibit 17.

¹¹⁷ Exhibit 17.

¹¹⁸ Exhibit 17.

¹¹⁹ Exhibit 18.

¹²⁰ Exhibit 18.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

again, under the subject line "Cost benefit." Mr. Sheehan wrote: "They are working on it. Will get to you ASAP."¹²¹

Several days later, on November 18, 2014, Mr. Sheehan sent an email to the EDA employee with an updated CBA form for the Cooper Health application.¹²² That revised form compared the costs of the L-3 Building in Camden not, as previously, to the costs of Cooper Health's existing locations in New Jersey, but instead to the costs of a claimed alternative location at 1900 Market Street in Philadelphia.¹²³ The CBA form stated that the purported 1900 Market Street location was 120,000 sq. ft. and cost \$23.50 per sq. ft. to rent.¹²⁴ In other words, the revised CBA form effectively communicated to the EDA that Cooper Health was considering potential relocation sites in Camden or in Philadelphia. The Task Force interviewed the EDA employee who had these communications with Cooper Health and its representative, Mr. Sheehan. The EDA employee said that he did not recall the phone call with Mr. Sheehan, but he insisted that he would not have suggested to Cooper Health that it should claim to be considering an out-of-state relocation when it was not sincerely considering one. The EDA employee stated that he believed Cooper Health was in fact considering an out-of-state relocation.

Once all necessary documents for Cooper Health's Grow NJ application were submitted, the application was transferred to an EDA underwriter. On November 24, 2014, the EDA underwriter assigned to the application sent an email to Mr. Bush seeking "back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements."¹²⁵ The underwriter, in other words, asked Cooper Health to provide documentation of the Camden and Philadelphia locations that purportedly were under consideration for relocation.

Several days later, on December 1, 2014, Cooper Health's Mr. Bush wrote to the EDA underwriter: "Sorry for the delay in the response. . . . I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week."¹²⁶ The underwriter responded: "Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis – it's all verbal at this point?"¹²⁷ Mr. Bush replied: "All quoted numbers are verbal

¹²¹ Exhibit 19.

¹²² Exhibit 20.

¹²³ Exhibit 20.

¹²⁴ Exhibit 20.

¹²⁵ Exhibit 21.

¹²⁶ Exhibit 21.

¹²⁷ Exhibit 22.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.”¹²⁸

On December 5, 2014, Mr. Bush sent the EDA underwriter, copying the EDA employee who had previously communicated with Cooper Health, and Parker McCay’s Mr. Sheehan, a lease proposal from a real estate broker, dated that same day, for space in Centre Square in Philadelphia.¹²⁹ The proposal was for 113,756 sq. ft. in the building at 1500 Market Street, in Philadelphia’s Centre Square, offered for either \$22 or \$24.75 per rentable sq. ft. depending on the terms of the lease. Mr. Bush explained in his cover email that the lease proposal was from a prospective Philadelphia landlord, and noted that “[t]he terms are slightly more aggressive than those presented in the cost benefit analysis meaning that there is more of a burden to Cooper to remain in NJ.” (Emphasis added).¹³⁰ The Task Force interviewed the EDA employees who received this email from Mr. Bush. Both EDA employees told the Task Force that, based on Mr. Bush’s representation that there was a “burden to Cooper to remain in NJ” because of the purported cost savings from relocating to Philadelphia, Cooper Health was sincerely considering relocating there.¹³¹

¹²⁸ Exhibit 22. The Task Force has interviewed both the BDO and the underwriter responsible for the Cooper Health application. Both have indicated, credibly in our view, that they believed Cooper Health’s representations that it was considering an out-of-state location as an alternative to Camden. Although Cooper Health has now publicly asserted that “the EDA, not Cooper, initiated requests for comparable leases of Philadelphia properties,” both have denied this assertion. See Thomas W. Rubino, *Cooper Health official says the company’s tax incentive award is appropriate, justified and legitimate*, NJ.COM, June 12, 2019, <https://www.nj.com/opinion/2019/06/cooper-health-official-says-the-companys-tax-incentive-award-is-appropriate-justified-and-legitimate.html>.

¹²⁹ Exhibit 23.

¹³⁰ Exhibit 23.

¹³¹ Cooper Health’s CEO certification, signed by the health system’s CEO, Adrienne Kirby, was dated November 11, 2014—that is, prior to Cooper Health’s November 18, 2014 submission of the CBA form with a purported Philadelphia alternative location at 1900 Market Street, and also prior to Cooper Health’s December 5, 2014 submission of the lease proposal for 1500 Market Street in Philadelphia. Cooper Health did not submit a new CEO certification to EDA after it changed its application in this respect. Because Cooper Health has declined to cooperate with the Task Force’s investigation, the Task Force has been unable to determine what Ms. Kirby did or did not know or believe concerning Cooper Health’s relocation deliberations at the time she executed the certification.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

The EDA underwriter prepared a Confidential Memorandum of Analysis, dated December 9, 2014.¹³² The memorandum stated that Cooper Health had demonstrated that “rental costs in Camden are higher than leasing comparable space in Philadelphia, PA As a result, [Cooper Health] has applied for Grow NJ tax credits to offset these costs and make New Jersey more competitive.”¹³³ In the “Conclusions” section of the memorandum, the underwriter stated that Cooper Health’s jobs were “at risk of being located outside of New Jersey” and that the grant of tax credits under the Grow NJ program would be “a material factor in the company’s decision.”¹³⁴ The EDA underwriter also prepared a Project Summary memorandum, which similarly stated that Cooper Health was considering alternative relocation sites in Camden and Philadelphia, that hundreds of New Jersey jobs were “at risk of being located outside the State,” and that Grow NJ tax credits would be “a material factor in the applicant’s decision to make a capital investment and locate in Camden.”¹³⁵ Under the “Conditions of Approval” section of the memorandum, it stated as Condition No. 1 that Cooper Health “has not . . . committed to remain in New Jersey.”¹³⁶ The memorandum concluded by recommending that EDA’s Board “approve the proposed Grow New Jersey grant to encourage Cooper Health System to locate in Camden.”¹³⁷ The memoranda were provided to EDA’s Board and, on December 9, 2014, the Board voted to approve Cooper Health to receive almost \$40 million in tax incentives.

The Task Force has found evidence that the claimed alternative site in Philadelphia was not a genuine alternative site but, rather, was created solely for the purpose of submitting evidence of an alternative site to the EDA, thereby bolstering Cooper Health’s claim for tax incentives. On November 25, the day after the EDA underwriter had sent an email to Cooper Health’s Andrew Bush asking for “back-up” for the locations described on Cooper Health’s CBA form, including the Philadelphia location, Mr. Bush emailed a real estate broker, Jon Sarkisian at the CBRE brokerage firm, under the subject line “favor.”¹³⁸ Mr. Bush’s email asked the broker to produce a term sheet for a “credible” rental location in Philadelphia that would match the space (120,000 sq. ft.) and cost

¹³² Exhibit 24.

¹³³ Exhibit 24.

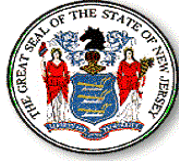
¹³⁴ Exhibit 24.

¹³⁵ Exhibit 25.

¹³⁶ Exhibit 25.

¹³⁷ Exhibit 25.

¹³⁸ Exhibit 26. The Task Force notes that CBRE has been entirely cooperative with the Task Force’s investigation to date. The Task Force has no reason to believe that anybody at CBRE other than the persons named in this First Report had any awareness of or improper involvement in the matters discussed herein.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

(\$23.50 per rentable sq. ft.) specifications of the Philadelphia location described in the CBA that Cooper Health had submitted to the EDA on November 18, 2014:

As part of our EDA application we need a term sheet for a potential location outside of NJ.

I need a **credible location that is LESS expensive than L3**. I think that Center Sq may be the right comp – the building is listed by CBRE Given that this building is within the CBRE family – can you get me a term sheet for 120k sf? **Quietly? No probability of us moving to Center Sq, so I don't want to make too much noise**

I need a full service number of \$24/sf or less to make the numbers work. Space can be as-is for 10 or 15 year term.

Let me know

Thanks

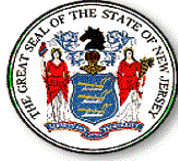
Andy

(Emphasis added).¹³⁹ The obvious reference is that Mr. Bush was asking Mr. Sarkisian to provide a sham term sheet that could be supplied to the EDA as evidence of its bona fide intent to relocate outside New Jersey, when in fact Cooper Health had no such intention.

Although obviously the EDA was not copied on that email, Cooper Health's application file contained numerous red flags that should have called into question the sincerity of its statement that it was considering relocating to Philadelphia and that the cost differential between the two proposed locations presented a "burden to Cooper to remain in NJ."¹⁴⁰ Cooper Health's initial application did not claim any possibility of an out-of-state relocation—and, indeed, expressly disclaimed the possibility. Only after the application was submitted to the EDA did Cooper Health provide purported evidence of an out-of-state location and claim that there was a "burden . . . to remain in NJ." Even at that point, Cooper Health made inconsistent representations about the Philadelphia site in question, first citing one address (1900 Market Street), and then citing another (1500 Market

¹³⁹ After Mr. Bush sent the request to Mr. Sarkisian for a "credible" location, Mr. Sarkisian responded later that day, noting that he had received the email as well as a voicemail from Mr. Bush. Mr. Sarkisian added, "I like [sic] to speak to you the numbers may not come in the area that you thought. Call me in the office tomorrow." Mr. Bush responded, "Will do." Exhibit 26.

¹⁴⁰ Exhibit 23.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Street). Those facts should have alerted the EDA underwriter to a potential problem, prompting additional diligence. However, the EDA failed to further investigate the facts to ensure that Cooper Health was genuinely considering relocating to Philadelphia, and that the location was bona fide, suitable, and available.

The EDA Board approved Cooper Health for an almost \$40 million award on December 9, 2014.¹⁴¹ The Task Force requested that the EDA recalculate the award that Cooper Health could have received if it had communicated to the EDA, as it had communicated to the real estate broker, that there was “[n]o probability”¹⁴² of Cooper Health relocating to Philadelphia instead of Camden. Based on a recalculated net benefits analysis, the EDA concluded that Cooper Health would have qualified for only a \$7.15 million award at most. Therefore, the failures in the EDA’s processing of Cooper Health’s Grow NJ application appear to have resulted in over \$32 million in improperly approved tax incentives, putting aside the potential ramifications of Mr. Bush’s apparent misrepresentation.

b) Conner Strong & Buckelew, The Michaels Organization, and NFI

CSB, TMO, and NFI submitted Grow NJ applications on October 24, 2016.¹⁴³ The three companies sought tax incentives in connection with joint plans to move into a new office tower on the Delaware River waterfront of Camden, New Jersey (the “Camden Tower”). Floors 15 through 18 of the Camden Tower (110,161 sq. ft.) were allocated to CSB, floors 12 through 14 (101,511 sq. ft.) were allocated to TMO, and floors 9 through 11 (101,511 sq. ft.) were allocated to NFI. The Camden Tower was to be constructed by the Liberty Property Trust development firm.

i) Background Context

Although CSB, TMO, and NFI submitted their Grow NJ applications to the EDA in October 2016, the EDA was aware of their plans to relocate to Camden long before then.

In September 2014, more than two years before the companies filed their applications, senior EDA management held a meeting with Philip Norcross of Parker McCay and several

¹⁴¹ Cooper Health could have potentially qualified for a larger award, but during EDA’s processing of the application, Cooper Health removed a number of jobs from the application to keep the award under \$40 million. Under EDA policy, awards over \$40 million require additional scrutiny and processing time.

¹⁴² Exhibit 26.

¹⁴³ Exhibits 27, 28, and 29.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

representatives from Liberty Property Trust. The purpose of the meeting, as described in an email setting it up, was to discuss “a large office building on the Camden Waterfront.”¹⁴⁴

A year later, on September 24, 2015, CSB’s Executive Chairman, George E. Norcross, III, sent an email attaching a press release to the EDA’s then President and Chief Operating Officer Tim Lizura discussing Liberty Property Trust’s plans for the Camden waterfront, including the Camden Tower. The press release listed “local leaders who have **committed** to investing in the project either personally or through their firms,” including “George E. Norcross, III, Executive Chairman, Conner Strong & Buckelew,” “John O’Donnell, President, The Michael’s Organization,” and “Sidney Brown, Chief Executive Officer, NFI, and his family.” (Emphasis added).¹⁴⁵

That same day, then-Governor Chris Christie, then-Mayor Dana Redd, and others hosted a major press conference announcing the Camden waterfront development at the Camden Aquarium. George Norcross attended the event. At the event, a reporter for *NJTV News* asked Mr. Norcross, “It’s been reported that you’re going to put \$50 million into the project, is that true?” He responded, “It’s absolutely true. I **committed** to do this when I was trying to persuade one of the biggest real estate concerns in the country to become part of this effort, and we all thought that was going to be a credible act, and we’re putting our money where our mouths are, and we’re looking forward to being a part of it.” (Emphasis added).¹⁴⁶ Press coverage around that time indicated that CSB, TMO, and NFI were expected to relocate to the new Camden development.¹⁴⁷

Internal emails from the EDA show that Mr. Lizura attended the press event, at which he spoke to at least one reporter and one representative from Liberty Property Trust, the developer of the project.¹⁴⁸ But, later, when the companies were preparing their applications for tax incentives

¹⁴⁴ Exhibit 30.

¹⁴⁵ Exhibit 31.

¹⁴⁶ See Michael Aron, *Christie Announces Historic \$700 Million Redevelopment Project in Camden*, NJTV NEWS, Sept. 24, 2015, <https://www.njtvonline.org/news/video/christie-announces-historic-700-million-redevelopment-project-in-camden/> (transcription from video).

¹⁴⁷ See, e.g., Allison Steele, *Plans for Vast New Development on Camden Waterfront*, PHILA. INQUIRER, Sept. 24, 2015, https://www.inquirer.com/philly/business/20150924_Top_developer_to_announce_Camden_waterfront_project.html (reporting, based on an anonymous source, that CSB was “considering moving its headquarters into the development” and TMO and NFI were also “expected to join the project”).

¹⁴⁸ Mr. Lizura sent an email to several EDA staff members saying that he was “[h]eading down now” when he was leaving for the event. See Exhibit 32.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

based on representations that they were considering out-of-state locations and requested an initial assessment of the net benefits test, an EDA employee indicated that he planned to run the test assuming that no jobs were at risk of leaving the state—and Mr. Lizura directed the employee to run a preliminary assessment as if the jobs were at risk.

Specifically, on August 31, 2016, Kevin Sheehan of Parker McCay sent an email to an EDA BDO requesting that preliminary award calculations be run for CSB, TMO, and NFI.¹⁴⁹ The BDO forwarded Mr. Sheehan's email to an EDA underwriting supervisor, Director of Bonds and Incentives John Rosenfeld, saying: "[These] are all the applicants that may go into the LPT [Liberty Property Trust] space at the Camden Waterfront. All three would like to know what their award could potentially be before focusing their efforts on an application for this space, especially since it's expensive."¹⁵⁰ When Mr. Rosenfeld ran the numbers for two of the three companies later that day, he explained the results internally to others at EDA as follows: "I would advise caution on these numbers but, based on the extremely limited information involved, it looks like these applicants COULD have a Net Benefit of approximately \$36.8M and \$43.3M respectively."¹⁵¹

A few days later, the assigned EDA BDO copied Mr. Lizura into her email chain with Mr. Rosenfeld, saying as follows: "Hi John, are these [calculations] including the new and retained job numbers that are listed below? Also Tim has requested to see the reports so he can review them as well, thanks!" Mr. Rosenfeld replied that he did not include any credit for income taxes related to jobs retained in New Jersey, because he had "assumed that this was a situation where the jobs would stay where they are in NJ without the award" Mr. Lizura flatly told Mr. Rosenfeld, "**The retained jobs are at risk. Can you run them as such.**" (Emphasis added).¹⁵²

Mr. Lizura's instruction to Mr. Rosenfeld to assume that the jobs were at risk, given the well-publicized commitment made by Mr. Norcross at the press conference that he attended, certainly invites skepticism. In an interview with the Task Force, Mr. Lizura said that he was merely instructing Mr. Rosenfeld to run the assessment using the numbers that Mr. Sheehan had provided and was not making a factual statement about whether the "retained jobs" were "at risk." He further indicated that, at that stage, he deferred to Mr. Sheehan about whether the jobs were "at risk" because Mr. Sheehan knew the tax-incentive programs well and understood their requirements. Mr. Lizura also stated that he viewed the statements in the September 2015 press

¹⁴⁹ Exhibit 33.

¹⁵⁰ Exhibit 33.

¹⁵¹ Exhibit 33.

¹⁵² Exhibit 33.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

release and press conference that CSB, TMO, and NFI had “committed” to the Camden waterfront development project only as a commitment to invest in the real estate project, and that he was not aware of whether CSB, TMO, or NFI had committed to relocate to Camden at any point before their applications were filed.¹⁵³ Given the statements a year earlier that the very companies applying had “committed” to Camden, the Task Force believes that these applications should have been scrutinized, particularly given the size of the awards at stake. Indeed, despite his instruction to Mr. Rosenfeld to defer to Mr. Sheehan’s numbers about at-risk jobs, Mr. Lizura indicated during this interview with the Task Force that he instructed his team to pay particular attention to the applications because they involved companies related to Mr. Norcross. Mr. Lizura did not, however, identify any particular steps he asked the team to take to scrutinize the applications, and the Task Force has found no evidence of any. In any event, Mr. Rosenfeld, after re-running the test based on Mr. Lizura’s instruction, said: “With the at risk jobs, they both get to about \$88.8M in net benefit”¹⁵⁴ The final awards were granted based substantially on that calculation.

ii) The Applications

When CSB, TMO, and NFI submitted their Grow NJ applications on October 24, 2016, notwithstanding the prior public reports that the three companies had already “committed” to relocating to Camden, the companies all stated that they were considering a potential relocation to Philadelphia as an alternative.¹⁵⁵ Specifically, each company stated “Yes” in response to the application’s question of whether jobs were at risk of being located outside of New Jersey and listed “Pennsylvania” as in competition with New Jersey for the jobs.¹⁵⁶ Each company stated, in virtually identical language, that the company’s “business is expanding and requires additional space. If the credits are not awarded, the business will seek to relocate at a less expensive location outside of New Jersey.”¹⁵⁷ Each company’s application stated that the company had retained real

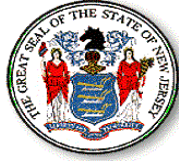
¹⁵³ Even if CSB’s, TMO’s, and NFI’s only “commitment” was to invest in the real estate project, and not to relocate their offices there, as Mr. Lizura claims to have believed, it nonetheless is difficult to understand why a different understanding would not emerge once the companies filed their applications and indicated their intent to relocate there. The EDA had the authority to request documentation from CSB, TMO, and NFI that would have revealed the nature of the “commitment” the companies had made and when they made it, but the EDA failed to exercise such authority.

¹⁵⁴ Exhibit 33.

¹⁵⁵ Exhibits 27, 28, and 29.

¹⁵⁶ Exhibits 27, 28, and 29.

¹⁵⁷ Exhibits 27, 28, and 29.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

estate brokers “to identify Class A office space in Philadelphia.”¹⁵⁸ Real estate proposal letters from real estate brokers for Philadelphia space for each company were attached to the applications.¹⁵⁹ However, TMO’s and NFI’s proposal letters for space in Philadelphia had already expired by the time the applications were filed. (CSB’s proposal letter did not specify an expiration date.)

On November 18, 2016, the EDA underwriter assigned to the three companies’ applications sent an email to Kevin Sheehan of Parker McCay, who represented all three companies, to ask whether the companies still had valid offers for space in Philadelphia, because the real estate proposal letters submitted with the companies’ applications appeared to have expired.¹⁶⁰ The underwriter followed up ten days later, also asking Mr. Sheehan to clarify how many employees at the three companies were at risk of moving out of New Jersey.¹⁶¹ Mr. Sheehan replied that “[a]ll employees are at risk in all 3 companies.”¹⁶² On November 30, 2016, Mr. Sheehan sent the EDA underwriter a new real estate proposal letter for CSB, dated December 1, 2016, outlining a proposal for space in Philadelphia.¹⁶³ The December 1, 2016 real estate proposal differed significantly from the prior real estate proposal that CSB had submitted with its application. The initial proposal offered approximately 150,000 sq. ft. of space on the third through seventh floors, and the eleventh and twelfth floors, of the building located at 1601 Market Street in Pennsylvania.¹⁶⁴ CSB’s new letter offered the company “approximately 110,000” sq. ft. of space on the third through seventh floors and the thirteenth floor of the building. The letter stated that it would expire on December 31, 2016.¹⁶⁵

Two months later, on March 1, 2017, Mr. Sheehan sent the EDA underwriter new real estate letters for NFI and TMO, outlining proposals for both companies for space at 1500 Spring Garden Street in Philadelphia.¹⁶⁶ Both real estate proposals differed from the initial, expired proposals that the companies submitted with their applications in respects, but the changes with respect to TMO’s proposals were significant. TMO’s initial real estate proposal, dated August 30, 2016, had offered

¹⁵⁸ Exhibits 27, 28, and 29.

¹⁵⁹ Exhibits 34, 35, and 36.

¹⁶⁰ Exhibit 37.

¹⁶¹ Exhibit 38.

¹⁶² Exhibit 38.

¹⁶³ Exhibit 39.

¹⁶⁴ Exhibit 34.

¹⁶⁵ Exhibit 39.

¹⁶⁶ Exhibits 40 and 41.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

the company 103,491 sq. ft. of space on the second floor of 1500 Spring Garden Street.¹⁶⁷ The proposal further stated that, in the alternative, TMO was offered 103,710 sq. ft. of space on the first and seventh floors of the building.¹⁶⁸ TMO's second real estate proposal, dated February 28, 2017, offered the company 95,928 sq. ft. of space divided between the basement level, two separate suites on the first floor, a suite on the seventh floor, and another suite on the twelfth floor.¹⁶⁹ The proposal letter also stated that the space on the seventh floor—which comprised approximately a third of the total space offered to TMO—was “encumbered by a Right of First Offer in favor of [another company].”¹⁷⁰ Both NFI's and TMO's real estate proposal letters stated that they would expire on March 24, 2017.¹⁷¹

The differences between CSB's, NFI's, and TMO's first and second sets of real estate proposal letters for Philadelphia are summarized below:

Company	CSB		NFI		TMO	
Address	1601 Market Street		1500 Spring Garden Street		1500 Spring Garden Street	
Proposal	First ¹⁷²	Second ¹⁷³	First ¹⁷⁴	Second ¹⁷⁵	First ¹⁷⁶	Second ¹⁷⁷
Date	8/29/2016	12/1/2016	8/29/2016	2/28/2017	8/30/2016	2/28/2017
Total sq. ft.	153,345	~110,000	103,491	93,308	103,491 OR 103,710	95,928
Floors	3-7, 11-12	3-7, 13	2	2	2 OR 1,7	Basement, 1, 7, 12
Expiration	Unspcfd.	12/31/2016	9/9/2016	3/24/2017	9/9/2016	3/24/2017

¹⁶⁷ Exhibit 35.

¹⁶⁸ Exhibit 35.

¹⁶⁹ Exhibit 41.

¹⁷⁰ Exhibit 41.

¹⁷¹ Exhibits 40 and 41.

¹⁷² Exhibit 34.

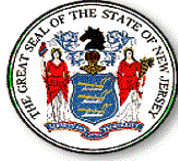
¹⁷³ Exhibit 39.

¹⁷⁴ Exhibit 36.

¹⁷⁵ Exhibit 40.

¹⁷⁶ Exhibit 35.

¹⁷⁷ Exhibit 41.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

The EDA underwriter prepared Project Summary memoranda based on the information provided by the companies.¹⁷⁸ Each company's memorandum stated that the company was considering between relocation in the Camden Tower or an alternative location in Philadelphia, that their New Jersey jobs were "at risk of being located outside the State," and that Grow NJ tax credits would be a "material factor" in the company's decision whether to locate in Camden.¹⁷⁹ Under the "Conditions of Approval" section of each memorandum, it stated as Condition No. 1 that the company "has not . . . committed to remain in New Jersey."¹⁸⁰ Each memorandum concluded by recommending that EDA's Board "approve the proposed Grow New Jersey grant to encourage [the respective company] to locate in Camden."¹⁸¹ The memoranda were provided to EDA's Board and, on March 24, 2017, the Board voted to approve CSB, TMO, and NFI for total tax incentive awards of almost \$245 million—\$86,239,720 for CSB, \$79,378,750 for TMO, and \$79,377,980 for NFI.

The Task Force has discovered evidence appearing to indicate that the three companies did not genuinely consider Philadelphia as an alternative location to Camden. In August 2016, only a few months before submitting their applications, and almost a year after the press conference during which their "commitment" to the Camden project was reported, Kevin Sheehan appears to have reached out to a real estate broker, Ken Zirk at CBRE, to solicit offers for real estate in Philadelphia. After the initial outreach, the companies collaborated to obtain proposals for Philadelphia real estate to submit to the EDA, and NFI led the efforts on behalf of all companies.

On August 26, 2016, NFI's Chief Financial Officer, Steven Grabell, sent an email to TMO's Chief Financial Officer, Joseph Purcell, and CSB's Chief Financial Officer, John Muscella, to explain that he had authorized the real estate broker "to proceed full speed ahead with getting a proposal for 1500 Spring Garden."¹⁸² NFI's Mr. Grabell wrote that the building located at 1500 Spring Garden Street was large enough for both NFI and one other company to obtain proposals from, and further, the real estate broker had "identified an additional possibility for 95,000 square feet at 1601 Market" that the third company "could use."¹⁸³

¹⁷⁸ Exhibits 42, 43, and 44.

¹⁷⁹ Exhibits 42, 43, and 44.

¹⁸⁰ Exhibits 42, 43, and 44.

¹⁸¹ Exhibits 42, 43, and 44.

¹⁸² Exhibit 45.

¹⁸³ Exhibit 45. Meanwhile, Mr. Zirk reached out to another broker who represented the landlord for 1601 Market Street. Mr. Zirk's note, expressing interest in the building on behalf of CSB, was forwarded to the building's landlord, who was surprised by the request: "This does not make any sense, we get on Friday afternoon a [request for proposal] that is due on Monday? Where is this



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Several days later, on August 29, 2016, NFI's Mr. Grabell wrote to Mr. Zirk, the real estate broker, to ask when the companies would be getting term sheets for the 1500 Spring Garden and 1601 Market properties in Philadelphia.¹⁸⁴ Later that day, Mr. Zirk sent one proposal letter, for NFI alone, for 1500 Spring Garden Street.¹⁸⁵ That evening, Parker McCay's Mr. Sheehan wrote to the group of CFOs for the three companies and the broker, noting that the proposal was for NFI and asking, "Is there one for Michaels?"¹⁸⁶ In response, NFI's Mr. Grabell stated: "Enough space for Michael's in that building as well. **I think it would be a little suspicious to ask for a duplicate.** Any thoughts?" (Emphasis added).¹⁸⁷ TMO's Mr. Purcell responded and wrote that he had understood that all three of the companies were "going with the 1500 Spring Garden Property."¹⁸⁸ However, in view of the concern that it would be "a little suspicious" for multiple companies to claim the same alternative location in Philadelphia, TMO's Mr. Purcell wrote that he would be willing for TMO "to go with" a different location in another city entirely—Fort Washington, Pennsylvania, instead of Philadelphia—if one of the other two companies requested it.¹⁸⁹ NFI's Mr. Grabell replied that "1500 Spring Garden has space for 2 of us, but not 3. That is why we reached out to 1601 Market."¹⁹⁰ Mr. Grabell asked Mr. Zirk whether he would "feel comfortable getting a similar quote for Michael's for 1500 Spring Garden?"¹⁹¹ Mr. Zirk responded that he would discuss with the landlord's broker "tomorrow first thing."¹⁹² TMO ultimately obtained a

tenant from? How would we not have known about a 100,000 SF prospects [sic]?" The broker responded with a lengthy explanation, noting, among other things, that CSB's "principal, George Norcross, is a major political figure in South Jersey & very well connected locally." The broker wrote to the landlord that CSB "had been attempting to [relocate to] Camden with Liberty Property Trust but the deal apparently got too expensive & they didn't get the tax breaks/incentives that they were seeking," so CSB had decided to move the jobs to Philadelphia instead. Exhibit 46. In fact, however, CSB had not yet applied for tax incentives in New Jersey at that point, let alone been rejected for them.

¹⁸⁴ Exhibit 47.

¹⁸⁵ Exhibit 47.

¹⁸⁶ Exhibit 48.

¹⁸⁷ Exhibit 48.

¹⁸⁸ Exhibit 48.

¹⁸⁹ Exhibit 48.

¹⁹⁰ Exhibit 48.

¹⁹¹ Exhibit 48.

¹⁹² Exhibit 48.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

proposal letter for 1500 Spring Garden, and CSB obtained a proposal letter for 1601 Market Street, which both companies submitted with their applications in October 2016.

Although the EDA did not have access to the companies' emails with the real estate broker, which the Task Force obtained, there were nonetheless clear red flags in CSB's, TMO's, and NFI's EDA application and in the public record that should have caused EDA personnel to question the three companies' statements that they were considering relocating out of the State. As discussed above, there were public statements, of which senior EDA leadership was aware, indicating that the three companies had already "committed" to relocate to Camden long before they claimed to be considering relocating to Philadelphia. Despite these public statements, EDA leadership appear to have instructed EDA staff that the companies' jobs were "at risk."

In addition, at the Task Force's public hearing on May 2, 2019, the current Managing Director of the EDA's the Underwriting department, David Lawyer (who did not work on these applications and was not responsible for the Grow NJ program at the time they were processed) testified that it was "unusual" for companies to submit expired proposal letters with their tax incentive applications, and the fact that the letters had expired when they were submitted "casts doubt on whether that site [was] available."¹⁹³ Mr. Lawyer also testified that the changes to the amount and the configuration of the space in TMO's alternative-site proposal, as well as the fact that a significant portion of the space was encumbered by a right of first offer, raised red flags about the sincerity of the company's consideration of the property.¹⁹⁴ Mr. Lawyer testified that, in his view, the issues with CSB's, TMO's, and NFI's real estate proposals raised serious questions, "because . . . there's a pattern."¹⁹⁵ Similarly, John Boyd, an expert in corporate site selection, testified that it is common for companies considering relocation to negotiate for extended offer periods to provide adequate time to assess the suitability of potential real estate.¹⁹⁶ That these companies did not do so but instead submitted expired real estate offers, therefore, was a red flag. Mr. Boyd further testified that in his experience, barring extraordinary circumstances like emergency relocation after a natural disaster, companies never want office space spread out over noncontiguous floors of a building of the sort TMO was purportedly considering, spread out across

¹⁹³ Hr'g Tr. (May 2, 2019) at 150:4-25, 162:12-16.

¹⁹⁴ Hr'g Tr. (May 2, 2019) at 163:12-17, 164:14-19.

¹⁹⁵ Hr'g Tr. (May 2, 2019) at 164:23-165:6.

¹⁹⁶ Hr'g Tr. (May 2, 2019) at 108:10-109:6.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

four separate floors, including the building's basement.¹⁹⁷ The EDA staff, however, took no action to further investigate based on these and other red flags.

In 2017, the EDA approved CSB, TMO, and NFI for almost \$245 million in tax incentive awards collectively—approximately \$86.2 million for CSB, \$79.4 million for TMO, and \$79.4 million for NFI. The Task Force requested the EDA recalculate the awards the three companies could have received if they had communicated to the EDA that they were not considering any potential relocation to Philadelphia instead of Camden—which, based on the evidence discussed above, appears to have likely been the truth. Based on recalculated net benefits analyses, the EDA concluded that CSB's award would have stayed the same (\$86.2 million), that TMO would have qualified for only a \$60.8 million award at most (rather than \$79.4), and that NFI would have qualified for only a \$27.2 million award at most (rather than \$79.4). Therefore, the EDA's failure to investigate the red flags in these companies' applications could have resulted in over \$70 million in improperly approved tax-incentive awards.

5. Lack of Proper Reporting Channels

The EDA does not have official reporting channels in place for the processing, review and recording of internal or external complaints about Program awardees or applicants and does not maintain a "hotline" or reporting line for outside parties to report potential misconduct related to the EDA's tax incentive or other programs. The absence of such reporting mechanisms makes it more likely that misconduct—whether on the part of EDA employees or companies—will be missed.

Several EDA employees we interviewed suggested that external complaints or tips should be elevated to an individual in Human Resources or the Deputy Attorney General, but there was no official reporting line or process for ensuring that all complaints and tips were carefully considered and escalated to the appropriate individuals. Nor was there an official record of such complaints or tips maintained within the EDA. Two BDOs we interviewed recalled outreach from FBI agents regarding a potentially fraudulent application. Those BDOs recalled that the information was generally "disseminated" amongst the directors and Deputy Attorney Generals, but there was no formal system for tracking flagged companies. In another instance, a local contact advised a BDO Program Manager that a Grow NJ awardee had recently fired 80 employees—or 30% of its workforce. The Program Manager who received this notice recalled that he referred the information to the Director of Portfolio Management and Compliance but was not involved in any further action. The Managing Director of Business Development indicated that there was no policy regarding how to treat this type of information but believed the information would have been "socialized" within

¹⁹⁷ Hr'g Tr. (May 2, 2019) at 109:11-110:8.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

the EDA and referred to the Portfolio Management and Compliance group if it involved a tax incentive grant recipient. Although we believe that, in the latter example, the information ultimately reached the appropriate individuals, an express policy regarding the steps required to process and record this type of information would substantially improve the EDA complaint processing to ensure that information from outside parties regarding potential misconduct is not missed.

VI. THE ACCELERATED RECERTIFICATION PROGRAM (THE “ARP”)

A. Introduction

As discussed above, in order to fully investigate the administration of the Programs, the Task Force undertook to examine the EDA’s processing of awards for companies that applied for and received tax-incentive credits under the Programs. Given the findings of the Comptroller’s audit, moreover, the Task Force has sought to determine whether each company in scope was compliant with applicable statutory, regulatory, and administrative requirements when the EDA approved its application and when it received tax credits under Grow NJ or ERG. To facilitate an investigation and review process that promotes resource efficiency, collaboration with companies, and expedient processing for compliant companies, the Task Force established the ARP. During its initial outreach and communications with companies in scope, the Task Force received overwhelming interest in the ARP. As a result, the Task Force announced the ARP during its first public hearing on March 28, 2019.

Without an expedited process of the sort provided by ARP, the Task Force would have conducted a broader investigation into each company’s award. This could have included expansive document requests, interviews of relevant company personnel, and extensive document and data review. As an alternative, the ARP provides companies a streamlined process to proactively establish that they are in compliance with the Programs’ requirements. If a company declined to participate in the ARP, or if the Task Force deemed it ineligible, the company’s award is subject to the broader investigative process necessary to carry out the Task Force’s mission.

B. ARP Participant Companies

The Task Force deems companies eligible for the ARP if the company (1) completes and submits an initial affidavit (the “ARP Initial Affidavit”) and (2) the Task Force has not received or identified information suggesting misconduct, fraud, or other non-compliance with applicable requirements with respect to the company’s application for, approval for, or issuance of tax incentives.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

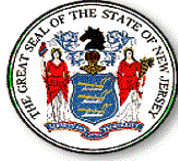
The Task Force requires each company's CEO, or equivalent personnel, to execute the ARP Initial Affidavit, which provides additional company information to the Task Force. The ARP Initial Affidavit requires companies to describe their efforts to comply with the Task Force's document preservation directive and to identify document custodians and third parties that may possess relevant documents. Companies must also agree to voluntarily and promptly produce relevant documents to the Task Force. As of the date of this Report, 53 companies have pursued participation in the ARP. Despite the overwhelming participation in ARP, we note that approximately 8 otherwise eligible companies expressly declined to participate in the ARP. We appreciate that each company operates under a different set of resources, frameworks, and stakeholders. Therefore, we emphasize that at this time, we cannot—and have not—drawn any conclusions about companies that did not elect to participate in the ARP.

There have been several instances where companies sought inclusion into the ARP, but their eligibility is still under consideration by the Task Force for myriad reasons. In some instances, the Task Force has become aware of concerning information regarding the company's application or award. For example, for a number of companies, the Task Force has learned through independent evidence and information that the company's assertions regarding its intention to relocate are questionable. In these cases, proposed jobs may not have actually been at risk of leaving or locating outside of New Jersey, contrary to the companies' representations to the EDA. The Task Force reserved the option to investigate further before allowing the companies in question to participate in the ARP.

For other companies, the Task Force has become aware of information suggesting that these companies committed to locate in New Jersey before they submitted their EDA application. In other circumstances, the Task Force is aware of information suggesting misrepresentations or misconduct in connection with the jobs requirements of the award. In these cases, the Task Force reserved the ability to further investigate and review written responses and assertions made to the EDA to determine whether a company's application contained misrepresentations.

Several companies that exhibited threshold issues of the sort described above submitted the ARP Initial Affidavit. In the interest of transparency and continued cooperation, the Task Force contacted these companies to discuss obstacles to their ability to participate in the ARP. In many instances, companies were not deterred by this message and have continued to work with the Task Force to provide requested documents and information. The Task Force is reviewing this information before confirming the companies' categorization going forward.

Finally, there is a tranche of companies that the Task Force disqualified or deemed ineligible for ARP participation. The Task Force has disqualified companies where the Task Force has



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

identified a reasonable basis to believe that further investigation may reveal instances of misconduct, fraud, violations of applicable requirements, or other issues suggesting the company's lack of good faith. Separately, the Task Force may also disqualify companies where they fail to comply with the Task Force's requests or the ARP requirements.

C. ARP Process

In order to establish a process that would enable it to determine whether a company was in compliance with Program requirements, the Task Force carefully reviewed related statutes, EDA regulations and requirements, and met with key EDA personnel to determine exactly what it means "to be compliant." Thereafter, the Task Force created a framework for information requests, document collection, and interviews that would provide adequate information for the Task Force to review and make a determination of compliance with Program requirements. The Task Force has taken care to continue an open dialogue with each participating company to better understand the company's framework, business, and key stakeholders. Accordingly, while the Task Force has established a process for the ARP, it also is working collaboratively with each company, with an understanding that each company's documentation, application, and purported needs for the tax incentives vary significantly.

From a process perspective, once companies submit the ARP Initial Affidavit and are deemed eligible by the Task Force, the Task Force requests certain written responses, with supporting documents where necessary ("Verifying Documents"), related to each company's application. The Task Force's ARP for Grow NJ requires the company to submit additional documentation related to the company's good faith business plan to relocate or locate in New Jersey, its plan for new or retained full-time jobs, and its expenditures comprising its capital investment. The Task Force's ARP for ERG requires submission of documentation related to the project's financing gap and development and the project developer's good standing. While the ARP requires documentation beyond what the EDA requested, these requests are narrowly tailored to identify representative materials that will allow the Task Force to examine the company's application and award.¹⁹⁸ As part of the review process, the Task Force engages in open communication with the company for clarifications, context, and additional information.

A company must provide a final affidavit from its CEO, or equivalent personnel, ("Verification Affidavit") and the requested Verifying Documents. To assist companies, the Task Force provides a template Verification Affidavit that the company tailors to its specific

¹⁹⁸ For example, to assess the company's good faith intentions to locate to New Jersey, the Task Force requests contemporaneous business records or communications discussing the relocation plan and the suitability of the proposed alternative site.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

circumstances. Thereafter, the company submits a draft affidavit. The Task Force reviews the information supplied to determine whether the company applied for its tax-incentive in good faith and with accurate information; met the application's requirements; and complied with the program requirements for each and every subsequent year it participated in the Programs. If the Task Force can make these determinations based on the information the company provides, the Task Force will accept a final Verification Affidavit. Upon successful completion of ARP, the Task Force will send a verifying closing letter ("Closing Letter"), confirming the company's successful re-certification.¹⁹⁹

D. Initial Findings

The ARP process has provided the Task Force with opportunities to identify deficiencies with the Programs' designs and with the EDA processes to implement the Programs. By engaging with companies in the ARP and by collecting, reviewing, and analyzing information and data from the company's internal deliberations, the Task Force has been able to evaluate the requirements and EDA regulations from the company perspective.

Based on this examination, the Task Force has determined that both the existing legislation and the EDA requirements are ambiguous in certain respects that has impacted the EDA's ability to ensure consistency in how these requirements are applied across project applicants.²⁰⁰ Some examples include:

- **EDA verification of cost benefit analysis:** An ARP company explained that after it submitted its application materials and cost benefit analysis, the EDA did not request any support for the line-item estimates in the company's cost benefit analysis, which showed that New Jersey was more expensive than the proposed alternate location. The company agreed that at the time of its application, the EDA had no verification that the line items in

¹⁹⁹ However, the Task Force's Closing Letter has no binding effect on any other agency or office of the State of New Jersey. Moreover, should the Task Force become aware of credible reason to believe there was misconduct, the Task Force reserves the right to make such information known to other law enforcement agencies.

²⁰⁰ We understand that the EDA has, in the last year or so, begun to implement solutions to these deficiencies through its own processes and approval requirements.



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

its proposed estimate were accurate and not exaggerated, estimated, or manipulated in any way.²⁰¹

- **Clear legislative guidance and definitions for award bonuses categories:** After another ARP company submitted its initial application to the EDA, the EDA questioned whether it qualified as a technology business for the purposes of an award bonus. Under the Grow NJ statute as amended by EOA 2013, “technology” is a “targeted industry” such that qualifying “technology” companies are eligible for an additional grant of up to \$500 annually per job.²⁰² However, neither the Grow NJ statute, nor EDA’s implementing regulations, nor any policy documents maintained by EDA define what constitutes a “technology” company. Based on the Task Force’s review, the Task Force found that EDA employees struggled over the appropriate characterization for the company.
- **EDA requirements related to applicants’ submissions regarding potential alternative locations:** The EDA has not consistently required applicants to submit the same materials regarding the viability of the proposed alternative site.

VII. RECAPTURE

The Task Force seeks to achieve not only recommendations for the tax-incentive programs prospectively but to recommend recapture of improperly credited taxpayer dollars. These recommendations and efforts for recapture have involved cooperation and coordination with several areas of New Jersey State government, including the EDA, the Department of Taxation, and the New Jersey Attorney General’s Office.

A. Statutory Recapture Process

The current Grow NJ legislation specifically sets forth language identifying the EDA’s authority to recapture tax-incentive awards under certain circumstances.

Under the Grow NJ Act, applicants must enter into an incentive agreement with the EDA before the awardees receives any tax credits. One of the required provisions of this incentive agreement is that the applicant commits to remaining in its New Jersey facility for a minimum period of time. Typically, this period would include a ten-year term, during which the company

²⁰¹ The Task Force closely examined supporting information provided by the company, including the actual costs accrued after the company successfully received its grant and moved to New Jersey, and found no indication that the proposed analysis was made in bad faith.

²⁰² See N.J. Stat. §§ 34:1B-246(c)(8), 34:1B-243 (“targeted industry” definition).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

receives its award amount as annual credits, plus an additional five years after all annual credits are issued.²⁰³ The statute further requires that if the company fails to honor this commitment, the EDA may recapture all or part of the tax credits awarded, although EDA retains the discretion to recognize the period of time that the company complied with the award requirements.²⁰⁴

B. Task Force Recommendations for Recapture

The Task Force has instituted its own processes to recommend recapture of tax-incentive awards and to assist the EDA with its recapture of tax-incentive awards.

When companies have indicated a willingness to cooperate and disclose any potential non-compliance, the Task Force has offered, and will continue to recommend and connect the company with the State Treasury for settlement. The Task Force considers such settlement recommendations based on the company's specific factual circumstances. However, for the Task Force to consider a settlement recommendation, the company must be willing to agree to several terms. First, the company must voluntarily terminate its tax-incentive award, including taking all steps that the EDA requires for the company to terminate its award. Second, the company must repay the value of the tax-incentive benefit already claimed. Third, if it becomes aware of credible evidence of criminal misconduct relating to the tax-incentive programs, the Task Force reserves its right to make such information known to other enforcement authorities. Finally, any settlement agreement with a State agency does not bind any other agency or office of the State of New Jersey. Companies that settle do not admit to any liability.

Separate from potential settlements, the Task Force has also referred, and will continue to refer, certain companies and awards to the EDA to consider whether additional credits should issue or whether previously received credits should be recaptured. The Task Force may also refer companies to appropriate law enforcement authorities for further investigation. Should law enforcement authorities pursue a criminal investigation and charges, this could generate sufficient evidence that a company's award was improperly awarded.

²⁰³ See N.J. Stat. Ann. § 34:1B-243 (defining the "eligibility period" as "the period in which a business may claim a tax credit," beginning with the first year the company certifies for a credit but that the term will be no longer than 10 years); *Id.* (defining "commitment period" as "1.5 times the eligibility period").

²⁰⁴ See N.J. Stat. Ann. § 34:1B-245(d); see also N.J. Admin. Code § 19:31-18.10(b)(3).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

Currently, the Task Force has referred a number of applicants for suspension /or termination of their tax-incentive awards or obtained voluntary termination. In all, the aggregate amount of the grants at issue exceeds \$500 million.

VIII. RECOMMENDATIONS

Executive Order No. 52 called for the Task Force to offer advice concerning the future of New Jersey's tax-incentive programs. Although the Task Force's work remains ongoing, its investigation and analysis to date have revealed certain deficiencies in the design, implementation, and oversight of the Programs now in place. Based on its findings, the Task Force offers the following recommendations with respect to the State's current and future tax-incentive programs, which will be supplemented as the Task Force's work continues.

Recommendation 1: The Task Force's investigation to date has found that special interests have had a significant hand in molding the current Programs' legislation and implementing regulations in their favor. As a result, in certain respects, the Programs have not been "neutral" in their design but have instead been structured to favor the business interests of certain parties, and in some cases to disfavor other parties. Future tax-incentive legislation should be designed to ensure that legitimate public policy goals are applied neutrally, without favoring specific business interests.

Recommendation 2: Future tax-incentive legislation should be transparent with respect to the benefits or costs of the programs. Under the current Grow NJ program, all tax incentive awards are statutorily required to "yield a net positive benefit to the State."²⁰⁵ Based on this statutory provision, the State should profit from the program. However, this requirement is undermined by provisions of the statute allowing the benefits calculation to include the value of certain taxes that the State will never actually collect. By allowing such so-called "phantom taxes" to be included in the benefits calculation, the "net positive benefit to the State" that is supposed to be required by the law may be rendered illusory, obfuscating the potential costs of the tax incentives and contributing to public confusion.

Recommendation 3: To further promote transparency and public understanding, the goals of future tax-incentive legislation should be clearly defined, and the program should be structured to effectuate those explicit goals—not other unspecified aims. Currently, the Grow NJ Act expressly states that a "purpose of the [Grow NJ] program is . . . to preserve jobs that currently exist

²⁰⁵ N.J. Stat. § 34:1B-244(a)(3).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

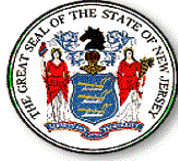
in New Jersey but which are in danger of being relocated outside of the State.”²⁰⁶ However, as discussed in Section IV(A)(1)(e) of this First Report, certain provisions of the Grow NJ Act are sufficiently vague that companies may be able to receive tax credits for relocating existing jobs in New Jersey to Camden or Atlantic City, even if the jobs were never “in danger of being relocated outside the State.” Tax incentives in these circumstances clearly do not advance the statutory aim of preserving jobs in the State. If it was also an intended purpose of Grow NJ to incentivize the relocation of existing jobs from other parts of New Jersey to Camden or Atlantic City, it would have aided public understanding to set out this purpose explicitly in the statute, along with the other intended purposes.

Recommendation 4: Relatedly, the Task Force’s examination has found that the current statutory text for the Programs contains ambiguities in certain respects. This is illustrated by the issues relating to the “material factor” test that applies to projects in Camden and Atlantic City. It also applies in other areas: for example, as discussed in Section VI(D) of this First Report, there was one instance in which it was unclear whether a company qualified under certain provisions of Grow NJ for “technology” companies—a statutory term that is not defined in the law. Ambiguities in statutory text are inevitable. However, when such ambiguities arise in the administration of a statute, the responsible agency should both determine the resolution of the issue and further publicize its decision so that the rules are clear and known and are applied consistently. When the EDA addresses statutory ambiguities such as this one, it should embody its decisions in published rules (whether in the form of regulations, formal policies, or other guidance documents) that are available to the public.

Recommendation 5: Future legislation should be designed to ensure that the EDA can better control whether companies that meet the employment or other requirements for only a small portion of their commitment period are eligible to receive their full annual award. It should also include provisions ensuring that companies cannot receive a full year’s award without meeting the requirements for a full year, and without providing a full year’s worth of data to prove their compliance.

Recommendation 6: The EDA should issue comprehensive written policies and procedures to guide its employees in administering the Programs and should implement formal internal training mechanisms with respect to all aspects of the current Programs and any future tax-incentive programs. Although the Task Force fully appreciates that the Programs are complex and often amended, the Task Force’s investigation to date has nonetheless found undeniable

²⁰⁶ N.J. Stat. § 34:1B-244(a).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

deficiencies in certain EDA employees' understandings of the applicable requirements in various respects. The EDA's shortfall in the issuance of regulations and policy and guidance documents likely contributed to these deficiencies, as it limited the resources available to these employees.

Recommendation 7: As described above, the Task Force, third parties, and the media have all discovered significant and adverse information about program applicants, much of which required very little effort. Thus, it seems quite clear that—whatever the EDA's underwriters are doing in the way of independent research on applicants—the work has been deficient. Moreover, the notion of awarding applicants millions, tens of millions, or even hundreds of millions of dollars in tax incentives without a rigorous background check on the company, its officers, and affiliates defies common sense. Thus, we strongly urge that any new legislation include a provision directing the EDA to use a qualified professional services firm to conduct rigorous background checks.

Recommendation 8: With respect to the specific issue of assessing an applicant's representation that the applicant is considering locating outside of New Jersey, the Task Force's investigation to date has found clear deficiencies in the EDA's assessments. There have been instances in which Grow NJ applicants have made representations concerning the possibility of an out-of-state location that should have raised serious red flags concerning the applicant's sincerity, and yet the EDA failed to take any action to investigate the issue. As discussed above, the Grow NJ Act explicitly states that a "purpose of the [Grow NJ] program is . . . to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State."²⁰⁷ If tax incentives are awarded to incentivize a company to stay in the State when the company never actually intended to leave, then public funds are essentially wasted. The Task Force has found, however, that the EDA's administration of the Grow NJ program has in many ways not sufficiently appreciated this principle. The EDA should improve its performance with respect to this aspect of the program, including by providing clear guidance and training to employees on how to conduct such assessments and instructing them on the importance of this issue. The EDA should provide its employees with a clear framework to apply in assessing applicant representations concerning alternative locations.

Recommendation 9: Grow NJ applicants are required to include certifications, signed by the company's CEO (or an equivalent officer), representing that the CEO "has reviewed the information submitted to the [EDA in connection with the application] and that the representations contained therein are accurate."²⁰⁸ However, issues may arise when a company modifies its

²⁰⁷ N.J. Stat. § 34:1B-244(a).

²⁰⁸ N.J. Stat. § 34:1B-244(d).



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

application at some point after it is submitted, but does not submit a new CEO certification attesting to the truthfulness of the new information. The EDA should have a formal policy or regulation requiring the submission of a new CEO certification whenever an application is materially changed after its submission.

IX. NEXT STEPS

As we noted at the outset, the Task Force is continuing its investigation. It will continue to review documents it has received in response to requests to the EDA and third parties, and to interview witnesses to gain a deeper understanding of any flaws in the design, implementation, or administration of the programs. Among other things, the Task Force intends to:

- Hold further public hearings in which the public will have the opportunity to share its views and perspectives;
- Focus its investigation on the design, implementation, and administration of the ERG Program;
- Continue its investigation of the EDA's oversight over Grow NJ and ERG applications;
- Consider additional ways to make the application and compliance verification process more robust;
- Continue the re-certification process for companies participating in the ARP; and
- Continue its efforts to recapture tax-incentive awards where warranted and, as necessary, make additional referrals to the appropriate enforcement authorities.

In addition, the Task Force will examine the impacts of certain aspects of the Programs that may differ from other states' programs, from prior New Jersey tax-incentive programs, or from best practices described by policy experts. In that regard, the Task Force intends to further examine the policy recommendations made by two of the experts that testified during the first day of the public hearings, Josh Goodman, Senior Officer for State Fiscal Health, at The Pew Charitable Trust, and Jon Whiten, Deputy Director of State Communications at the Center on Budget and Policy Priorities. In particular, the Task Force intends to explore:

- Whether the State should consider targeting its tax incentives to businesses that will increase the State's economic growth by serving national and international markets, rather than local markets;
- Whether the State should shorten the timeframes for receiving tax incentives, in an effort to spend less on incentives while achieving the same impact, and to enable it to better predict the costs and benefits of awarding incentives to businesses;



State of New Jersey

OFFICE OF THE GOVERNOR
PO BOX 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
Governor

- Whether the Programs' approach to awarding tax incentives in distressed areas sufficiently benefits the residents of those areas and what steps, if any, could be taken to fine tune New Jersey's approach to using tax incentives to help economically distressed areas to ensure that residents of distressed areas actually benefit from tax incentives targeted at improving the economy in distressed areas;
- Relatedly, whether to revise the method for calculating the net benefit to the State for companies moving to distressed areas;
- Whether capping the tax incentives by setting annual cost limits would improve the Programs, and what other options for increasing fiscal protections might be undertaken;
- Whether New Jersey should regularly conduct independent evaluations of the effectiveness of the tax incentives programs and to establish systems mandating greater oversight and annual evaluations of the Programs; and
- Whether the State should limit or prohibit the transfer of tax credits awarded under the Programs.

The Task Force will also seek the input of additional policy experts to the extent they have views on these issues.

EXHIBIT B

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

Via Email and Regular Mail

Bruce Ciallella
New Jersey Economic Development Authority
Senior Vice President
36 West State Street
Trenton, NJ 08625

Dear Mr. Ciallella:

On behalf of Cooper University Health Care (“Cooper”), I write in response to your letter dated June 26, 2019. In that letter the New Jersey Economic Development Authority (“EDA”) asks that Cooper respond to certain allegations made by the Task Force on EDA’s Tax Incentives (“Task Force”) in its June 17, 2019 First Published Report (“Report”). Cooper thanks the EDA for the opportunity to submit this written response.

As you know, Cooper has been serving the Camden community for more than 132 years and operates a 635-bed safety net hospital. Over the course of its many years of service to Southern New Jersey, Cooper has grown and is now a leading academic health system with more than 7,300 employees, and its physicians train the medical professionals of tomorrow at the Cooper Medical School of Rowan University. Last year, more than 1.6 million patients visited Cooper’s 100-plus locations across South Jersey. Cooper is proud to have been a leader in Camden’s revitalization. The tax credit award from the EDA enabled Cooper to further support Camden’s renewal by moving more of its employees into the city.

As detailed in the following pages, Cooper respectfully submits that the Report contains fundamental misstatements of the law, and a misleading and biased accounting of the facts, that resulted in improper and unwarranted aspersions cast upon both Cooper and the EDA.

First, under the grant program Cooper did not need to demonstrate that jobs were “at risk” of leaving the state, neither as an issue of eligibility nor to justify the amount of credits Cooper received. The plain language of the statute and each aspect of the legislative history supports this conclusion. The contrary assertions from the Task Force are the result of (i) ignoring relevant statutory text, (ii) omitting key legislative history, (iii) misstating the effective date of various laws and regulations, and (iv) overlooking binding Appellate Division precedent. Indeed, one of the key conclusions from the Report is an improper attempt to apply to Cooper’s 2014 application regulatory standards that were not adopted until 2017.



One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

Second, because the law did not require Cooper to represent that jobs were “at risk” of leaving the state in order to qualify for tax credits, Cooper’s application did not certify that jobs were “at risk.” Indeed, Cooper’s application specifically informed the EDA—under oath—that Cooper did not intend to leave New Jersey. As reflected in contemporaneous documents, the EDA nevertheless requested a “*comp from out of state*” to support the application. Cooper complied with the request, explaining in writing to the EDA that Cooper had never even visited a location in Philadelphia, and had nothing in writing from a prospective Philadelphia landlord. Moreover, Cooper never amended its certification, which document explained under oath that Cooper was not considering a move outside of New Jersey. It is meritless for the Report nevertheless to conclude that Cooper actively deceived the EDA into thinking that Cooper—which has been a *New Jersey* health system for more than *130 years*—was going to leave the state.

For all the many reasons that follow, the award of tax credits to Cooper was proper. The contrary conclusions advanced by the Task Force are baseless.

The Report Misstates the Law

The Report includes a six-page discussion of the New Jersey Economic Opportunity Act of 2013, L. 2013, c. 161 (“2013 Act”), offering an interpretation of that law’s requirements for projects in Camden. Report at 24-29. The ultimate conclusion offered by the Task Force is that all applicants seeking tax credits under the incentive program—including those seeking to develop a project in Camden—were required to demonstrate that jobs were “at risk” of leaving the state in order to qualify for tax incentives. Report at 26. As explained *infra*, Cooper never certified to the EDA that jobs were “at risk” of leaving the State, but nevertheless received a tax credit from the EDA. The Task Force’s legal analysis, therefore, seems designed to call into question the legal propriety of the EDA’s award to Cooper. For all of the reasons that follow, the Report’s conclusion on this point is plainly incorrect. Indeed, it appears that the Task Force went out of its way to ignore relevant statutory text and legislative history to reach this demonstrably incorrect legal conclusion.

For the ease of the EDA, Cooper provides a brief history of the applicable statutory and regulatory provisions. When that history is placed in actual chronological order—and when the materials omitted by the Task Force are considered—the errors of the Report become apparent.

The Grow New Jersey Assistance Act, N.J.S.A. 34:1B-242 et seq. (“Grow Program”), was first enacted into law on January 5, 2012. See L. 2011, c. 149. The central focus of the Grow Program in 2011 was the same as it is modernly: “to encourage economic development and job creation and to preserve jobs that currently exist in New Jersey but which are in danger of being relocated outside of the State.” L. 2011, c. 149, § 3 (N.J.S.A. 34:1B-244). However, the concept of “Garden State Growth Zones” was not included in the Grow Program at the time.



One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

Under the Grow Program as originally enacted, the applicant needed to demonstrate that “the capital investment resultant from the award of tax credits and the resultant retention and creation of eligible positions will yield a net positive benefit to the State,” and that “the award of tax credits will be a material factor in the business’s decision to create or retain the minimum number of full-time jobs for eligibility under the program.” *Ibid.* “To assist the authority in determining whether a proposed capital investment will yield a net positive benefit,” the applicant’s chief executive officer (“CEO”) was required to submit a certification stating three things:

1. “that any existing full-time jobs are at risk of leaving the State or being eliminated,”
2. “that any projected creation or retention, as applicable, of new full-time jobs would not occur but for the provision of the tax credits under the program,” and
3. that the applicant’s chief executive officer has reviewed the application and that the representations are accurate.

Ibid. (emphasis added). The law at the time continued: “Based on this information, and any other information deemed relevant by the authority, the authority shall independently verify and confirm, by way of making a factual finding by separate vote of the authority’s board, the business’s assertion that the jobs are actually at risk of leaving the State, before a business may be awarded any tax credits under this section.” *Ibid.* (emphasis added).

Because “Growth Zones” did not then exist, there was no deviation from this language to accommodate for projects in such zones. Jobs actually being “at risk” was an essential requirement of the application and the certification from the CEO.

Approximately six months after the EDA adopted the first set of regulations under the Grow Program, *see* 44 N.J.R. 1784(c), the Legislature began developing legislation that would eventually become the 2013 Act. As introduced, the draft legislation did not include the concept of “Garden State Growth Zones.” *See* Assembly Bill No. 3680 (introduced Jan. 14, 2013). Instead, the idea of a Growth Zone was first introduced into the legislation with June 24, 2013 amendments from the Senate Budget and Appropriations Committee. As explained by the committee statement at that time, “The GSGZ [Garden State Growth Zone] program is a new area designation for the cities of Camden, Passaic, Paterson, and Trenton. The bill provides incentives to increase ERG and GROW award amounts for projects within GSGZs.” Sen. Budget and App. Committee Statement to A. 3680 (First Reprint) (June 25, 2013) at 8. The 2013 Act was signed into law on September 18, 2013.

As amended by the 2013 Act, the Grow Program still stated the baseline requirement that applicants submit a certification with three items: (1) that jobs are “at risk,” (2) that the project would not proceed “but for” the tax credits, and (3) that the chief executive officer believes the application to be truthful. For Growth Zones, however, the law now said that “in satisfaction of the [first two]

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

provisions,” the applicant “shall indicate that the provision of tax credits under the program is a material factor in the business decision to make a capital investment and locate in a Garden State Growth Zone.” Ibid. (emphasis added).

The “satisfaction” language chosen by the Legislature is to be given its “generally accepted meaning.” See N.J.S.A. 1:1-1 (general rules of construction). To “[s]atisfy” means “to discharge fully (a debt, obligation, etc.)”. Random House Webster’s Unabridged Dictionary 1705 (1998); accord Black’s Law Dictionary 1609-10 (11th ed. 2019) (“satisfaction” means “[t]he fulfillment of an obligation; esp., the payment in full of a debt”). Under the plain language of the amendments in the 2013 Act, applicants proposing Camden projects did not need to demonstrate that jobs were “at risk” of leaving the state—they instead “satisf[ie]d” this requirement if the provision of tax credits was a “material factor” in their decision to move forward with the project in Camden.

This construction is confirmed by additional language that the Legislature added to the same exact section when it added the “satisfaction” amendment. The law says that the EDA is required to “independently verify and confirm . . . the business’s assertion that the jobs are at risk of leaving the State . . . or, with respect to projects located in the Garden State Growth Zone . . . the business’s assertion that the provision of tax credits under the program is a material factor in the business’s decision to make a capital investment and locate in the Garden State Growth Zone.” N.J.S.A. 34:1B-244(d) (emphasis added). The latter part of this sentence was added by the Senate Budget and Appropriations Committee as part of its amendments to create Growth Zones. The disjunctive language thus sets up a clear distinction between non-Growth Zone and Growth Zone applicants. For the former, the EDA must verify that “jobs are at risk of leaving the State.” Ibid. For the latter, no such verification is required because such applicants do not need to demonstrate that jobs are “at risk” as part of the net positive benefit test. Instead, they need only demonstrate that the credits are a “material factor” in their decision to invest in the Growth Zone. Ibid.

This interpretation is further supported by the legislative history. When the Senate Budget and Appropriations Committee added the “satisfaction” language for Growth Zones, it explained that it meant to “add full-time jobs that were to be eliminated to the net positive benefit determination [for non-Growth-Zone applicants] but exempt the determination for certain projects in a GSGZ in certain municipalities.” Senate Budget and Appropriations Committee Statement to First Reprint of A. 3680 (June 25, 2013) at 4 (emphasis added). Thus, if the applicant was considering moving to Camden, it was “exempt” from demonstrating as part of the net positive benefits test that jobs were “at risk.” Instead, it had to demonstrate only that the tax incentive was a “material factor” to its decision to construct a project in Camden. Accord Governor’s Conditional Veto to First Reprint of A. 3680 (Sept. 9, 2013) (explaining that the bill “lower[s] program eligibility thresholds for New Jersey’s municipalities in the most need of economic development” (emphasis added)).



One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

The Task Force omits all of the foregoing legal authority when it puts forth its strained interpretation of the 2013 Act. Specifically, the Task Force undertakes no effort to explain how the “satisfaction” language fits into its analysis, see Report at 25; silently relegates to a footnote the crucial alternative findings that the EDA must make for Camden projects, which expressly omits a finding of “at risk” for such projects, see Report at 27 n.70; completely ignores the legislative committee statement that Camden applicants were “exempt” from the traditional strictures in the “net positive benefit determination”; and disregards the Governor’s statement that the intent was “to lower program eligibility thresholds” for Camden. Instead, the Report says there are two reasons why Camden applicants nevertheless needed to demonstrate that jobs were “at risk.” Both rationales are incorrect.

First, the Task Force says that because the polestar of statutory interpretation is “the furtherance of legislative intent,” and because the Grow Program was originally designed to “preserve” jobs that might otherwise leave the State, Camden applicants must therefore satisfy the “at risk” standard. Report at 26 (quoting N.J.S.A. 34:1B-244(a)). But the statutory language quoted by the Task Force was added in 2011, *prior* to the amendments in the 2013 Act. Compare Report at 26; with L. 2011, c. 149, § 3. The legislative history from 2013—not 2011—governs what the Legislature intended with its 2013 amendments. And as already noted, the 2013 amendments were explicitly designed to “exempt” Camden applicants from the “at risk” obligation.

Second, the Task Force says that the law must be construed to require a finding of “at risk,” because a contrary interpretation would favor Camden above other municipalities and therefore render the 2013 Act constitutionally suspect “special legislation.” Report at 27-28. This argument fails because it is inconsistent with established legal precedent, and was rejected outright by the New Jersey Appellate Division. The Municipal Rehabilitation and Economic Recovery Act, N.J.S.A. 52:27BBB-1 to -65 (“MRERA”), was specifically designed to include only one municipality: Camden. It is by cross-reference to MRERA that the 2013 Act sets forth distinct standards for Camden applicants under the Grow Program. See, e.g., N.J.S.A. 34:1B-244(d). The New Jersey Appellate Division has already held that MRERA is not “special legislation,” even though it covers Camden alone. See Camden City Bd. of Educ. v. McGreevey, 369 N.J. Super. 592, 607 (App. Div. 2004); id. at 606 (“As long as the enactment ‘on its face’ allows other municipalities to qualify, it is irrelevant whether the Legislature was concerned with the needs of only one municipality when it acted.”); accord Twp. of Mahwah v. Bergen County Bd. of Taxation, 98 N.J. 268, 285 (1985) (“a statute is not special legislation merely because it addresses the needs of a particular municipality or serves a particular purpose”). The Reports’ rationale in favor of its interpretation is thus incorrect.

The Report also attempts to bolster its flawed interpretation of the statutory language with certain internal deliberations had in June 2013 between Colin Newman (then an attorney for Governor Christie) and two employees of the EDA, before the language was ever submitted to the Legislature for its consideration. Report at 24-25. Even assuming that this information is appropriately considered when

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

interpreting an unambiguous statute (and it is not),¹ the documents actually disprove the Task Force's faulty arguments.

According to those emails, there was an ongoing dialogue between the "Senate Dems" on the one hand, and Mr. Newman and EDA employees on the other, shortly before the concept of "Growth Zones" was first introduced by the Legislature. On June 21, 2013, the "Senate Dems" proposed statutory language saying that the "at risk" showing "shall not be required" for projects in Camden. Report Ex. 4. On June 23 and 24, Mr. Newman explained to employees of the EDA his preference that the "at risk" language remain an express requirement for Camden applicants, and specifically proposed language to accomplish that purpose. Report Ex. 5. Later that same day, legislative members deleted the language that Mr. Newman had requested, and added instead the "satisfaction" term that ultimately wound up in the final statute. Report Ex. 6. The Legislature further proposed that applicants in Camden should be required to demonstrate only that the tax credits "will allow the business to make a capital investment in the Garden State Growth Zone and assist the business's stability, competitiveness, economic efficiency and financial prospects." Ibid. In response, the EDA employees and Mr. Newman accepted the "satisfaction" language, but proposed that Camden applicants at least be required to show that the award of tax credits be a "material factor in the business decision" to move forward with the Camden project. Report Ex. 7, 8. This was the language that ultimately became law. See L. 2013, c. 161. Simply put, while Mr. Newman expressed a desire for the "at risk" requirement to apply to Camden applicants, the Legislature rejected that request in favor of the "satisfaction" provision. Accordingly, these emails speak plainly and loudly to the Legislature's intent to exempt Growth Zone cities like Camden from the "at risk" requirement. The contrary interpretation offered by the Report is incorrect.

The Task Force also cites to N.J.A.C. 19:31-18.7(c) in support of its argument that the "at risk" requirement applied to Cooper's application. That provision states that "[r]etained employees" in Camden "shall not be included" in the net benefits test "unless the business demonstrates that the award of tax credits will be a material factor to retain the employees **in the State.**" Report at 29 n.74 (emphasis in original); accord Report at 43 (same). Regardless of whether this regulation is permissible in light of the statutory language discussed above, this provision ***was not in the Administrative Code***

¹ It is improper to "resort to extrinsic interpretive aids when the statutory language is clear and unambiguous, and susceptible to only one interpretation." DiProspero v. Penn., 183 N.J. 477, 492 (2005) (quotation omitted). And even when legislative history is appropriately considered, "statements of individual legislators are not generally considered to be a reliable guide to legislative intent," because it is the intent of the Legislature as a whole—not individual politicians—that must be respected. See Bedford v. Riello, 392 N.J. Super. 270, 279 (App. Div. 2007) (quotation omitted), aff'd 195 N.J. 210 (2008). The statements used by the Task Force are even less reliable indicators of legislative intent, because none of the speakers were even members of the Legislature.

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

when Cooper applied for and received its tax incentives. Instead, this language was added on January 3, 2017, in a notice of adoption filed without public comment. See 49 N.J.R. 134(a). Prior to that date, the Administrative Code did *not* say that that jobs needed to be “at risk” for them to be considered as part of the “net positive benefits test” for Camden applicants. Instead, the regulations said that “taxes paid directly or generated indirectly by new or retained employees” were included in the analysis. See 44 N.J.R. 1784(c), at 1791. It is thus wrong for the Task Force to suggest that Cooper’s application violated a regulatory provision that was not even in effect until *years after* Cooper’s application was approved, and is likely invalid nonetheless.²

The Report claims that it is nevertheless “indisputable” that “at risk” is a “critical factor bearing on, at a minimum, the potential size of the award.” Report at 42. In other words, even if the law says otherwise and even if the Legislature intended to exempt Camden applicants from the “at risk” requirement for eligibility purposes, the Task Force incorrectly argues that the grant award would be substantially reduced or eliminated unless jobs were actually “at risk.”

The Report’s conclusion is incorrect. The Legislature clearly intended to exempt Camden applicants from the “at risk” requirement not just for eligibility purposes (see *supra*), but also for purposes of calculating the amount of the award. The 2013 Act specifically instructed that “in determining whether a proposed capital investment will yield a net positive benefit,” Camden applicants “satisf[ie]d” the requirement of jobs being “at risk” if they instead certified that “the provision of tax credits under the program is a material factor in the business decision to make a capital investment and locate in” Camden. N.J.S.A. 34:1B-244(d). Likewise, the contemporaneous legislative committee statement—conspicuously ignored by the Task Force—explains that the intent was to “exempt the determination” of jobs being “at risk” for purposes of the “net positive benefit determination.” Senate Budget and Appropriations Committee Statement to First Reprint of A. 3680 (June 25, 2013) at 4 (emphasis added).

According to the Task Force’s interpretation, because the retained taxes of a New Jersey employee who is not “at risk” do not produce a new “net positive benefit to the State,” those taxes *ispro facto* cannot be included in the test. Report at 42. But the Report itself concedes that this is not what the Legislature intended in the 2013 Act when it created new standards for Camden. Indeed, the Report criticizes the Legislature at length for allowing “phantom taxes” under the net positive benefits test for Camden applicants “even if the State will never collect those taxes.” Report at 22-23, 71. Just as the Legislature allowed certain taxes to be included in the net positive benefit test for Camden regardless of

² Making substantial changes to the Administrative Code without public comment violates the Administrative Procedure Act, rendering the regulatory amendment void. See N.J.S.A. 52:14B-4(d) (“No rule hereinafter adopted is valid unless adopted in substantial compliance with” the act). Moreover, a regulation is substantively invalid if it is inconsistent with a statute, as this regulation clearly is.

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

the actual “collect[ion]” of those taxes, so too did it decide that employees need not be “at risk” for their numbers to count toward Camden applications.

As the Legislature obviously recognized, the entire purpose of the 2013 Act was “to increase ERG and GROW award amounts for projects” in Camden, while simultaneously “lowering eligibility thresholds” for such projects. Sen. Budget and App. Committee Statement to A. 3680 (First Reprint) (June 25, 2013) at 8; Governor’s Conditional Veto to First Reprint of A. 3680 (Sept. 9, 2013). Statutes must be interpreted to advance, not thwart, legislative intent. Lee v. First Union Nat’l Bank, 199 N.J. 251, 262 (2009). Because the incorrect interpretation offered by the Report would destroy the intent of the Legislature in the 2013 Act, it must be rejected.

As a matter of law, Cooper was not required—neither as part of the initial eligibility determination, nor as part of the determination on the amount of the credit Cooper would receive—to demonstrate that jobs were “at risk” of leaving the State. That is precisely why Cooper explained in its application that no jobs were “at risk.” See infra.

The Report Misstates the Facts

Cooper’s November 7, 2014 application did not represent that any jobs were “at risk” of leaving the state, and Cooper’s then-CEO never certified that any jobs were “at risk.” See Report at 50, 52 n.131. Rather, Cooper’s application informed the EDA that it wanted to relocate certain of its back-office operations from the suburbs into a new facility in Camden, lawfully availing itself of the Grow Program to do so. See Report at 49. As explained in more detail below, it was not until after a request from the EDA for a comparable alternative location outside of New Jersey that Cooper presented such information. At no time, however, did Cooper revise its application or amend its certification to state that jobs were actually “at risk.” The contrary assertions contained in the Report are without merit.

First, the Task Force points to internal Cooper communications on March 28, 2014 that described the benefits of a move to the L-3 Building in Camden, “months before [Cooper’s] November 2014 application for tax incentives.” Report at 49. The suggestion is that Cooper had already made up its mind to move to the L-3 Building regardless of whether it received tax credits. The claim is false. An email circulated on March 29, 2014 among the very same people “[a]s a follow up to our discussion yesterday” attached “information about the property for your reference.” Exhibit A. The attachment to that email explained, “Tenants that relocate to this building are eligible for unprecedented economic incentives provided by the state of New Jersey under the New Jersey Economic Opportunity Act of 2013.” Ibid. In other words, Cooper’s move to the L-3 building was an attractive option precisely because of the availability of new credits under the 2013 Act.

Second, Exhibit 16 attached to the Report is represented by the Task Force to be the November 7, 2014 application that Cooper submitted to the EDA. See Report at 50; Report Ex. 16. That is

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

incorrect. When a company submits an application to the EDA through the online portal, the application is automatically marked “OFFICIAL COPY” and given a time-stamp. For example, Cooper’s application is time-stamped “11/7/2014 2:17:03 PM,” and clearly marked “OFFICIAL COPY.” See Exhibit B. The Task Force’s Exhibit 16 is not the official submission from Cooper, but rather an earlier working draft that Cooper sent to the EDA on November 11, 2014 for the sole purpose of answering some of the EDA’s follow-up questions on “retained jobs.” Report Ex. 17. This working draft is *not* the official application submitted by Cooper to which its CEO certified. Nevertheless, the Task Force presented this working draft as Cooper’s official application during the May 2, 2019 hearing, pointing out inconsistencies between that document and the “official copy” to accuse Cooper and its then-CEO of malfeasance. See Exhibit C (May 2, 2019 Transcript at 168:19 to 169:17).

Third, after Cooper submitted its official application on Friday November 7, the EDA reached out to Cooper’s counsel on Monday November 10 with some follow-up questions. The EDA employee stated, “Cost Benefit analysis was not included in the package, we need to see something that indicates a comparison of the current NJ locations with a consolidation to the L3 space.” Report Ex. 17 (emphasis added). Crucially, the EDA was not asking for an analysis comparing Camden with a non-New Jersey location—it was asking for a comparison of Camden with Cooper’s existing facilities. Similarly, in the same email the EDA asked for “a more specific breakdown of the jobs to be retained,” without ever suggesting that jobs needed to be “at risk” to be included in the calculation. Ibid. As the Task Force would know from its witness interviews, Cooper and the EDA had been in regular communication prior to the actual submission. This contemporaneous email (conspicuously ignored by the Task Force) indicates that, up to that point, the EDA was not seeking out-of-state information from Cooper. Rather, the EDA was only interested in Cooper’s intentions to make an intrastate move to a Garden State Growth Zone pursuant to the new 2013 Act.

Fourth, after observing that everything Cooper submitted to the EDA up through November 13, 2014 said that no jobs were “at risk” of leaving the state, and that Cooper was not considering any non-New Jersey locations, the Report observes that on November 13, 2014 at 11:59 am an EDA employee emailed Cooper’s attorney, saying, “I need to talk to you about Cooper.” Report Ex. 18. After that outreach—clearly initiated by the EDA—Cooper’s attorney informed the EDA that very evening that Cooper was “working on” a new cost benefit analysis, and that the attorney “[w]ill get to you ASAP.” Report Ex. 19.

The following day, Friday November 14, Andrew Bush (Cooper’s Vice President of Real Estate and Facilities) updated his supervisor, Douglas Shirley (Cooper’s Senior Executive Vice President and Chief Financial Officer) on the EDA application. Mr. Bush explained, “EDA has asked for a comp from out of state to support our application.” Exhibit D (emphasis added). After Mr. Bush found a suitable “comp” to satisfy the EDA’s request, on Tuesday November 18 Cooper submitted an updated cost benefit analysis for 1900 Market Street in Philadelphia. Report Ex. 20. Cooper then explained to the EDA that (i) Cooper had never even seen any locations in Philadelphia and that (ii) Cooper had



One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

absolutely nothing in writing from any prospective Philadelphia landlord because all communications were verbal only. Report Ex. 21-22. It was not until December 5, 2019—presumably after the EDA’s Incentive Committee recommended that Cooper’s application be approved at the upcoming December 9 board meeting, see Report at 34 (describing approval process)—that Cooper ever obtained and submitted to the EDA any written terms for a Philadelphia property. Report Ex. 23. And that written document was for a completely different property than was listed in the earlier Cost Benefit Analysis, with completely different prices, which prompted Cooper to ask the EDA “if you would like [Cooper] to update the cost benefit analysis.” Ibid.

Notwithstanding all of that history, the Report accuses Cooper of having deceived the EDA into believing that Cooper was “sincerely” contemplating a move to Philadelphia. Report at 52. That allegation is inconsistent with the facts and the undisputed chronology of communications described above. Indeed, it is self-evident that after Cooper filed its application stating that no jobs were “at risk,” the EDA asked it to provide legally irrelevant information. The Task Force is now using Cooper’s compliance with the EDA’s request to tarnish the organization.

Cooper does not have the benefit of the information available to the Task Force, and thus is left to a certain degree of supposition at this stage. The 2013 Act was a dense document, and the Report reveals that EDA staff received no formal legal training on what it meant or how to process applications in Growth Zones in light of the legislative amendments. Report at 40. Even though the plain language of the statute made it clear that Camden applicants did not need to demonstrate that jobs were “at risk,” EDA staff nevertheless “exhibited inconsistent, incomplete, or inaccurate understandings of certain Program requirements,” specifically concerning “the circumstances in which Grow NJ applicants are required to demonstrate a risk that their jobs may be relocated outside of New Jersey” and “the effect such a relocation risk may have on the terms of any tax incentives award.” Report at 42. There is no indication in the limited record to date that the EDA appropriately updated the Regional Input-Output Modeling System designed by Jones Lang LaSalle to accommodate for the new changes in the net benefit test mandated for Growth Zones. See Exhibit C (252:14 to 253:6) (explaining the computer software used to calculate the net benefit). And indeed, the Task Force admits that the EDA awarded tax credits to an entity in Atlantic City that, like Cooper, never certified that any jobs were “at risk.” Report at 42. The EDA clearly treated that Growth Zone applicant—which also did not need to demonstrate that jobs were “at risk,” see N.J.S.A. 34:1B-244(d)—differently than the EDA treated Cooper.

Regardless of whether it was because of the lack of legal training on the 2013 Act, or any other number of factors resulting in confusion in the EDA itself, the EDA asked Cooper for a comparable out-of-state location even though Cooper told the EDA upfront that no jobs were “at risk.” The understanding of Cooper was that it was providing comparable locations to satisfy the EDA’s requests, even though Cooper never intended to relocate outside of New Jersey. Indeed, that is exactly how Cooper described its understanding of the EDA’s request, explaining on November 14, 2014 that “EDA

One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

has asked for a comp from out of state to support our application.” Exhibit C (emphasis added). And when Cooper reached out to CBRE on November 25, 2014 to seek potential alternate locations for the EDA application, it described the request as seeking a “comp” only. Report Ex. 26 (emphasis added).

Rather than recognizing that Cooper only sought a “comp” when it reached out to CBRE, the Report alleges that this email is proof of Cooper seeking a “sham term sheet” because Cooper requested discretion about the inquiry. Report at 54. Since Cooper had no intention of moving to Philadelphia and was only seeking a “comp” to satisfy the EDA’s request, it was a reasonable ask on Cooper’s part to avoid creating a public misunderstanding that the New Jersey hospital (which had been serving this state since the 1800s) was moving to Pennsylvania. See Report Ex. 26.

Similarly, the Report claims that Cooper “informed the EDA during the course of EDA’s processing of its application” that Cooper “was considering an out-of-state move to Philadelphia.” Report at 48. Cooper is aware of no such representation to the EDA. To the contrary, the only documents known to Cooper are those where its then-CEO certified that jobs were not at risk of leaving the state. It bears repeating that Cooper (i) explained to the EDA up front and under oath that it had no intention of leaving New Jersey, (ii) told the EDA that it had not even seen any locations in Philadelphia, (iii) advised the EDA that the only information it had on Philadelphia locations was oral, and (iv) submitted a cost benefit analysis that was completely different than the one location where Cooper ultimately obtained a written lease proposal for the EDA. These facts clearly disprove that Cooper was affirmatively trying to mislead the EDA. Indeed, if this is a “fraud,” it is perhaps the most incompetent fraud ever committed.

Finally, the Report indicates that the EDA was asked to “recalculate the award” to Cooper on the assumption that zero jobs were “at risk.” The Report goes on to say that “at most” Cooper would be eligible for \$7.15 million under whatever standard was applied for this recalculation. Report at 55. While Cooper has been provided with no information about the metrics used for this calculation, any standard that refuses to consider Camden employees in the net benefit test unless those employees are “at risk” is inconsistent with the 2013 Act for the many reasons explained above. Moreover, if the standard used for this “recalculation” followed the modern provisions of N.J.A.C. 19:31-18.7(c) (i.e., the regulation adopted in 2017), those provisions were not in effect at the time that Cooper was awarded its grant in 2014. Instead, if the “recalculation” was performed consistent with the 2013 Act and the law as of 2014, the result would necessarily match the amount of Cooper’s award. Indeed, Cooper has far exceeded its contractual obligations for the Camden facility, employing over 500 employees even though the application required only 372.

Conclusion

To date, Cooper has invested \$15 million into its Camden facility, and the number of jobs at its facility has grown to nearly 500 employees, which is far in excess of the 372 jobs required in its

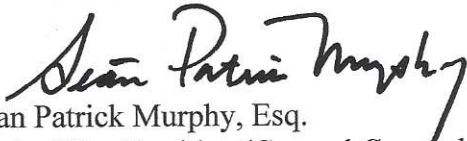
One Federal Street
Suite S-400
Camden, NJ 08103
P: 856.382.6977
F: 856.382.6970

application. Cooper has surpassed all commitments and requirements of the Grow Program and its incentive agreement, complied with the law in all respects, and has received a Letter of Compliance from the EDA each year since 2015. Unfortunately, Cooper has nevertheless sustained ongoing, baseless, and damaging public attacks on its reputation. The Task Force has implied falsely that Cooper acted improperly, based on a faulty interpretation of New Jersey law and without evidence to support those accusations.

The evidence and record are clear. Under the plain language of the 2013 Act, Cooper did not have to certify that any jobs were "at risk" of leaving the state, neither for eligibility for tax credits nor as part of the net benefit test. Cooper filed one certified application and CEO certification, and neither document stated that jobs would move out of state. In fact, the application expressly stated "NO" when asked if jobs were at risk of going out of state. And it is clear from the record, and even in the Task Force's Report, that Cooper only began to research comparable data on out-of-state properties after being contacted by the EDA and requested to do so. The Report's allegations against Cooper are undermined every step of the way as being without basis in law or fact.

Cooper thanks the EDA for this opportunity to correct the record. We also thank you for your invitation to meet and discuss any remaining questions you have and ask that the meeting be set up as soon as possible.

Very Truly Yours,



Sean Patrick Murphy, Esq.
Senior Vice President/General Counsel
The Cooper Health System

EXHIBIT A

From: David Foster <[REDACTED]>
Sent: Saturday, March 29, 2014 3:10 PM
To: John Sheridan
Cc: Anthony Perno
Subject: L-3 Information
Attachments: Camden Innovation Campus-4pg brochure.pdf; Second Floor - Option Two[4].pdf; CFP Memo Re Cooper Lease of L3.docx; Conference Center 1[1].jpg; Cafeteria 2.jpg

Dear John,

I hope all is well. As a follow up to our discussion yesterday, I am attaching an overview memo for a potential Cooper lease of space in the 100 Market Street building. You will see that it is a very attractive deal, with a ten year net occupancy cost of -\$13M. Even if you relocate another 20,000 sf of non-Grow tenants into the building, you'll still see a net occupancy cost of better than -\$5M. I have also attached information about the property for your reference. One thing that often gets lost in the discussion of the building is how nice a space it is and can be. The fitness center, 200+ person conference center, training rooms, cafeteria, and waterfront access are a real plus. Additionally, the wide-open floor plan lets you build a modern office space with lots of natural light and modern amenities that your employees will love. We have included \$25 of TI, which should get you what you need. The space can also come furnished at no additional cost, which may allow you to save a few bucks as well.

I think this deal makes a lot of sense for Cooper. Although it does not get you a new building, it will have a big and immediate economic development impact on the downtown and will certainly cement Cooper's legacy as the history of this revitalization is being written. Once you factor in the savings of not renting your current space in the suburbs, this move could allow you to easily realize \$3M+ in annual savings

I have not included information on the office building for the other project on the adjacent parcel. The model for that project is highly dependent on parking numbers for the Aquarium and other special events. Our team is pulling those together, and I will have a detailed model for you on Monday.

Let us know what you think. It might make sense to schedule a time to walk the building again as you consider your options.

All the best
Dave

David D. Foster
President
Cooper's Ferry Partnership
e: [REDACTED]
p: [REDACTED]
m: [REDACTED]
www.coopersferry.com

Camden Innovation Campus

100 Market Street
Camden, New Jersey



LEASING OPPORTUNITY:

116,000 s.f.

Class A office space available for lease

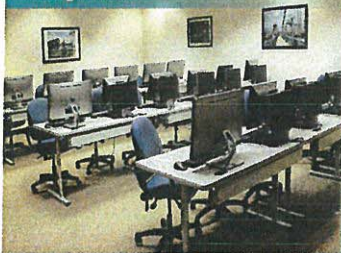
Rick Widerman
Executive Vice President

Dan Close
Senior Associate

1820 Chapel Avenue W.
Cherry Hill, NJ 08002
+1 856 324 5300
www.us.jll.com/philadelphia



Training Center



Spacious Fitness Center



Building Features

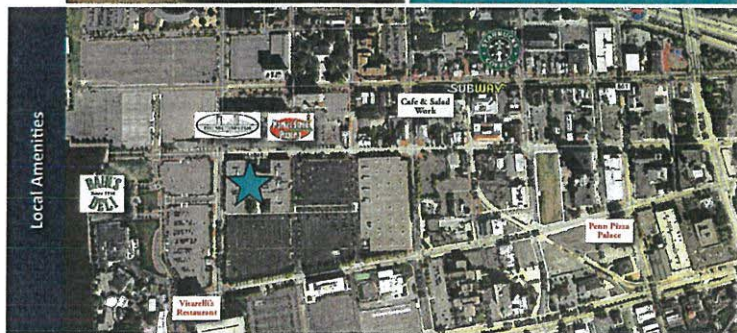
The building size is 350,000 s.f. and is Class A office space with 116,000 rsf available. The 116,000 s.f. is the entire second floor and is divisible.

- 10 foot ceilings throughout (ability to expand ceiling heights)
- Parking ratio of 4.0/1,000
- 24 hour access and building security
- Secure campus
- High capacity, dual-line power feed
- Fiber optic internet
- Easy access to and from public transportation
- Located within a Garden State Growth Zone (GSGZ)

Onsite Amenities

- Training Center
- Fitness Center
- Free secured parking
- Full service cafeteria

Local Amenities



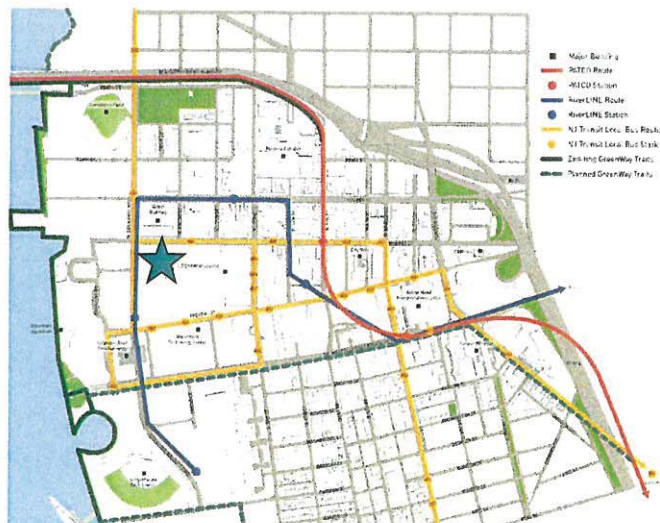
Incentives

Tenants that relocate to this building are eligible for unprecedented economic incentives provided by the state of New Jersey under the New Jersey Economic Opportunity Act of 2013.

It is likely that eligible tenants can obtain incentives that exceed a tenant's aggregate annual rent over the first 10 years of a lease term.

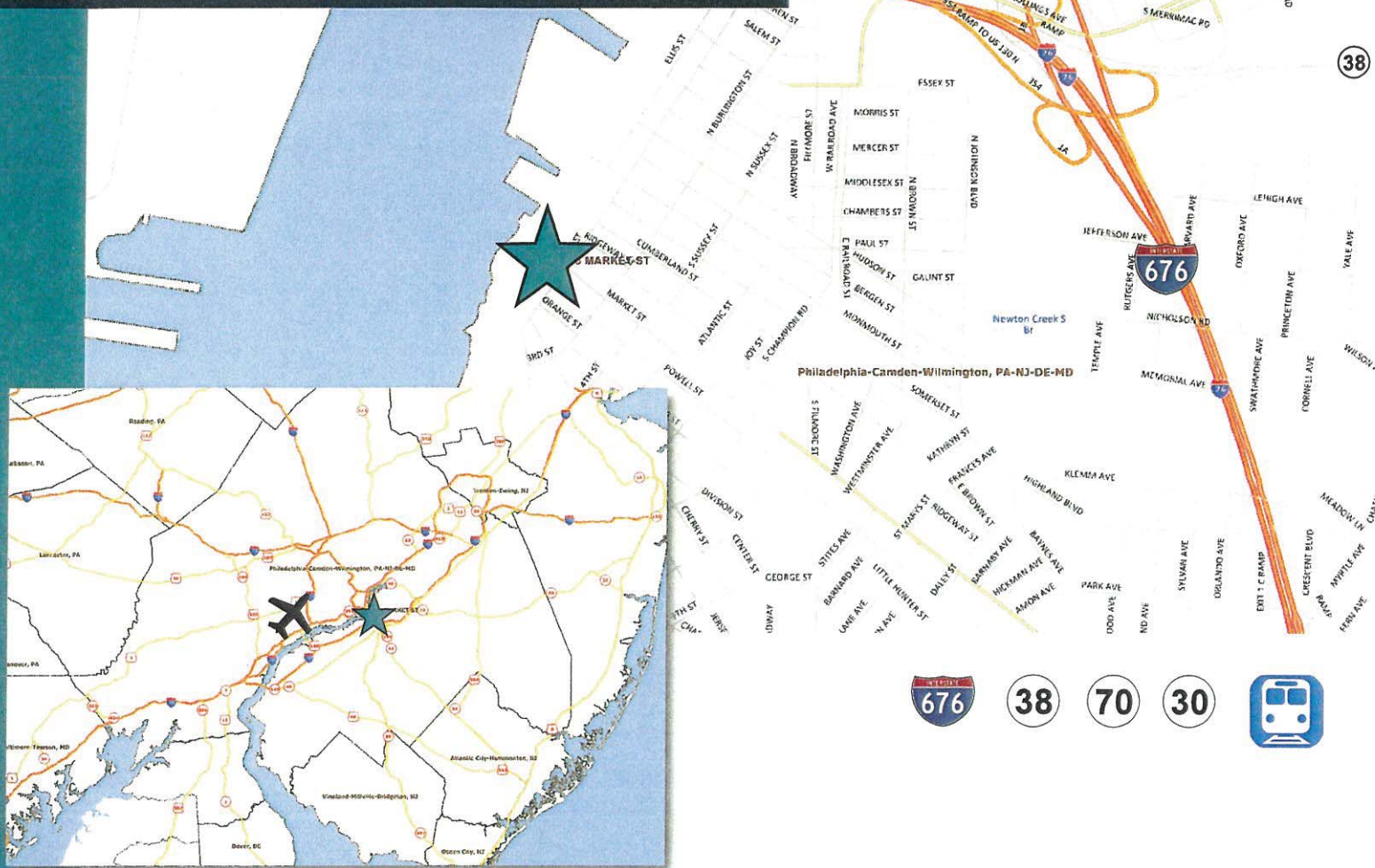
Access to Mass Transportation

- PATCO City Hall transit stop is two blocks with service from Philadelphia to Lindenwold, NJ. (7 minutes to Philadelphia)
- NJ Transit River Line is immediately adjacent to the building.
- NJ Transit has a hub for 26 bus lines at the Walter Rand Transportation Center.



Camden Innovation Campus

Benjamin Franklin Bridge



100 Market Street
Camden, New Jersey

Rick Widerman
Executive Vice President

Dan Close
Senior Associate

1820 Chapel Avenue W.
Cherry Hill, NJ 08002
+1 856 324 5300
www.us.jll.com/philadelphia



EXHIBIT B



Online Application for Financial Assistance

OFFICIAL COPY

APPLICATION SUBMISSION DATE - 11/7/2014 2:17:03 PM

APPLICATION NUMBER: 207419

Application Date:	11/7/2014
Who is your NJEDA contact?	Justin Kenyon
Products Selected:	Grow New Jersey Program
Application Fee:	\$5,000
Payment Method:	BYCHECK

Applicant Organization Information

Applicant Organization Name: (legal name without abbreviations)	The Cooper Health System
Federal Employer's I.D. No. (FEIN):	[REDACTED]
Doing Business As Name:	Cooper University Health Care
Holding Company Name:	n/a
Authorized Representative:	[REDACTED]
Authorized Representative Title:	SEVP & CFO
Is the Organization's address the same as the Contact's address?	YES
County:	Camden
Telephone Number:	[REDACTED]
Website Address:	www.cooperhealth.org
Number of Employees:	5,998
NAICS Number:	6221
Nature of Business:	Medical Services

Please provide a brief history and description of the applicant's business (including principal products and services) :

The Cooper Health System is a leading provider of health services to Southern New Jersey and had been a vital institution in Camden for 137 years. Cooper provides a comprehensive network of services that include prevention and wellness, primary and specialty physician services, hospital care, ambulatory and diagnostic treatment services – currently serving more than half a million patients a year

Year Established: 1877

Ownership Structure: Nonprofit Organization

State of Incorporation/Formation: NJ

List all Trustees or Officers:

Name	SSN	Position	US Citizen	Permanent Resident
Adrienne Kirby, PhD, FACHE		Officer	YES	
Douglas Shirley		Officer	YES	
Gary Lesneski		Officer	YES	
Anthony Mazzairelli, MD, JD, MBE		Officer	YES	

Principal Bank Reference Information

Bank Name	Contact Name	Contact Telephone Number
TD Bank		

Legal Information

Name of counsel to applicant: Gary J Lesneski, Esquire

Address: 3 Cooper Plaza Suite 316 Camden, NJ 08103

Telephone: [REDACTED]

Accountant Information

Accountant name: William G. Smith

Address: 3 Executive Campus Suite 310 Cherry Hill, NJ 08002

Telephone: [REDACTED]

Has the applicant, or any related parties, previously received EDA assistance? YES

Applicant Contact Information

Salutation: Mr.

First Name: [REDACTED]
Middle Initial:
Last Name: [REDACTED]
Suffix:
Title: Vice President
Company: Cooper University Hospital
Mailing Address: One Cooper Plaza
Address Line 2:
City/Town: Camden
State: NJ
ZIP Code: 08103
Telephone Number: [REDACTED]
Fax Number: [REDACTED]
Email Address: [REDACTED]

Consultant Contact Information

Contact Name: na
Contact Title: na
Company: na
Address: na
Address Line 2:
City: na
State: NJ
ZIP Code: na
Phone: na
Email: na

Project Information**Project Location**

Street Address: 1 Federal Street
Address Line 2:
City/Town: Camden City
State: NJ
ZIP Code: 08103

County: Camden

Block	Lot
73	1,73,76,142-144

Census Tract: 340076103.00

Is the project located on property that was wholly or substantially damaged or destroyed as a result of a Federally-declared disaster? NO

Project Description



Please provide a narrative description as fully and precisely as possible of the project, including acquisition, lease and renewal terms, construction or expansion plans, current and future uses by the applicant, size of existing and proposed facility, and/or project occupant(s) of the building(s) and/or equipment to be acquired or upgraded:

Cooper plans to lease 123,578 square feet of office space, renovate the space, add furniture and add IT infrastructure to support Cooper's operations in this facility. Cooper will utilize the space for administrative services which support its delivery of integrated health care services.

Will the project facility be occupied or used by any party other than the applicant? YES

Is it anticipated that the project location will be purchased or leased? LEASE

Landlord Contact Information

Contact Name: Howard Needleman
Contact Title: Partner
Company: L/N CAC, LLC (Needleman Management)
Address: 1060 N Kings Highway, Suite 250
Address Line 2:
City: Cherry Hill
State: NJ
ZIP Code: 08034
Phone: 
Email: 

Useable Square Footage leased by the tenant: 123,578

Total Useable Square Footage of the building: 569,473

Asset Type:	Gross Leasable Area (GLA))	Useable Square Feet (USF)

Office	123,578	123,578
--------	---------	---------

Describe how the green building standards posted on EDA's website, here www.njeda.com/GreenBldgGuidance1 and here www.njeda.com/GreenBldgGuidance2, will be incorporated into the proposed project. Also include how renewable energy, energy efficiency technology, and non-renewable resources will be incorporated into the project to reduce environmental degradation and to encourage long-term cost reduction.

The project will incorporate green building standards related to renovation of an existing non-industrial building

Will the project generate solar energy on the site? NO

Project Costs

Please enter applicable costs:

Existing Building Renovation or Addition	\$2,600,000
Fees - Engineering and Architectural	\$650,000
Fixtures & Equipment, Furniture	\$3,600,000
Technology & Networking	\$1,800,000
Relocation Costs	\$480,000
Total Cost:	\$9,130,000

Prevailing Wage

Be advised that projects utilizing financial assistance for construction related costs are subject to state prevailing wage requirements. For further information regarding prevailing wage requirements, please visit the New Jersey Department of Labor and Workforce webpage on prevailing wage requirements located at

http://lwd.dol.state.nj.us/labor/wagehour/wagerate/prevailing_wage_determinations.html.

Please contact Justin if you have any questions.

Project Costs - Existing Building Renovation or Addition

Be aware that Renovation and Additions may trigger Prevailing Wage. Please contact Justin if you have any questions.

Provide a brief description of the size and nature of the renovations and/or addition: Construction costs will result from tenant fit-out to configure the space for Cooper's use and is expected to include demolition of the existing fit-out, modifications to HVAC system, construction of new walls, finishes, etc

Square feet of the building:

569473

Describe all approvals for this project	Status	Date
1. Site Plan Approval	Anticipated	
2. Schematic Drawings	Anticipated	
3. Design Drawings	Anticipated	
4. Construction Drawings	Anticipated	
5. Construction Permits	Anticipated	
6. Historic Review	NA	
7. Traffic/Offsite Improvements	NA	

Project Costs - Existing Building Renovation or Addition

Has construction work begun on project? NO

Do you have an Architect under contract at the time of this application? NO

Do you have an Construction Manager under contract at the time of this application? NO

Do you have an General Contractor under contract at the time of this application? NO

Sources of Funds

Sources should include categories such as owner's equity, bank financing, and other government support used to finance the completion of the project. The EDA grant request, if successful, should not be considered a project financing source since it will be available over time.

Source Name	Source Amount
owner's equity	\$9,130,000
Total:	\$9,130,000

Grant Amount Requested:

\$44,770,000

Describe how the request was calculated:

The Grant Amount was developed using the base credits and bonus credits available under the GrowNJ program for a project at this site. The Applicant anticipates 407 full time jobs and base/bonus credits of \$11,000 per job per year.

Desired Grant Term

10

Grow New Jersey Program

Location of Corporate headquarters

Address: 1 Cooper Plaza
 Address Line 2:
 City: Camden
 State: NJ
 ZIP Code: 08103
 County: Camden
 Country: US
 State of Incorporation: NJ

New Jersey Operations

Job Type	Number of Employees	Employment	Relocating to Proposed Site	Current Location of Positions	Employee Type	Number of Hours Per Week
Administrative and support services	383	Retained	YES	Cherry Hill & Mt Laurel	W-2	35
Administrative and support services	52	Retained	YES	Camden	W-2	35
	Total: 435					

Does the company provide employee health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (C.17B:27-54), a health benefits plan as defined under section I of P.L. 1992, c.162(C.17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of Title 17B of the New Jersey Statutes?

YES

Number of existing full-time jobs in NJ to be relocated to the proposed site: 407

Are any jobs listed in the application at risk of being located outside of New Jersey: NO

Date or dates that the jobs at risk would be expected to leave the State:
n/a

Number of new full-time jobs to be created at the proposed site: 0

Number of Construction jobs working on this project: 75

List other states New Jersey is in competition with:
Cooper intends to provide 435 total jobs including 407 Full Time jobs. Of these full time jobs,

355 are relocating from outside Camden and 52 are relocating from within the city limits to allow for clinical expansion on Cooper's main campus at One Cooper and Three Cooper Plaza.

What is the approximate start date for the project? 1/1/2015

What is the approximate date of completion for the project? 7/1/2015

Date that company commenced operations in New Jersey: January 1875

Are any of the employees or capital investment referenced in the application currently subject to a BEIP, BRRAG or HUB agreement? NO

Total number of full time NJ employees: 4,658

Estimated Total Gross Payroll at the project site: \$27,264,000

Average Annual Salary for Eligible Employees: \$62,918

Median Annual Salary for Eligible Employees: \$49,305

I certify that my business is not in default with any other program administered by the State of New Jersey: YES

List the exact names of all tax-paying entities below that will pay withholdings for eligible employees under the Grant together with their New Jersey tax identification number (all entities paying withholding taxes for eligible employees will be required to execute the grant agreement). Any companies that are not wholly owned subsidiaries of the Recipient will be required to submit an application for inclusion in the Grant.

Tax Entity	ID #
The Cooper Health System	[REDACTED]

Additional Background Information

Businesses applying for eligibility for NJEDA programs are subject to the Authority's Disqualification/Debarment Regulations (the "Regulations"), which are set forth in N.J.A.C. 19:30-2.1, et seq. Applicants are required to answer the following background questions pertaining to the commission of certain actions that can lead to debarment or disqualification from eligibility under the Regulations.

All capitalized terms used in this Questionnaire, except those defined elsewhere herein, shall be defined at the bottom of this form.

1. Commission of a criminal offense as an Incident to obtaining or attempting to obtain a public or private contract, or subcontract NO

thereunder, or in the performance of such contract or subcontract.

2. Violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty. NO

3. Violation of the Federal or State antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C.874). NO

4. Violation of any law governing the conduct of elections of the Federal Government, State of New Jersey or of its political subdivision. NO

5. Violation of the "Law Against Discrimination" (P.L. 1945, c169, N.J.S.A 10:5-1 et seq., as supplemented by P.L. 1975, c127), or of the act banning discrimination in public works employment (N.J.S.A 10:2-1 et seq.) or of the act prohibiting discrimination by industries engaged in defense work in the employment of persons therein (P.L. 1942, c114, N.J.S.A 10:10, et seq.). NO

6. To the best of your knowledge after reasonable inquiry, violation of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor. NO

7. To the best of your knowledge, after reasonable inquiry, violation of any law governing the conduct of occupations or professions of regulated industries. NO

8. Debarment by any department, agency, or instrumentality of the State or Federal government. NO

9. Violation of any of the following prohibitions on vendor activities representing a conflict of interest, or failure to report a solicitation as set forth below:

- i. No person shall pay, offer or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Authority officer or employee or special Authority officer or employee, as defined by N.J.S.A 52:13D-13(b) and (e), with which such person transacts or offers or proposes to transact business, or to any member of the immediate family as defined by N.J.S.A 52:13D-13i, of any such officer or employee, or partnership, firm or corporation with which they are employed, or associated, or in which such officer or employee has an

- interest within the meaning of N.J.S.A 52:13D-13g.
- ii. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any Authority officer or employee or special Authority officer or employee from any person shall be reported in writing by the person to the Attorney General and the Executive Commission on Ethical Standards.
 - iii. No person may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Authority officer or employee or special Authority officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Authority, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A 52:13D-13g. Any relationships subject to this subsection shall be reported in writing to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the Authority officer or employee or special Authority officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
 - iv. No person shall influence, or attempt to influence or cause to be influenced, any Authority officer or employee or special Authority officer or employee in his or her capacity in any manner which might tend to impair the objectivity or independence of judgment of the officer or employee.
 - v. No person shall cause or influence, or attempt to cause or influence, any Authority officer or employee or special Authority officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the person or any other person.

NO

10. Has any member of the Controlled Group been found guilty, liable or responsible for the violation in any Legal Proceedings of any State, Federal or foreign law that may bear upon a lack of responsibility or moral integrity, or that may provide other compelling reasons for disqualification. (Your responses to the foregoing question should include, but not be limited to, the violation of the following laws, without regard to whether any monetary award, damages, verdict, assessment or penalty has been made against any member of the Controlled Group, except that any violation of any environmental law in category (v) below need not be reported where the monetary award damages, etc. amounted to less than \$1 million).

- i. Laws banning or prohibiting discrimination or harassment in the workplace on the basis of gender, race, age, religion or handicapped status.
- ii. Laws prohibiting or banning any form of forced, slave, or compulsory labor.
- iii. Laws protecting workers who have reported the wrongdoing of their employers to governmental authorities, commonly referred to as "Whistleblower Laws".
- iv. Securities or tax laws resulting in a finding of fraud or fraudulent conduct.
- v. Environmental laws.
- vi. Laws banning the possession or sale of, or trafficking in, firearms or drugs.
- vii. Laws banning anti-competitive dumping of goods.
- viii. Anti-terrorist laws.
- ix. Criminal laws involving commission of any felony or indictable offense under State, Federal or foreign law.
- x. Laws banning human rights abuses.
- xi. Laws banning the trade of goods or services to enemies of the United States.
- xii. The New Jersey Conflicts of Interest Law, N.J.S.A 52:13D-1, et seq.

NO

11. To the best of your knowledge, after reasonable inquiry, is any member of the Controlled Group a party to pending Legal Proceedings wherein any of the offenses or violations described in questions 1-10 above are alleged or asserted against such entity or person? NO

If the answer to any of the foregoing questions is affirmative, you must provide the following information as an attachment to the application: (i) the case and court in which such matters were tried or are pending; (ii) the charges or claims adjudicated or alleged; and (iii) a brief explanation of the circumstances giving rise to such matters. Also, for affirmative answers to question 1-10, copies of the final judgments, consent orders or administrative findings, as the case may be, that were entered or made in such matters must be attached.

The terms set forth below shall be defined as follows:

"Affiliates" means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has the power to control another.

"Legal Proceedings" means any State, Federal or foreign civil, criminal or administrative proceeding in a court or administrative tribunal in the United States, any territories thereof or foreign jurisdiction.

The Authority reserves the right to require additional clarifying or explanatory information from the applicant ("Applicant") regarding the answers given. If, at any time prior to board action on this application, or, at any time between the date of such action and the execution of a grant agreement with the Authority, the Applicant should become aware of any facts that materially alter or change such answers, or render any of them incomplete, the Applicant shall have a duty to immediately report such facts to the Authority in writing.

Certification of Application

PLEASE NOTE:

Eligibility of financial assistance by the New Jersey Economic Development Authority is determined by the information presented in this application and the required attachments and schedules. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the staff of the EDA before taking any action which would change the status of the project as reported herein. The EDA's regulations and policies regarding the payment of prevailing wages and affirmative action in the hiring of construction workers require the submission of certain reports and certificates and the inclusion of certain provisions in construction contracts. Please consult with the EDA staff for details concerning these matters. (Forms can be found on our website www.njeda.com/forms)

Only Board Members of the governing board of the particular program for which you are applying, by resolution, may take action to determine project eligibility and to authorize the issuance of funds.

I, THE UNDERSIGNED, BEING DULY SWORN UPON MY OATH SAY:

1. I have received a copy of the "Regulation on Payment of Prevailing Wages" and the "Affirmative Action Regulation" and am prepared to comply with the requirements contained therein.
 2. I affirm, represent, and warrant that the applicant has no outstanding obligations to any bank, loan company, corporation, or individual not mentioned in the above application and attachments; that the information contained in this application and in all attachments submitted herewith is to the best of my knowledge true and complete and that the bond/loan applied for herein is not for personal, family, or household purposes.
 3. I understand that if such information is willfully false, I am subject to criminal prosecution under N.J.S.A. 2C:28-2 and civil action by the EDA which may at its option terminate its financial assistance.
 4. I authorize the New Jersey Department of Law and Public Safety to verify any answer(s) contained herein through a search of its records, or records to which it has access, and to release the results of said research to the EDA.
 5. I authorize the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the applicant and/or its principals, stockholders and/or investors.
 6. I authorize the EDA to provide information submitted to it by or on behalf of the applicant to any bank or State agency which might participate in the requested financing with the EDA.
- ☒ I am Authorized Signer and I accept the terms and conditions.

Required Attachments

- Application for Tax Clearance
 - Download Application for Tax Clearance - Division of Taxation
(Instructions: Please only complete the information above the dotted line on the application and sign and date at the bottom of the form.)
 - Link to Treasury
 - P.L.2007, C.101
- 3 Years of Financial Statements
- Professional Engineer certification for solar claims, if applicable
- Site Map according to Site Map Specifications
- PDF of the on-line mapping tool found at http://njgin.state.nj.us/OTT_BusinessMap2 with applicant's proposed determination of project eligibility and associated report
- CEO Certification
- Additional application questions
- List all local and/or state financial assistance being utilized in the proposed

project including development subsidies being requested or receiving, other state assistance, low interest rate loans, Infrastructure Improvements, property tax abatements and exemptions, and training grant assistance. Please specify program name, granting body, dollar amounts or value, terms and status of application.

- **Material Factor** - The provision of a grant from the Grow New Jersey Program must be a 'material factor' in a company's decision to retain/relocate/expand operations in New Jersey.
 - A. A full economic analysis of all locations under consideration including such components as, but not limited to the cost effectiveness of remaining in this State versus relocation under alternative plans (e.g. Real Estate listings, Tax or other State/Local financial incentives offered to the applicant and Cost - Benefit Analysis, which may include cost per square foot, real estate tax, tax incentives, training incentives, labor costs, etc.)
 - B. All lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations
 - C. All lease agreements, ownership documents, or substantially similar documentation for the potential out-of-state location alternatives, to the extent they exist
 - D. A description of the 'at risk' nature of the employees that may be leaving the State. Include how such issues as the following will be addressed: mobility, labor and regulatory requirements as applicable (e.g., is the lease at the current facility expiring, will there be stranded assets if the business leaves; is the business' labor force required to be in the State; is a union contract required; is a license required to operate in the State).
 - E. A specific statement on the role the grant will play in the company's decision-making process to relocate in New Jersey
- **Additional Project Information**
 - A. Project schedule that identifies projected move dates for each site
 - B. A schedule of short-term employment projections of the business in the State based upon the relocation
 - C. An estimate of the projected retained State tax revenues resulting from the relocation
 - D. A description of the type of contribution the business can make to the long-term growth of the State's economy and a description of the potential impact on the State's economy if jobs are not retained, etc.
 - E. A description of any capital investments made by the business at the new business location
 - F. Applicants can designate different companies to receive the tax credit; however the recipients must be part of the applicant's 'controlled group'

approved by the EDA. Controlled group is defined pursuant to section 1563 of the Federal Internal Revenue Code of 1986, 26 U.S.C.A. § 1563. As such, all companies receiving the allocation must be part of the Project Agreement thereby approved by the EDA. If applicable:

- a. Attach a list noting the percentage (%) allocated to each member of the controlled group of corporations.
- Project Occupant Application (available at www.njeda.com/forms)
 - Notice Regarding Affirmative Action/Prevailing Wage, and Green Building Requirements, [click here](#) for form.
 - Copies of permits (Existing Building Renovation or Addition)

EXHIBIT C

NEW JERSEY TASK FORCE
ON THE ECONOMIC DEVELOPMENT
AUTHORITY'S TAX INCENTIVES

PUBLIC HEARING
Newark, New Jersey
May 2, 2019

B E F O R E :

PROFESSOR RONALD CHEN
JIM WALDEN, ESQ.
MILT WILLIAMS, ESQ.
GEORGIA WINSTON, ESQ.
AVNI PATEL, ESQ.
PABLO QUINONES, ESQ.
DEREK BORCHARDT, ESQ.
JENNIFER PREVETE, ESQ.
STEPHANIE LEVICK, ESQ.

Reported By:

DAVID LEVY, CCR, CLR

Job No. 160109

<p style="text-align: right;">Page 2</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">May 2, 2019 10:00</p> <p style="text-align: center;">Public Hearing, held at the Rutgers Law School, Baker Trial Courtroom 125, 123 Washington Street, Newark, New Jersey 07102, before David Levy, a Certified Court Reporter and Notary Public of the State of New Jersey.</p>	<p style="text-align: right;">Page 3</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">P R O C E E D I N G S</p> <p>PROF. CHEN: Good morning, everyone. My name is Ronald Chen. I'm a professor here at Rutgers Law School. I want to welcome you all to our second public hearing held by the New Jersey Task Force on the Economic Development Authority's Tax Incentives.</p> <p>As most of you already know, Governor Philip Murphy signed Executive Order number 52 on January 24th, 2019 which established the Task Force. I have been appointed to lead the Task Force as chair and carry out the commission to conduct an in-depth examination of the design and implementation and oversight of two tax incentive programs.</p> <p>Before I further explain our mission and goals, let me reintroduce the members of my team. I'm assisted in this task by my personal Special Counsel, Walden Macht & Haran. Jim Walden is leading the team, to my left, your right, and he's being assisted by Georgia Winston, Milt Williams and Avni Patel.</p> <p>We also have, sitting to my right,</p>
<p style="text-align: right;">Page 4</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>Opening remarks - Chen Pablo Quinones of Quinones Law serving as Special Counsel and providing corporate compliance expertise to the team.</p> <p>I explained the background leading up to our work at our first public hearing on March 28, so I will not repeat those remarks here.</p> <p>Before and after that hearing, our team has been hard at work. Thankfully, the cooperation we're getting from most parties we have contacted has been robust.</p> <p>At the last hearing, I announced my decision to offer an Accelerated Recertification Program for companies, which I will refer to as the ARP and which is not in any way referring to EDA's own annual recertification program. Companies can elect to participate in the ARP if they believe, A, they applied for tax incentives in good faith and B, they are in compliance with program requirements, by providing timely and complete cooperation, a company will benefit, from an accelerated determination from the Task Force about its</p>	<p style="text-align: right;">Page 5</p> <p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>Opening remarks - Chen compliance with the requirements of the tax incentive program. Companies will not be eligible to participate in the ARP process, however, if we have information suggesting that either potential misconduct or other significant irregularities require a deeper investigation, and that is true thus far of approximately nine companies which we have identified as entities of concern. I will come back to that in a moment.</p> <p>To streamline the ARP, I have approved a recertification process that will culminate in companies submitting to the Task Force an affidavit swearing to certain facts and attaching detailed verified information to prove their compliance and good faith. The affidavit and documentation goes well beyond what the EDA typically requires for both programs. During the ARP process, the Special Counsel team led by Pablo will investigate the information and then make a recommendation as to how to proceed with each individual company.</p> <p>I will review their recommendation and</p>

Page 6	Page 7
<p>1 Opening remarks - Chen 2 either conclude our investigation of that 3 company, or refer for further investigation 4 by Special Counsel, or take other steps 5 depending on other information received by 6 the Task Force. 7 To date, 41 eligible companies have 8 elected to participate in the ARP. Not 9 every company who got a Grow or ERL award, 10 the two programs at issue, have done so. 11 For all those companies not in the ARP, I 12 plan to go to conduct a thorough 13 investigation of their awards. For 14 companies who refuse to cooperate with the 15 investigation two things will happen: 16 I will issue a subpoena for the 17 documents, and I will request that the EDA 18 determine whether the failure to cooperate 19 in our probe runs afoul of contractual or 20 regulatory requirements. 21 Today's hearing will focus on a few 22 topics, but mainly we plan to present 23 witnesses relevant to EDA's oversight of the 24 tax incentive program. In a moment. Jim 25 Walden will explain what we hope to</p>	<p>1 Opening remarks - Chen 2 accomplish today, as we have many witnesses. 3 But I would like to note one 4 difference between this hearing and the last 5 one. At the last hearing, we objected 6 against naming specific companies and 7 individuals, in part based on fairness 8 concerns and in part because we were at the 9 very beginning of our work. 10 For some companies, we are still 11 digging into the facts. For others, we know 12 much more. We have secured very important 13 documents and corroboration from cooperating 14 witnesses which have helped us better 15 understand some of the critical problems 16 with some of these applications. And some 17 of the comments, including members of the 18 legislature, said that the public had the 19 right to know more information about what we 20 are finding as we investigate. 21 That is a fair point. Executive Order 22 52 requires us to hold public hearings. And 23 part of the purpose of such hearings is to 24 provide transparency about the design, 25 implementation and oversight of the EDA</p>
Page 8	Page 9
<p>1 Opening remarks - Chen 2 programs. And the fact remains that much of 3 the information we will be outlining here 4 today is either available through public 5 record requests or through online searches. 6 Thus, I've decided that we should, in 7 today's proceedings, provide certain names 8 as part of the public record. 9 To the extent that any entity or 10 individual might be adversely portrayed, 11 we've endeavored to notify them in advance, 12 although we are not required to, and will 13 give them the opportunity to submit a sworn 14 statement with relevant facts which will be 15 read at the next day of our proceeding. 16 And I want to further caution you here 17 that we are only a few months into our 18 investigation after an initial ramp-up 19 period. So even adverse inferences we may 20 elicit may be tempered or rebutted by other 21 evidence we may find later. 22 This is a hearing, not a trial. In 23 other words, although our mandate requires 24 public hearings, everyone should expect us 25 to follow the facts wherever they may lead</p>	<p>1 Opening remarks - Chen 2 us as we undertake our investigation, which 3 goes well beyond the public portion of our 4 work. 5 Before I pass the microphone to Jim, I 6 also want to thank the EDA for its robust 7 cooperation. Our outside counsel has been 8 diligent, helpful and timely in addressing 9 their many requests for documents and 10 information. And the EDA's staff has been 11 very helpful to us and candid with us in 12 those efforts. 13 Although our work does require us to 14 examine its past practices, we are heartened 15 by their recognition of room for 16 improvement and by the professional dedication 17 of their employees. 18 With that introduction, I would like 19 to call on Jim Walden to describe the 20 testimony we plan to elicit at today's 21 hearing. 22 MR. WALDEN: Thank you very much, 23 Professor Chen, and I just want to say thank 24 you to a great team that's been working 25 really, really hard all together.</p>

1 Opening remarks - Walden
 2 So at the first hearing, I emphasized
 3 the critical importance of people coming
 4 forward to disclose wrongdoing and, as you
 5 alluded to a couple of moments ago, many
 6 people have heeded that request. Some have
 7 disclosed, in large ways and small, evidence
 8 of potential corruption and self-dealing and
 9 arguable illegal activity.

10 Now, I caveat those statements with
 11 the words "potential" and "arguable" because
 12 at the end of the day we do not intend to
 13 base any conclusions that Prof. Chen will
 14 make based only on confidential sources,
 15 although they are a critical first step in
 16 finding other evidence of substantiated
 17 claims.

18 So I suspect today that we're going to
 19 hear about a number of different topics. As
 20 in the last hearing, will hear from a
 21 whistleblower about alleged misconduct
 22 within one company, and I have a caveat
 23 about that in a moment. But we will also
 24 hear from some current and some former EDA
 25 employees, and we plan with these witnesses

1 Opening remarks - Walden
 2 to focus on a couple of things; but in
 3 particular, on one topic that is both
 4 important and granular, and so I apologize
 5 in advance that what I'm about to say is
 6 going to get a little wonky, but you can't
 7 really talk about tax incentives without
 8 getting wonky at some point.

9 So for businesses desiring tax
 10 incentives, one object of this program that
 11 is referred to as Grow New Jersey was to
 12 protect jobs in New Jersey that were at risk
 13 of leaving the state.

14 Now, whether program applicants
 15 actually retained the jobs that they
 16 promised is not going to be a subject of
 17 today's hearing, but will be a subject of
 18 another hearing later on. But for companies
 19 with projects all over the state, the
 20 statute and the implemented regulation seem
 21 abundantly clear that, if you are going to
 22 retain jobs in the state, you must show that
 23 you're actually considering a location out
 24 of the state, meaning that you have an
 25 out-of-state location that is bona fide,

1 Opening remarks - Walden
 2 suitable, and available for your business.
 3 And we're going to hear from one witness
 4 today who is going to talk about the extent
 5 of diligence that a company needs to do in
 6 order to show that a location was those
 7 three things; available, suitable and bona
 8 fide.

9 Now, there is one wrinkle and one
 10 nuance when it comes to jobs that were,
 11 before the Grow allegations in New Jersey,
 12 but they were moving specifically to Camden.
 13 And it's that wrinkle that we're going to
 14 explore in some detail through two of the
 15 witnesses today.

16 Now, this is an important issue,
 17 right? For jobs that are already in New
 18 Jersey and then moving to Camden do have to
 19 prove that there is an out-of-state
 20 location. But what we found is, there's
 21 evidence of two schools of thought within
 22 the EDA itself on this, and those
 23 perspectives may not have been well known
 24 throughout the organization.

25 First, some of the people that we've

1 Opening remarks - Walden
 2 interviewed, and you're going to hear from
 3 one of them today, have said that as the
 4 program was administered by the EDA, that
 5 EOA 2013 required every applicant, including
 6 those moving jobs to Camden from another
 7 city in New Jersey, to demonstrate that the
 8 jobs were at risk of leaving the state.
 9 They couldn't get tax credits if they didn't
 10 prove that. So according to this view, if
 11 the applicant didn't show a location that
 12 was bona fide, suitable and available, they
 13 may not qualify for tax credits.

14 Others within the EDA, however, and
 15 you'll hear from one of those people today
 16 as well, believe that applicants promising
 17 to move jobs from another location in New
 18 York to Camden were not actually required by
 19 the statute to show that they were
 20 considering a location out of state. It was
 21 just, to move to Camden was enough.

22 Those same witnesses, though, seem to
 23 suggest that there may not be a practical
 24 difference because of something that's
 25 called the net benefit test. And under this

Opening remarks - Walden
things called the net benefit test, and I'll try not to get too wonky here, basically the statute required a showing that you only get the money if the application over the years is a net benefit to the state. And under that test, if you're moving jobs from, say, Jersey City to Camden, it's a statewide test. So there's no net benefit to that move from the perspective of the statute, and therefore, you'd get a much lower award.

So to be clear, in-state move means no net benefit to the job transfer, and so the head count associated with that would get reduced from any award that you get and that could be very significant.

Now, for what it's worth, on that last point about the net benefit test, we have found some evidence that at least one important consultant who handled many applications was giving the same advice to program applicants. They had the same understanding that if you're moving jobs within the state, you don't get any money for those jobs. You don't get credit for

Opening remarks - Walden
those retained jobs, and this memo is from a very reputable company called Biggins Lacy Shapiro & Company. It's dated February 25, 2015, and this is one part of what I'm going to say, so I apologize for it, but I think it's important that the record reflect this because it is some objective indicator whether or not the statute required a showing of an out-of-state location.

For those companies that said they were considering a location out of state, it was really material. It was a material representation because it impacted the dollars in significant ways, so let me read this language.

"The most important source of such net benefit is the stimulus resulting from the payroll associated with the jobs based on the proposed project site. As the net benefit analysis is intended to measure the incremental new revenue generated by the project, the state includes the payroll associated with net new jobs created in the state. If applicable" -- the relevant

Opening remarks - Walden
part -- "the state will also include people from existing New Jersey jobs, but only if the company can demonstrate that existing jobs are at risk of leaving the state; i.e., retaining jobs that otherwise would have left the state as supported by comparable economic and fiscal impact as creating new jobs."

So why does all this matter? First of all, qualifying and disqualifying requirements of a multi-billion-dollar tax program should be clear, and it should be clear so that they can properly be understood by businesses and enforced by whatever authority is responsible for vetting the applications and enforcing the rules; and second, if there was an ambiguity in the statute -- and by the way, we're not taking a position on that, we don't necessarily agree that the statute is ambiguous on this -- the EDA as the administering agency really should have one interpretation, not two.

Now, we cannot explain why people

Opening remarks - Walden
working within the EDA had differing perspectives on program requirements concerning this issue of jobs moving within the state but to Camden; but either way, our investigation is clear to me based on the available evidence that, other than one exception that I'll explain in a moment, every single applicant promising to move jobs from within New Jersey to Camden actually certified that they were considering an out-of-state location anyway. And the one exception was a company that said they were going to eliminate the jobs entirely, and that qualifies under a different part of the statute.

So put it another way: For any company seeking to retain jobs in New Jersey that was going to eliminate those jobs, every single application included an out-of-state location to show that those jobs were at risk of leaving the state.

Obviously, these applications are submitted under penalties under the statute. If there is a representation that was made

<p style="text-align: right;">Page 18</p> <p>1 Opening remarks - Walden 2 in the applications and it turns out that 3 that representation was false, the grants 4 are subject to suspension, termination, and 5 recapture and there's a potential of 6 criminal enforcement. 7 Now, I don't want to make too much of 8 this. We're at a very early stage of our 9 proceedings, and I'm not suggesting that 10 will happen. But I do think it's important 11 for people that are going to apply to the 12 program that they understand the law on this 13 area a little bit and for that purpose, I'd 14 like to turn to Pablo Quinones. 15 MR. QUINONES: Thank you, Jim, thank 16 you Prof. Chen. I don't want to make too 17 much of this point, but as a criminal law 18 practitioner, both as a professor and 19 attorney in this area, I do think it's worth 20 making plain to the public that there is 21 real criminal exposure for companies that 22 lie to the EDA, thereby depriving New Jersey 23 of tax revenue. 24 Several cases applying federal mail 25 and wire fraud statutes help me explain my</p>	<p style="text-align: right;">Page 19</p> <p>1 Opening remarks - Quinones 2 point. Federal law makes it a crime for 3 anyone to use mail or interstate wires to 4 devise a scheme to defraud, to obtain money 5 or property by false or fraudulent 6 representations. Title 18, United States 7 Code Section 1341 is the mail fraud statute; 8 Section 1343 is the wire fraud statute. 9 Now, the Supreme Court has addressed 10 taxes in this particular context. In a case 11 called Pasquantino vs. United States, the 12 court held that the right to collect taxes 13 is, money or property, protected by the mail 14 or wire fraud statutes; and the court found 15 that tax evasion inflicts an economic injury 16 no less than embezzling funds from the 17 government's Treasury. 18 New Jersey federal cases have followed 19 this approach; for example, the Third 20 Circuit in a case called U.S. vs. Yusuf 21 found that unpaid taxes which are unlawfully 22 retained by mailing fraudulent tax returns 23 that conceal the amount of tax revenue due 24 may be considered criminal proceeds subject 25 to the federal money laundering laws.</p>
<p style="text-align: right;">Page 20</p> <p>1 Opening remarks - Quinones 2 Finally, in August of 2018, a case 3 from the U.S. Court of Appeals makes the 4 point more than clearly in connection with 5 tax revenue. In Hoffman, the court upheld a 6 fraud conviction that involved defendants 7 who had schemed to get Louisiana tax credits 8 by submitting false documents to the state. 9 The court found that tax credits reduce the 10 dollars otherwise owed to the state, and 11 lying to obtain them has the same effect as 12 lying to evade taxes. The state collects 13 less money. 14 In sum, companies that lie to obtain 15 tax breaks from New Jersey have hurt New 16 Jersey's economy, potentially committed a 17 serious crime. With that, I'd like to 18 return the floor to Jim. 19 MR. WALDEN: Thank you, Pablo. So 20 just to underscore this point, first of all, 21 for anyone who wants it there is a handout 22 here on this table that has a list, and this 23 is all publicly available information that 24 lists every company that has -- there are 31 25 companies that I mentioned before, companies</p>	<p style="text-align: right;">Page 21</p> <p>1 Opening remarks - Walden 2 that, thirty of them were moving jobs in 3 state to Camden, one of them was planning to 4 eliminate jobs before the tax credits. 5 But to underscore Pablo's point, we 6 very carefully looked at the EDA board 7 approval memos, which is what is submitted 8 to the EDA board when a vote is being 9 requested of the board members to award 10 these tax credits. 11 And as you all know, I'm sure, at this 12 point, the amount of dollars is considerable 13 and, for the jobs moving to Camden, we're 14 talking about over a billion dollars. But 15 you'll see in the handout that, in each and 16 every circumstance, for every single one of 17 these board memos, there is a statement in 18 the board memo that says words to the effect 19 that these jobs were at risk of leaving the 20 state and on that basis the board is asked 21 to approve. 22 So that just underscores the point of 23 it. This is clearly a material 24 representation. The EDA viewed it as 25 material, they included it in the board</p>

1 Opening remarks - Walden
2 memos, and the board relied on those
3 assertions in awarding the tax credit that
4 they did.

5 And understand as well that these
6 weren't just simple representations by the
7 company. As the program was being
8 administered, the EDA required some proof
9 that the company had identified an
10 out-of-state location that was bona fide,
11 suitable and available, and we're going to
12 hear a little bit about that today.

13 And in doing that, we're going to take
14 a look at four applications where companies
15 claimed to have an out-of-state location to
16 demonstrate that jobs were at risk, and I
17 want us all to be very, very careful about
18 how we consider this evidence.

19 EO 52 requires us to do some of our
20 factfinding in public so there's no choice
21 about that. And we're going to be as
22 responsible and careful and moderate as one
23 can imagine in doing it. So understand
24 we're going to put before you factual
25 information. We are not drawing any

1 Opening remarks - Walden
2 conclusions today. We are not directly or
3 indirectly insinuating that anyone broke the
4 law.

5 What we're trying to do is figure out
6 the level of diligence that was applied to
7 these and that's what you're going to hear
8 today.

9 You're going to hear essentially an
10 expert witness from the EDA who oversees
11 this group of people that's called the
12 underwriters. And they are the ones that
13 are the primary group of people that vet the
14 applications.

15 And so he's reviewed files that he did
16 not work on at the time, and we're going to
17 put factual information into the record.
18 He's going to give his perspective on
19 whether or not more questions should have
20 been asked, and then we're going to move on.

21 It very well may be that when we talk
22 to the companies about these, they will have
23 additional information that allays any
24 concern. But again, the point here is not
25 so much about what the company did or didn't

1 Opening remarks - Walden
2 do, but the EDA management and vetting of
3 these applications, which is where we're
4 trying to focus.

5 Okay. So with all that being said,
6 let me just talk about the lineup here.

7 At a high level, as you've heard in
8 the first day of our proceedings, there was
9 whistleblower, and the whistleblower filed a
10 lawsuit and that lawsuit had a number of
11 different allegations. And again, caution
12 here, right? We want to be careful. We're
13 not saying the whistleblower was telling the
14 truth or not. In a sense, it's not
15 relevant.

16 What's relevant is that there were
17 very specific allegations that were made
18 about misconduct concerning specific awards,
19 and that was something that could be
20 investigated. And whether it turned out
21 that that investigation yielded information
22 that corroborated or undercut the
23 allegations for any organization, will learn
24 from any experience, and it was an
25 opportunity for the EDA to increase its

1 Opening remarks - Walden
2 level of scrutiny, particularly over this
3 idea of phantom locations, and require
4 additional diligence, and articulate some
5 clear rules about what companies, what
6 business records company had to submit, in
7 addition to a draft lease or a lease
8 proposal for the out-of-state location.

9 So that's, by way of broad context.
10 What we're going to get to today. We're
11 also going to hear from a witness who was
12 aware of the way in which the legislation
13 came to be, and the various individuals that
14 were involved in that legislation. And
15 whoever else was involved in it, we're
16 really going to focus on the involvement of
17 one specific individual at a firm called
18 Parker McCay. So that's broadly what you're
19 going to hear today. The way we are going
20 to frame that is at follows:

21 First, we're going to start off with
22 my colleague, Jen Prevete. For those of you
23 who did not follow this whistleblower case
24 that actually went to trial, Jen's going to
25 just give people a high-level presentation

1 Opening remarks - Walden
 2 of the case, how it was resolved, and what
 3 the key allegations were. Again, we have
 4 not yet investigated those things ourselves,
 5 given the focus that we had on these, based
 6 on confidential sources; and so for that
 7 reason she's not going to mention the names
 8 of the companies that were the subject of
 9 the allegations, she's just going to
 10 describe the applications, so Jen Prevete is
 11 first.

12 Then we're going to hear from Fred
 13 Cole, and for those who were at the first
 14 day of our proceedings, you remember
 15 Mr. Cole's name. Mr. Cole was actually
 16 deposed during, as the case was brought by a
 17 man named David Sucsuz. Mr. Cole was
 18 deposed. Mr. Cole actually had been the
 19 person that originally investigated his
 20 discrimination case where he made the claims
 21 of misconduct in that lawsuit, and
 22 ultimately, that lawsuit was going on when
 23 the comptroller started his audit at
 24 Governor Murphy's direction back in January
 25 of 2018, and you will recall that there was

1 Opening remarks - Walden
 2 a specific letter that Cole signed
 3 indicating that there was no litigation
 4 where former employees were accusing the EDA
 5 of any sort of misconduct or fraud.

6 And Mr. Cole certified that that
 7 didn't -- there wasn't one, even though the
 8 lawsuit of those allegations was pending at
 9 the time. So the comptroller, as you
 10 remember, testified that he had no idea
 11 about this lawsuit during the course of his
 12 audit. We're going to hear from Mr. Cole
 13 and get the explanation as to why that
 14 happened.

15 Next we're going to hear from a man
 16 named John Boyd, who is at a company called
 17 The Boyd Company, a corporate site selection
 18 firm based in Princeton, New Jersey. And
 19 Mr. Boyd will explain the procedures,
 20 processes and analysis that companies
 21 typically use when making important
 22 decisions of whether to relocate, and where
 23 to relocate their offices or facilities and
 24 the seriousness with which they make that
 25 decision.

1 Opening remarks - Walden
 2 Next we will here in a man named David
 3 Lawyer, who is an EDA employee. He's
 4 actually the manager of the underwriting
 5 section. As I said before, he only became a
 6 manager of the underwriting section in May
 7 of 2017, so for the period where at least
 8 we're focusing right now, and everybody
 9 understands, I'm sure, that in the nature of
 10 our work, we're focusing right now on the
 11 issues that we're talking to you about today
 12 behind the scenes. We're focusing on a much
 13 broader picture and, as we get farther along
 14 with our work, we'll bring more information
 15 forward.

16 But I suspect that Mr. Lawyer is going
 17 to be a very clear witness who is going to
 18 describe the process through which the EDA
 19 vets the applications or the way that it was
 20 administered in the period of June 2013 to
 21 2017; he's going to talk about the specific
 22 issue of out-of-state locations, he's going
 23 to talk about the considerations that go
 24 into asking additional questions, and he's
 25 going to review, as I said before, four

1 Opening remarks - Walden
 2 applications that he did not work on, and
 3 guide us through what the process looked
 4 like based on a review of the file.

5 And the files are very complicated.
 6 We're not going to be able to go through all
 7 the documents, but he's gone through the
 8 files and we're going to give you an
 9 overview of his conclusions concerning those
 10 applications.

11 Now, you saw me there being distracted
 12 for a second and I made a mistake. It won't
 13 be the last time you'll see me make a
 14 mistake, but there's another witness that I
 15 didn't put in the order that is -- sorry,
 16 either before or after Mr. Cole, and that's
 17 the whistleblower that I referred to before.
 18 Her name is Kerrie-Ann Murray.

19 Again, because we have not
 20 investigated her claims, and because the
 21 company very vividly denies them and they
 22 believe they have data, we don't have it
 23 yet, but they believe they have data showing
 24 that her allegations are not correct, we're
 25 going to have her not identify her former

Page 30	Page 31
<p>1 Opening remarks - Walden 2 employer, and I ask everyone to understand 3 this is not a trial, as Chairman Chen said. 4 We're here under the Executive Order to make 5 information that's brought forth in 6 testimony, not to draw conclusions about it. 7 And in fairness to everyone, when we 8 present information, if we find later on 9 that there's additional information that 10 casts doubt on the credibility of some 11 evidence that we've elicited, we'll either 12 notify the public or call witnesses to the 13 stand. So we'll hear from Ms. Murray. 14 Okay. So after David Lawyer, we're 15 then going to hear from the former CEO of 16 the EDA, a man named Tim Lizura. And we 17 will ask Mr. Lizura about the role that EDA 18 played in drafting the legislation that was 19 created in 2013, and we're going to ask him 20 about a draft, that's a pretty specific 21 draft. That was a draft that was created 22 and sent to him after the assembly had 23 already passed its version of the statute, 24 and as the Senate was considering what 25 changes to make.</p>	<p>1 Opening remarks - Walden 2 So we're going to ask some very 3 detailed questions about that version of the 4 bill and how certain of the amendments were 5 added, and by whom, and what his 6 understanding -- Mr. Lizura is, I think that 7 you will conclude, a very experienced and 8 knowledgeable policy expert on tax 9 incentives. He's been doing this, or 10 versions of this, throughout much of his 11 career. We're going to ask him about what 12 policy was behind some of these changes, 13 whether he agreed or disagreed with it, and 14 we hope to get his perspective. 15 And then finally we're going to hear 16 from Brandon McCoy of the Center on Budget 17 and Policy, and he's going to offer us his 18 perspectives on the involvement of a private 19 law firm representing clients in the 20 legislative process, the way in which that 21 bill was created in this specific instance 22 with respect to the Economic Opportunity Act 23 of 2013. 24 And so as you can see, we're going to 25 try to keep breaks to a minimum today</p>
Page 32	Page 33
<p>1 Presentation - Prevete 2 because it will take quite a bit of effort 3 for us to stay focused enough to be able to 4 get through all of these witnesses between 5 now and 5 o'clock, which is our closing. 6 Okay. So thank you and I'll return 7 the proceedings to the chair. 8 PROF. CHEN: I think, as Mr. Walden 9 said, the first -- the next item will be the 10 presentation of Ms. Prevete. 11 MS. PREVETE: Thank you, Professor 12 Chen. I would like to introduce this 13 presentation into the record as Task Force 14 Exhibit 2. 15 REC'D (Task Force Exhibit 2, 16 presentation re Sucsuz litigation, received 17 in evidence, as of this date.) 18 MS. PREVETE: As you heard and saw in 19 the first day of this hearing, and as 20 Prof. Chen just mentioned, whistleblowers 21 play an integral role in the investigative 22 process. For those of you who are who were 23 not present at the first day of the Task 24 Force's hearing, we showed a brief timeline 25 of a whistleblower complaint that had been</p>	<p>1 Presentation - Prevete 2 launched by a former EDA employee. Today I 3 will be working through some of those 4 whistleblower allegations made by this 5 former EDA employee who had worked on the 6 tax incentive program that's the focus of 7 the Task Force's inquiry. 8 This whistleblower, David Sucsuz, 9 alleged that he had witnessed misconduct in 10 connection with incentive program approvals, 11 and recited that he resisted directives from 12 senior management to alter or promote 13 applications that should have otherwise been 14 rejected. 15 The information described in this 16 presentation consists of what we know from 17 Mr. Sucsuz's lawsuit, and we emphasize that 18 they remain allegations at this time. 19 To provide some background about 20 Mr. Sucsuz, he was an employee with the EDA 21 for over ten years. He started as a legal 22 assistant in the lending services division, 23 and then became a finance officer with the 24 EDA's bond and incentives division. After 25 that, his title changed to underwriter. As</p>

Page 34	Page 35
<p>1 Presentation - Prevete 2 a finance officer, and later as an 3 underwriter, Mr. Sucsuz's primary 4 responsibilities including reviewing 5 applications submitted to the EDA under its 6 various funding and incentive programs, 7 drafting project summaries for those 8 applications and presenting the applications 9 at project review meetings and incentive 10 committee meetings. 11 In the context of a lawsuit, 12 Mr. Sucsuz certified under oath that he was 13 also responsible for understanding the 14 provisions of the applicable program statute 15 and regulations that governed the funding 16 and incentive program, and was responsible 17 for ensuring that program applicants met the 18 qualifications required by law. 19 Mr. Sucsuz filed an internal complaint 20 with the EDA on May 21, 2014. He was 21 terminated on September 24th, 2014. 22 Mr. Sucsuz filed his lawsuit on May 23 11, 2015 in New Jersey Superior Court, 24 Mercer County, against the New Jersey 25 Economic Development Authority and several</p>	<p>1 Presentation - Prevete 2 EDA employees. He alleged discrimination 3 and unlawful termination based on violation 4 of New Jersey's Conscientious Employee 5 Protection Act, and based on discrimination. 6 In addition to his claims of unlawful 7 termination and discrimination, Mr. Sucsuz 8 alleged various violations of EDA policies, 9 regulations and statutory requirements in 10 connection with EDA tax incentives and 11 finance programs. 12 As we reviewed on the first day of our 13 proceeding, after Mr. Sucsuz filed his 14 complaint, various senior leadership team 15 members of the EDA as well as Mr. Sucsuz 16 were deposed in 2017 and early 2018. The 17 last of these depositions took place on 18 January 26, 2018. 19 The case ultimately went to a jury 20 trial which started on April 30th, 2018, and 21 lasted eight days. The jury announced its 22 verdict on May 10th. And while Mr. Sucsuz 23 did not ultimately succeed on his 24 retaliation claim, the jury unanimously 25 found that he had proven his whistleblower</p>
Page 36	Page 37
<p>1 Presentation - Prevete 2 allegation by a preponderance of the 3 evidence with respect to his claim under the 4 New Jersey Conscientious Employee Protection 5 Act. 6 In connection with that finding, the 7 jury concluded six to zero that Mr. Sucsuz 8 had proven by a preponderance of the 9 evidence that he had a reasonable belief 10 that the New Jersey Economic Development 11 Authority had violated a law, rule or 12 regulation in the processing of applications 13 for loan grants and tax incentives. 14 Mr. Sucsuz alleged that during his 15 tenure as an underwriter in the bond and 16 incentives division of the EDA between 17 September 2011 and September 2014, members 18 of the EDA management team had instructed 19 him to falsify various grants and tax 20 incentive applications in violation of rules 21 and regulations for grants and tax incentive 22 funding. I will now walk you through some 23 of Mr. Sucsuz's allegations of misconduct 24 related to the administration of the tax 25 incentive program.</p>	<p>1 Presentation - Prevete 2 These include allegations of companies 3 providing phantom alternative locations, 4 allegations of manipulated cost inputs, and 5 allegations of falsified job figures. I 6 will also briefly describe some of 7 Mr. Sucsuz's allegations and some of the 8 testimony related to external pressures on 9 EDA employees. 10 Mr. Sucsuz alleged that the EDA 11 required applicants to demonstrate that the 12 alternative and competing out-of-state 13 locations are legitimate and comparable to 14 the New Jersey site as part of the material 15 factor requirement for certain of the tax 16 incentive programs. It is a requirement of 17 the Grow New Jersey grant that an applicant 18 is deciding between a legitimate alternative 19 location and the New Jersey location that 20 the company seeks to be the subject of the 21 grow NJ grant. 22 Mr. Sucsuz alleged that in connection 23 with this requirement, he notified EDA 24 management that the competing out-of-state 25 locations just were not real. He further</p>

Page 38	Page 39
<p>1 Presentation - Prevete</p> <p>2 alleged senior management took no action in</p> <p>3 response to his concerns, and the</p> <p>4 application of companies with apparently</p> <p>5 phantom alternative locations were approved</p> <p>6 anyway.</p> <p>7 Mr. Sucsuz gave several examples of</p> <p>8 specific project applications that allegedly</p> <p>9 involved what he referred to as the phantom</p> <p>10 locations. For company A, Mr. Sucsuz</p> <p>11 testified that one applicant's proposed</p> <p>12 alternate locations appeared not to be real</p> <p>13 because it was provided after the EDA had</p> <p>14 asked for it, and it didn't seem to be</p> <p>15 comparable to the location in New Jersey in</p> <p>16 numerous ways, including differences with</p> <p>17 the site's dimensions and certain issues</p> <p>18 with accessibility, which was relevant</p> <p>19 because the management of the company would</p> <p>20 be traveling to the location.</p> <p>21 Mr. Sucsuz testified that another</p> <p>22 company seemed to be relying on a phantom</p> <p>23 alternative location because it had already</p> <p>24 moved into a New Jersey location and was</p> <p>25 even hiring for this new site prior to</p>	<p>1 Presentation - Prevete</p> <p>2 submitting an application for a Grow NJ tax</p> <p>3 incentive grant. Mr. Sucsuz further</p> <p>4 testified that the alternate location</p> <p>5 provided was at a site where the company</p> <p>6 already had offices. He alleged that he</p> <p>7 reported his concerns to EDA management but</p> <p>8 that nobody took any action.</p> <p>9 With respect to a third application,</p> <p>10 Mr. Sucsuz testified that the applicant was</p> <p>11 already in New Jersey but wanted to move to</p> <p>12 a different part of the state. The company</p> <p>13 identified an alternate location in North or</p> <p>14 South Carolina. Mr. Sucsuz testified that</p> <p>15 because he could not conduct a site visit,</p> <p>16 he tried to find the alternate location</p> <p>17 through Google Maps but was unable to do so</p> <p>18 based on the information provided by the</p> <p>19 applicant.</p> <p>20 When he raised this issue to his</p> <p>21 supervisor, he was told that since the</p> <p>22 applicant was a furniture company, he only</p> <p>23 needed to know that North and South Carolina</p> <p>24 were popular for furniture companies.</p> <p>25 Mr. Sucsuz testified that another</p>
Page 40	Page 41
<p>1 Presentation - Prevete</p> <p>2 applicant had initially mentioned an</p> <p>3 alternate location in New York, but was</p> <p>4 unable to provide an address for that</p> <p>5 location, and then claimed to have a second</p> <p>6 alternate location in Pennsylvania. He</p> <p>7 further testified that when the applicant</p> <p>8 submitted his application, he provided a</p> <p>9 city as the alternate location but was</p> <p>10 unable to provide a specific address.</p> <p>11 Ultimately, after several requests, the</p> <p>12 company provided more information about this</p> <p>13 alternative, but only after the application</p> <p>14 had been submitted.</p> <p>15 Mr. Sucsuz suspected that the</p> <p>16 alternate location was fabricated for</p> <p>17 purposes of the application. Mr. Sucsuz</p> <p>18 also testified that it took much effort to</p> <p>19 obtain the information regarding the</p> <p>20 alternate location address and terms sheet,</p> <p>21 noting that this was a teeth-pulling</p> <p>22 exercise.</p> <p>23 Mr. Sucsuz further testified that</p> <p>24 another applicant provided a Pennsylvania</p> <p>25 location as part of its alternatives. He</p>	<p>1 Presentation - Prevete</p> <p>2 testified, however, that the first proposed</p> <p>3 alternate location was not suitable because</p> <p>4 it did not fit the company's description and</p> <p>5 need. The company then proposed a</p> <p>6 build-to-suit location but did not provide</p> <p>7 any construction contracts or other</p> <p>8 indicators.</p> <p>9 Thus, upon review of the second</p> <p>10 alternate location, Mr. Sucsuz determined</p> <p>11 that the alternate location was not suitable</p> <p>12 because the company would have to complete</p> <p>13 its personalized build-out in Pennsylvania</p> <p>14 within a year, which seemed unlikely.</p> <p>15 Furthermore, Mr. Sucsuz testified that the</p> <p>16 company had already indicated its intention</p> <p>17 to expand in New Jersey. This application</p> <p>18 was also approved.</p> <p>19 Mr. Sucsuz testified that in another</p> <p>20 instance, an application lacked a material</p> <p>21 factor showing because of a phantom</p> <p>22 alternate site. He testified that the</p> <p>23 applicant failed to provide an alternate</p> <p>24 location at first, and while they ultimately</p> <p>25 did provide an out-of-state location, he</p>

Page 42	Page 43
<p>1 Presentation - Prevete</p> <p>2 could not verify its existence, and</p> <p>3 understood that they had already decided to</p> <p>4 move to a location within New Jersey.</p> <p>5 Mr. Sucsuz's supervisor testified that</p> <p>6 the application included some odds and ends</p> <p>7 that made it seem as though the company</p> <p>8 might have committed to New Jersey already.</p> <p>9 Mr. Sucsuz's supervisor, along with others</p> <p>10 in EDA management, visited this company's</p> <p>11 offices for due diligence purposes, and his</p> <p>12 supervisor concluded that the company had</p> <p>13 already committed to staying in New Jersey.</p> <p>14 Nevertheless, the company's Grow</p> <p>15 application was approved and although this</p> <p>16 company ultimately withdrew from the program</p> <p>17 and did not receive a tax credit,</p> <p>18 Mr. Sucsuz's supervisor testified at a</p> <p>19 deposition that it was an inadvertent</p> <p>20 slip-up that the application was approved.</p> <p>21 Mr. Sucsuz alleged that there were</p> <p>22 other ways that applicants manipulated their</p> <p>23 applications that EDA had overlooked. He</p> <p>24 testified that he was directed to alter or</p> <p>25 manipulate costs input through the</p>	<p>1 Presentation - Prevete</p> <p>2 cost/benefit or the net benefit test in</p> <p>3 order to qualify a company that would not</p> <p>4 have otherwise qualified under the cost</p> <p>5 input the company provided. When he refused</p> <p>6 to alter the cost input, Mr. Sucsuz's</p> <p>7 supervisor would do it himself.</p> <p>8 Mr. Sucsuz alleged that when the net</p> <p>9 benefit analysis showed little or no net</p> <p>10 benefit to New Jersey, his supervisor asked</p> <p>11 him to change the input to the calculations</p> <p>12 to make it show a benefit. When Mr. Sucsuz</p> <p>13 refused to do it, his supervisor would do</p> <p>14 this himself.</p> <p>15 Mr. Sucsuz testified that in other</p> <p>16 instances, companies falsified job figures</p> <p>17 to obtain Grow awards. A grants recipient's</p> <p>18 eligibility and award amount under the</p> <p>19 Grow NJ program is based in part on the</p> <p>20 number of jobs created; thus, the more jobs</p> <p>21 that are created, the greater potential tax</p> <p>22 incentive grant.</p> <p>23 In one example, Mr. Sucsuz testified</p> <p>24 that he objected to an application because</p> <p>25 the company had very limited space for the</p>
Page 44	Page 45
<p>1 Presentation - Prevete</p> <p>2 number of employees for which they were</p> <p>3 trying to create jobs. Specifically,</p> <p>4 Mr. Sucsuz testified that one company</p> <p>5 indicated it would employ 150 employees at</p> <p>6 its new location in Camden. However, that</p> <p>7 location only had nine thousand square feet</p> <p>8 of working space when four or five times</p> <p>9 that square footage would have been required</p> <p>10 to accommodate that many employees.</p> <p>11 When confronted with this fact, the</p> <p>12 company indicated that it was running three</p> <p>13 eight-hour shifts at the site. Mr. Sucsuz</p> <p>14 testified that he objected to the</p> <p>15 application because advertising companies,</p> <p>16 like Company G, do not operate on a</p> <p>17 24-hour-per-day schedule. But his</p> <p>18 supervisor told him not to include that</p> <p>19 information in the project summary.</p> <p>20 Mr. Sucsuz alleged his supervisor directed</p> <p>21 him to change the project summary to reflect</p> <p>22 inaccurate information.</p> <p>23 Finally, in addition to his</p> <p>24 allegations about false or phantom</p> <p>25 locations, manipulated cost input, and</p>	<p>1 Presentation - Prevete</p> <p>2 falsified job figures, Mr. Sucsuz alleged</p> <p>3 that there were external pressures on EDA</p> <p>4 employees related to grant applicants.</p> <p>5 Mr. Sucsuz alleged that representatives from</p> <p>6 other public offices would call and inquire</p> <p>7 about certain applications regarding when</p> <p>8 they would be approved, and for what award</p> <p>9 size.</p> <p>10 Mr. Sucsuz also recalled hearing EDA</p> <p>11 senior management complaining of these</p> <p>12 public officials overstepping with the EDA</p> <p>13 and being too involved in the approval</p> <p>14 process. Other EDA witnesses, during the</p> <p>15 course of the litigation, similarly noted</p> <p>16 that there's always pressure from the</p> <p>17 outside.</p> <p>18 This concludes the Task Force's</p> <p>19 presentation regarding this whistleblower</p> <p>20 lawsuit.</p> <p>21 Thank you. Turn it back over to my</p> <p>22 colleague.</p> <p>23 PROF. CHEN: Thank you, Ms. Prevete.</p> <p>24 I have no further questions at this time.</p> <p>25 So the next, we will hear the testimony of</p>

1 Cole - examination/Levick
 2 Frederick Cole of the EDA, and that will be
 3 presented by Ms. Levick.
 4 F R E D E R I C K C O L E , having been first
 5 duly sworn, was examined and testified as
 6 follows:
 7 EXAMINATION BY
 8 MS. LEVICK:
 9 Q. Good morning, Mr. Cole. Thank you for
 10 joining us today.
 11 A. Good morning.
 12 Q. Could you please state and spell your
 13 name for the record.
 14 A. Yes, it's Frederick Cole.
 15 Q. And Mr. Cole, where do you currently
 16 work?
 17 A. I work at the NJEDA.
 18 Q. And what is your current role at the
 19 EDA?
 20 A. I'm a senior vice-president of
 21 operations. I'm essentially the business support.
 22 Q. And how long did you held that
 23 position?
 24 A. For about seven years.
 25 Q. So you've been in this role since

1 Cole - examination/Levick
 2 approximately 2012 or 13.
 3 A. Correct.
 4 Q. And how long have you been at the EDA?
 5 A. For approximately 24 years.
 6 Q. And have you been advised of your right
 7 have counsel at the EDA?
 8 A. Yes.
 9 Q. And are you, is your counsel here
 10 today?
 11 A. Yes.
 12 Q. And before I begin, I just want to make
 13 sure that you understand that you are here to tell
 14 the truth today.
 15 A. Yes.
 16 Q. And is there any reason that you are
 17 unable to provide truthful and accurate testimony
 18 today?
 19 A. No reason.
 20 Q. And so, we spoke on the phone the other
 21 day, is that correct?
 22 A. Yes.
 23 Q. And I never met you in person. And
 24 just for the record, I just also want to confirm
 25 that you met with two of my colleagues, Ms. Patel

1 Cole - examination/Levick
 2 and Mr. Williams, on April 12th?
 3 A. I did.
 4 Q. And did you provide truthful and
 5 accurate responses during both the telephone call
 6 that we had and the meeting that you had with my
 7 colleagues?
 8 A. Yes.
 9 Q. And so you are a senior vice-president
 10 of operations at the EDA, is that right?
 11 A. Correct.
 12 Q. Can you tell us a little bit about your
 13 responsibility in this role.
 14 A. Yes. Essentially, like I said
 15 earlier, it's a business support role, so I'm
 16 responsible for overseeing the back office
 17 operations of the authority, functions such as IT,
 18 HR, accounting and financial reporting, internal
 19 audit, procurement, and labor stats.
 20 Q. And in your role as a senior
 21 vice-president, do you have any role or
 22 responsibility in connection with the EDA tax
 23 incentive program?
 24 A. A minimal role.
 25 Q. But you at least have some awareness of

1 Cole - examination/Levick
 2 the tax incentive program even though you didn't
 3 personally work with them.
 4 A. Correct.
 5 Q. And so at some point at the EDA, did
 6 you also take on a role as an EEO officer, Equal
 7 Employment Opportunity officer?
 8 A. Yes.
 9 Q. And when was that?
 10 A. I believe that was concurrent with my
 11 promotion to senior vice-president in 2012.
 12 Q. All right. And can you please tell us
 13 a little bit about your role and responsibilities
 14 as an EEO officer.
 15 A. Essentially, the role is liaison
 16 responsibility with the State Civil Service
 17 Commission, where I work to ensure that the state
 18 law against discrimination is upheld, is
 19 protected, and that proper training occurs within
 20 our agency.
 21 Q. Great. And so was one of your
 22 responsibilities as the EEO officer to investigate
 23 allegations of discrimination by EDA employees?
 24 A. Yes.
 25 Q. And so in May 2014, did you receive a

1 Cole - examination/Levick
2 complaint alleging discrimination filed by an EDA
3 employment named base David Sucsuz?

4 A. I did.

5 Q. Did you review the allegations in his
6 complaint?

7 A. I did.

8 Q. Is it your recollection that he had
9 alleged that he had been discriminated against by a
10 supervisor?

11 A. That's correct.

12 Q. And did you investigate these claims?

13 A. I did.

14 Q. Did you do that alone or with others?

15 A. Alone.

16 Q. And what was the result of your
17 investigation?

18 A. My investigation found that there was
19 no nexus between any of the roughly 30 allegations
20 that were made and any violations of the state
21 policy against discrimination.

22 Q. And in or around September 2014, is it
23 your recollection that Mr. Sucsuz was terminated
24 from the EDA?

25 A. Correct.

1 Cole - examination/Levick

2 Q. And moving forward a year, after you
3 issued this final finding on the discrimination
4 claim, do you recall that Mr. Sucsuz filed a
5 lawsuit in New Jersey Superior Court?

6 A. Yes.

7 Q. And that was against the EDA and other
8 individuals at the EDA?

9 A. That's correct.

10 Q. And did you read the complaint?

11 A. I did.

12 Q. And in fact, you were one of the named
13 defendants as well.

14 A. Yes.

15 Q. And as part of the litigation, you were
16 also deposed over the course of two days?

17 A. That's correct.

18 Q. And that was in late October 2017?

19 A. I'm sorry, I didn't hear the end.

20 Q. 2017, in October 2017 --

21 A. Yes, that's correct.

22 Q. And so is it fair to say that you were
23 pretty involved in the litigation both as a
24 defendant and as a senior official at the EDA?

25 A. Yes.

1 Cole - examination/Levick

2 Q. So what, if any, reactions do you have
3 to the referenced allegations in this complaint?

4 A. I have to say personally, I was a
5 little bit shocked that not only did the Claimant
6 allege that he was fired because of retaliatory
7 measures, because of the EEO claim, but also
8 because there were new allegations that were
9 brought up that, prior to that time, I had never
10 seen or heard of.

11 Q. And so just to be clear for the record,
12 none of these new claims had been alleged in that
13 discrimination claim he filed in the year 2014.

14 A. That is correct.

15 Q. So part of the reason you were so
16 surprised is that these new claims now indicated
17 misconduct on behalf of both individuals of the EDA
18 and, potentially, applicants to the EDA program?

19 A. Yes.

20 Q. So had you ever seen any other
21 complaints like this in your 24 years at the EDA?

22 A. No, I haven't.

23 Q. And so is it fair to say that seeing
24 this particular complaint for the first time was
25 very memorable?

1 Cole - examination/Levick

2 A. Yes.

3 Q. I'm going to direct you to the binder
4 that is on the table in front of you. And if you
5 could turn to tab 3 --

6 MS. LEVICK: -- and I want to move
7 this document into the record as Task Force
8 Exhibit 3.

9 REC'D (Task Force Exhibit 3, binder
10 containing materials re Sucsuz complaint,
11 received in evidence, as of this date.)

12 Q. Do you recognize this document?

13 A. Yes.

14 Q. And does it appear to be a cover letter
15 attaching or including the Sucsuz complaint that
16 was filed in 2015?

17 A. Yes.

18 Q. Do you recognize the handwriting on
19 this document to be yours?

20 A. Yes.

21 Q. Could you please read the handwritten
22 notes that are in the corner there.

23 A. Okay. "Denying Sandy applicants,
24 prevailing wage, construction (bond), no
25 prevailing wage, one new job for tax-exempt debt.

1 Cole - examination/Levick
 2 Location costs, net benefits test, phantom
 3 locations bracket in/out to Susan Margie, film,
 4 less than 60 percent costs in New Jersey," and
 5 "Grow non-profits (excluded)."
 6 Q. Thank you. Is it your understanding
 7 that these notes reference some of the eligibility
 8 requirements under the EDA tax incentive program?
 9 A. Yes, some of the items do.
 10 Q. And so is it your understanding that
 11 location costs and net benefit tests are potential
 12 considerations related to the company's eligibility
 13 for a tax incentive award?
 14 A. Yes.
 15 Q. And is it your understanding that
 16 phantom locations could potentially be a problem
 17 related to a company's eligibility for a tax
 18 incentive award?
 19 A. Yes.
 20 Q. So I would like to just walk through a
 21 couple of examples that Ms. Prevete has mentioned
 22 briefly that are alleged in Mr. Sucsuz's claims.
 23 So if you could please turn to the
 24 following tab, Tab 4 --
 25 MS. LEVICK: -- and I'm going to

1 Cole - examination/Levick
 2 introduce this into the record as Task Force
 3 Exhibit 4.
 4 REC'D (Task Force Exhibit 4, complaint
 5 filed by Sucsuz in 5/15, tab 4 in binder,
 6 received in evidence, as of this date.)
 7 Q. Do you recognize this as the complaint
 8 that was filed by Mr. Sucsuz in May of 2015?
 9 A. Yes.
 10 Q. And if you turn to page 6 and paragraph
 11 21, and I'll give you just a moment to read that
 12 paragraph to yourself.
 13 (A pause in the proceedings.)
 14 A. Okay.
 15 Q. And does this refresh your recollection
 16 that Mr. Sucsuz alleged that he was treated with
 17 hostility after he complained that applicants that
 18 did not meet the program requirements were
 19 nevertheless receiving funding or tax credits?
 20 A. Yes, that's the nature of the
 21 allegation.
 22 Q. And if you can turn back a couple of
 23 pages to page 4, and we'll take a look at paragraph
 24 15. And just take a moment to read that.
 25 (A pause in the proceedings.)

1 Cole - examination/Levick
 2 A. Okay.
 3 Q. And does this refresh your recollection
 4 that Mr. Sucsuz alleged that he found some
 5 applicants were giving phantom locations for their
 6 out-of-state alternatives, a requirement of some of
 7 the EDA tax incentive programs, and yet those
 8 applications were still being approved?
 9 A. Yes, that's the nature of the
 10 allegation also.
 11 Q. And is it a fair conclusion that your
 12 handwritten note on the document that we previously
 13 looked at regarding the phantom locations is a
 14 reference to this allegation?
 15 A. Yes.
 16 Q. And if you could take a look at the
 17 page preceding, page 3, paragraph 14, and take a
 18 moment to read that to yourself.
 19 (A pause in the proceedings.)
 20 A. Okay.
 21 Q. And does this refresh your recollection
 22 a Mr. Sucsuz alleged that, when some applications
 23 showed little or no net benefit to the state, after
 24 he refused, his manager went ahead and changed
 25 those numbers to show that the applications did in

1 Cole - examination/Levick
 2 fact have a benefit to the state?
 3 A. I'm sorry, the last part of your
 4 statement, that's correct, and that's the nature
 5 of the allegation.
 6 Q. And is it a fair statement that your in
 7 order regarding the net benefit test and the
 8 documents that we read previously is a reference to
 9 this allegation?
 10 A. Yes.
 11 Q. And if you take a look at page 4,
 12 paragraph 17, take a moment to read that.
 13 (A pause in the proceedings.)
 14 A. Okay.
 15 Q. And does this refresh your recollection
 16 that Mr. Sucsuz alleged that certain projects that
 17 should have been excluded from receiving a tax
 18 incentive award were nevertheless approved under
 19 the Grow New Jersey program?
 20 A. Not clear -- I think that's an
 21 overgeneralization. But if you could just
 22 rephrase the question?
 23 Q. Sure. Is it -- does this refresh your
 24 recollection that Mr. Sucsuz alleged that he
 25 objected to a certain program's approval for a tax

1 Cole - examination/Levick
2 incentive award on the basis that it was a
3 nonprofit and non-profits were excluded from the
4 tax incentive awards?

5 A. Yes, that's correct.

6 Q. And is it a fair conclusion that your
7 note on the previous document we looked at
8 regarding the "Grow non-profits excluded" is a
9 reference to this allegation?

10 A. Yes.

11 Q. And so would you agree, Mr. Cole, that
12 these allegations indicate conduct related to the
13 EDA tax incentive program?

14 A. Sorry, would I agree?

15 Q. That these allegations implicate
16 conduct related to the EDA tax incentive program?

17 A. Yes.

18 Q. Specifically, do the allegations
19 identify potential fraud or misrepresentation in
20 the application submitted to the EDA for tax
21 incentive awards, is that right?

22 A. Yes.

23 Q. And some of these allegations also
24 focused on the EDA's review and approval of tax
25 incentive awards.

1 Cole - examination/Levick

2 A. Yes.

3 Q. And so earlier, you had testified that
4 Mr. Sucsuz's had filed a complaint in 2014, and you
5 looked into those discrimination claims.

6 Now, turning back to the 2015 time
7 period, did you discuss with anyone at the EDA,
8 after this complaint was filed in 2015, whether the
9 EDA should conduct an internal investigation into
10 the allegations that Mr. Sucsuz made?

11 A. I did not.

12 Q. And why not?

13 A. Sitting here today, as I look back,
14 probably for a few reasons. One, I conducted what
15 I thought was a thorough investigation of the EEO
16 claims and as I said, I found no nexus between the
17 claims and any violation of state policy.

18 Lots of the actual claims themselves,
19 the allegations themselves, were baseless. And
20 based on the timing of, you know, sort of when the
21 employee was put on performance improvement plan
22 as compared to when he came to me with his EEO
23 claims, you know, it seemed like this was a
24 frivolous lawsuit and, when I learned the new
25 allegations, and that I was actually somehow part

1 Cole - examination/Levick
2 of the -- he alleged that I was somehow part of
3 firing the employee for making those allegations,
4 I guess I just thought they were baseless and
5 there was -- he was looking for sort of a larger
6 lawsuit payout.

7 And then also, I guess in my mind at
8 the time, the Attorney General's office was
9 involved with the claim. So, you know, I was
10 looking for guidance as to next steps.

11 Q. So just to recap a little bit on what
12 you just said, you testified that you found that
13 his EEO discrimination complaints were unfounded.
14 But you've also testified that he raised new,
15 brand-new allegations regarding misconduct or
16 potential misconduct of applicants and at the EDA.

17 So is it your testimony that you did
18 not investigate these new claims because the
19 discrimination claims were baseless?

20 A. Not directly, no. I was just kind of
21 setting the scene when you asked me why things
22 weren't followed up on. I guess another example
23 is, we've never really had a situation like this
24 where new allegations that EDA's management was
25 unaware of came through, you know, a lawsuit

1 Cole - examination/Levick
2 claim. So it was different and it was a different
3 type of scenario here.

4 Q. So then, is it your testimony that no
5 investigation in fact was ever conducted into these
6 allegations?

7 A. That's correct.

8 Q. But would it be your belief that your
9 colleagues took these things seriously, the new
10 claims?

11 A. Absolutely.

12 Q. And yet they still took no effort to
13 conduct an investigation into the claims?

14 A. They did not. Again, I think they
15 were waiting to see how it played out at trial.

16 Q. Okay. And so based on what you know
17 now, given that no investigation was conducted, is
18 it possible that some or all of the allegations are
19 true?

20 A. I don't know. They could be.

21 Q. And so do you know who within the EDA
22 would have made the decision whether or not to
23 initiate an investigation?

24 A. As I said, I think this case was
25 different because of the way the claims had come

1 Cole - examination/Levick
2 through. It wasn't a case where we were notified
3 by the employee at the time. But had it been a
4 typical -- and we do not -- we have many of these,
5 I can't even recall another instance, but if it
6 were a typical whistleblower case, it would
7 probably be me who would receive that information
8 and work with others to decide next steps, doing
9 the investigation.

10 Q. Would you agree that the allegations,
11 if true, could have a very serious impact on the
12 EDA?

13 A. I don't know.

14 Q. Okay. But if the allegations were
15 true, would you agree that a significant amount of
16 money that had been allocated as tax credits could
17 have been improperly awarded?

18 A. I don't know.

19 Q. But would you agree that some amount of
20 money would have been allocated improperly if these
21 allegations were true?

22 A. Yes, it's possible.

23 Q. And so, did the allegations, to your
24 knowledge, cause the EDA to retrain any of its
25 staff handling these tax incentive applications as

1 Cole - examination/Levick
2 a precautionary measure?

3 A. Sort of concurrent with the timing of
4 that case, there have been lots of audits and
5 reviews of EDA programs. I think we've learned a
6 lot along the way, and have begun to put many
7 different, other controls in place over the same
8 time period. Whether historically related to
9 these allegations in this complaint, I can't make
10 that connection.

11 Q. And do you recall the outcome of the
12 litigation?

13 A. Yes. The jury found for the EDA.

14 Q. Okay. And can you please turn to tab
15 6.

16 MS. LEVICK: I'm going to introduce
17 this into the record as Task Force
18 Exhibit 5.

19 REC'D (Task Force Exhibit 5, jury
20 verdict sheet from Sucsuz trial, received in
21 evidence, as of this date.)

22 Q. And is this the jury verdict sheet from
23 the trial that you just mentioned?

24 A. Yes.

25 Q. And could you please read the first

1 Cole - examination/Levick
2 paragraph into the record. The answer.

3 A. "CEPA count 1: Has plaintiff proven
4 by a preponderance of the evidence that he had a
5 reasonable belief that the New Jersey Economic
6 Development Authority violated a law, rule or
7 regulation in the processing of applications for
8 loans, grants, and tax incentives?" And the
9 answer is yes.

10 Q. Thank you. And so after the jury
11 finding, did the EDA conduct an investigation into
12 any of Mr. Sucsuz's claims about the EDA's
13 administration of tax incentive programs?

14 A. No.

15 Q. And after the verdict was issued, you
16 had mentioned just previously that, during this
17 time that you gave us for internal processes, but
18 as a result of this verdict, are you aware of any
19 effort to review whether its internal policies and
20 procedures were sufficiently robust with respect to
21 the tax incentive programs?

22 A. Seems like a broad question. Robust,
23 um -- among other things, the EDA looked at policy
24 and process around the incentive programs in
25 general.

1 Cole - examination/Levick
2 Q. And were there any efforts to
3 reevaluate these policies and procedures in the tax
4 incentive programs to prevent the kind of fraud or
5 misrepresentations, or detect the type of fraud and
6 misrepresentations that Mr. Sucsuz alleged on
7 behalf of the applicant?

8 A. I'm not aware of all or many of the
9 specific steps, but I would say yes, there are
10 some that I could think of.

11 Q. And was that as a result of this trial
12 or just as a general matter at the EDA?

13 A. I would say as a general matter.

14 Q. And so moving forward a couple of years
15 into 2018, so you're aware that Governor Murphy
16 directed the New Jersey State Comptroller to
17 conduct an audit of the EDA oversight of tax
18 incentive programs, correct?

19 A. Correct.

20 Q. And that audit began in February or
21 March of 2018?

22 A. Yes.

23 Q. And at that time, you were still, and
24 you still are now, the senior vice-president of
25 operations, right?

1 Cole - examination/Levick
 2 A. Correct.
 3 Q. And so were you involved with the audit
 4 from the EDA side?
 5 A. Yes.
 6 Q. And what was your role in the audit?
 7 A. Generally, when the audit was
 8 initiated, I met with the comptroller's office
 9 team to ensure that they had all the resources
 10 that they needed, that introductions were made,
 11 requirements, you know, regarding space and sort
 12 of infrastructure where the audit itself took
 13 place; and I was sort of the, I guess, audit
 14 liaison in terms of ensuring that comptrollers had
 15 everything that they needed to conduct the audit.
 16 Q. This meeting that you just referred to,
 17 is it the opening conference that Top Comptroller
 18 Degnan may have mentioned at the last hearing, or
 19 you may not have heard -- but you understand there
 20 was a sort of kickoff or opening conference of the
 21 audit, is that is that meeting referred to?
 22 A. Yes.
 23 Q. And do you recall during this kickoff
 24 meeting that the comptroller discussed a number of
 25 document production categories?

1 Cole - examination/Levick
 2 A. Yes.
 3 Q. And one of those categories included
 4 documents related to all litigations pending and
 5 federal claims during a ten-year period starting
 6 from 2010 to tend of the audit, is that correct?
 7 A. Yes.
 8 Q. And in your role as the senior
 9 vice-president, and as the audit liaison as you've
 10 described, you would have been responsible for
 11 gathering, reviewing and producing documents
 12 responsive to that request, is that right?
 13 A. To some degree, yes.
 14 Q. And what's the degree that's not yes?
 15 A. Again, I sort of had an oversight role
 16 to make sure that documents and such that they
 17 requested were produced in a timely manner. My --
 18 seemed to be more general nature, way less than
 19 some of the problematic projects that were needed
 20 and requests that were made.
 21 Q. I understand. So that ten-year period
 22 that I just mentioned, the approximately ten-year
 23 period from 2010 to the end of the audit, that
 24 period covered May 2015 when Mr. Sucsuz filed his
 25 complaint in New Jersey Superior Court?

1 Cole - examination/Levick
 2 A. That is correct.
 3 Q. And so did you turn over or inform the
 4 Comptroller's Office of the Sucsuz complaint?
 5 A. I did not.
 6 Q. And why not?
 7 A. I believe my thought process was
 8 that -- it actually didn't occur to me that that
 9 particular case was related to anything that they
 10 were investigating regarding programs. It seemed
 11 to be characterized in my mind as more of an
 12 employment-related litigation.
 13 Q. I just want to make sure the record is
 14 clear on this. You did not report it because you
 15 thought that his complaint was employment-related,
 16 Mr. Sucsuz's complaint was employment-related, or
 17 was it your testimony that the audit was not
 18 investigating programs?
 19 A. I guess what I'm saying is, you asked
 20 me if we turned over anything related to the case
 21 to the comptroller and the answer was no. It just
 22 was something that didn't occur to me that it was
 23 something they were looking for.
 24 Q. Okay. Could you please turn to tab 7
 25 of your binder.

1 Cole - examination/Levick
 2 MS. LEVICK: I'm going to introduce
 3 this document as Task Force Exhibit 6.
 4 REC'D (Task Force Exhibit 6, document
 5 tabbed 6 in binder, received in evidence, as
 6 of this date.)
 7 Q. And do you recognize this document?
 8 A. Yes.
 9 Q. And there's some handwriting and markup
 10 along the pages. Do you recognize that as your
 11 handwriting?
 12 A. Yes.
 13 Q. And could you please turn to the second
 14 page. There's a paragraph 9. And it says,
 15 "Lawsuits and Audits." And next to it, says,
 16 "Management must report all known lawsuits,
 17 mediations and arbitration claims pending or
 18 settled," and it goes on. And next to that
 19 paragraph, there's a handwritten note that says,
 20 "Program-specific." And that's your handwriting,
 21 is that right?
 22 A. Yes.
 23 Q. And do you have an understanding of
 24 what that means?
 25 A. I actually don't recall what that

1 Cole - examination/Levick
 2 means.
 3 Q. Okay. But you understood that the
 4 comptroller's audit was about EDA tax incentive
 5 programs, right?
 6 A. Yes.
 7 Q. In fact it says it right in the header,
 8 it says, "Economic Incentive Programs"?
 9 A. Yes.
 10 Q. And so is it a fair assumption that the
 11 term "program-specific" referred to litigation and
 12 audits relating to the incentive programs?
 13 A. Perhaps. It could have. Again, I
 14 don't remember the specific discussions at the
 15 opening meeting.
 16 Q. And just to recap on your testimony
 17 from earlier, you testified that the allegations in
 18 Mr. Sucsuz's 2015 lawsuit involved EDA tax
 19 incentive programs, is that right?
 20 A. Yes.
 21 Q. And so at the end of the audits, were
 22 you asked to sign a letter confirming certain
 23 information had been provided to the comptroller's
 24 audit?
 25 A. Yes.

1 Cole - examination/Levick
 2 A. Yes.
 3 Q. And do you have an understanding of
 4 what the purpose was of this letter?
 5 A. Generally, a management representation
 6 letter, that's the standard issue in many audits
 7 and reviews at the end of the process to ensure
 8 that, you know, all representations that were made
 9 during the audit are acknowledged by management.
 10 Q. So this is a representation of
 11 information that had already been provided to the
 12 comptroller during the course of the audit?
 13 A. Yes.
 14 Q. And could you please read on the first
 15 page, paragraph 5, the first line where it says,
 16 "We had no knowledge of any," and then going on to
 17 the next page there's a second bullet, if you could
 18 just read those things out loud into the record.
 19 A. "We have no knowledge of any
 20 allegations of fraud or suspected fraud affecting
 21 the entity received in communications from
 22 employees, former employees, analysts, regulators,
 23 or others."
 24 Q. Could you also read paragraph 8 into
 25 the record.

1 Cole - examination/Levick
 2 Q. Could you please turn to the next tab,
 3 tab 8.
 4 MS. LEVICK: And I'm going to mark
 5 this into the record as Task Force
 6 Exhibit 7.
 7 REC'D (Task Force Exhibit 7, management
 8 representation letter dated 1/3/19 signed by
 9 Cole, received in evidence, as of this
 10 date.)
 11 A. Okay.
 12 Q. And do you recognize this as a
 13 management representation letter that you signed at
 14 the end of the comptroller's audit?
 15 A. Yes.
 16 Q. And you see that it's dated January
 17 3rd, 2019?
 18 A. Yes.
 19 Q. And did you draft this letter?
 20 A. No.
 21 Q. Is it your understanding that someone
 22 from the Comptroller's Office drafted it?
 23 A. Yes.
 24 Q. But you reviewed the contents and
 25 substance of the letter.

1 Cole - examination/Levick
 2 A. "We have disclosed all details
 3 concerning any pending claims, assessments and
 4 litigation against us of which we are aware, and
 5 which would have a significant effect on financial
 6 operations."
 7 Q. And just turning back to the first
 8 page, in the first paragraph, you see, it says this
 9 is for the period of January 1, 2010 to January
 10 3rd, 2019, is that right?
 11 A. Correct.
 12 Q. And do you recall making these
 13 representations?
 14 A. Yes.
 15 Q. And prior to signing this letter, did
 16 you discuss this letter with anyone else?
 17 A. I did not.
 18 Q. Do you recall having discussed whether
 19 to disclose the Sucsuz litigation to the
 20 comptroller's audit?
 21 A. No.
 22 Q. Are you aware of whether anyone else in
 23 fact turned over the information to the comptroller
 24 during this audit?
 25 A. I honestly don't recall and don't

1 Cole - examination/Levick
2 remember anyone else on my team that turned that
3 over. I sort of recall I may have turned over a
4 hard copy of what was an inventory, if you will,
5 of litigation against the EDA that the Attorney
6 General's office prepared on behalf of the annual
7 financial statement audit, but I honestly don't
8 recall whether that was turned over to the
9 comptroller's.

10 Q. You don't have an independent
11 recollection of actually turning over this
12 litigation material to the comptroller's audit.

13 A. That's correct.

14 Q. And again, just to be clear, this would
15 have been your responsibility, right, given that
16 you signed a letter representing that all
17 information had been turned over?

18 A. Yes, for the most part.

19 Q. Did anyone direct you to withhold the
20 information from the comptroller?

21 A. No.

22 Q. So in part, by not turning it over, the
23 comptroller did not know about the specific and
24 detailed allegations of fraud?

25 A. Unless they learned about it in a

1 Cole - examination/Levick
2 different manner that we didn't turn it over, that
3 was not -- I was not aware.

4 Q. But you agree, right, that Mr. Sucsuz's
5 allegations directly relate to the tax incentive
6 programs that were the subject of the comptroller's
7 audit?

8 A. Yes. Actually, looking back at it for
9 you, can I see where that connection would be
10 made.

11 Q. So in retrospect, should the
12 Comptroller's Office have been provided with
13 information regarding this litigation?

14 A. Yes, but I wouldn't say limited to the
15 Sucsuz litigation, that case. I would say it was
16 any litigation related to the scope of the work
17 during that time period.

18 Q. Are you aware of any other litigation
19 that was limited to the scope of their work in that
20 time period?

21 A. I can think of some project-related
22 items. But whether they fell into the scope of
23 the audit or if they were interested in it or not,
24 I couldn't tell you. I would prefer to share
25 everything with them and let them decide what they

1 Cole - examination/Levick
2 will do with it.

3 Q. And just to be clear, that litigation
4 that you're referring to that is program-specific,
5 are you referring to litigation involving the EDA
6 or litigation that is involving the applicants that
7 are applying for the tax incentive program?

8 A. It could be both.

9 MS. LEVICK: So we may want to follow
10 up with you after this hearing to see if
11 there's litigation that we should be aware
12 of. But that is all I have for today, and I
13 want to thank you for your cooperation
14 coming here today.

15 Does anyone else...

16 PROF. CHEN: Mr. Walden has some.

17 EXAMINATION BY

18 MR. WALDEN:

19 Q. I just want to ask you a couple of
20 questions. This was a complaint that raised
21 allegations of at least potential fraud. We've
22 looked at your note or, notes. Would it be fair to
23 say that the litigation was actually ongoing during
24 the audit?

25 A. That's correct.

1 Cole - examination/Walden

2 Q. In fact, there were -- even as the
3 comptroller -- were people being deposed?

4 A. Yes, I believe so.

5 Q. And during the course of the audit, the
6 case actually went to trial.

7 A. Yes.

8 Q. So is it fair to say that during the
9 entire audit, this was kind of top-of-mind to you,
10 that the litigation was top-of-mind, given the fact
11 that senior executives were being deposed and then
12 his case went to trial where you were a defendant?

13 A. Yes, it was top-of-mind.

14 Q. So I just want to be really clear. Did
15 anyone put pressure on you in any way, shape or
16 form to withhold this, contrary to your wishes?

17 A. Absolutely not.

18 Q. Okay.

19 MR. WALDEN: All right, thank you.

20 PROF. CHEN: Thank you. I just want
21 to -- just to be clear --

22 EXAMINATION BY

23 PROF. CHEN:

24 Q. Apart from the Sucsuz litigation, are
25 you aware of any other litigation in which it was

1 Cole - examination/Chen
2 alleged -- alleged -- that there was any type of
3 misconduct or malfeasance within EDA in the
4 handling of one of these tax incentive
5 applications?

6 A. No, not that I'm aware of.

7 Q. And would it be fair to say that if
8 there had been such litigation, it would have come
9 to your attention?

10 A. During the timing yes.

11 Q. During the timing in which you served
12 in your capacity?

13 A. Yes.

14 PROF. CHEN: Thank you, nothing
15 further.

16 MR. WALDEN: Thank you very much,
17 Mr. Cole.

18 (The witness was excused.)

19 PROF. CHEN: Next we have testimony of
20 Kerrie-Ann Murray, who will be examined by
21 Ms. Winston.

22 (Continued on following page.)
23
24
25

1 Murray - examination/Winston
2 K E R R I E - A N N M U R R A Y , having been
3 first duly sworn, was examined and testified
4 as follows:

5 EXAMINATION BY

6 MS. WINSTON:

7 Q. Good morning, Ms. Murray.

8 A. Good morning.

9 Q. I want to thank you for taking the time
10 to be here today. Can you hear me?

11 A. Yes.

12 Q. We are aware that in April 2018, you
13 filed a complaint with the New York Division of
14 Human Rights against your former employer.

15 We want to speak with you about your
16 experience with that company and your allegations
17 related to employee payroll information in
18 connection with the EDA Grow New Jersey program.
19 We're not here to draw conclusions about your case,
20 but we look forward to hearing your perspectives.

21 One further note, as Mr. Walden
22 mentioned previously, it's still early in this
23 investigation, so we want to be especially careful
24 to protect everyone's due process rights. And we
25 understand that your former employer disputes these

1 Murray - examination/Winston
2 claims, so we ask that you share with us your
3 personal knowledge without identifying your former
4 employer's name, without identifying your
5 colleagues by name, and without saying what, if
6 anything, you personally did as well, do you
7 understand?

8 A. I understand.

9 Q. You're not represented by counsel here
10 today, correct?

11 A. Correct.

12 Q. Do you understand that you have a right
13 to have counsel present?

14 A. Correct.

15 Q. And you've been sworn in. You
16 understand that you're to tell the truth today?

17 A. Yes.

18 Q. I'm going to ask you some questions
19 about your background and your past employment,
20 again, please don't refer to any employees or any
21 individuals by name.

22 Ms. Murray, are you currently employed?

23 A. Yes.

24 Q. What do you do for a living?

25 A. I'm a payroll manager.

1 Murray - examination/Winston

2 Q. What does that entail?

3 A. It is processing payroll for active
4 employees for the company that I'm employed by.

5 Q. How long have you worked as a payroll
6 manager?

7 A. Over ten years.

8 Q. And are you familiar with the New
9 Jersey Economic Development Authority, which I'll
10 refer to as the EDA?

11 A. Yes.

12 Q. How did you become familiar with the
13 EDA initially?

14 A. While an employee at my former
15 employer, once the grant was given or once the
16 go-ahead was actually given, the staff was pulled
17 into a private meeting to explain to us what are
18 the next options to move the company to New
19 Jersey. And that was the first time.

20 Q. I just want to unpack that a little
21 bit. You referred to your former employer, and you
22 referred to a grant. Is that referring to an EDA
23 tax incentive program?

24 A. Yes.

25 Q. And is it your testimony that your

1 Murray - examination/Winston
 2 former employer was signing for an EDA tax
 3 incentive program?
 4 A. Based on the implication that was
 5 given to us, yes.
 6 Q. And do you know what tax incentive
 7 program it was applying for?
 8 A. At the time, we were told it was the
 9 Grow New Jersey.
 10 Q. Okay. When did you start working for
 11 this company?
 12 A. In 2015.
 13 Q. In 2015?
 14 A. Yes.
 15 Q. What was your role at that company?
 16 A. Payroll manager.
 17 Q. What kind of company was it?
 18 A. Financial services.
 19 Q. Where was the company based when you
 20 started?
 21 A. In New York City.
 22 Q. And did it move to New Jersey
 23 ultimately?
 24 A. Yes.
 25 Q. Did it move to New Jersey while you

1 Murray - examination/Winston
 2 were employed there?
 3 A. Yes.
 4 Q. Approximately when did it move to New
 5 Jersey, if you recall?
 6 A. July of 2016.
 7 Q. And why did it move to New Jersey?
 8 A. It was a part of the EDA Grow New
 9 Jersey grant that we were previously told about
 10 prior, and that was what the first initial meeting
 11 was about, was to get everyone together and get
 12 ourselves together for this move that was going to
 13 take place mid-summer of 2016.
 14 Q. And I want to unpack that a little bit.
 15 Your testimony is that your former company moved to
 16 New Jersey in connection with the EDA Grow New
 17 Jersey program, is that correct?
 18 A. Yes.
 19 Q. And in connection with that program,
 20 did your former employer intend to move from New
 21 York City to New Jersey?
 22 A. No -- I'm sorry, could you say
 23 again --
 24 Q. In connection with that program, did
 25 your company intend to move from New York City to

1 Murray - examination/Winston
 2 New Jersey?
 3 A. Yes.
 4 Q. And that was in order to obtain tax
 5 incentive --
 6 A. Corrects.
 7 Q. -- credits? Around, you referred, I
 8 think, to summer of 2016, when did you first hear
 9 that the company was going to move to New Jersey?
 10 A. In mid-May of 2016.
 11 Q. And approximately how many employees
 12 did the company have in New York in May or June
 13 2016 when you learned it planned to move to New
 14 Jersey?
 15 A. Approximately around eighty employees
 16 at the time.
 17 Q. And was it the company's intent, to the
 18 best of your knowledge, to move all of those eighty
 19 some-odd employees from New York to New Jersey?
 20 A. Yes.
 21 Q. And was the company planning to create
 22 additional jobs as part of its move?
 23 A. Yes.
 24 Q. And do you know how many additional
 25 jobs the company was planning to create?

1 Murray - examination/Winston
 2 A. Approximately about one hundred to 125
 3 more, additional positions.
 4 Q. A hundred to 125 --
 5 A. Approximately, yes.
 6 Q. And did you have any role in helping to
 7 hire for those hundred some-odd additional jobs?
 8 A. No.
 9 Q. Did you play any role at all in helping
 10 the company to find employees to fill those
 11 additional jobs?
 12 A. Yes.
 13 Q. What was that role?
 14 A. To contact the New Jersey Department
 15 of Labor.
 16 Q. And why were you told to contact the
 17 New Jersey Department of Labor?
 18 A. At the time, because the move between
 19 the time that we were being told that we had to
 20 move, and the time -- it was such a short span of
 21 time and the time that we had to move and the time
 22 that we were given to create the positions,
 23 previous, I'll say, job positions were not posted
 24 in New Jersey.
 25 So at the time, I can only say that

1 Murray - examination/Winston
2 contacting the Department of Labor would be -- the
3 easiest way to go is if they had employees who
4 were already unemployed, so it would be easier to
5 pick from that pool than it is to post positions
6 and then wait.

7 Q. Okay. And do you have an understanding
8 that, you mentioned that your company was
9 participating in the EDA's Grow New Jersey program.
10 Was your company also intending to participate in
11 any additional programs administered by the DOL?

12 A. Yes.

13 Q. And do you know anything about that
14 particular DOL program?

15 A. Yes.

16 Q. Can you explain what that particular
17 program was?

18 A. Subsequently once we got to New
19 Jersey, there was an additional program from
20 the -- through the Department of Labor where the
21 company was reimbursed half of the hourly salary
22 for each hourly employee that was hired, on top of
23 another incentive which was the Welfare-to-Work
24 program tax incentive where, if the company hired
25 from a particular pool of employees who lived in

1 Murray - examination/Winston
2 certain areas in New Jersey who were on welfare,
3 who were coming back from unemployment, who were
4 veterans, would also receive an additional tax
5 credit as well.

6 Q. Okay. So it's your understanding that
7 in connection with the separate EDA program, in
8 connection with certain Department of Labor
9 programs, your former employer was hiring employees
10 and through that hiring would get some kind of
11 reimbursement for the employees' salaries, correct?

12 A. Correct.

13 Q. And just to be clear, I understand your
14 testimony that your former employer participated in
15 separate programs relating to -- administered by
16 the EDA and being administered by the DOL. I'm
17 going to focus primarily on the Grow New Jersey EDA
18 programs.

19 A. Okay.

20 Q. Did the people you were hiring
21 generally have experience in the company's
22 industry, in the financial services industry?

23 A. No.

24 Q. Was the company ultimately able to hire
25 the necessary number of employees to receive the

1 Murray - examination/Winston
2 tax credits under Grow New Jersey?

3 A. Yes.

4 Q. And that was the hundred some-odd
5 employees, you needed to hire those to receive the
6 credits under Grow New Jersey?

7 A. Correct.

8 Q. Do you know whether there was a
9 deadline for the company to hire those employees?

10 A. I believe so, yes.

11 Q. And did the company meet that deadline,
12 to your knowledge?

13 A. Yes.

14 Q. So the company hired a hundred some-odd
15 employees?

16 A. Yes.

17 Q. And did your company ultimately move to
18 New Jersey?

19 A. Yes.

20 Q. Do you know when that was?

21 A. July 2016.

22 Q. July 2016?

23 A. Yes.

24 Q. And were the new employees that were
25 hired, hired into preexisting positions at the

1 Murray - examination/Winston
2 company or were new positions made for them?

3 A. New positions were made.

4 Q. And what was the role of this, these
5 new programs, was it a single department?

6 A. It was a single department.

7 Q. What was the department?

8 A. The department's name, or what was
9 the --

10 Q. What was the purpose of the department?

11 A. So the purpose of the department was
12 to make phone calls to potential loan borrowers.

13 Q. And were you surprised when the company
14 created this department?

15 A. Yes.

16 Q. Why?

17 A. Because it wasn't a role or --
18 positions that the company previously used. The
19 company does subprime lending, so you would have
20 to be very experienced in sales, experienced in
21 selling, experienced in -- in getting borrowers to
22 actually borrow money at those -- at the high
23 percentage rate.

24 Q. And what kind of experience generally
25 did these new employees that were hired have?

1 Murray - examination/Winston
2 A. Retail, fast food experience, not
3 sales.
4 Q. Okay. And were the new hires paid
5 hourly or were they paid a salary?
6 A. Hourly.
7 Q. What was their average pay?
8 A. Ten dollars per hour.
9 Q. And some of that was reimbursed by the
10 Department of Labor?
11 A. Correct.
12 Q. You testified that the company made
13 approximately a hundred or 120 additional new hires
14 initially. Were any additional new hires made
15 throughout later in 2016?
16 A. Um -- yes.
17 Q. What was that?
18 A. As hires came and left, to the best of
19 my knowledge, staff was told that we had to move
20 in an average number of 225 employees. So there
21 was a, if I can use the word, a rolling hire that
22 kept, so we kept the ball rolling.
23 Q. Okay. And you said you -- the company
24 had to maintain an average number of 225 employees.
25 Was that in order to obtain the Grow New Jersey

1 Murray - examination/Winston
2 grant?
3 A. Yes.
4 Q. And how did you know that these new
5 people were being hired in connection with the EDA
6 tax credit program?
7 A. Because when staff submitted the
8 actual Grow New Jersey grant spreadsheet, which
9 that was the name at the top of the spreadsheet,
10 that was the subsequent number that we were told
11 had to be there.
12 Q. Okay. So I just want to unpack that a
13 little bit as well. You just referred to a
14 spreadsheet. Can you tell me what the spreadsheet
15 is that you're referring to?
16 A. So monthly, an Excel spreadsheet that
17 could not be manipulated at all, which contained
18 payroll and data of employees' names, their
19 departments, their salary earned for that month,
20 their annual salary, hours worked, had to be
21 submitted. And at the top of that spreadsheet it
22 always said, "Grow New Jersey."
23 Q. So just to make that clear, on a
24 monthly basis, staff of this company filled out a
25 spreadsheet, the header of which was, "Grow New

1 Murray - examination/Winston
2 Jersey," and that spreadsheet was filled out with
3 employee data?
4 A. Correct.
5 Q. And what data did that include?
6 A. It included employees' names,
7 employees' departments, their work location,
8 annual salaries, their --
9 Q. Hours worked?
10 A. -- and hours worked.
11 Q. And staff submitted that internally to
12 management?
13 A. Correct.
14 Q. Okay. And in terms of hours worked, to
15 the best of your knowledge, were employees required
16 to work a certain number of hours per period?
17 A. Correct.
18 Q. Was there ever a time when staff was
19 filling out the EDA Grow New Jersey spreadsheet you
20 referred to, and one or more employees didn't meet
21 the minimum hours requirement for that period?
22 A. Yes.
23 Q. And in those instances, what did the
24 staff do?
25 A. The staff was instructed to reach out

1 Murray - examination/Winston
2 to the employee's manager to find out why this
3 employee did not work the required hours, and if
4 the employee did not -- if the manager didn't have
5 any rhyme or actual reason as to why, staff was
6 instructed to backfill those hours with what
7 payroll people say, "PTO time," which is paid time
8 off, which is either sick or vacation or personal
9 hours.
10 Q. So in other words, if the required
11 minimum number of hours wasn't met, staff was
12 instructed to essentially up those hours using paid
13 time off?
14 A. Correct.
15 Q. And separate from that paid time off
16 issue, at any point, did management give staff
17 other directives regarding current or former
18 employees, or have to document pay or employment to
19 meet the EDA's requirements?
20 A. Yes.
21 Q. Can you tell me a little bit about
22 that?
23 A. So there was one particular case where
24 an employee -- employment was terminated while the
25 office was still in New York City. However, to

1 Murray - examination/Winston
 2 meet the Grow New Jersey head count, that
 3 employee's termination was subsequently pulled all
 4 the way across into 2016 and the severance pay was
 5 pulled all the way out until that end of 2016,
 6 once the final spreadsheet staff submitted the
 7 final spreadsheet for the Grow New Jersey grant.

8 Then the employee was -- then removed
 9 from all HR functions and removed from the company
 10 records.

11 Q. So just to clarify, when you say
 12 "pulled across 2016," do you mean that there was a
 13 terminated employee remained on payroll records
 14 because severance was staged out, is that what you
 15 mean by "pulled across"?

16 A. Yes.

17 Q. Okay. Did the new, the cold calling
 18 group, the sales group that you referred to that
 19 was created in 2016, continue to be employed at the
 20 company throughout 2017?

21 A. No.

22 Q. Why not?

23 A. They were terminated in early January
 24 of 2017.

25 Q. And when you say they were terminated,

1 Murray - examination/Winston
 2 all of the new hires were terminated?

3 A. Correct.

4 Q. The entire group?

5 A. Yes.

6 Q. About how many people were terminated?

7 A. At the time, there were approximately,
 8 about 80 of them were -- when I say "them," I
 9 mean -- because they were grouped into one
 10 particular department, so, yes.

11 Q. It's easier to say that they were there
 12 one day and gone the next, eventually?

13 A. Yes.

14 Q. And they were terminated all at once,
 15 is that right?

16 A. Yes.

17 Q. Do you know why they were terminated?

18 A. No.

19 Q. Were any new employees hired into the
 20 group once those employees firing took place in
 21 around January 2017?

22 A. No, those positions were eliminated.

23 Q. Were eliminated?

24 A. Yes.

25 Q. And to your knowledge, did the company

1 Murray - examination/Winston
 2 continue throughout the year to fill out the Grow
 3 New Jersey spreadsheets?

4 A. For maybe one or two months after
 5 that.

6 Q. And then it stopped?

7 A. Correct.

8 Q. And are you aware of whether the
 9 company ultimately received tax incentive credit
 10 through the Grow New Jersey program and what they
 11 did with it?

12 A. So staff was told, once staff inquired
 13 as to why we no longer needed to keep hiring
 14 employees, keep the relationship open with the New
 15 Jersey Department of Labor, or to complete the
 16 Grow New Jersey spreadsheet, we were told that the
 17 tax credit was sold to another company.

18 Q. And you don't work at this company any
 19 longer, is that correct?

20 A. No.

21 MS. WINSTON: That's all I have for
 22 today. Thank you very much for your time.
 23 I'll turn it over to --

24 PROF. CHEN: In may not be necessary,
 25 I guess, because the record is clear.

1 Murray - examination/Chen
 2 EXAMINATION BY
 3 PROF. CHEN:

4 Q. When you made reference to the
 5 Department of Labor, you were referring to the New
 6 Jersey State Department of Labor --

7 A. Yes.

8 Q. -- not The Federal Department of Labor.

9 A. That's correct.

10 PROF. CHEN: All right, thank you.

11 MS. WINSTON: Thank you very much,
 12 Ms. Murray.

13 (The witness was excused.)

14 PROF. CHEN: So next, we'll hear from
 15 Mr. John Boyd.

16 J O H N B O Y D , having been first duly
 17 sworn, was examined and testified as
 18 follows:

19 EXAMINATION BY

20 MR. BORCHARDT:

21 Q. Good morning.

22 A. Good morning.

23 Q. Could you state and spell your name for
 24 the record, please?

25 A. John Boyd.

1 Boyd - examination/Borchardt
 2 Q. Mr. Boyd, we have never met before
 3 face-to-face but we have spoken before on the
 4 phone, is that right?
 5 A. Yes.
 6 Q. Well, it's nice to see you now. Thank
 7 you for being here, for testifying. Just so you
 8 know, my questions will be the same questions, or
 9 very similar to what I've asked you before, so you
 10 shouldn't expect any surprises. Where do you work,
 11 Mr. Boyd?
 12 A. The Boyd Company.
 13 Q. And what is your title at The Boyd
 14 Company?
 15 A. Principal.
 16 Q. How long have you been at The Boyd
 17 Company?
 18 A. I joined the firm 2002, after college,
 19 but I grew up with the business. My dad founded
 20 the firm back in 1975. My earliest experiences in
 21 life were traveling the country, related to
 22 projects that our firms carried out.
 23 Q. You say you grew up in the business. I
 24 want to make sure we understand, what is The Boyd
 25 Company's business?

1 Boyd - examination/Borchardt
 2 is specialization. The site selection process is
 3 a rare process to go through for a corporation. A
 4 good consultant is constantly monitoring business
 5 climate factors that are critical to a company's
 6 staff and operations. And lastly,
 7 confidentiality. Corporations and businesses want
 8 the site selection process to be confidential
 9 until a final decision is made.
 10 Q. And you may have already mentioned
 11 this. But in case you didn't, what kinds of
 12 companies does The Boyd Company work with?
 13 A. Clients of ours include Boeing, Pratt
 14 & Whitney, PNC Bank, TD Bank. Most of our work is
 15 with Fortune 500 to Fortune 100 companies. But we
 16 also service smaller companies as well.
 17 Q. Okay. So large companies,
 18 and forgive the obvious observation, but I'm sure
 19 it's different to relocate a ten-person office than
 20 it is to relocate a ten-thousand-person office,
 21 right?
 22 A. Yes.
 23 Q. So I want to ask you today about the
 24 middle range, if you would, offices of two hundred
 25 to four hundred employees. Do you have experience

1 Boyd - examination/Borchardt
 2 A. We counsel major U.S. and overseas
 3 corporations where to locate their facilities
 4 throughout America. Clients of ours include
 5 Boeing, Pepsico, JPMorgan Chase --
 6 Q. Is that referred to as corporate site
 7 selection?
 8 A. Corporate site selection, yes.
 9 Q. Help us understand, why is corporate
 10 site selection important?
 11 A. Corporate site selection is the
 12 process of studying multiple locations and
 13 choosing the optimum location for a company to put
 14 in a facility, one of the most significant
 15 decisions a company will make. It's a very long,
 16 exhaustive process.
 17 Q. So why do companies hire corporate site
 18 selection consultants like yourself?
 19 A. Three major reasons. The first reason
 20 a company would hire a consultant is independence.
 21 A good consultant is not influenced by any type of
 22 downstream commission interest that is associated
 23 with a particular real estate site. They are also
 24 not influenced by any type of internal bias that
 25 may exist within a company. Another major reason

1 Boyd - examination/Borchardt
 2 in corporate relocation projects of that size? And
 3 to make sure the record is clear, by "that size," I
 4 mean two hundred to four hundred.
 5 A. Yes.
 6 Q. How many times have you worked on
 7 projects of that size?
 8 A. Dozens of times.
 9 Q. So today when I ask you questions about
 10 how site selection works, you'll understand that
 11 we're talking about moves of that size, several
 12 hundred employee offices, okay?
 13 A. Yes.
 14 Q. All right. So is it fair to say that
 15 for companies, the site selection decision, picking
 16 a state, a region, a locality, a particular
 17 building is a complex question?
 18 A. Yes.
 19 Q. So what kind of process do you use to
 20 help companies select the ideal relocation site?
 21 A. Site selection is both a science and
 22 an art. The science is the quantitative analysis,
 23 measuring business costs and taxes in one market
 24 versus another. The qualitative analysis has to
 25 do with measuring things like transportation

<p style="text-align: right;">Page 102</p> <p>1 Boyd - examination/Borchardt</p> <p>2 assets, and specific talent assets that a</p> <p>3 particular region has. The acronym that we use</p> <p>4 for office projects is TALIO, and T is for talent,</p> <p>5 A is for access to the market, with transportation</p> <p>6 hubs, the presence of a major gateway or national</p> <p>7 airport. L is for lifestyle. Companies want to</p> <p>8 be in locations that are attractive for retaining</p> <p>9 and recruiting workforce. I is for incentives.</p> <p>10 Incentives are an important and high-profile part</p> <p>11 of the site selection process today.</p> <p>12 And lastly, operating costs, okay?</p> <p>13 Operating costs can vary significantly by</p> <p>14 geography. Labor costs in south Florida, for</p> <p>15 example, could be 20 percent less than in</p> <p>16 Manhattan.</p> <p>17 Q. So there are a lot of factors you're</p> <p>18 looking at, is that fair?</p> <p>19 A. Yes.</p> <p>20 Q. So from the beginning of the process to</p> <p>21 the end, from when a company decides it's thinking</p> <p>22 about moving to when they ultimately select the</p> <p>23 location it will move to, approximately how long</p> <p>24 does that take?</p> <p>25 A. Typically six months to a year.</p>	<p style="text-align: right;">Page 103</p> <p>1 Boyd - examination/Borchardt</p> <p>2 Q. And who at the company is typically</p> <p>3 involved?</p> <p>4 A. The accounting department, the legal</p> <p>5 department, the HR department plays a very</p> <p>6 important role in the site selection process, and</p> <p>7 increasingly, the communications department.</p> <p>8 Branding has become a big part of relocation</p> <p>9 decisions today.</p> <p>10 Q. So if you will, paint a picture for us</p> <p>11 for what the process looks like from beginning to</p> <p>12 end. Are there meetings, reports, site visits,</p> <p>13 what do you do?</p> <p>14 A. Every project is different.</p> <p>15 Typically, the project begins with a meeting with</p> <p>16 various members of the company. Again, the HR</p> <p>17 could also be in the room, the legal department is</p> <p>18 typically in the room, the accounting function in</p> <p>19 the room. And we plug the objectives on the move;</p> <p>20 what are the key drivers, are there any initial</p> <p>21 geographic preferences that we should take a look</p> <p>22 at.</p> <p>23 Then we begin doing our work, we</p> <p>24 prepare a analytical document. That documents</p> <p>25 operating costs and taxes, and all of the markets</p>
<p style="text-align: right;">Page 104</p> <p>1 Boyd - examination/Borchardt</p> <p>2 that we're serving. And then we begin the process</p> <p>3 of elimination; and a big part of that process of</p> <p>4 elimination is developing a short list, and then</p> <p>5 we start doing field investigations. Field</p> <p>6 investigations practically are an essential part</p> <p>7 of any competent, diligent site selection process</p> <p>8 today.</p> <p>9 Q. You said field investigation, is that</p> <p>10 the same as a site visit?</p> <p>11 A. Site visit, yes.</p> <p>12 Q. How common are site visits, are they</p> <p>13 sometimes a part of the process, always part of the</p> <p>14 process?</p> <p>15 A. They are always a part of the process.</p> <p>16 Q. Okay. In one project, just roundabout</p> <p>17 figure, how often would you go on a site visit?</p> <p>18 A. Typically the top three or five</p> <p>19 locations receive at least three site visits from</p> <p>20 our firm. Then the client will do site visits,</p> <p>21 and will meet with many of the same individuals</p> <p>22 that we meet with HR directors in the labor</p> <p>23 market, to give a sense of real-time labor market</p> <p>24 factors like turnover rates, prevailing wage</p> <p>25 rates.</p>	<p style="text-align: right;">Page 105</p> <p>1 Boyd - examination/Borchardt</p> <p>2 We'll meet with leaders in the real</p> <p>3 estate community, get a sense of residential</p> <p>4 housing options for the workforce; and of course,</p> <p>5 the commercial industry, to see what type of sites</p> <p>6 exist for the company. I will also meet with</p> <p>7 academic officials and elected officials and other</p> <p>8 important people in the marketplace assessing the</p> <p>9 overall tenor of the market, is it pro-business,</p> <p>10 is it pro-development.</p> <p>11 Q. I want to make sure I understand. It</p> <p>12 sounds like site visits are often to a region. Is</p> <p>13 the site visit also to a particular piece of real</p> <p>14 estate considering whether this is the office we</p> <p>15 want?</p> <p>16 A. That's really the last piece of the</p> <p>17 puzzle where, once a company is sold on a specific</p> <p>18 region, it becomes about finding the right site at</p> <p>19 that region. We may give special preference to an</p> <p>20 area that falls in an opportunity zone, for</p> <p>21 example. And then of course, this part of</p> <p>22 process, the company's real estate folks begin to</p> <p>23 gradually take over, to look to us to make some</p> <p>24 initial recommendations based upon real estate,</p> <p>25 and we're happy to do that.</p>

1 Boyd - examination/Borchardt
 2 Q. Okay. So it sounds like during this
 3 process there are meetings at the company to
 4 discuss the sites.
 5 A. Yes.
 6 Q. Okay. Reports are being drawn up?
 7 A. Yes.
 8 Q. Thank you. So basically, your
 9 testimony sounds like a lot of work and analysis
 10 goes into picking the best location, is that a fair
 11 generalization?
 12 A. Yes.
 13 Q. And it sounds like a lot of
 14 documentation is generated during the site
 15 selection process; memos, e-mail, reports, is that
 16 fair?
 17 A. That's accurate. I would also expect
 18 the company to be able to produce receipts related
 19 to on-site travel visits.
 20 Q. And I want to make sure this is clear,
 21 the testimony you're giving now is about office
 22 sizes of two to four hundred employees. For moves
 23 of that sort, you would expect this sort of
 24 process.
 25 A. Yes.

1 Boyd - examination/Borchardt
 2 and the answers you're going to provide, a lot of
 3 them are about specific companies, right?
 4 A. Yes.
 5 Q. To get something else out of the way,
 6 you're not a real estate broker but part of your
 7 work is helping companies find real estate,
 8 correct?
 9 A. Yes.
 10 Q. So when you find a potential office
 11 location to consider for relocation, if the company
 12 is interested in that property, one option the
 13 company has is to negotiate for an extended offer
 14 period so an offer will stay open and the company
 15 has time to consider whether it wants the site, is
 16 that correct?
 17 A. Yes.
 18 Q. And a company can negotiate to keep an
 19 offer open for months, is that correct?
 20 A. Yes.
 21 Q. If a company is serious about
 22 relocating to a particular site, it may well
 23 negotiate for the sort of extended offer period,
 24 correct?
 25 A. Yes.

1 Boyd - examination/Borchardt
 2 Q. The really small startup companies of
 3 course might do some things differently, but for a
 4 move of this size, this is what you can expect.
 5 A. Yes.
 6 Q. So if the Task Force wants to know
 7 whether a company is seriously relocating to a site
 8 that the company says it's thinking about, it
 9 sounds like the company should be able to produce a
 10 lot of documentation of its deliberations. Do you
 11 agree with that statement?
 12 A. I agree with that.
 13 Q. Okay. If we request the sort of
 14 evidence from a company but the company can't
 15 produce it, does that suggest that maybe the
 16 company was never seriously considering the site?
 17 A. Yes.
 18 Q. Let me ask you a few hypotheticals.
 19 Before I do that, I want to make sure this is
 20 clear.
 21 You have not examined any of the
 22 evidence that the Task Force is looking at related
 23 to specific companies, right?
 24 A. That's correct.
 25 Q. So the questions I'm going to ask you

1 Boyd - examination/Borchardt
 2 Q. So if a company only has an offer valid
 3 for let's say a week or two, does that create a
 4 question to your mind about whether the company is
 5 seriously considering the site?
 6 A. Yes.
 7 Q. Thank you. Let me ask about a
 8 different issue. You help companies find space in
 9 office towers, specifically, right?
 10 A. Yes.
 11 Q. And oftentimes companies are large
 12 enough that they have to spread across multiple
 13 floors of an office building, correct?
 14 A. Yes.
 15 Q. When companies do spread across
 16 multiple floors, I imagine they usually want the
 17 floors to be contiguous, for example, 2, 3, 4, 5,
 18 is that correct?
 19 A. They always want contiguous workspace.
 20 Q. Have you ever had an experience where a
 21 client has wanted noncontiguous floors such as 3, 7
 22 and 14?
 23 A. No.
 24 Q. Would you ever recommend to your client
 25 that they adopt non-contiguous floors for their

Boyd - examination/Borchardt
office configuration?

A. Barring some natural disaster response, the answer is no.

Q. So if a company said that it seriously considered a move to floors 3, 7 and 14, would that raise an eyebrow for you?

A. Yes.

Q. Let me ask you about a different issue. Let's say you're looking for a property for one of your clients, and the real estate broker tells you that a different company has a right of first refusal on the property. I want to make sure we understand what that means. What is a right of first refusal?

A. A right of first refusal is when a landlord has an agreement with a specific company to give them the first shot at buying or leasing office space before they market or try to get an additional tenant for the space.

Q. So if you're looking at a property and a different company has a right of first refusal on it, you are behind them in line, so to speak, is that right?

A. Yes.

Boyd - examination/Chen

Q. And you can only get the property if the other company turns it down first, is that right?

A. Yes.

Q. So if you're looking at a property and a different company has the right of first refusal on it, would you ever advise one of your clients that they should consider that property --

A. That wouldn't seem to be an attractive option.

Q. If a company said that it was considering a property that a different company had a right of first refusal on, would that strike you as questionable?

A. It would, yes.

MR. BORCHARDT: Thank very much.

Professor Chen, do you have any questions?

EXAMINATION BY

PROF. CHEN:

Q. Have you ever had a client of your own, to the best of your recollection, who applied for a tax incentive to move to New Jersey over the years?

A. We requested our fees from New Jersey

Boyd - examination/Chen
over the years but there are specific firms that handle, negotiate -- we do not do that.

PROF. CHEN: Thanks.

MR. BORCHARDT: That's it, Mr. Boyd. Thank you very much. I think your testimony is going to be really useful context for some other testimony I expect we'll hear today. Thank you.

THE WITNESS: Thank you.
(The witness was excused.)

PROF. CHEN: There would be a good time to have our lunch break. For those who are not from Newark, there are lots of nice places to have lunch directly in the environs of the law school building and we will reconvene at one p.m.

(Luncheon recess: 12:12 p.m.)

AFTERNOON SESSION (1:03 p.m.)

PROF. CHEN: Now, possibly, the delights of Newark have detained some of the audience and the morning spectators, but I think we should proceed on time. Our next witness is Mr. David Lawyer. Mr. Lawyer, could you stand up, please, and raise your hand.

D A V I D L A W Y E R, having been first duly sworn, was examined and testified as follows:

EXAMINATION BY

MR. WALDEN:

Q. Good afternoon, Mr. Lawyer, how are you?

A. Very well.

Q. I have to apologize to you before we begin. I didn't realize that step down means the chair doesn't move that well. Some of your testimony, as you know, we're going to be doing slides, so I hope you can see it. Why don't you just say and spell your name for the record.

A. David Lawyer.

<p style="text-align: right;">Page 114</p> <p>1 Lawyer - examination/Walden</p> <p>2 Q. Common spelling?</p> <p>3 A. Yes, common spelling. Last name</p> <p>4 L-a-w-y-e-r.</p> <p>5 Q. And you are not a lawyer?</p> <p>6 A. No, I'm not a lawyer.</p> <p>7 Q. Where do you work?</p> <p>8 A. I work at the New Jersey Economic</p> <p>9 Development Authority.</p> <p>10 Q. Are you here voluntarily?</p> <p>11 A. Yes, I am.</p> <p>12 Q. Have you been fully cooperative with</p> <p>13 the Task Force?</p> <p>14 A. Yes.</p> <p>15 Q. And you and I have met before?</p> <p>16 A. Yes, we have.</p> <p>17 Q. Just thank you very much for all your</p> <p>18 cooperation in this. Was there an introductory</p> <p>19 statement that you wanted to read?</p> <p>20 A. I do, yes. So thank you, Mr. Walden.</p> <p>21 Again, my name is David Lawyer and I am the EDA's</p> <p>22 managing director of underwriting. I have been in</p> <p>23 this position since May of 2017, prior to which I</p> <p>24 had worked as the director of credit incentives</p> <p>25 and real estate underwriting.</p>	<p style="text-align: right;">Page 115</p> <p>1 Lawyer - examination/Walden</p> <p>2 My background is in commercial lending</p> <p>3 and credit analysis at various financial</p> <p>4 institutions, and I started working an the EDA in</p> <p>5 2006 as a senior credit underwriter. I understand</p> <p>6 that the purpose of today's hearing is to discuss</p> <p>7 the Task Force review of the Grow New Jersey tax</p> <p>8 incentive program.</p> <p>9 While my personal involvement with the</p> <p>10 program began in 2017, in preparation for today's</p> <p>11 hearing I have reviewed a number of project files</p> <p>12 from the beginning of the program to today. I</p> <p>13 have also spoken with underwriters and business</p> <p>14 development officers and community development</p> <p>15 officers whom I will refer to as BDOs and CDOs, to</p> <p>16 better understand their involvement in certain of</p> <p>17 these projects.</p> <p>18 On behalf of the EDA, I would like to</p> <p>19 thank the Task Force for its work, and to note</p> <p>20 that we welcome this opportunity to improve our</p> <p>21 administration of the Grow program. I would also</p> <p>22 like to note that the EDA is constantly evolving.</p> <p>23 We have in the past couple of years significantly</p> <p>24 improved our oversight of the tax incentive</p> <p>25 programs we manage. Improvements include updating</p>
<p style="text-align: right;">Page 116</p> <p>1 Lawyer - examination/Walden</p> <p>2 the documentation and other requirements we seek</p> <p>3 from program applicants as well as reviewing and</p> <p>4 updating program files after an application has</p> <p>5 already been approved.</p> <p>6 We understand, however, that we need to</p> <p>7 further improve to better serve the taxpayers of</p> <p>8 the State of New Jersey. To that end, we welcome</p> <p>9 comments or recommendations from the Task Force</p> <p>10 and I hope that my testimony today will aid in</p> <p>11 formulating such recommendations. Thank you.</p> <p>12 Q. I'm sure we will. You've been very</p> <p>13 helpful so far, Mr. Lawyer, but can I make one</p> <p>14 suggestion to you, which is just to hold the mike</p> <p>15 toward your mouth so that -- not that you can't be</p> <p>16 heard, but it will be easier. Okay.</p> <p>17 Now, during your opening statement,</p> <p>18 which I thank you for, you used a term that I just</p> <p>19 want to make sure that all of our listeners are</p> <p>20 familiar with. The term was "underwriting" or</p> <p>21 "underwriter."</p> <p>22 A. Yes.</p> <p>23 Q. Could you please describe what that</p> <p>24 means? I know that it's used in many different</p> <p>25 contexts but give us a general understanding of the</p>	<p style="text-align: right;">Page 117</p> <p>1 Lawyer - examination/Walden</p> <p>2 term.</p> <p>3 A. All right, the most general</p> <p>4 description that I can offer is an experienced</p> <p>5 individual having a finance or accounting</p> <p>6 background and specific technical skills who</p> <p>7 completes a detailed analysis, understands the</p> <p>8 logic, and tests the validity of an application</p> <p>9 and all supporting data related to a request for</p> <p>10 financial assistance.</p> <p>11 Q. Okay, that was clear. So in other</p> <p>12 words, in a sense, an underwriter scrubs, dives and</p> <p>13 analyzes to make sure whatever he or she is looking</p> <p>14 at is what it purports to be.</p> <p>15 A. Correct.</p> <p>16 Q. Now, just to frame your testimony, I</p> <p>17 want to make sure everyone understands, essentially</p> <p>18 you're testifying here as kind of a corporate</p> <p>19 witness in the sense that you're not testifying</p> <p>20 about what you personally did during the period of</p> <p>21 time from 2013 to 2017, correct?</p> <p>22 A. Correct.</p> <p>23 Q. Okay. And so in preparation for your</p> <p>24 testimony today, you said before you reviewed a</p> <p>25 whole bunch of files, right?</p>

<p style="text-align: right;">Page 118</p> <p>1 Lawyer - examination/Walden</p> <p>2 A. Yes.</p> <p>3 Q. And were they files that we asked to</p> <p>4 you review?</p> <p>5 A. Yes.</p> <p>6 Q. And we've had discussions about your</p> <p>7 findings and the facts in our prior interactions.</p> <p>8 A. Yes, we did.</p> <p>9 Q. And you understand that what I'm really</p> <p>10 asking you about today from the perspective of an</p> <p>11 EDA's expert witness is to help us understand how</p> <p>12 the program was being administered specifically by</p> <p>13 the underwriting department in the period between</p> <p>14 2013 and 2017.</p> <p>15 A. I understand.</p> <p>16 Q. Okay, good. So at a high level, from</p> <p>17 the underwriter's perspective, when he or she gets</p> <p>18 a file, give us a very brief description of what's</p> <p>19 happened with an application before. And we're</p> <p>20 going to use a slide that we worked on together,</p> <p>21 and note for the record that this is Task Force</p> <p>22 exhibit, somebody help me here? Six. Six now.</p> <p>23 There's a 6 and 6A.</p> <p>24 REC'D (Task Force Exhibit 6A, slide re</p> <p>25 underwriting and approval process, received</p>	<p style="text-align: right;">Page 119</p> <p>1 Lawyer - examination/Walden</p> <p>2 in evidence, as of this date.)</p> <p>3 Q. So why don't you walk through, I want</p> <p>4 you to start with the process that begins before</p> <p>5 the underwriter and then we'll go from there.</p> <p>6 A. Absolutely. And so what we have</p> <p>7 behind me is what I would classify as a pretty</p> <p>8 good visual illustration of what departments</p> <p>9 within the EDA touches Grow applications, from</p> <p>10 initial application, approval, board approval and</p> <p>11 post-closing processes or post-approval processes,</p> <p>12 all Grow applications that begin within our</p> <p>13 business development team. A business development</p> <p>14 officer, which again, I would refer to as a BDO,</p> <p>15 is the primary point of contact in the beginning</p> <p>16 of the application process.</p> <p>17 In many instances, an officer from the</p> <p>18 state's Business Action Center may have been in</p> <p>19 contact with the Grow applicant prior to our BDO</p> <p>20 getting the ball. Should that be the case, both</p> <p>21 individuals, they will work together towards the</p> <p>22 completion of a Grow application. It is the BDO's</p> <p>23 responsibility to meet with the applicant and</p> <p>24 understand the project, confirm that the Grow</p> <p>25 project is in fact the appropriate method to</p>
<p style="text-align: right;">Page 120</p> <p>1 Lawyer - examination/Walden</p> <p>2 assist the business, and that the scope of the</p> <p>3 project agrees with the eligibility criteria</p> <p>4 that's spelled out in the law.</p> <p>5 The BDO's method to understand the</p> <p>6 project prior to application includes meeting the</p> <p>7 applicant at the New Jersey site; if within a</p> <p>8 reasonable driving distance, a site visit to the</p> <p>9 out-of-state location, and reviewing all available</p> <p>10 documentation that pertains to the project.</p> <p>11 Ultimately, a complete package</p> <p>12 consisting of an executed Grow application,</p> <p>13 application fee, and all required documentation is</p> <p>14 signed off by the business development department</p> <p>15 and submitted to my department, underwriting, to</p> <p>16 commence the analysis.</p> <p>17 And so that takes us to the second</p> <p>18 item, "Underwriting." And so the complete</p> <p>19 application package is then assigned to an</p> <p>20 underwriter.</p> <p>21 And this individual will live with the</p> <p>22 application throughout the entire underwriting</p> <p>23 process. The BDO remains actively engaged and</p> <p>24 collectively we refer to the two as the deal team.</p> <p>25 Q. I'm sorry, did you say the deal team?</p>	<p style="text-align: right;">Page 121</p> <p>1 Lawyer - examination/Walden</p> <p>2 A. Deal team. Yes. Underwriting then</p> <p>3 completes a financial review of the project. This</p> <p>4 includes the completion of a net benefit analysis,</p> <p>5 the award calculation, financial feasibility</p> <p>6 analysis, and cost/benefit analysis.</p> <p>7 Finally, the underwriter completes what</p> <p>8 is called a project summary, which essentially</p> <p>9 pulls all the analysis together in a public</p> <p>10 document that is submitted to the EDA board for</p> <p>11 approval. And then we have the board approval,</p> <p>12 and then the last step which is not up there, but</p> <p>13 it's well to the right of board approval, is</p> <p>14 post-approval.</p> <p>15 Once the project has been approved,</p> <p>16 what we refer to as an approval letter that</p> <p>17 outlines the details of the approval is drafted by</p> <p>18 a separate closing department at the EDA, signed</p> <p>19 off by the state's deputy Attorney General's</p> <p>20 office, which I will refer to as the D.A.G., or an</p> <p>21 A.G., reviewed by EDA staff, signed by me, and</p> <p>22 then sent to the applicant for execution.</p> <p>23 Our post-closing department ensures the</p> <p>24 return receipt of that approval letter, and they</p> <p>25 live with the project through our final</p>

<p style="text-align: right;">Page 122</p> <p>1 Lawyer - examination/Walden 2 certification and payment of the award over time. 3 And so that takes us to the bottom half of your 4 chart there which provides a good linear 5 illustration of the internal meetings that take 6 place leading up to the EDA board, and -- 7 Q. So in other words, that's the journey 8 on top, and the bottom is how you get there. 9 A. Correct. 10 Q. Go ahead, please describe -- 11 A. You got it. So the first meeting is 12 our incentive pipeline. At our incentive pipeline 13 meeting, all Grow applications preapproval are 14 discussed. Such applications include those that 15 are anticipated to be received by BDO, those 16 applications that have been received and are 17 currently being processed by BDO, and those which 18 have been deemed complete and have been submitted 19 to underwriting for analysis. 20 Each officer assigned to their 21 respective applications will discuss certain 22 particulars about the project such as what it 23 entails, the amount requested, any outstanding 24 items and any significant issues including legal 25 matters.</p>	<p style="text-align: right;">Page 123</p> <p>1 Lawyer - examination/Walden 2 Present at incentives pipeline includes 3 various levels of EDA staff, including senior 4 management, and a member from the A.G.'s office. 5 Should there be any questions regarding how a 6 certain aspect of the application lines up with 7 the law, EDA staff defers to our A.G. for their 8 opinion, and that is the closed-door meeting. 9 The next step of the process is what we 10 call incentive project review. And the purpose of 11 this closed-door meeting is to discuss the draft 12 analyses and attachments that those Grow 13 applications currently in the underwriting 14 department, and we feel we have merit to be heard 15 at the upcoming board meeting. 16 Equally as important is an opportunity 17 to ensure that EDA staff and senior management 18 were all on the same page and agree that the 19 projects discussed are ready to proceed to the 20 next board. 21 Materials distributed to the 22 participants in review, to review in advance of 23 this meeting, include drafts of the project 24 summary, our confidential analysis, net benefit 25 analysis, cost/benefit analysis, there's a</p>
<p style="text-align: right;">Page 124</p> <p>1 Lawyer - examination/Walden 2 confidential CBA verification worksheet which was 3 a process improvement, and a Grow award 4 calculation. 5 Present at incentives project review 6 are the same participants at our pipeline meeting 7 including a member from the A.G.'s office. 8 The next step is our incentive 9 committee, and the purpose of this meeting is to 10 present the same analyses and related attachments 11 discussed at the prior incentive project review to 12 the members of the incentive committee. Present 13 at this meeting are the same participants at 14 project review, including a member from the A.G.'s 15 office and certain members of the EDA board who 16 were selected and agreed to be part of this 17 committee. 18 Unlike project review, the underwriting 19 analyses and attachments at this point are in 20 substantially final form. This is a closed-door 21 meeting to which the committee members, they have 22 the opportunity to ask any questions about any of 23 the projects and express concerns surrounding the 24 same. 25 And then finally we have the EDA board.</p>	<p style="text-align: right;">Page 125</p> <p>1 Lawyer - examination/Walden 2 And finally, at the EDA board, are items 3 recommended for approval by EDA staff and the 4 incentive committee, are considered by the members 5 of the board. The board is a public setting, 6 traditionally at EDA's office. All application 7 materials provided to the incentive committee are 8 also provided to the board members in advance of 9 the meeting to review in support of their 10 respective votes. And at every EDA board meeting 11 a member from the state's A.G. office is present. 12 Q. Thank you, that was a mouthful. It's 13 quite a process, thank you very much. I just want 14 to ask you about three things that I think you 15 talked about, and I'd like to you just describe it 16 as simply as you can, so that even a layperson can 17 understand. 18 Can you just explain what a net benefit 19 analysis means? 20 A. Right. So the net benefit analysis is 21 essentially -- it is an estimate of the 22 incremental tax revenue the state will receive 23 that will result from a specific type of project 24 located in a certain part of the state that will 25 also result in employment activity. And so it</p>

<p style="text-align: right;">Page 126</p> <p>1 Lawyer - examination/Walden</p> <p>2 takes into consideration revenues that the state</p> <p>3 was not realizing before that is going to result</p> <p>4 from this new capital investment, business</p> <p>5 activity related from that capital investment, as</p> <p>6 well as new employment and tax revenues generated</p> <p>7 from new employees at that location.</p> <p>8 Q. So in other words, if I could make it</p> <p>9 even more simple, is it just a way to measure how</p> <p>10 good or not a deal is for the state?</p> <p>11 A. Yes, that is one way to say it, yes.</p> <p>12 Q. And then you also mentioned something</p> <p>13 called a cost/benefit analysis.</p> <p>14 A. Yes.</p> <p>15 Q. If I can lead you just in the interests</p> <p>16 of time, is that basically a way to determine</p> <p>17 whether or not the out-of-state location is more or</p> <p>18 less expensive than the Camden alternative?</p> <p>19 A. Yes.</p> <p>20 Q. Or the alternative in any locality in</p> <p>21 Jersey.</p> <p>22 A. Yes.</p> <p>23 Q. There's one document I want to make</p> <p>24 sure that I cover with you, to figure out where</p> <p>25 along that stage this is generated. Is there</p>	<p style="text-align: right;">Page 127</p> <p>1 Lawyer - examination/Walden</p> <p>2 something called a confidential memo of analysis?</p> <p>3 A. Yes.</p> <p>4 Q. What is that?</p> <p>5 A. So that -- that analysis has a lot of</p> <p>6 the same information that's on the project</p> <p>7 summary. But there, we also get into the</p> <p>8 financial feasibility of the project. And so that</p> <p>9 involves not a deep dive, but we review certain</p> <p>10 aspects of the financial statements of the</p> <p>11 applicant. And so that illustrates a number of</p> <p>12 areas of the financial statements, certain aspects</p> <p>13 of it, certain financial ratios; and so since</p> <p>14 we're pulling that information which likely could</p> <p>15 be a private company, we really don't want that to</p> <p>16 be on a public document. We do not want</p> <p>17 confidential information to be on a public</p> <p>18 document.</p> <p>19 Q. But is that confidential memo of</p> <p>20 analysis something that goes to the board as part</p> <p>21 of the board package?</p> <p>22 A. I believe the board members received</p> <p>23 that, but it is not posted on our website as the</p> <p>24 public agenda.</p> <p>25 Q. Is the information that is contained in</p>
<p style="text-align: right;">Page 128</p> <p>1 Lawyer - examination/Walden</p> <p>2 that confidential memo of analysis based on</p> <p>3 information provided by applicants and verified by</p> <p>4 the underwriters and others?</p> <p>5 A. Yes.</p> <p>6 Q. And is the information that's in those</p> <p>7 confidential memos of analysis, it's supposed to be</p> <p>8 truthful.</p> <p>9 A. Absolutely.</p> <p>10 Q. And is it fair to say that part of the</p> <p>11 job of the underwriter is to verify that the</p> <p>12 information contained in the applications is</p> <p>13 confirmed, true, and that there are no red flags?</p> <p>14 A. Correct.</p> <p>15 Q. And so in circumstances where</p> <p>16 information in the application seems questionable</p> <p>17 or suspicious, what is the underwriter's role?</p> <p>18 A. They will question it.</p> <p>19 Q. And then to what end?</p> <p>20 A. Until they receive a satisfactory</p> <p>21 response.</p> <p>22 Q. And if in the course of work, an</p> <p>23 underwriter, again during this period from 2013 to</p> <p>24 2017, could not satisfy him or herself of an</p> <p>25 important piece of information, what would</p>	<p style="text-align: right;">Page 129</p> <p>1 Lawyer - examination/Walden</p> <p>2 generally happen in those circumstances?</p> <p>3 A. Well, it may begin with a phone call</p> <p>4 or an e-mail to call out the item that the</p> <p>5 underwriter has an issue with. And then an</p> <p>6 explanation may be provided, which may result in</p> <p>7 the request of additional information to review in</p> <p>8 support of the response that was provided.</p> <p>9 Q. I apologize. My question was probably</p> <p>10 not crisp enough, so let me try it again.</p> <p>11 Once the questions are asked and once</p> <p>12 the applicant provides whatever the applicant has,</p> <p>13 if at that point the underwriter still has a</p> <p>14 question or concern that's not resolved internally,</p> <p>15 can you just help us understand what happens next?</p> <p>16 What's the underwriter supposed to do if actually</p> <p>17 he can't or she can't get the question resolved to</p> <p>18 their satisfaction?</p> <p>19 A. I think it really depends on what that</p> <p>20 issue is. If it's an issue that can impair the</p> <p>21 eligibility of the project, then that could lead</p> <p>22 us down a different path to where the project is</p> <p>23 no longer eligible. If it's a question that we</p> <p>24 feel should be answered, that may lead to the</p> <p>25 project being held for a period of time until we</p>

<p style="text-align: right;">Page 130</p> <p>1 Lawyer - examination/Walden 2 get resolution. 3 It may be a question that we feel is so 4 important because it impacts the eligibility, but 5 really for us to understand the project, and to be 6 consistent with other, similar projects that we 7 have reviewed in the past, again, that project may 8 be held until we receive an acceptable response. 9 Q. Okay. So I'm going to ask you a little 10 bit about your observations about the training 11 program at the EDA; but before I do, I just want to 12 make sure I'm past this. 13 When an underwriter gets the file, 14 obviously the Internet is a ready source of 15 information that is available to an underwriter or 16 to a BDO. Is that part of the process for the 17 underwriter to do some level of diligence, of using 18 resources like the Internet? 19 A. Yes. 20 Q. And on the Internet, is it fair to say 21 for example, you might be able to find prior 22 statements that the applicant made about their 23 intent to either stay in or leave New Jersey? 24 A. Correct. 25 Q. And you might find information about</p>	<p style="text-align: right;">Page 131</p> <p>1 Lawyer - examination/Walden 2 prior lawsuits that might be relevant to some of 3 the questions about litigation in the application. 4 A. Yes. 5 Q. And you might find information that 6 bears on whether or not the company is suitable 7 from a business integrity perspective -- 8 A. Correct. 9 Q. -- for example, you might find 10 regulatory violations. 11 A. Yes. 12 Q. And do underwriters, again, you're 13 answering based on your understanding of the way 14 the process works from 2013 to 2017, do 15 underwriters generally look for those matters? 16 A. Yes. 17 Q. Now, again, I'm going to ask you about 18 this same period of time from 2013 to 2017. Are 19 you aware of whether or not in that period of time, 20 there was ever a formal training process within the 21 EDA to help underwriters actually understand all 22 the program requirements? 23 A. Not that I know of. 24 Q. Was there any sort of formal class 25 where a lawyer came in, for example, and said,</p>
<p style="text-align: right;">Page 132</p> <p>1 Lawyer - examination/Walden 2 "Here's what the statute requires"? 3 A. Not that I'm aware of. 4 Q. Is there any sort of, maybe, online 5 training that happens from time to time where 6 underwriters get updated on new areas of concern or 7 places where people are consistently experiencing 8 problems? 9 A. Not that I'm aware of. 10 Q. So again, just so we're clear, no 11 formal training at all? 12 A. No. 13 Q. Do you think -- we talked about 14 recommendations before -- do you think that it 15 would be a better process and make it easier on 16 underwriters if there actually was a formal 17 training program? 18 A. I can see value in that, yes. 19 Q. And would there also be value in yearly 20 recertification to explain developments in the 21 program, new regulations and amendments and those 22 sort of compliance refreshers? 23 A. I see the value in ongoing training, 24 but as far as a specific certification -- 25 Q. I'm sorry, I didn't mean certification</p>	<p style="text-align: right;">Page 133</p> <p>1 Lawyer - examination/Walden 2 in that way. I just mean an ongoing training on a 3 yearly basis so if there are any changes in the law 4 or the regulations, the underwriters actually get 5 some formal process to understand. 6 A. I see value. 7 Q. And to ask questions, for example. 8 A. Yes. 9 Q. So let me just ask you a question, make 10 sure that we understand. 11 At some point when you started in May 12 of '17, you did something to help familiarize 13 yourself, given the fact that there wasn't formal 14 training program even then. 15 A. Correct. 16 Q. What did you do so that you were 17 familiar with the Grow program? 18 A. Right. So the very first thing I did 19 was to review, study and understand as best I can 20 the act and the rules. From there, you really 21 just need to immerse yourself into the process, 22 which -- which actually was an existing process at 23 the EDA for our loan programs. 24 And so when the underwriting department 25 took over the approval process for Grow</p>

1 Lawyer - examination/Walden
2 applications, it would make complete logical sense
3 to follow that same process as well.

4 Q. Okay. Please, go ahead.

5 A. All right. So I took it upon myself
6 to make sure that on almost a daily basis I would
7 sit with an underwriter to discuss what projects
8 they were working, what were their observations,
9 what works, what does not work, are there any
10 areas that they felt may be improved. That was my
11 way to understand what was the existing process.

12 I made it clear to everyone in the
13 earlier parts of the 2017, and May of 2017, that
14 my intent isn't to come in and make vast changes
15 immediately. I felt as a good leader it's best to
16 understand what are the processes, the current
17 processes, and then once I'm able to get my arms
18 around it, look for areas -- look for
19 opportunities to improve, which ultimately we did.

20 Q. So now that we've talked about kind of
21 your experience when you got in, I'm now going to
22 go back to the questions I was asking before about
23 the period between 2013 and May of 2017.

24 But before I do that, let me just ask
25 you to make sure I understand. The Grow program,

1 Lawyer - examination/Walden
2 so everyone is clear, is it fair to say that's
3 designed to create new jobs, retain new jobs, or
4 encourage capital investments?

5 A. Correct.

6 Q. And it gives tax incentives if
7 companies do one or more of those things?

8 A. Yes.

9 Q. And for companies that were, at the
10 time of their application, they were already in New
11 Jersey, does every Grow applicant need to show that
12 the jobs were at risk, as the program was
13 administered, does every applicant have to show
14 that the jobs were at risk of moving out of the
15 state?

16 A. That is my understanding.

17 Q. And is that true even where an
18 application proposes to move jobs intrastate from a
19 city outside of Camden to Camden?

20 A. That is my understanding, yes.

21 Q. Does the EDA, did the EDA during this
22 period, again, as part of its administration,
23 require the submission of proof regarding the out
24 of state location?

25 A. Yes.

1 Lawyer - examination/Walden
2 Q. And before I talk about the kinds of
3 proof that you found that the EDA was accepting,
4 let me just ask you, as a general matter, did the
5 EDA require that the location be bona fide?

6 A. Yes.

7 Q. Did the EDA require that the location
8 be suitable for business?

9 A. Yes.

10 Q. And did the EDA require that the
11 location be available?

12 A. Yes.

13 Q. Now, if you would, what kinds of proof
14 did you find that the EDA was either accepting or
15 asking for as a proxy for those -- those issues?

16 A. Primarily letters of intent.

17 Q. Can we refer to those generally as
18 LOIs?

19 A. LOIs.

20 Q. Okay. So I'm sure that the LOIs come
21 in various shapes and sizes but could you just give
22 the people who are listening a brief explanation of
23 your understanding what an LOI is.

24 A. In other words, it's a terms sheet.
25 It's someone who has the actual asset. They are

1 Lawyer - examination/Walden
2 making an offer on, this is what they may be
3 willing to provide you to meet your need in
4 whatever project that you have.

5 Q. And would it be the underwriter's
6 expectation that the company actually did diligence
7 to make sure that that location was suitable?

8 A. Yes.

9 Q. And that the location was available?

10 A. Yes.

11 Q. And if the location didn't seem
12 suitable or available, or bona fide, fair to say
13 that the underwriter would ask more questions and
14 ask for more documents?

15 A. Correct.

16 Q. And did, in your estimation or based on
17 your experience, does the underwriter have the
18 authority to ask for underlying business records,
19 "Show me the business plans for why this site is
20 suitable," for example?

21 A. Right, generally speaking the
22 underwriter can ask for any additional information
23 they deem in support of that alternative location
24 that they questioned an LOI.

25 Q. And if there was a circumstance, as a

<p style="text-align: right;">Page 138</p> <p>1 Lawyer - examination/Walden</p> <p>2 hypothetical question, if there was a circumstance</p> <p>3 where a company made a submission of an</p> <p>4 out-of-state location and the underwriter</p> <p>5 determined that it was a phantom location, for</p> <p>6 example, that it was not a bona fide location, what</p> <p>7 impact could that have on that particular</p> <p>8 application?</p> <p>9 A. It could be declined.</p> <p>10 Q. All right. So I'm going to ask you to</p> <p>11 look at tab 1 of your binder.</p> <p>12 A. Okay.</p> <p>13 Q. Now, did you, fair to say that we</p> <p>14 showed you this document before your testimony</p> <p>15 today?</p> <p>16 A. Yes.</p> <p>17 Q. Is this a chart that represents 31</p> <p>18 companies?</p> <p>19 A. Yes, it is.</p> <p>20 Q. And are those 31 companies all of the</p> <p>21 companies that you're aware of between the start of</p> <p>22 the Grow program and presently, that applied to</p> <p>23 retain jobs -- to retain or to move jobs to Camden</p> <p>24 from within the state?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 139</p> <p>1 Lawyer - examination/Walden</p> <p>2 Q. And based on your work, is that chart</p> <p>3 accurate and complete?</p> <p>4 A. It is.</p> <p>5 Q. And of the 31 companies, is it fair to</p> <p>6 say that 30 of them according to their application</p> <p>7 indicated an intention to either move to Camden or</p> <p>8 to move to an out-of-state location?</p> <p>9 A. Yes.</p> <p>10 Q. And is it fair to say that the one</p> <p>11 company that doesn't fall in the 30 was going to</p> <p>12 eliminate jobs in Camden?</p> <p>13 A. Correct.</p> <p>14 Q. You can shut that now, I'll --</p> <p>15 MR. WALDEN: -- does anyone know the</p> <p>16 exhibit number this this? I'm going to deem</p> <p>17 this as previously -- we're going to call</p> <p>18 this 9.</p> <p>19 REC'D (Task Force Exhibit 9, chart</p> <p>20 showing data re 31 companies, received in</p> <p>21 evidence, as of this date.)</p> <p>22 Q. I'm going move on to the next subject</p> <p>23 but I want to ask you a little bit about the timing</p> <p>24 of the applications.</p> <p>25 Is it fair to say that the applications</p>
<p style="text-align: right;">Page 140</p> <p>1 Lawyer - examination/Walden</p> <p>2 were very complex?</p> <p>3 A. Very, yes.</p> <p>4 Q. And even at the initial stages for the</p> <p>5 BDO's work, the business development officer, does</p> <p>6 it take quite sometime for the business officer to</p> <p>7 gather up the information and make sure that he or</p> <p>8 she is comfortable with the level of documentation</p> <p>9 in the file?</p> <p>10 A. It can, yes.</p> <p>11 Q. And is it fair to say that the BDOs,</p> <p>12 the expectation that the underwriter is going to</p> <p>13 have is that once the BDO passes it off, most of</p> <p>14 the questions are already answered in the file?</p> <p>15 A. Well, most -- most of the information</p> <p>16 is contained in the file, yes.</p> <p>17 Q. That's what -- I'm sorry, most of the</p> <p>18 information --</p> <p>19 A. Correct.</p> <p>20 Q. So an underwriter's job is hopefully,</p> <p>21 if all the information is there, then you can do</p> <p>22 the deep dive and analyze it.</p> <p>23 A. Correct.</p> <p>24 Q. And verify it or vet it.</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 141</p> <p>1 Lawyer - examination/Walden</p> <p>2 Q. So that whole timeline that you talked</p> <p>3 about, is that something that generally can occur</p> <p>4 in a couple of weeks or a month?</p> <p>5 A. I have not seen that.</p> <p>6 Q. How quickly, what's the average time</p> <p>7 that you think an average application takes to go</p> <p>8 from the business development stage to the board</p> <p>9 approval stage?</p> <p>10 A. I would say a fair assessment is</p> <p>11 anywhere between four to nine months. It could be</p> <p>12 more, it could be less.</p> <p>13 Q. Nine being ones that what, what would</p> <p>14 put an application at the back end of the time</p> <p>15 scale?</p> <p>16 A. It could be various. Sometimes if the</p> <p>17 application is not complete on the business</p> <p>18 development side, and they are working on</p> <p>19 obtaining information, it's just a play on time to</p> <p>20 receive everything that they need.</p> <p>21 Or it could be a question that was</p> <p>22 either posed during the business development</p> <p>23 period or the underwriting process that prolongs</p> <p>24 the approval process. We're waiting on additional</p> <p>25 information.</p>

1 Lawyer - examination/Walden
 2 Q. Okay. Now, is it fair to say that,
 3 prior to coming here today, I asked you to review
 4 five applications?
 5 A. Yes.
 6 Q. And I asked to you review the project
 7 files for those five applications.
 8 A. Yes.
 9 Q. And is it fair to say that that that
 10 includes -- I'm sorry, I'm only going to ask you
 11 about four of the applications. Is it fair to say
 12 that that includes Connor Strong Buckelew, The
 13 Michaels Organization --
 14 A. Yes.
 15 Q. -- NFI Industries --
 16 A. Yes.
 17 Q. -- and Cooper Health?
 18 A. Yes.
 19 Q. And did I also ask you whether or not
 20 you could speak to the BDO and the underwriter on
 21 those files to make sure that you were familiar
 22 with the relevant issues?
 23 A. Yes.
 24 Q. I'm going to first ask you about the
 25 applications for Connor Strong, The Michaels

1 Lawyer - examination/Walden
 2 Organization, and NFI.
 3 A. Okay.
 4 Q. Did the BDO describe to you that she
 5 had a general process for how she went about her
 6 work?
 7 A. Yes.
 8 Q. And is it fair to say that that process
 9 began with a preliminary step of diligence?
 10 A. Yes.
 11 Q. Describe what she said in terms of what
 12 that step of diligence was.
 13 A. So part of it is to complete a Google
 14 search on the applicant; specifically, to look for
 15 any legal items and also, to have a conversation
 16 with the applicant to ensure that she understands
 17 the project. And then ultimately, to start
 18 gathering information to ensure that the
 19 application package is complete when it's
 20 submitted to underwriting.
 21 Q. Now, according to the BDO, did she
 22 actually perform this preliminary step of diligence
 23 on these three applications, Connor Strong, NFI and
 24 TMO?
 25 A. She did, yes.

1 Lawyer - examination/Walden
 2 Q. So I want you to just look at slide 3
 3 for a second and, you know, just summarize slide 3.
 4 Is it fair to say that each of the applications was
 5 for a Grow New Jersey award?
 6 A. Yes.
 7 Q. Is it fair to say that they were all
 8 filed on October 24th of 2016?
 9 A. Yes.
 10 Q. And each company indicated in its
 11 application that it was considering a move to
 12 Philadelphia?
 13 A. Yes.
 14 Q. And each of the companies was
 15 represented by the same consultant?
 16 A. Yes.
 17 Q. And who was the consultant?
 18 A. Kevin Sheehan.
 19 Q. I just want you to know just for the
 20 sake of your reference, that if you need to refer
 21 to the applications at any time, that they are tabs
 22 2, 3 and 4 of the binder.
 23 A. Okay.
 24 Q. So first of all I'm going to ask you
 25 about a specific article that was discoverable with

1 Lawyer - examination/Walden
 2 respect to Google, understanding that the
 3 application was submitted on October 24th of 2016.
 4 So in order to ask that question, can you go to tab
 5 5 of your binder.
 6 A. Okay.
 7 Q. Can you describe was in tab 5?
 8 A. It's an article in the Philadelphia
 9 Inquirer titled, "Plans Announced For Vast New
 10 Development on Camden Waterfront."
 11 Q. I'm sorry, what is the date of the
 12 article?
 13 A. September 24th, 2015.
 14 Q. So a little bit more than a year before
 15 the applications were filed.
 16 A. That is correct.
 17 Q. Now, did you see any indication in the
 18 file that BDO or the underwriter found this
 19 document?
 20 A. No.
 21 Q. Prior to your testimony today, did you
 22 have an opportunity to review this document?
 23 A. Yes.
 24 Q. And does it raise a question or a
 25 concern for you?

<p style="text-align: right;">Page 146</p> <p>1 Lawyer - examination/Walden</p> <p>2 A. It does.</p> <p>3 Q. Could you explain it to us.</p> <p>4 A. Sure. So in the article, I'm not</p> <p>5 going to use names, I assume --</p> <p>6 Q. Yes.</p> <p>7 A. -- so in the article it makes</p> <p>8 reference to Mr. George Norcross, head of Cooper</p> <p>9 University Hospital board, that his insurance</p> <p>10 firm, Connor Strong & Buckelew, is considering</p> <p>11 moving its headquarters into the development.</p> <p>12 Other companies expected to join include the</p> <p>13 Archer & Greiner PC law firm which has offices in</p> <p>14 Haddonfield, New Jersey, and Philadelphia and</p> <p>15 Cherry Hill, supply chain company NFI Industries,</p> <p>16 and The Michaels Organization, a Cherry Hill</p> <p>17 housing company that has done work in Camden.</p> <p>18 And so from reading this, one can</p> <p>19 glean, have they already -- have they already made</p> <p>20 a decision as far as their New Jersey location.</p> <p>21 Q. So you don't know that, this is a</p> <p>22 question --</p> <p>23 A. Right, this is a question that</p> <p>24 comes --</p> <p>25 Q. -- there might be a completely</p>	<p style="text-align: right;">Page 147</p> <p>1 Lawyer - examination/Walden</p> <p>2 legitimate explanation that they are choosing</p> <p>3 another site in Philadelphia.</p> <p>4 A. Yes.</p> <p>5 Q. And in fairness, each of the companies</p> <p>6 actually submitted LOIs, letters of intent, for</p> <p>7 locations in Philadelphia, correct?</p> <p>8 A. Correct.</p> <p>9 Q. So I'm going to ask you some questions</p> <p>10 about the proposed out-of-state locations for each,</p> <p>11 and then after I ask you the factual questions, I</p> <p>12 just want to make sure that everyone has a common</p> <p>13 understanding of the facts, then I'm going to go</p> <p>14 and ask you some questions about the significance</p> <p>15 of those facts again, just from an underwriting</p> <p>16 perspective, do you understand that?</p> <p>17 A. Yes.</p> <p>18 Q. So again, each of these applicants</p> <p>19 submitted real estate proposals for commercial</p> <p>20 spaces in Philadelphia to substantiate the risk</p> <p>21 that the jobs at their companies could move out of</p> <p>22 state.</p> <p>23 A. Yes.</p> <p>24 Q. So what you see behind you, again, I</p> <p>25 apologize that you don't have a chair that spins,</p>
<p style="text-align: right;">Page 148</p> <p>1 Lawyer - examination/Walden</p> <p>2 but if it's easier for you, if you want to walk</p> <p>3 around and look at it while you point the</p> <p>4 microphone at the screen, that's fine --</p> <p>5 A. No, it's --</p> <p>6 Q. -- okay, you're good. So you're</p> <p>7 familiar with this chart, we've talked about it</p> <p>8 before, correct?</p> <p>9 A. Yes.</p> <p>10 Q. So tell me if I'm explaining it</p> <p>11 correctly, and anything else you want to add.</p> <p>12 A. Okay.</p> <p>13 Q. It's organized for each of the three</p> <p>14 companies, and each of them has a proposal 1 and a</p> <p>15 proposal 2. And there is a row for the date of the</p> <p>16 proposal, the total square footage, the floors and</p> <p>17 the basement. Correct?</p> <p>18 A. Yes.</p> <p>19 Q. And you've had an opportunity to review</p> <p>20 these LOIs prior to your testimony today.</p> <p>21 A. Correct.</p> <p>22 Q. And so again, in the interests of time,</p> <p>23 do you mind if I just lead you through the</p> <p>24 information since you've already verified that the</p> <p>25 information we're going to populate here is</p>	<p style="text-align: right;">Page 149</p> <p>1 Lawyer - examination/Walden</p> <p>2 correct?</p> <p>3 A. That's fine.</p> <p>4 Q. So before I do that, let me just get</p> <p>5 the addresses down. Is it fair to say that the</p> <p>6 address that Connor Strong & Buckelew was</p> <p>7 considering, was it 1601 Market Street in the City</p> <p>8 of Philadelphia?</p> <p>9 A. Yes.</p> <p>10 Q. Is it fair to say that the address for</p> <p>11 NFI was 1500 Spring Garden Street in the City of</p> <p>12 Philadelphia?</p> <p>13 A. Yes.</p> <p>14 Q. Was the address for The Michaels</p> <p>15 Organization the same or different than the address</p> <p>16 that NFI had proffered?</p> <p>17 A. The same.</p> <p>18 Q. Now, again, based on your discussion</p> <p>19 with the underwriter, is it fair to say that, after</p> <p>20 the underwriter reviewed the first set of</p> <p>21 proposals, which we'll get to the details in a</p> <p>22 minute, he knows the problem?</p> <p>23 A. Yes.</p> <p>24 Q. And what was the problem?</p> <p>25 A. It was the length of time between the</p>

1 Lawyer - examination/Walden
2 proposal 1 and proposal 2, and I believe a
3 difference in the square footage.

4 Q. I'm sorry, the underwriter -- again,
5 sorry if I'm going to lead you a little bit on
6 this, is it fair to say that the underwriter
7 noticed that the LOIs were expired?

8 A. Yes.

9 Q. When I say expired, do you understand
10 that to mean that the proposals are no longer
11 available?

12 A. Correct. One can make that
13 interpretation, yes.

14 Q. And is it fair to say that the
15 proposals according to what the underwriter found,
16 the proposals for each of these companies, Connor
17 Strong, NFI and The Michaels Organization, had
18 actually expired before the applications were even
19 submitted?

20 A. That's right.

21 Q. In your experience, is that unusual?

22 A. I would -- yes, it's unusual.

23 Q. Why?

24 A. Because it casts doubt on whether that
25 site is available.

1 Lawyer - examination/Walden

2 Q. Okay. So why don't we just go
3 through -- hold on one second, I think I'm going to
4 skip some questions in the interests of time --
5 okay. Let me just ask this question, just, again,
6 to speed things up:

7 Is it fair to say that based on your
8 file review, when the underwriter determined that
9 the initial LOIs had lapsed, had expired, he made a
10 specific request of the consultant or the lawyer or
11 lobbyist, whatever, that was representing each of
12 these three companies --

13 A. Yes.

14 Q. -- and was the request for them to
15 extend the LOI?

16 A. Yes.

17 Q. And why would the underwriters use a
18 word like that, to "extend the LOI" that already
19 existed?

20 A. To ensure that the same datapoints on
21 that original LOI still exist in the future.

22 Q. Is that also a recognition of the
23 underwriter's perspective that this is an address
24 that they vetted before, that they have determined
25 is suitable, that they have done some research on

1 Lawyer - examination/Walden
2 to make sure it will meet their company's needs?

3 A. Correct.

4 Q. Okay. And is it fair to say that,
5 based on your review of the file, this individual
6 that was handling these applications, and again,
7 I'll just use his name, Mr. Sheehan, Mr. Sheehan
8 actually did not get extensions for the LOIs that
9 were originally filed but expired.

10 A. That's right.

11 Q. Is it fair to say that he essentially
12 got new LOI's for similar space but that had
13 differences?

14 A. Yes.

15 Q. And did he do that immediately or did
16 some number of months pass?

17 A. It took some time.

18 Q. So now, I'd like to just go through and
19 populate the chart, okay? So do I understand
20 correctly that the first Connor Strong & Buckelew
21 proposal was dated on August 29th of 2016?

22 A. That's correct.

23 Q. And it had roughly 153,345 square feet
24 of space in the lease proposal?

25 A. Yes.

1 Lawyer - examination/Walden

2 Q. And again, is that an indicator that
3 that's what Connor Strong believes it needs for its
4 operations?

5 A. Yes.

6 Q. And it was on floors 3 through 7 and 11
7 and 12?

8 A. Yes.

9 Q. And the square footage was \$25.95 a
10 retail square foot.

11 A. Yes.

12 Q. Okay. Now, let's go to proposal 2.
13 Proposal 2 was submitted on December 1st of 2016.

14 A. Yes.

15 Q. So that's, if the LOI's had expired, if
16 you remember, was it September 9th of 2016?

17 A. Right.

18 Q. So there was approximately a
19 three-month gap?

20 A. Yes.

21 Q. And the space on this one dropped from
22 153,000 square feet, roughly, to approximately
23 110,000 square feet.

24 A. That's correct.

25 Q. And the floors changed slightly in the

1 Lawyer - examination/Walden
 2 sense that it's still 3 through 7, but now instead
 3 of 11 and 12, it was for 13?
 4 A. Correct.
 5 Q. And the square footage, despite the
 6 differences in the space, the square footage -- I
 7 mean, the base rents stayed the same?
 8 A. Correct.
 9 Q. Okay. Again, we're going to come back
 10 to the significance of this at the end. But let's
 11 go to NFI, if we can have that first NFI.
 12 Fair to say that, like the Connor
 13 Strong, it was submitted on August 29th of 2016?
 14 A. Yes.
 15 Q. It was a little bit more than 103,000
 16 square feet?
 17 A. Correct.
 18 Q. And it was all on the second floor?
 19 A. Yes.
 20 Q. And it was \$23 a retail square foot.
 21 A. Yes.
 22 Q. Hold on one second.
 23 (A pause in the proceedings.)
 24 Q. Okay, if we can go to proposal number
 25 2, please. So this one was submitted even later

1 Lawyer - examination/Walden
 2 than the Connor Strong one. It was at the end of
 3 February of 2017.
 4 A. Yes.
 5 Q. And it dropped about ten thousand
 6 square feet in terms of the square footage?
 7 A. That's correct.
 8 Q. It was just a little bit more than
 9 93,000 square feet?
 10 A. Yes.
 11 Q. It was still on the second floor?
 12 A. Yes.
 13 Q. And the price break they got for, I
 14 assume, for the difference was about fifty cents a
 15 square foot, correct?
 16 A. Correct.
 17 Q. So it was 22.50 a retail square foot.
 18 A. Yes.
 19 Q. Okay. Now, from the LOI, could you
 20 determine that the expiration date on this proposal
 21 was March 24th of 2017?
 22 A. Yes.
 23 Q. Okay. Now, I just want to ask you a
 24 couple of questions before I move on to The
 25 Michaels Organization about what the underwriter

1 Lawyer - examination/Walden
 2 did or didn't ask about based on your review of the
 3 file.
 4 Did you see any indication in the file
 5 that the underwriter called out the fact that the
 6 Connor Strong proposal dropped roughly forty
 7 thousand square feet in terms of the space that
 8 they were getting in the second proposal?
 9 A. Yes.
 10 Q. You found indication that he asked
 11 about that change?
 12 A. No, I'm thinking of a different
 13 question. So, no, there wasn't, there wasn't any
 14 indication.
 15 Q. Did you find any indication in the file
 16 that he asked about the change in configuration in
 17 the sense of 11 and 12 having been in the first
 18 proposal, and floor 13 being in the second?
 19 A. I do not.
 20 Q. And for the NFI proposal, did you see
 21 anything that suggested that the underwriter asked
 22 about the difference in space dropping from 103,000
 23 to 93,000?
 24 A. I do not recall.
 25 Q. And do you recall the underwriter

1 Lawyer - examination/Walden
 2 calling out or getting an explanation for why there
 3 was a new LOI instead of an extension of the old
 4 LOI?
 5 A. No, I don't recall.
 6 Q. Was there any indication in the file
 7 that the underwriter asks questions about the gap
 8 in time, you know, how this space could have been
 9 available if, in the intervening period, they had
 10 no coverage and the original space wasn't available
 11 the way it was configured originally?
 12 A. No.
 13 Q. So let's then go to The Michaels
 14 Organization. Fair to say that the date was, the
 15 original date was just a day after the other two on
 16 August 30th of 2016?
 17 A. Yes.
 18 Q. And is it fair to say that, on this
 19 one -- well, they had two different options; they
 20 had an option for 103,491 feet on floor 2, or they
 21 had an option for 103,710 square feet on floors 1
 22 through 7.
 23 A. Yes.
 24 Q. Now, just to be clear, the 103,491 feet
 25 on the second floor, that's the same space that had

1 Lawyer - examination/Walden
 2 originally been offered to NFI with NFI's first
 3 proposal.
 4 A. Yes.
 5 Q. And the base rent was \$23 a square
 6 foot.
 7 A. Correct.
 8 Q. Now, were you able to determine, based
 9 on the issuance of this letter and the expiration
 10 date, that this proposal actually, even though it
 11 was expired, was only good for eleven days?
 12 A. It was only good for eleven days.
 13 Q. Is that unusual?
 14 A. Yes, it is.
 15 Q. And is it fair to say that with NFI, it
 16 had a similar problem, it was good for twelve days?
 17 A. Yes.
 18 Q. So could you find any indication in the
 19 file that the underwriter asked about the short
 20 duration of time that these LOIs were good for?
 21 A. No, I don't recall that.
 22 Q. You don't recall. Okay. Let's go
 23 through TMO, number 2, please, again, submitted on
 24 the same day as NFI, on February 28th of 2017?
 25 A. Yes.

1 Lawyer - examination/Walden
 2 proposal, the one on the basement, the first floor,
 3 the seventh floor and the twelfth floor, is it fair
 4 to say that of that space, not all of that square
 5 footage was actually even available?
 6 A. Correct.
 7 Q. Do you know what a ROFR is?
 8 A. A ROFR?
 9 Q. Right of first refusal --
 10 A. Oh, right of -- yes.
 11 Q. Did that proposal number 2 for The
 12 Michaels Organization make clear that one of those
 13 spaces had a tenant that existed already that had a
 14 right of first refusal on that space?
 15 A. Yes.
 16 Q. And is it fair to say that that square
 17 footage was on the seventh floor and it represented
 18 approximately 30 percent of the 95,000 square feet?
 19 A. Yes.
 20 Q. Okay. And could you find anywhere in
 21 the file that the underwriter asked about the fact
 22 that some of the space was not available?
 23 A. No.
 24 Q. And could you find any evidence in the
 25 file that the underwriter asked about the

1 Lawyer - examination/Walden
 2 Q. Again, a change in the space. It was
 3 only -- a little bit, almost 96,000 square feet?
 4 A. Yes.
 5 Q. And instead of either the second floor
 6 option or the first and seventh floor option, this
 7 one was configured where some space was in the
 8 basement, some space was on the first floor, some
 9 space was on the seventh floor, and some space was
 10 on the twelfth floor.
 11 A. Correct.
 12 Q. But the price break they got based on
 13 the change in configuration was the same as the
 14 price break that NFI got.
 15 A. Yes.
 16 Q. For significantly less material changes
 17 to the configuration.
 18 A. Correct.
 19 Q. Okay. Now, let me just ask you a
 20 couple of questions, again, based on your review of
 21 the file.
 22 Is it fair to say that -- excuse me one
 23 second.
 24 (A pause in the proceedings.)
 25 Q. With respect to the second TMO

1 Lawyer - examination/Walden
 2 significant change in configuration?
 3 A. No.
 4 Q. And any evidence in the file that the
 5 underwriter asked about the gap between September
 6 9th and February 28th?
 7 A. No.
 8 Q. Okay. So now that we understand the
 9 facts, right, let me turn then to kind of the
 10 significance of those facts. Again, just from the
 11 perspective of your position now as the manager of
 12 a department that's supposed to be underwriting to
 13 the level of standards that you hold, right?
 14 That's the nature of my questions. I want to be
 15 clear.
 16 This is not about the companies, this
 17 is not about whether there are reasons to explain
 18 all this. We don't have all the records yet. I'm
 19 only asking you about whether or not the
 20 underwriter in your professional judgement should
 21 have done more; do you understand that?
 22 A. Got it.
 23 Q. Okay. Does it raise a concern for you
 24 that the NFI and TMO proposals, proposal number 1,
 25 were for such a short duration?

1 Lawyer - examination/Walden
2 A. It does.
3 Q. And from an underwriting perspective,
4 would that raise a potential that the -- that these
5 proposals, these out-of-state proposals that are
6 the proxy for the jobs being at risk, that these
7 proposals aren't really bona fide?
8 A. They can.
9 Q. And in those circumstances, if you were
10 the underwriter, would you ask more questions?
11 A. I would, yes.
12 Q. Does it raise a concern or question, at
13 least, that the proposals, the first three
14 proposals expired before the applications were ever
15 even submitted?
16 A. Yes.
17 Q. Does that raise, again, the potential
18 that the underwriter should be looking for other
19 indicia that these places are bona fide?
20 A. Correct.
21 Q. And that they are suitable?
22 A. Yes.
23 Q. And that they are available?
24 A. Yes.
25 Q. Does it raise kind of a further

1 Lawyer - examination/Walden
2 question that there was such a large gap in all of
3 the proposals, but more so in the NFI and TMO ones,
4 there's such a big gap between the first proposal
5 and the second proposal?
6 A. Yes.
7 Q. Again, is that, from an underwriting
8 perspective, is that potential indicia that more
9 questions need to be asked to ensure that this
10 location is bona fide?
11 A. Yes, I would ask more questions.
12 Q. And does the fact that -- and this one
13 I'm really focusing on the TMO -- does the fact
14 that the configuration changed so much raise any
15 further questions or concerns that merit additional
16 questions?
17 A. It does.
18 Q. And the, again, less so with NFI and
19 The Michaels Organization, but more so with the
20 Connor Strong one, does it raise an additional
21 question or concern that there is such a large
22 change in square footage between proposal 1 and
23 proposal 2, requiring the asking of more questions?
24 A. Yes.
25 Q. Again, I just want to note from an

1 Lawyer - examination/Walden
2 underwriting perspective, the fact that all of the
3 companies were using the same consultant and that
4 two of the companies were intending to locate in
5 the same exact building in Philadelphia, and that
6 they were offering actually the same space in one
7 of the proposals, does that, from an underwriting
8 perspective, does that raise any additional
9 questions or concerns?
10 A. Yes.
11 Q. And I take it in your professional
12 judgement, more questions would be done anyway.
13 A. It would.
14 Q. And from an underwriting perspective,
15 does it raise additional questions or concerns
16 that, with respect to The Michaels Organization, a
17 significant block of the space was not even
18 available?
19 A. Correct.
20 Q. Do you see these issues as serious
21 issues from an underwriting perspective?
22 A. Well, it depends on the responses.
23 Q. Oh, I'm sorry, I should have asked you
24 a question. Based on the totality of the
25 circumstances and the number of changes in the LOIs

1 Lawyer - examination/Walden
2 and the various issues we've discussed as an
3 underwriter, would your questions in this regard be
4 serious?
5 A. Yes, because I think there's a
6 pattern.
7 Q. Okay. So I'm going to ask you about
8 one more application.
9 A. Okay.
10 Q. And it's the tab 13 and I just ask that
11 you take a look, tell us what application this is.
12 A. Cooper Health System.
13 Q. Now, before I ask these questions, and
14 you know this already but just let me be clear,
15 when I asked you before with respect to the other
16 applications whether or not the underwriter should
17 ask more questions, one of those questions,
18 depending on the oral information that they get, a
19 question about obtaining business records that the
20 company has that are contemporaneous to their
21 evaluation of the sites, to show things like, they
22 were doing site visits at the out-of-state
23 location, they actually had a business plan, there
24 was a spreadsheet that had been created months ago
25 that showed what the relocation and the build-out

1 Lawyer - examination/Walden
2 costs should be, that's an option for the
3 underwriter, correct?

4 A. We lead with the CBA, but if
5 additional information is needed to complete the
6 analysis, yes, we can ask for additional items,
7 which would include some of those items that
8 you've mentioned.

9 Q. And if -- and again, I'm not -- we
10 didn't have all the facts with respect to these
11 applications so this is just a question about the
12 practice, not these applications; but if, with
13 these applications, the underwriter had some
14 serious questions about whether the sites were
15 suitable, bona fide and available, the underwriter
16 has the option to asking for some of the business
17 records that I just outlined.

18 A. Yes.

19 Q. Okay. So now we're going to show an
20 example where we actually do have business records,
21 so you understand that. You said the application
22 was for whom?

23 A. The Cooper Health System.

24 Q. Just looking at the slide just to make
25 things easy, it was filed on November 7th of 2014?

1 Lawyer - examination/Walden

2 A. Yes.

3 Q. And is it fair to say that Cooper was
4 intending to, with respect to the Camden option, to
5 move its administrative facilities from another
6 location to Camden?

7 A. Yes.

8 Q. And were they going to move into a
9 building that was generally referred to as the L-3
10 building?

11 A. Yes.

12 Q. And the company, is it fair to say that
13 the company articulated that it was moving its
14 offices to Philadelphia?

15 A. Yes.

16 Q. That was the potential out-of-state
17 location?

18 A. Yes.

19 Q. Is it fair to say they were also
20 represented by Kevin Sheehan at Parker McCay?

21 A. Yes.

22 Q. Is it fair to say that the application
23 was approved on December 9th of 2014?

24 A. Board approval, yes.

25 Q. So we've talked about this from a while

1 Lawyer - examination/Walden
2 ago, but that's a month and two days. Before I
3 asked you to review this application, had you ever
4 seen that in your entire time at the EDA?

5 A. Not that I recall.

6 Q. And is it fair to say that the amount
7 of money awarded with respect to Cooper Health was
8 \$40 million over ten years?

9 A. Yes.

10 Q. Do you know whether or not any of that
11 money has been paid to date?

12 A. I do.

13 Q. How much has been paid?

14 A. 13,082,000.

15 Q. Okay. Now, in reviewing the
16 application, did you notice a problem?

17 A. There was a question regarding at-risk
18 jobs and an alternate location to be determined.

19 Q. So can you just turn to, it's in tab
20 13. I think it's highlighted for your convenience.
21 Can you just, it's up on the screen but God knows
22 if anyone has better eyes than me. I can't read
23 it. Are you able to read that? Sorry about that.
24 We'll read it into the record. Go ahead. Read the
25 highlighted section --

1 Lawyer - examination/Walden

2 A. Oh, sure. "Are any jobs listed in the
3 application at risk of being located outside of
4 New Jersey?" And the response is no. "List other
5 states New Jersey is in competition with," and the
6 answer is TBD, to be determined.

7 Q. I want to pause there for one second,
8 and I want to turn to tab 15 in the binder.

9 Is it fair to say that this is part of
10 the application, Mr. Lawyer?

11 A. Fifteen?

12 Q. No, I'm sorry, I'm asking you a -- this
13 is on the application itself.

14 A. It is, yes.

15 Q. So essentially this is what the CEO
16 certified to.

17 A. Correct.

18 Q. Now, turn to tab 15 in the binder, if
19 you will. Do you see that there is highlighted
20 language there for your convenience?

21 A. Yes.

22 Q. Before you get to the highlighted
23 language, can you tell everyone what this is?

24 A. This is our confidential memorandum of
25 analysis.

1 Lawyer - examination/Walden
2 Q. So is this something that is written by
3 EDA staff based on information that's provided by
4 the applicant?
5 A. That's correct.
6 Q. Do I understand correctly that it was
7 the general practice that this is the information
8 to which the CEO has certified?
9 A. Yes.
10 Q. So this is essentially information
11 that's been sworn.
12 A. Correct.
13 Q. But again, to be clear, the CEO
14 certification that you reviewed was for November,
15 not December.
16 A. Okay.
17 Q. And did you, in any way, find either an
18 amended application or an amended CEO
19 certification?
20 A. No.
21 Q. So can you just read the language
22 that's highlighted into the record, please?
23 A. Sure. "Cooper Health System is
24 planning a consolidation of back office operations
25 from several locations in Cherry Hill and

1 Lawyer - examination/Walden
2 Mt. Laurel, New Jersey into one location in
3 Camden, specifically 123,578 square feet in the
4 L-3 building. The alternative is to relocate
5 these jobs to Philadelphia, PA."
6 Q. Can you read the second highlighted
7 portion?
8 A. "Overall when factoring in both the
9 up-front and annual operating costs to operate the
10 project, it is estimated that the New Jersey
11 location would be \$555,154 more expensive over ten
12 years on a net-present-value basis. As a result,
13 the company has applied for Grow New Jersey tax
14 credits to offset these costs and make New Jersey
15 more competitive. Management has indicated that
16 the award is a material factor in the company's
17 decision to locate the project in New Jersey."
18 Q. Okay. So now, if you will -- hold on
19 one second.
20 (A pause in the proceedings.)
21 Q. Let me show you, then, the real estate
22 proposal that you found in the file, if you can go
23 to tab 16.
24 So again, the approval was on December
25 9th. Can you tell us the date of the LOI that

1 Lawyer - examination/Walden
2 Cooper Health submitted in support of its
3 application?
4 A. December 5th, 2014.
5 Q. And is it the same or different broker
6 than the broker on the TMO, NFI and Connor Strong
7 LOIs?
8 A. It's the same.
9 Q. Okay. And if you turn to the second
10 page of the document, what is the location, the
11 street location that they are considering a move to
12 according to this submission?
13 A. 1500 Market Street, Philadelphia, PA.
14 Q. Do you remember in the file whether you
15 found that there was a cover e-mail that submitted
16 this document?
17 (A pause in the proceedings.)
18 Q. Well, why don't you turn to tab 17 and
19 see, to the extent you don't remember, if that
20 refreshes your recollection.
21 A. Yes.
22 Q. What is the date of tab 17?
23 A. December 5th, 2014.
24 Q. So it was submitted to the EDA on the
25 very day of the letter being issued by the real

1 Lawyer - examination/Walden
2 estate broker.
3 A. Right.
4 Q. And what's the name of the individual
5 who sent this e-mail?
6 A. Andrew Bush.
7 Q. Now, can you just read the highlighted
8 language of the cover e-mail into the record.
9 A. "Please find attached a letter of
10 intent from a prospective Philadelphia landlord.
11 The terms are slightly more aggressive than those
12 presented in the cost/benefit analysis, meaning
13 that there is more of a burden to Cooper to remain
14 in New Jersey."
15 Q. Can I ask you a question?
16 A. Yes.
17 Q. My colleagues have told me that there's
18 a live feed, meaning it's being streamed by
19 someone, I'm not sure who, and they can't hear you,
20 so could you just pull the mike a little closer, or
21 get closer to it. Thank you.
22 Did you read the highlighted language
23 into the record? I got distracted for a second.
24 A. I did, yes.
25 Q. So let me just ask you some questions

1 Lawyer - examination/Walden
2 about how this works because you've explained it to
3 me before, and I'm not -- I'm still not sure that I
4 understand it. CEO signs a certification on day
5 one.

6 A. Um-hum.

7 Q. On day whatever, one through five
8 months from now, other things are happening, right?
9 There may be changes, I mean, it's not uncommon at
10 all for, in that process, for things to change,
11 right?

12 A. Right.

13 Q. Spaces might be different on different
14 locations. A lot of different things happen.

15 A. Um-hum.

16 Q. Is it usually the case where there are
17 material changes in an application that there's an
18 amended application or an amended CEO certification
19 saying, at the end of the process, "I've now
20 familiarized myself with everything and it's
21 accurate"?

22 A. I don't recall specific events that
23 took place. But I would imagine that if there
24 were material changes to an application and
25 materials that were provided, yes, there was a

1 Lawyer - examination/Walden
2 revised CEO certification that was provided and
3 even a revised application.

4 Q. Okay. But in this circumstance, is it
5 fair to say that for small changes that don't
6 really affect anything, would EDA go through that
7 trouble?

8 A. No.

9 Q. But if there were, again, if you know,
10 because you're talking about a period of time that
11 you didn't have the underwriting pen, you didn't
12 have the department, as its leader, do you know
13 whether or not as a general matter, underwriters
14 were told the CEO certification is backward and
15 forward-looking, it's certifying that it's in the
16 process and, if there are changes, that the CEO is
17 aware of it, and they've got to call out if the
18 CEO, if it's exempted somehow from the
19 certification?

20 A. I'm not familiar with that concept.

21 Q. Do you know of case where is there was
22 a change that was material and that the CEO
23 actually did another certification? Do you know of
24 a circumstance for that happening sitting here
25 today?

1 Lawyer - examination/Walden
2 A. No, I don't know of a specific
3 circumstance but I can imagine that it likely has
4 happened.

5 Q. So remember when we were talking about
6 reforms?

7 A. Yes.

8 Q. Would this be another kind of policy
9 that would be sent to tie down that when there were
10 material changes to an application that might
11 actually affect whether they qualified for their
12 award at all, that the CEO recertified to whatever
13 the new state of facts is?

14 A. Right. One would probably need to
15 define what is meant by "significant change." Any
16 change is left to interpretation, but yes, I think
17 that there's value in it.

18 Q. Okay. Hold on one second.

19 (A pause in the proceedings.)

20 Q. All right. So, excuse me, I'm going to
21 ask you, I just want to unpack this a little bit,
22 right? So we get from -- from November to the
23 approval in December. Is it fair to say that, with
24 respect to this issue, and to the Philadelphia
25 location that was eventually proffered four days

1 Lawyer - examination/Walden
2 before the approval, there were some relevant
3 e-mails that talked about the back-and-forth?

4 A. Yes.

5 Q. So turn to tab 18 if you will. You see
6 that it begins with an e-mail from -- hold on --
7 from Theresa Wells to Andrew Bush, do you see that?

8 A. Yes.

9 Q. And do you see that there's a
10 difference in the color of the writing between the
11 black and the blue?

12 A. Yes.

13 Q. And do you see in the top e-mail
14 there's a response from Andrew Bush to Theresa
15 Wells saying, "Sorry for the delay in the response,
16 please see responses below"?

17 A. Yes.

18 Q. So based on that, do you understand
19 that she asked questions and then he provided
20 answers?

21 A. Correct.

22 Q. And that the date of this e-mail is
23 what?

24 A. December 1st, 2014.

25 Q. Okay. And can you then go down to the

1 Lawyer - examination/Walden
 2 body of her e-mail that has her question and his
 3 answer, and read both of them into the record for
 4 us, please.
 5 A. Number one?
 6 Q. Correct.
 7 A. "Please provide the backup on the
 8 proposed terms for each of the locations, New
 9 Jersey and Pa., i.e., terms sheets, letters of
 10 intent and/or draft lease agreements." The
 11 response, "I am touring alternate locations in Pa.
 12 on Wednesday and hope to have terms sheets by the
 13 end of the week."
 14 Q. So in your experience, is it unusual
 15 that an application would be looking for locations
 16 after an application was already filed?
 17 A. In this context, yes.
 18 Q. But you don't know --
 19 PROF. CHEN: Theresa Wells, can we
 20 identify who she is?
 21 Q. I'm sorry, who is Theresa Wells?
 22 A. I wasn't sure you actually meant to
 23 say the name.
 24 Q. So why don't --
 25 MR. WALDEN: -- do you mind, chairman,

1 Lawyer - examination/Walden
 2 right?
 3 A. Yes, or a phone call.
 4 Q. Or a phone call. For example, the
 5 company may have had a location that -- in
 6 Philadelphia that was subject to a natural disaster
 7 and suddenly find itself without a place to stay,
 8 right?
 9 A. Yes.
 10 Q. There are a million other explanations
 11 that might answer some of these questions, correct?
 12 A. Correct.
 13 Q. But the point of this exercise is not,
 14 again, what happened with the company, but what the
 15 underwriter did. Would you say the underwriter in
 16 this circumstance should have asked more questions
 17 than the ones you found in the file?
 18 A. The writing what I found in the file,
 19 yes. I don't know if any phone calls were made.
 20 Q. Fair enough. But you know now as you
 21 sit there that we actually have obtained documents
 22 from Cooper Health, right?
 23 A. Yes.
 24 Q. And so I -- again, I just want to
 25 remind you that this building that they are talking

1 Lawyer - examination/Walden
 2 if we just skip over that question?
 3 PROF. CHEN: Okay.
 4 MR. WALDEN: Okay.
 5 Q. So now, did you see any indication in
 6 the file that the underwriter in this case asked
 7 any questions about the fact that the application
 8 was submitted saying, "No jobs were at risk"?
 9 A. No.
 10 Q. Did you see any indication in the file
 11 that the underwriter asked any questions concerning
 12 what the company meant when it said the competitor
 13 state location is TBD, or to be determined?
 14 A. No.
 15 Q. Did you find any indications in the
 16 file that the underwriter asked any questions about
 17 why Andrew Bush at Cooper Health was doing a site
 18 tour after the application had been filed?
 19 A. No.
 20 Q. Okay. All right. So if there was an
 21 explanation for this, what the underwriter could
 22 have done, as we talked about before, is to ask for
 23 some underlying documents and ask the company to
 24 explain these things and if the explanations
 25 weren't enough, to provide documents to back it up,

1 Lawyer - examination/Walden
 2 about in Camden was a building called L-3, right?
 3 A. Yes.
 4 Q. So I'd like you to look first if you
 5 will at tab 19. And I know that these aren't your
 6 documents but again I just kind of want to explore
 7 the point of the kinds of things that an
 8 underwriter could find if they asked, right?
 9 So do you understand that tab 19 is an
 10 e-mail between John Sheridan and Doug Shirley?
 11 A. Yes.
 12 Q. And it's forwarding, Shirley is
 13 forwarding to John Sheridan an e-mail from Dave
 14 Foster?
 15 A. Yes.
 16 Q. And was Dave Foster at the time an
 17 individual that worked at an organization called
 18 Cooper's Ferry?
 19 A. Yes.
 20 Q. And was Doug Shirley at the time the
 21 CFO of Cooper Health?
 22 A. You mean John Shirley --
 23 Q. Unless I had it --
 24 A. Oh, Doug Shirley, I'm sorry, yes.
 25 Q. Doug Shirley was the CFO and John

1 Lawyer - examination/Walden
2 Sheridan was the CEO.

3 A. Yes.

4 Q. And to summarize the earlier chain
5 which I know you've read, is this essentially an
6 offer from Dave Foster to lease space in the L-3
7 building to Cooper Health?

8 A. Correct.

9 Q. And what's the date of that offer?

10 A. March 28th, 2014.

11 Q. No, the one below.

12 A. The one below. March 27th, 2014.

13 Q. And so we're talking roughly seven
14 months before the Grow application.

15 A. Right.

16 Q. Right? And do you see that in the top
17 e-mail, Shirley is reacting to the terms of the
18 proposal that Foster made?

19 A. Correct.

20 Q. And could you just, maybe other
21 people's eyes are better than mine, I can't read
22 that, could you just read the language that Shirley
23 used into the record.

24 A. Sure. "I have the proposal from
25 Liberty, and it is very rich! From a cash flow

1 Lawyer - examination/Walden

2 and balance sheet, the L-3 is the best deal by a
3 long shot. No other option can touch it so you
4 need to be okay with this option before we go out
5 with it."

6 Q. And again, we don't know what the CEO
7 said based on the documents I put in front of you.

8 A. Right.

9 Q. The CEO may have said, "No way, we're
10 not going there," for whatever reason.

11 A. Right.

12 Q. CFO is focused on money, other
13 businesspeople are focusing on other things as
14 well.

15 A. Correct.

16 Q. But is it also fair to say that we
17 showed you a document that was dated about, a
18 little bit less than a month later where Cooper
19 Health was laying out the options that it was
20 considering?

21 A. Yes.

22 Q. Turn to tab 20. Again, for the people
23 that have bad eyes like me, what does the top text
24 say above the black bar?

25 A. "Potential Cooper Office Options."

1 Lawyer - examination/Walden

2 Q. And what's the date of the document?

3 A. April 1st, 2014.

4 Q. And so the other e-mail that we just
5 saw just was on March 27th, just a couple of days
6 earlier.

7 A. Right.

8 Q. You've reviewed this document before
9 today?

10 A. Yes.

11 Q. Is it fair to say that each of the
12 three options that are listed are options in
13 Camden?

14 A. Yes.

15 Q. None of them are at 1500 Market Street
16 in Philadelphia.

17 A. No.

18 Q. And is it fair to say that this
19 document reflects in each instance that, at this
20 time, Cooper Health was hoping for tax incentives
21 in each of the instances for each of these
22 buildings?

23 A. Yes.

24 Q. Okay. Now, we're done with the binder.
25 Focusing on this application, and again, from the

1 Lawyer - examination/Walden

2 perspective of an underwriter, based on the
3 totality of circumstances, do you think these
4 documents impact your assessment of whether or not
5 the Philadelphia location was bona fide, suitable
6 and available?

7 A. It does.

8 Q. And as an underwriter, if you do have
9 concerns on a scale from one to ten, ten being the
10 worst, based on the totality of the circumstances,
11 where is your concern as an underwriter as you look
12 at this file?

13 A. I was looking between a seven and
14 eight, probably a seven.

15 Q. So again, is it fair to say that if you
16 were the underwriter -- again, the company may have
17 had plenty of explanations for all this stuff but a
18 lot more questions should be asked about this
19 particular file.

20 A. Yes, I would have asked more
21 questions. But I wouldn't have anticipated to
22 receive the e-mail that we just discussed.

23 Q. Oh, you wouldn't expect that e-mail to
24 be volunteered.

25 A. Right.

1 Lawyer - examination/Chen
 2 Q. Well, could I ask you this: If the
 3 company actually had a document that showed that
 4 they made the decision before they ever applied for
 5 Grow to stay in Camden, what would that do to their
 6 application? I'm not saying that occurred in this
 7 circumstance, but what significance would that be
 8 for that application?
 9 A. That would be a problem.
 10 Q. Okay.
 11 MR. WALDEN: Prof. Chen, do you have
 12 any other questions for Mr. Lawyer?
 13 PROF. CHEN: Just one.
 14 EXAMINATION BY
 15 PROF. CHEN:
 16 Q. So I understand how the EDA process
 17 might work, it was noted that, in the original LOIs
 18 by NFI and The Michaels Organization, the LOIs as
 19 specified, the same space, part of the same space
 20 at 1500 Market Street.
 21 A. Correct.
 22 Q. Is it possible that those two
 23 applications were assigned to different
 24 underwriters?
 25 A. I don't now about the BDO but I

1 Lawyer - examination/Walden
 2 believe they were assigned to the same
 3 underwriter.
 4 PROF. CHEN: Okay, thanks.
 5 MR. WALDEN: That's actually a great
 6 question.
 7 BY MR. WALDEN:
 8 Q. Was the same BDO in both cases --
 9 A. It was the same underwriter.
 10 MR. WALDEN: Thanks.
 11 Can we have a short break after this
 12 witness?
 13 PROF. CHEN: I think that would be
 14 fine. Short, in class when I say five
 15 minute break, people get back in ten.
 16 MR. WALDEN: Five minutes.
 17 PROF. CHEN: Five minutes.
 18 (Recess taken.)
 19 PROF. CHEN: Next we have testimony of
 20 Mr. Tim Lizura. Mr. Lizura, welcome.
 21 (Continued on following page.)
 22
 23
 24
 25

1 Lizura - examination/Walden
 2 T I M O T H Y L I Z U R A , having been first
 3 duly sworn, was examined and testified as
 4 follows:
 5 EXAMINATION BY
 6 MR. WALDEN:
 7 Q. So I think my colleague told you that
 8 this is being live-streamed and the acoustics on
 9 the live stream are apparently challenging, and so
 10 in order to accommodate the people that couldn't
 11 physically be here, in the last hearing there were
 12 people all over the state that are listening,
 13 you've got to keep your mouth a little bit close to
 14 the microphone.
 15 So I know that some of the time we may
 16 be looking at documents. Sometimes you may be
 17 looking at the screen but if you could try to, and
 18 I'll remind you if I think of it, to return and
 19 give your answer to the microphone, that would be
 20 great. Thank you very much.
 21 So could you please say and spell your
 22 name for the record.
 23 A. Sure. It's Timothy Lizura,
 24 L-i-z-u-r-a.
 25 Q. So in preparation for your testimony

1 Lizura - examination/Walden
 2 today, Mr. Lizura, is it fair to say that we met
 3 before?
 4 A. We have.
 5 Q. We had a nice couple of hours together
 6 to explore scenarios.
 7 A. We did.
 8 Q. You understand that today, I'm going to
 9 ask you about a subset of those areas.
 10 A. Yes.
 11 Q. You know you have a right to an
 12 attorney here?
 13 A. I do.
 14 Q. And your attorney is with you in the
 15 room.
 16 A. She is.
 17 Q. But you're appearing here voluntarily?
 18 A. Voluntarily.
 19 Q. We appreciate that, thank you very
 20 much, and thank you for the quality of information
 21 that you gave us when we were together.
 22 A. Happy to do it.
 23 Q. So first of all, why don't you start us
 24 off telling us a little bit about your career.
 25 A. I've a short opening statement.

<p style="text-align: right;">Page 190</p> <p>1 Lizura - examination/Walden</p> <p>2 Q. Actually, she told me that. And go</p> <p>3 ahead, please.</p> <p>4 A. Thanks. Some of it might be covered</p> <p>5 in that but feel free to ask again.</p> <p>6 Q. It will shorten my questions, perhaps.</p> <p>7 A. Prof. Chen, and Task Force, thank you</p> <p>8 for having me here today. My name is Timothy</p> <p>9 Lizura. For 22 years I devoted my work to the New</p> <p>10 Jersey Economic Development Authority because I</p> <p>11 believed in, and I still believe in, its mission</p> <p>12 to create and retain jobs for the people of New</p> <p>13 Jersey and to support positive economic</p> <p>14 development in our state.</p> <p>15 I joined the EDA in 1995 as an analyst</p> <p>16 in the real estate development department, and I</p> <p>17 worked my way up to the position of President and</p> <p>18 Chief Operating Officer.</p> <p>19 The EDA is a non-partisan organization.</p> <p>20 Our work was not to benefit any one governor, any</p> <p>21 one individual or one entity. Our priority and</p> <p>22 purpose always was to best serve and benefit the</p> <p>23 people of the State of New Jersey in accordance</p> <p>24 with the existing laws enacted by the legislature.</p> <p>25 I served at the EDA under every governor from</p>	<p style="text-align: right;">Page 191</p> <p>1 Lizura - examination/Walden</p> <p>2 Christine Todd Whitman to the first few months of</p> <p>3 Governor Murphy's term. Three of these governors</p> <p>4 were Republicans and four were Democrats.</p> <p>5 Since 1974, the EDA's grants and</p> <p>6 financing have benefitted communities throughout</p> <p>7 New Jersey, and the laws that have evolved over</p> <p>8 those 45 years address the changing needs and</p> <p>9 priorities. My twenty-two years at the EDA span</p> <p>10 from 1995 'till 2018, with a brief time away</p> <p>11 post-9/11 when I was leading the World Trade</p> <p>12 Center's redevelopment efforts. During that</p> <p>13 tenure, regardless of who was at the helm of the</p> <p>14 state government, our purpose and mission of the</p> <p>15 EDA would not change.</p> <p>16 The laws that the EDA was tasked to</p> <p>17 administer have included special focus on and</p> <p>18 incentives for the development of some of the</p> <p>19 poorest cities in our state. For example,</p> <p>20 Governor McGreevey signed the Municipal</p> <p>21 Rehabilitation and Recovery Act of 2002 to help</p> <p>22 the City of Camden. Governor Corzine signed the</p> <p>23 Urban Transit Hub Tax Credit law in 2007, and</p> <p>24 Governor Christie signed the Economic Opportunity</p> <p>25 Act of 2013, targeting cities such as Camden,</p>
<p style="text-align: right;">Page 192</p> <p>1 Lizura - examination/Walden</p> <p>2 Passaic. Paterson, Trenton and Atlantic City for</p> <p>3 redevelopment. As recently as October of 2018,</p> <p>4 Governor Murphy expanded the Economic Opportunity</p> <p>5 Act to benefit the City of Paterson and areas</p> <p>6 around the Atlantic City airport.</p> <p>7 Although the EDA was consulted on</p> <p>8 proposed legislation, the laws were approved and</p> <p>9 enacted by the legislature and signed by the</p> <p>10 governor. These laws were highly complex and</p> <p>11 constantly in flux. The EDA was tasked with the</p> <p>12 day-to-day implementation of these laws.</p> <p>13 Here's how the grant approval process</p> <p>14 worked. Applicant businesses were required to</p> <p>15 submit a detailed application. The EDA staff</p> <p>16 verified certain information, and the CEOs of</p> <p>17 those applicants were required to certify to the</p> <p>18 truthfulness of the application, which was a</p> <p>19 formal certification modeled after that required</p> <p>20 by Sarbanes-Oxley for public entities.</p> <p>21 Applications were reviewed and revised to ensure</p> <p>22 compliance with laws and regulations and if</p> <p>23 ultimately they did not comply, the applications</p> <p>24 were not advanced and were not submitted for</p> <p>25 approval by the EDA board. Throughout this entire</p>	<p style="text-align: right;">Page 193</p> <p>1 Lizura - examination/Walden</p> <p>2 process, we were guided by the Attorney General's</p> <p>3 Office to ensure that each individual project</p> <p>4 conformed with the law and policy.</p> <p>5 At the EDA, we worked within the</p> <p>6 parameters of the laws enacted by the legislature</p> <p>7 to get to a "yes," in order to encourage new jobs</p> <p>8 and businesses, investment and growth into areas</p> <p>9 of our state that sometimes faced the greatest</p> <p>10 challenges. Every project was vetted by the EDA</p> <p>11 staff, committee members, and the Attorney</p> <p>12 General's Office before it reached the board's</p> <p>13 level for approval. And to ensure adequate</p> <p>14 oversight, members of the Attorney General's</p> <p>15 Office were specifically designated to the EDA,</p> <p>16 working closely with us to review and approve</p> <p>17 projects and transactions. The Attorney-General's</p> <p>18 Office was included in all board committee</p> <p>19 meetings where we discussed in detail all the</p> <p>20 projects and all the policies and was present at</p> <p>21 every EDA board meeting where projects were</p> <p>22 approved.</p> <p>23 Were we successful? The numbers show</p> <p>24 that, yes, we were. According the to the</p> <p>25 comptroller's report, as of February 2018, the \$11</p>

Lizura - examination/Walden
billion in approved tax credits are based on one thousand approved projects that the EDA expects will generate more than \$33 billion in new capital investment, and result in a total of approximately 240,000 new and retained jobs. Those tax credits are only provided if employers complete the projects as approved, and maintain the jobs throughout the grant term. There are different ways to discuss these numbers but the simple and accurate conclusion is the same: The EDA expects these projects will generate far more revenue to the State of New Jersey than the total costs of the program.

These programs were especially helpful for New Jersey's distressed cities. While New Jersey is one of the wealthiest states in the country, we are also home to a number of struggling communities which face an infrastructure of urban blight. We are not a large state, but our economic disparity is enormous. Over time, the legislature has tried to address that disparity.

Camden has long been one of the poorest if not the poorest city in the entire nation. To

Lizura - examination/Walden
bring businesses and jobs to Camden and other distressed communities, policymakers determined that significant incentives were needed to attract large scale meaningful investments into these regions, these regions that lacked viable commercial buildings and infrastructure.

We ran the EDA in a responsible and professional manner to bring together the interests of New Jersey and business. I am proud of the work that we did. During my tenure, we worked hard to bring jobs and investments throughout New Jersey within the parameters of an ever-changing legal and complicated legal landscape. And we were successful in our efforts to strengthen our state's economy and to help improve the lives of people and communities throughout New Jersey.

I thank you, and I thank you, Professor Chen, for the opportunity to come here today and I welcome whatever questions you might have.

Q. Thank you very much, Mr. Lizura, and then if you could just speak into the microphone --

A. Okay.

Q. -- if one of my colleagues raises their

Lizura - examination/Walden
hands. I just want to ask you about a couple of things, and you're right, your opening statement did resolve some of my questions. And just as a point of amusement, I refer to you as the CEO, so I gave you a promotion --

A. You seem to be the only one who has.

Q. In any event, let me first ask you, again, this was not a question I asked you before, but when you were at the EDA, was there a woman there named Erin Gold?

A. Yes.

Q. And what position was she in?

A. Prior to my departure, there was the director, I believe of governance and communications.

Q. So she served under you.

A. She reported generally to either the CEO directly or to a senior vice-president.

Q. And while you were there, how many different CEOs were there?

A. In my tenure, we had three CEOs; Caren Franzini, Michelle Brown, and Melissa Orsen.

Q. Are you still in touch with Ms. Gold today?

Lizura - examination/Walden
A. Not recently.

Q. In the last six months or so, have you text-messaged with her at all?

A. Last six months? I don't know that I did. Certainly not on a frequent basis, if it was a merry Christmas or happy holidays or something, it would be social, or -- "crazy times," something like that.

Q. I just need to ask for some of this for a different reason. I appreciate the fact that you started with kind of an explanation of this. But I want to just first kind of help, for listeners and people in the audience that may not be policy wonks, do you consider yourself a policy wonk?

A. I consider myself a good government guy.

Q. Okay, for those people that may not be so steeped in the drivers of different kinds of incentive programs, can you just help us understand at a very high level, were tax incentives, what are tax incentives intended to do?

A. It's a great question, and there's a couple of things I'd like to just say generally about tax incentives, right? So tax incentives

1 Lizura - examination/Walden
2 are a tool that municipalities and
3 instrumentalities, whether the state, counties,
4 local, national, use in order to try to influence
5 behavior of corporations.

6 What's interesting is, in the field of
7 competing for these jobs, right, every state does
8 this a little different. States like Texas have
9 no corporate business tax at all. So that would
10 be -- that's a way to do tax incentives, not
11 charge taxes. State of Florida charges no gross
12 income tax to its employees, so -- the two people
13 who work in that state -- so there's a couple of
14 levels of taxes and how it interplays with the
15 success or lack of success your community will
16 have.

17 Then absent -- then on top, or after
18 the large kind of ten-thousand-foot level of tax
19 policy and tax incentives is, how does it shape a
20 decision to make an investment in a particular
21 location?

22 So if you're a company, all things
23 being equal, would you have had an inclination to
24 invest in a stable, well-run thriving community or
25 would you want to invest in a community with

1 Lizura - examination/Walden
2 blight, poorly managed, and lack of
3 infrastructure? Your choice would be obvious.
4 You'd rather put your investment in the former.

5 So the way you get a company to think
6 about investing in the latter is, you say, "If you
7 do this, we will incent that decision through tax
8 incentives." So there's kind of macro tax policy,
9 which -- which is embedded in the code, and -- and
10 not to go too far astray, but the code has all
11 kinds of tax credits in it, new hire tax credits,
12 investment tax credits, energy efficiency tax
13 credits, all of which people file on their tax
14 returns and check the box, and they submit it in
15 and they get the benefit of the tax credit.

16 And then there's like tax credit law at
17 a program level, so there's tax credits in the
18 code, there's tax credits that are in a program,
19 and there's tax policy, all those things kind of
20 vet and shape how a company might choose to locate
21 things.

22 Q. But the opening line which sounds
23 familiar to me, because I've heard it many times,
24 but the point is that the tax incentives at a very
25 high level, is just to change corporate behavior,

1 Lizura - examination/Walden
2 and to change corporate decisions.

3 A. Yup.

4 Q. It's not in the short term, it's in the
5 long term so there's a sustainable economy.

6 A. Well, that would be debatable.
7 Sometimes, I would say that in the Urban Transit
8 Hub tax credit, that program was narrow in scope.
9 It had a sunset on it, it had fixed level
10 incentives, it was designed to incent catalytic
11 investments. You had to spend \$50 million or more
12 on a project to qualify, it had to be in one of
13 eight target cities, it had to be -- so that
14 particular project was -- was a bit of goosing a
15 local economy rather than systemic changes over --
16 over time.

17 So I think regular tax policy is a
18 little bit more the, you know -- we'll get into
19 it.

20 Q. But with the Grow program in
21 particular, is it fair to say that the Grow program
22 is, given its focus on job retention, job creation,
23 kind of a long-term vision --

24 A. Absolutely.

25 Q. And that's why the incentives are

1 Lizura - examination/Walden
2 spread out over a long time?

3 A. Yes. And the incentives being spread
4 over a long time is both in order to -- in order
5 to ensure that people maintain the jobs at the
6 location that we approve of, and that is an
7 important piece to this, because if you're
8 creating those jobs in an urban area, and you're
9 getting a higher compensation under the program,
10 than a lower one, so you can't -- you can't -- you
11 can't get approved in a distressed area and then
12 move five years later, even though you're keeping
13 the jobs in the state too, and expect that you're
14 having the same kind of impact that we are
15 expecting.

16 So it is a longer term commitment, but
17 it also -- it also aligns the risk to the state
18 appropriately. In that sense, you're not writing
19 a check up front, and some states do this, some
20 states will write you a check at approval and then
21 try to get it back if you don't do what you're
22 supposed to do. A lot of states get burned that
23 way with programs.

24 Our program, I think, our program, or
25 that program, that program, Grow, marries the risk

1 Lizura - examination/Walden
2 and reward appropriately because it allows the
3 cost of the program to be spread over ten years
4 and to it makes sure that we're not paying for
5 jobs that haven't materialized yet.

6 Q. That was a very long answer.

7 A. Sorry.

8 Q. We're going to be here for a long time.

9 A. Sorry.

10 Q. That's fine. But let's give everyone
11 an example of the kind of thing that that a tax
12 incentive could do immediately, right? If there
13 was a specific problem in a specific area, a tax
14 incentive could, if designed appropriately, have
15 the potentiality to solve that problem, right?

16 A. I suppose, depending what the problem
17 is, if it works well, if it's designed well.

18 Q. Let's unpack that a little bit, right?
19 One of the things you mentioned in your opening
20 comments, which I certainly appreciate, is that
21 Camden is one of the poorest cities, if not the
22 poorest city in the nation, correct?

23 A. Correct.

24 Q. And Camden was a food desert, right?

25 A. Right.

1 Lizura - examination/Walden

2 Q. And when I say "a food desert," was
3 that for many years, one of the problems that
4 Camden residents face is that they don't have a
5 grocery store that is anywhere close.

6 A. That's a problem.

7 Q. And is it fair to say, that is a
8 particularly acute problem in the poorest
9 communities in Camden?

10 A. Yes.

11 Q. So a well-designed tax incentive
12 program could give incentives to companies to swoop
13 in and open that grocery store.

14 A. It could.

15 Q. And we're going to talk about that
16 today. But what -- I assume that from a policy
17 perspective, now, I'm talking -- we're going to
18 talk policy, policy, policy today, right? I'm not
19 talking about what the legislature intended, you
20 know, I'm going to ask you about the act and the
21 bill and changes to the bill.

22 But one thing that from a policy
23 perspective, tax incentives are not a preparation
24 for, they are not supposed to simply be a boon to
25 developers, is that fair?

1 Lizura - examination/Walden

2 A. Boon, I would say a boon suggests
3 over-enrichment.

4 Q. Yes.

5 A. So I would say yes.

6 Q. So the first thing I want to do just to
7 set the stage is, I want people to understand the
8 way that the Opportunity Act was marketed, because
9 I think that a lot of people in the broader space
10 don't really understand that there was marketing
11 around it, and that was not EDA's, the document I'm
12 going to show you is not an EDA document, correct?

13 A. Um-hum.

14 Q. Is it fair that is a document that was
15 created by a developer?

16 A. Yes.

17 Q. Is it fair that it was created by a
18 developer called Brandywine?

19 A. Yes.

20 Q. So why don't we look at tab 1 of the
21 binder.

22 Can people actually read that? No, so
23 I'm not wrong, it's not just me. So I want you to
24 see that, I think it's on slide 6, I think we
25 highlighted some language for you, something --

1 Lizura - examination/Walden

2 okay. So it does say that 2013 Economic
3 Opportunity Act, and just for everyone's context,
4 whether it's highlighted or not, that little box
5 there, just read -- I'm going back to the
6 microphone, sorry -- just read that language into
7 the record, please.

8 MR. WALDEN: Wait, I'm sorry, can you
9 hold for a second until -- I'm sorry, your
10 name is?

11 A VOICE: Edgar.

12 MR. WALDEN: Until Edgar has done his
13 work. Thank you, Edgar.
14 (A pause in the proceedings.)

15 Q. So just from tab 1 of your binder,
16 could you just read that whole bubble into the
17 record under where it says, "2013 Economic
18 Opportunity Act."

19 A. "The Economic Opportunity Act of 2013
20 provides tax incentives to companies relocating to
21 Camden. The amount of incentives are based on the
22 greater of the tax credit per new job or a credit
23 against the capital investment made by an owner.
24 The result is that occupants may be able to obtain
25 tax credits, 1, greater than their lease cost, or,

Lizura - examination/Walden

2, equal to or greater than the cost of a newly constructed building over ten years."

Q. So can I ask you a couple of questions about that?

First of all, do you know if that's true? Is it actually true that the way the program works, a developer could basically get a free building or even make money above the construction costs?

A. The tenant could. The credit didn't go to the developer. The credit always went to the business. So under the right circumstances, the tenant could pay less in rent than they received in tax credits, correct.

Q. But I'm sorry, you may not understand this, because we all know this is not your document. But can you just help me understand what this language might mean?

"The result is that occupants may be able to obtain tax credits equal to or greater than the cost of a newly constructed building over ten years." So I take it that that is a situation where it's an occupant-constructed building?

A. Yes.

Lizura - examination/Walden

Q. Okay. So in the circumstances of an occupant-constructed building, is it accurate that someone -- that that individual or that company could make an amount in tax credits that exceeds the cost of the building?

A. I would think it's unlikely. I would say I guess it would depend on how you define the cost of the building. Is it just construction costs, or full development costs or land costs.

What I believe they are speaking to there is what's called The Camden Alternative, which is really a legacy Urban Transit Hub tax credit program which used to be marketed as the free building program across those eight cities.

And the tax credit award could be sized so the total eligible costs of the construction project when you're building is for a single tenant, even a multi-tenant building potentially, generally speaking, I see a lot --

Q. I'm sorry, I'm not sure I understand the question because you see the header says, "The 2013 Economic Opportunity Act."

A. Yes.

Q. So were you saying that you thought

Lizura - examination/Walden
that this was a reference to another --

A. No, no. I'm sorry. As the Economic Opportunity Act folded five legacy programs into its bones, if you will. One of those programs was the Urban Transit Hub tax credit program. That credit -- that -- the remnants of that program were embedded in this law only for the City of Camden and we, for shorthand, we called it The Camden Alternative because every place else in the state there was a fairly straightforward -- when I say fairly straightforward in context of a 70-page law -- a base award, depending where you were, and bonuses, depending on the characteristics of the project, and it came out to a per-job award based on the characteristics.

In Camden, an applicant could self-select and ask for or apply for a award per job that was based on the amount of capital investment their project had, rather than the calculated base and bonus structure. I think we had both in Camden. The greater awards were often, and I say almost exclusively, The Camden Alternative awards, and you would get very high per-job award calculation using that model.

Lizura - examination/Walden

So a company would build an entire building and the cost of that building would be allocated over ten years and it would be guided by the number of employees. The company was still obligated to keep those employees there every year for ten years.

So if a calculation came out to be two hundred thousand dollars for an employee as an award, and there was a hundred jobs at approval, they would have to keep a hundred jobs there every year to enjoy the full benefit of the full capital allocation. If I had 190 jobs in a year, the award would be reduced for that year. So it was a capital -- it was a capital award program that would then reduce to a per-head rate.

Q. But my question, I think you clarified it, is, although you find it unlikely, it is possible under the Economic Opportunity Act of 2013, at least in the City of Camden, that a tax incentive award could exceed the cost of a building.

A. I would say that is equal to cost. I don't know how they come to exceed the cost of the building. It might be how they are defining the

<p style="text-align: right;">Page 210</p> <p>1 Lizura - examination/Walden</p> <p>2 cost of the building. We would have an eligible</p> <p>3 cost and we wouldn't exceed that amount.</p> <p>4 Q. Okay, fair enough.</p> <p>5 PROF. CHEN: Can I have one quick</p> <p>6 question?</p> <p>7 MR. WALDEN: You're the boss.</p> <p>8 PROF. CHEN: Mr. Lizura, am I</p> <p>9 understanding that that part of the program,</p> <p>10 the urban tax credit, literally applied to</p> <p>11 Camden only, or not just Camden, because it</p> <p>12 was part of what I think was known as</p> <p>13 the Garden State Growth Zone?</p> <p>14 THE WITNESS: Camden alone. The</p> <p>15 remnants of that program which found its way</p> <p>16 into the Economic Opportunity Act was solely</p> <p>17 for the City of Camden. It would be a</p> <p>18 Garden State Growth Zone and ERB, which is a</p> <p>19 municipal economic recovery, or...</p> <p>20 BY MR. WALDEN:</p> <p>21 Q. This is no surprise to you, you realize</p> <p>22 that today I'm going to ask you questions about a</p> <p>23 version of the Economic Opportunity Act of 2013</p> <p>24 that was e-mailed to you.</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 211</p> <p>1 Lizura - examination/Walden</p> <p>2 Q. And we're going to have a discussion</p> <p>3 about that, but before I do, I just have to ask you</p> <p>4 some questions. Are you familiar with the firm,</p> <p>5 Parker McCay?</p> <p>6 A. I am.</p> <p>7 Q. And did they represent the EDA in any</p> <p>8 capacity as far as you know at any time for any</p> <p>9 purpose?</p> <p>10 A. I -- since '74 is a long time, so I</p> <p>11 would say I don't recall them doing that. You</p> <p>12 know, prior counsel -- I wasn't aware of other</p> <p>13 counsel that we had already retained.</p> <p>14 Q. Can I make a suggestion -- I will get</p> <p>15 really close like this, I know it sounds like Darth</p> <p>16 Vader, but I think it would be just easier even for</p> <p>17 people on the live stream. I'm sure it is.</p> <p>18 But to be clear, the EDA didn't retain</p> <p>19 Parker McCay for the purpose of helping advise it</p> <p>20 in connection with any changes or policy that it</p> <p>21 was implementing or advising on when it came to</p> <p>22 modifications to the draft of the bill.</p> <p>23 A. We did not.</p> <p>24 Q. And when I say the "draft of the bill,"</p> <p>25 just to try to save some time, is it fair that we</p>
<p style="text-align: right;">Page 212</p> <p>1 Lizura - examination/Walden</p> <p>2 both agree that the draft that we're going to be</p> <p>3 looking at is a draft that was sent to you after</p> <p>4 the version had already passed the house and while</p> <p>5 it was under consideration by the Senate?</p> <p>6 PROF. CHEN: You mean the General</p> <p>7 Assembly?</p> <p>8 MR. WALDEN: I'm sorry, the General</p> <p>9 Assembly. Leave it to the Federal</p> <p>10 Government. Sorry about that.</p> <p>11 Q. So Mr. Lizura, again, to be super,</p> <p>12 super clear, because there's lots of different</p> <p>13 reasons that this is super-important, we are not</p> <p>14 going to talk about any people that are in the</p> <p>15 legislature, we're not going to talk about their</p> <p>16 staff, we're not asking questions about any of</p> <p>17 that. All we're doing is focusing on the bill and</p> <p>18 the language and then some changes that were made</p> <p>19 by an individual named Kevin Sheehan. Do you know</p> <p>20 who Kevin Sheehan is?</p> <p>21 A. I do.</p> <p>22 Q. And who is he?</p> <p>23 A. He's a lawyer for the firm of Parker</p> <p>24 McCay.</p> <p>25 Q. And as you sit there today, and I know</p>	<p style="text-align: right;">Page 213</p> <p>1 Lizura - examination/Walden</p> <p>2 I asked you this question at the interview, fair to</p> <p>3 say you didn't remember that he was editing the</p> <p>4 bill?</p> <p>5 A. I did not remember.</p> <p>6 Q. Okay. And you've now seen a document</p> <p>7 that, where we showed you the metadata?</p> <p>8 A. That's right.</p> <p>9 Q. And now I'll ask you a question,</p> <p>10 because I haven't spoken to you since then, did the</p> <p>11 metadata refresh your recollection that Sheehan was</p> <p>12 making edits to the bill?</p> <p>13 A. The metadata reflected them making</p> <p>14 changes to the bill.</p> <p>15 Q. My question was different. It was a</p> <p>16 lawyer's question. Sorry. When you saw it, did</p> <p>17 you say, "Oh, yeah, I remember now"?</p> <p>18 A. I don't recall whether or not I knew</p> <p>19 at the time he was making changes to the bill.</p> <p>20 Q. Okay, fair enough. Okay, so we're</p> <p>21 going to go through some changes, and we're going</p> <p>22 to try to keep this as high level as possible, and</p> <p>23 just in the interests of time, if you could try to</p> <p>24 really focus on the specific questions I'm asking</p> <p>25 because all it is --</p>

1 Lizura - examination/Walden
2 MR. WALDEN: -- we're going to take a
3 pause for a second.

4 PROF. CHEN: You're going to run out
5 of batteries.

6 Let me take this opportunity to thank
7 all the -- all my colleagues at Rutgers Law
8 School for helping arranging this hearing
9 today, or my colleagues that have been for
10 many years handling it. I'm just very, very
11 grateful, and very pleased.

12 Q. Okay, so, again, I just want to clarify
13 the record, when you say that you don't have a
14 recollection of Sheehan editing the bill, I just
15 want to ask you just a couple of follow-up
16 questions.

17 Do you have any recollection, for
18 example, of attending telephone conferences on
19 which Mr. Sheehan was a participant?

20 A. I don't -- in regard to that, I'm
21 sorry?

22 Q. It's a very fair qualification. I
23 meant in the context of any work you did on
24 EOH2013, do you have any recollections of phone
25 calls that involved Mr. Sheehan talking about

1 Lizura - examination/Walden
2 changes to the bill?

3 A. I don't recall.

4 Q. As you sit here today, do you have any
5 recollection of having phone calls or meetings
6 about the content of EOA 2013 with anyone that you
7 knew to be a lawyer at Parker McCay?

8 A. I don't recall.

9 Q. Okay. No telephone calls or meetings?

10 A. I don't recall.

11 Q. Okay, no problem. Okay. So I first
12 want to ask you to look at tab 2 of the binder. Do
13 you see that that is a cover e-mail to you and
14 someone else at EDA from another individual?

15 A. I do.

16 Q. Who is the other individual?

17 A. Colin Newman.

18 Q. Can you tell us who Colin Newman is?

19 A. Was.

20 Q. Was.

21 A. He was senior counsel in the
22 governor's counsel's office.

23 Q. And when you -- just to be clear to set
24 the stage, is this the only draft of EOH2013 that
25 you received or did you receive several drafts

1 Lizura - examination/Walden
2 throughout the process?

3 A. I don't recall that. I don't recall.
4 I don't recall -- I don't know that I didn't. I
5 wouldn't be surprised if we did work with Colin
6 along the road, but I don't know that.

7 Q. What was Colin's role in this process,
8 as you understood it?

9 A. So Colin was charged with negotiating
10 with the legislature to arrive at a piece of
11 legislation that, as I understand it, would be
12 passable in both chambers and that was
13 satisfactory to the governor, so he was
14 effectively negotiating the release for the
15 governor's office.

16 Q. Now, you know based on our prior
17 conversation that I'm going to ask you about a
18 number of changes that were made to this.

19 A. Yes.

20 Q. Okay. And just so you understand,
21 behind you on the screen what we have is a version
22 of what you're looking at, an electronic version.
23 And on some of these, depending on where the change
24 exists, you can't see the metadata showing who made
25 the change unless you put your mouse over,

1 Lizura - examination/Walden
2 literally put the mouse over it, and so we've got a
3 screen shot of who made the change. So you may not
4 remember who made certain changes. If you say "I
5 don't remember," I'm just going to say, "Let the
6 record reflect as displayed on the screen," it is
7 whoever made the change; okay?

8 A. Um-hum.

9 Q. I'm going to try to keep this high
10 level, try not to get too granular on the policy
11 aspects, but I think that some of these changes are
12 important for people to understand.

13 So you see in the binder, we've now
14 flagged a bunch of changes in order.

15 A. I do.

16 Q. There's like number 1, number 2, number
17 3 are right there. So I'm going to go through
18 those in order, so could you first look at what's
19 marked as number 1.

20 A. Yes.

21 Q. So first of all, people probably can't
22 see on the screen if they are like me, so why don't
23 we first give some background and context to what
24 is being added here.

25 A. Sure.

<p style="text-align: right;">Page 218</p> <p>1 Lizura - examination/Walden</p> <p>2 Q. So I'm just going to read the provision</p> <p>3 in the record so you don't have to. "In addition</p> <p>4 to the foregoing, in a Garden State Growth Zone,</p> <p>5 all of the following may qualify as capital</p> <p>6 investment any and all redevelopment and relocation</p> <p>7 costs including, but not limited to, engineering,</p> <p>8 legal, accounting or professional services."</p> <p>9 That's the change to this investigation, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And then it goes on to say, "And other</p> <p>12 professional services required," and then it goes</p> <p>13 on to say, "Relocation, environmental remediation</p> <p>14 and infrastructure improvements for the project</p> <p>15 area, including but not limited to, on and</p> <p>16 off-site, utility, road, pier, whatever, bulkhead</p> <p>17 or sidewalk construction or repair."</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. And the second part that's changed in</p> <p>21 this provision is the addition the words "pier work</p> <p>22 and bulkhead." Do you see that?</p> <p>23 A. I do.</p> <p>24 Q. So first of all, as high level as you</p> <p>25 can, can you just help people understand why this</p>	<p style="text-align: right;">Page 219</p> <p>1 Lizura - examination/Walden</p> <p>2 provision matters in the context of the bill.</p> <p>3 A. Sure. Actually, the bill that you --</p> <p>4 what's going on in this provision is an exchange</p> <p>5 of eligible capital and when a company or</p> <p>6 applicant is utilizing the cap -- the Camden</p> <p>7 alternatives for calculating the award, an</p> <p>8 expansion of the capital investments would allow</p> <p>9 them to claim a higher basis of eligible costs.</p> <p>10 Q. Okay. So thank you for the brevity,</p> <p>11 but let's just make sure that we understand that</p> <p>12 people understand "a higher basis of capital cost."</p> <p>13 That means more money.</p> <p>14 A. It does. Okay. So, well, prior to</p> <p>15 this, a capital -- qualified capital investment</p> <p>16 would be project costs that were directly</p> <p>17 attributable to the project that we approved,</p> <p>18 bricks, sticks, design, cost, that -- that other</p> <p>19 things of that nature. We would allow companies</p> <p>20 to put up to 20 percent of their hard costs.</p> <p>21 Hard costs are a defined or industry</p> <p>22 term that was just directed to construction costs.</p> <p>23 20 percent costs we would allow as soft costs,</p> <p>24 soft costs being things like architects,</p> <p>25 engineers, things that are not directly hard</p>
<p style="text-align: right;">Page 220</p> <p>1 Lizura - examination/Walden</p> <p>2 costs, as an eligible capital investment,</p> <p>3 investment for the purposes of our previous</p> <p>4 definition.</p> <p>5 So this particular provision gives some</p> <p>6 specificity to what costs are actually eligible so</p> <p>7 we don't catch what's in the soft costs. And</p> <p>8 would allow us to include those in direct</p> <p>9 eligible --</p> <p>10 Q. But again, any -- it means more money</p> <p>11 for the applicant if they qualify.</p> <p>12 A. That's correct.</p> <p>13 Q. And they do what they're supposed to do</p> <p>14 in further requirements.</p> <p>15 A. Correct.</p> <p>16 Q. So I just want to ask you, I see that</p> <p>17 the provision for lawyers' fees, but this second --</p> <p>18 this one provision that's added says, "Professional</p> <p>19 services." Professional services, what kinds of</p> <p>20 things would be captured by professional services?</p> <p>21 A. Great question. Off the top of my</p> <p>22 head, they have legal and accounting and</p> <p>23 engineering, we've already defined, right?</p> <p>24 Q. Yes.</p> <p>25 A. So it would be other consulting</p>	<p style="text-align: right;">Page 221</p> <p>1 Lizura - examination/Walden</p> <p>2 services that are not otherwise in the -- kind of</p> <p>3 a catch-all.</p> <p>4 Q. Based on your experience, what are the</p> <p>5 kind of things you can think of?</p> <p>6 A. A traffic study. A traffic study,</p> <p>7 potentially. So, you're right, it's very --</p> <p>8 Q. Would it include, for example,</p> <p>9 insurance?</p> <p>10 A. It could include insurance for the</p> <p>11 construction, not ongoing insurance costs. So a</p> <p>12 project will have to have, from start to finish,</p> <p>13 when it gets completed, the costs stop accounting</p> <p>14 and a CPA will certify to us, to the EDA, what</p> <p>15 costs were eligible. The CPA would line up</p> <p>16 project costs, would line up definition, and then</p> <p>17 the cost for insurance could be a professional</p> <p>18 service in that category.</p> <p>19 Q. If it for example related to the</p> <p>20 construction of a building.</p> <p>21 A. Yes.</p> <p>22 Q. All right. Fair enough. So do you</p> <p>23 remember who added this provision?</p> <p>24 A. I don't -- until recently, you're</p> <p>25 showing me -- is this a --</p>

1 Lizura - examination/Walden
 2 Q. Okay --
 3 A VOICE: May I just speak with you
 4 very briefly?
 5 MR. WALDEN: Speak to me?
 6 A VOICE: For just a moment. Sorry.
 7 I should have, Professor Chen --
 8 PROF. CHEN: It's all right.
 9 (A pause in the proceedings.)
 10 MR. WALDEN: Can I clarify that at a
 11 break or do you want it clarified now?
 12 (A pause in the proceedings.)
 13 BY MR. WALDEN:
 14 Q. This is just to clarify, based on your
 15 lawyer's assertion, I don't know the answer to it
 16 but apparently what's up on the screen, the line
 17 numbers are different in the book.
 18 A. Okay.
 19 Q. Regardless of the line numbers are the
 20 changes the same?
 21 A. They are not highlighted. And they
 22 are not bold.
 23 Q. I'm sorry, I can't see that Bates
 24 number, I'm sorry -- yes, I can. Is it Bates
 25 number 354?

1 Lizura - examination/Walden
 2 without seeing the documents.
 3 Q. Understood. All right. So can we just
 4 now just talk about the policy implications a
 5 little bit. And I know this may require a little
 6 bit more explanation. But what I'm really
 7 interested in is, did you agree with the policy
 8 implications of these changes?
 9 A. So when you say me, you mean EDA or me
 10 personally? So what we would have done is, we
 11 would have taken this document and when we got it,
 12 we, as our senior leadership team, members of the
 13 senior staff and maybe -- we looked at all the
 14 things and we would come to some sort of agency
 15 opinion, which was communicated back to Colin.
 16 What our communication was on this particular
 17 item, we said it was fine, whether we had a
 18 problem with it, or if it made it into the bill,
 19 so clearly, Colin kept it in and it became law.
 20 Q. Again, I'm not asking you whether it's
 21 good law, bad law. I'm talking about the policy's
 22 implications and knowing human memory as I do, I am
 23 really asking you to, based on your professional
 24 experience and your incredible legacy with tax
 25 incentive programs, whether you remember thinking

1 Lizura - examination/Walden
 2 A. Yes, 354.
 3 Q. I mean -- what I'm seeing, it is
 4 highlighted but the font is different, consistent
 5 with what's on the screen.
 6 A. So the "pier law works and bulkhead"
 7 is clearly a different color. The "professional
 8 services" looks just like the -- to me at least,
 9 maybe I'm colorblind but it looks the same.
 10 Q. I think that's just a printing error.
 11 I mean, I'll represent to you that I looked at the
 12 document in its electronic format and they were the
 13 same.
 14 But do you have a recollection that
 15 these changes were made?
 16 A. What do you mean, made? Were put into
 17 a document like this?
 18 Q. That during the drafting process,
 19 someone, you can't remember who, but someone added
 20 professional services to soft costs, and someone
 21 added pier work and bulkhead to the hard costs?
 22 A. With the documents you showed me
 23 earlier?
 24 Q. Yes.
 25 A. Sure. I wouldn't have known that

1 Lizura - examination/Walden
 2 anything about the policy behind these, so I'll
 3 break them down.
 4 When you, at the point in time that you
 5 saw that someone added professional services into
 6 the draft, did you agree or disagree with the
 7 policy if you remember?
 8 A. I don't recollect. I don't.
 9 Q. When someone added pier work and
 10 bulkhead to hard costs, do you remember whether or
 11 not you agreed or disagreed with the policy
 12 implications that have provision?
 13 A. I don't remember.
 14 Q. Okay. Do you know whether or not
 15 either of those provisions were added to benefit a
 16 specific client of Parker McCay?
 17 A. I do not.
 18 Q. I'm not saying that they were. But
 19 we're obviously, I don't know yet, but if that was
 20 happening here, does that cause you any concern
 21 from a policy perspective in terms of, you're a
 22 good government guy?
 23 A. If is -- I don't have a particular
 24 opinion on "if."
 25 Q. Okay. I'll come back to that later,

Lizura - examination/Walden
 with one that you remember. So let's, why don't we go to a different provision and you see that the second one that I'm going to ask you about is earlier in the paragraph. So again, I'm going to read the change into the record, I'm going to do the exact same thing that I did before, which is help you -- have you help our audience understand why the provision is relevant or important, if you think that it is, and then, talk to you about your perspectives on the policy behind it. Okay.

So this changes the definition of a capital investment to include site acquisition if purchased within 24 months prior to the project application.

Do you see that?

A. I do.

Q. Did I read the language accurately?

A. You missed the last "site." Site preparation was added back, I guess.

Q. Okay, thank you for that clarification. So let me just read it from the document itself. "A site acquisition, if purchased within 24 months prior to the project application, site," and then "preparation and construction" was already there.

Lizura - examination/Walden
 So the -- from the "site acquisition if purchased within 24 months prior to project application," and then in addition to the word "site," to "preparation." Right?

A. Yes.

Q. First of all, help us understand why this change in capital investments is relevant.

A. My recollection prior to this change, acquisition costs were not eligible, and this broadened the -- increased the cap -- the defined term of capital investment. So again, similar to the provision, it would allow the applicant to ask for a greater amount of award.

Q. My colleague said you have to keep your voice up. Sorry. So I want to just unpack this a little bit, because, again, is it fair to say that this provision, the real impact of it is that there was this thing that didn't used to be added to capital investments that now could be under certain conditions?

A. Yes.

Q. And that would have the potential of increasing the size of the award for the applicant in this circumstance?

Lizura - examination/Walden
 A. Yes.
 Q. And the circumstance here is site acquisition, which, do you understand that to mean buying or obtaining a property or a building or a qualified facility for your project?

A. Yes.

Q. So would you agree that that's a fairly significant increase in an award?

A. Could be.

Q. Okay, now, there's a limitation on here. And I want to talk to you a little bit about the policy implications of this limitation in two different ways.

First of all, it says, "Site acquisition if purchased within 24 months prior to project application." But isn't -- you said this before -- isn't the whole purpose of the tax incentive program to change behavior?

A. Yes.

Q. And if this allows someone to significantly increase an award when they are already in Camden or wherever they are, they have already gotten a site, they have acquired it prior to their application, does that make sense from a

Lizura - examination/Walden
 policy perspective?

A. So you're asking about material factors, does it affect material factor, is that what you're basically asking? But I think there's two things. One, if you are aware of the program and you have good advice, somebody might advise you that you acquire the site and still count it as a cost when you file your application 24 months later. It's not 24 months from -- so somebody might see the law, acquire a site, and think that they can still count that acquisition -- well, can they count an acquisition in an application, they --

Q. Let me ask you a crisper question, because everyone has just kind of heard from another person at EDA that really kind of explains the issue with respect to the significance of the decision, right?

Is it fair to say that, under any program for any -- for any city, doesn't matter if it's Jersey City, Marlton, or Camden, that if somebody's already decided to locate their project in a place, that decision is a disqualifying decision, correct?

1 Lizura - examination/Walden
 2 A. Yes. Yes.
 3 Q. Okay. Because under either
 4 certification, whether it's material factor or by
 5 four, they have to have been choosing between
 6 alternatives at the time.
 7 A. I agree. I agree. So -- and -- and
 8 as I said to you last week, this was always a
 9 challenge to administer, too, because it doesn't
 10 seem likely that you would be able to find
 11 somebody having a material factor, four-by-four,
 12 however you want to say it, after they had
 13 acquired this site.
 14 Q. And again, I don't want to misquote you
 15 but my recollection of what you said about this
 16 provision is, you never really understood the
 17 policy behind it.
 18 A. That's right. I don't think we ever
 19 approved anybody under it.
 20 Q. Are you sure about that?
 21 A. Oh, I am.
 22 Q. Maybe we can revisit that another day.
 23 A. Sure.
 24 Q. But let -- I want to kind of unpack the
 25 other side of this, okay? So there's a policy that

1 Lizura - examination/Walden
 2 says, "Okay, we're going to allow you to -- we know
 3 that you've acquired this property two years before
 4 this application, so at some level, you initiated
 5 an actual business decision to locate here." Let's
 6 not figure out how that impacts their
 7 qualification.
 8 What I'm trying to figure out is, if I
 9 acquired the site, let's say I was a long-term
 10 Camden property owner, I've owned property for
 11 twenty years and I look at this Economic
 12 Opportunity Act of 2013 and I say to myself, "Wow,
 13 I want to double down in Camden. I want to tear
 14 down my warehouse that I've had for twenty years
 15 and I now want to build a beautiful structure that
 16 is a multiuse facility, etc."
 17 Can I count my site acquisition costs
 18 in my Grow application?
 19 A. No.
 20 Q. But from, again, I -- we all understand
 21 these were not your changes. I'm not asking you to
 22 defend them or to disagree with them. I'm just
 23 trying to figure out, kind of understand, unpack
 24 the policy. From a policy perspective, is there a
 25 reason that you can think of to essentially

1 Lizura - examination/Walden
 2 discriminate between newer owners of property and
 3 older owners of property, if in either case there's
 4 a question about material factor? Do you
 5 understand my question?
 6 A. Um -- the second part gives me --
 7 Q. I think everybody understands that
 8 for -- for any business that wanted to avail
 9 themselves of this tax policy, these tax incentive
 10 programs, they have to be evaluating a business
 11 decision. But if they already made the business
 12 decision, then they couldn't qualify for the tax
 13 credits.
 14 A. Correct.
 15 Q. So if someone already decided, "I'm
 16 going to be in Camden," then they couldn't -- they
 17 couldn't qualify, right? Same thing for Jersey
 18 City.
 19 A. Correct.
 20 Q. Same thing for Atlantic City. Okay.
 21 So in this circumstance, this provision adds -- for
 22 me, it's unclear how it intersects with that
 23 because before the application, this envisions that
 24 two years prior, if they acquired the site two
 25 years ago, they literally closed the transaction 24

1 Lizura - examination/Walden
 2 months ago, that they could include those costs
 3 despite the fact that they obviously already made a
 4 decision, right?
 5 A. Right.
 6 Q. So that's what I'm trying to ask about.
 7 Let's take two hypothetical applicants. One person
 8 closed their transaction on the building two years
 9 ago, one closed five years ago.
 10 What is the policy reason to
 11 discriminate between those two owners in terms of
 12 their site acquisition costs being allowed to
 13 increase their award?
 14 A. I don't know of one.
 15 Q. Okay. And I didn't know where I put my
 16 glasses but now I do, so let's move on. Let me ask
 17 you this:
 18 Do you have any reason to believe as
 19 you sit here today that this was added to benefit a
 20 specific company?
 21 A. I don't.
 22 Q. And as you said before, you can't say
 23 for sure whether it did or it didn't.
 24 A. Correct.
 25 Q. All right. So why don't we now go to

Lizura - examination/Walden
the third change, which I believe is on page 357.
And I'm going to just describe it to save time.
The definition of "a full-time employee" is
modified to provide that in Camden and Atlantic
City, "Any project that will include a retail
facility of at least 150,000 square feet of which
at least fifty percent is occupied by either a
full-service supermarket or grocery store, those
jobs count towards the net benefit," correct?

A. I think they can be eligible.

Q. They can qualify as a full-time
employee. So let's try to set the stage in a
simple way. Is it generally true that in most
prior versions of this, retail employees are not
within the kinds of jobs that will count for
purposes of the tax incentive award?

A. Yeah, I was just looking for the
general restriction on point of sale -- point of
sale retail jobs not being eligible.

Q. So just help us from a policy
perspective. Why, in your experience, why
generally do tax incentive provisions dissuade or
prohibit counting of retail jobs as full-time jobs
within the meaning of the statute?

Lizura - examination/Walden

A. So, the way they described that in the
past is that generally speaking retailers don't
make decisions the same way corporate
headquartered businesses do. They make decision
on the viability of the retail opportunity,
meaning is there a market to sell into at that
location. And tax policy and tax incentives don't
shape that decision in a material way, in a way
that these laws support.

Did I answer your question?

Q. You did answer my question. Thank you
very much. So in other words, because retail
locations are more driven by market forces than tax
incentives, that's why they are excluded.

A. Correct.

Q. And is it fair to understand this as an
exception to the rule for a certain kind of
project?

A. I view it as an exception and
expansion of the program.

Q. An expansion of the program.

A. Correct.

Q. But with all expansions of the program
there are choices to be made, right?

Lizura - examination/Walden

A. Um-hum.

Q. Now, one choice that could have been
made that's not reflected in this change, and by
the way, do you recall who it was that made this
change?

A. I don't.

Q. All right.

MR. WALDEN: Just note for the record
that again it was Kevin Sheehan at Parker
McCay.

Q. One version of the change could be for
Camden, any grocery store counts, even one that's
smaller than 75,000 square feet, right?

A. True.

Q. Based on the needs of the low-income
population in Camden, would it have been sensible
tax policy to include a provision that allowed a
stand-alone grocery store of five thousand square
feet or 20,000 square feet or 60,000 square feet to
enjoy benefits from the tax incentives?

A. You can make an argument for that.

Q. Okay. So let me just make sure I
unpack this. First of all, again, just in terms of
what you remember, do you remember that this change

Lizura - examination/Walden

was made to the bill as you were viewing it?

A. I do.

Q. Did you agree with it or disagree with
it?

A. We thought it was an okay policy.

Q. Okay. But it's really specific, right?
You have to have, it's not just supermarkets,
right? Make sure I read this correctly. "A retail
facility of at least 150,000 square feet of which
fifty percent is a full service supermarket or
grocery."

So what -- why is there -- in an
area -- because this applied to Camden, right?

A. And Atlantic City.

Q. And Atlantic City. Why is there a
possible incentive to limit in a place where it
needs food, so limit it to a retail facility where
only fifty percent of it is grocery store as
opposed to something else? What's the policy
reason for that?

A. I don't know -- I don't know
necessarily what their policy was, but when we
looked at it now, a full service grocery store is
in that range of a other anywhere from 60 to a

1 Lizura - examination/Walden
2 thousand square feet is -- a full service grocery
3 store. I think one of the full service grocery
4 stores -- so it didn't offend us that that was the
5 provision that was there, so -- and we weren't
6 necessarily negotiating this provision, right, we
7 were -- we weren't negotiating the provision. So
8 my recollection is, we didn't take that exception
9 to it.

10 Q. Do you remember, Mr. Lizura, whether
11 there was a discussion in the EDA when this
12 provision was added, where anyone took the view
13 that maybe we should just be allowing a grocery
14 story for Camden and Atlantic City regardless of
15 whether it was fifty percent of a larger retail
16 project?

17 A. I don't recall.

18 Q. You don't recall. Okay. And I'm sorry
19 if I asked you this before. Did you know whether
20 or not this provision was intended to benefit a
21 specific project that you were aware of?

22 A. No. Not that I recall.

23 Q. And for this one, do you recall that
24 there had been a proposal by another company in an
25 earlier program that had sunset, that was still in

1 Lizura - examination/Walden
2 the works at the time of this change, where they
3 were proposing a 75,000 foot stand-alone Shoprite?
4 Were you aware of that at the time?

5 A. I don't recall being aware of that.

6 But this is the Randy Cherkas project you were
7 mentioning to me?

8 Q. I wasn't going to mention his name, but
9 that's fine. At the time that this provision came
10 in, did you know that Cherkas was still working on
11 a proposal for a stand-alone grocery store in
12 Camden?

13 A. I don't recall.

14 Q. But if that grocery store was not part
15 of a retail facility of 150,000 square feet, this
16 provision would have effectively killed that deal?

17 A. Well, this provision wouldn't apply to
18 that deal. This provision wouldn't support that.
19 Wouldn't --

20 Q. So again, from a tax incentive
21 perspective, right, that sort of project, right, a
22 75,000 foot stand-alone grocery store, which is all
23 you're getting from this, plus the retail, but that
24 sort of project would not be allowed to count its
25 jobs as full-time employees within the meaning of

1 Lizura - examination/Walden
2 the act.

3 A. Correct.

4 Q. So if tax incentives were a material
5 part of the incentive to go with that project, the
6 75,000 foot stand-alone grocery store, this
7 provision would kill that project.

8 A. We would not be able to advance that
9 project further.

10 Q. Okay. Why don't we go to number 4.
11 And again, this adds language to the section --
12 hold on one second, Mr. Lizura.

13 Okay, this is also a modification of
14 "full-time employee," I think, unless I'm wrong
15 here.

16 A. No, it's I think it's a megaproject
17 definition.

18 Q. Okay. So this is -- I apologize, so
19 this is -- I'm going to ask you this in a second
20 but what we're about to read modifies the
21 definition of something that's called a
22 megaproject. And is it fair to say that the
23 Economic Opportunity Act of 2013 provided
24 additional incentives to what was a megaproject?

25 A. It provided a different set, an

1 Lizura - examination/Walden
2 increased set of incentives to projects that were
3 not otherwise in a Growth Zone or another
4 community that made it like --

5 Q. Can you repeat your answer?

6 A. That would make it like a Garden State
7 Growth Zone.

8 Q. Okay. So the language that's added
9 here is, "Or a qualified business facility located
10 in a priority area housing the United States
11 headquarters and related facilities of an
12 automobile manufacturer."

13 A. Yes.

14 Q. Do you remember that this change was
15 made?

16 A. Yes.

17 Q. Do you recall who made it?

18 A. I do not.

19 MR. WALDEN: For the record according
20 to the metadata it was Kevin Sheehan at
21 Parker McCay.

22 Q. What was your understanding of this
23 change? Why was it added?

24 A. It would provide business that meets
25 the standard of a headquarters, resident quarters

1 Lizura - examination/Walden
2 of a big impact to get a treatment like a growth
3 zone if it was going to apply for priority. So
4 priority zones had caps, benefits, and a
5 megaproject increased those. So qualified people
6 could get a bigger award if it was still a
7 priority award and a --

8 Q. At the time that you saw this
9 provision, were you aware of the fact that there
10 was a specific company that some folks were trying
11 to get to relocate to New Jersey?

12 A. I don't know that I was aware of it.

13 Q. You don't remember --

14 A. I don't recall that I was aware of it.

15 Q. Do you recall that there was an efforts
16 to attract a company called Subaru?

17 A. To retain -- to retain Subaru, yes, I
18 don't recall when that process started.

19 Q. Do you know whether or not this
20 provision was added for a specific company?

21 A. I do not.

22 Q. And during the course of time that you
23 were discussing this, was there any discussion
24 within EDA about the propriety of having what I'm
25 going to call special-purpose legislation? Do you

1 Lizura - examination/Walden
2 know what I mean by special-purpose legislation?

3 A. I do.

4 Q. Explain for us what it is.

5 A. It's a colloquial term that's used
6 from time to time, that lawyers use, that would
7 describe a certain kind of legislation.

8 Q. But is it the kind of legislation that
9 benefits a single person or company?

10 A. That's what I'm trying to say.

11 Q. And do you know whether or not that is
12 Constitutionally permissible or not?

13 A. I believe it's not.

14 Q. It's not. Okay. So I'm going to go to
15 number 5. So again, just for the sake of time, the
16 definition of "Transit-Oriented Development" was
17 modified to include, for projects located in a
18 Garden State Growth Zone qualified business
19 facilities, "Located within a one-mile radius
20 surrounding the midpoint of a New Jersey Transit
21 Corporation, Port Authority Transit Corporation, or
22 Port Authority Trans-Hudson Corporation rail, bus
23 or ferry station platform area, including all light
24 rail stations." That's quite a specific change.

25 A. This may have been what was in the

1 Lizura - examination/Walden
2 transit hub.

3 Q. Do you remember who it was that added
4 this?

5 A. I did not.

6 MR. WALDEN: Just for the record, it
7 was Colin Newman. Sorry, my apologies.

8 Q. Did you agree with this from a policy
9 perspective?

10 A. Yes.

11 Q. Why, just explain to us, and try to
12 use, if you don't mind, try to break it down simply
13 because the language even for a lawyer like me is a
14 bit impenetrable. It's basically if you're located
15 in a particular area that has certain transit --

16 A. Facilities. So we had, as a good
17 policy, we were trying to incent development in
18 and around train stations --

19 Q. And this would support that. So are
20 you aware of whether or not there was a specific
21 company that needed this change?

22 A. I would not.

23 Q. I want to just call out the change
24 because in the prior version of the bill, right,
25 the other language about the transit-oriented hub,

1 Lizura - examination/Walden
2 etc., was there. The only change in this bill --
3 I'm just going to call it up here, give me one
4 second -- so prior to this addition, do you agree
5 that the language said, "Transit-oriented
6 development means a qualified business facility
7 located within a half-mile radius surrounding train
8 stations"?

9 A. Yes.

10 Q. And this provision changed that because
11 it said, "Transit-Oriented development means a
12 qualified business facility located within a
13 half-mile radius," new language, "Or one mile
14 radius for projects located in a Garden State
15 Growth Zone."

16 A. Yes.

17 Q. So, again, is this -- what would be the
18 policy reasons for expanding from a half-mile to a
19 mile for Garden State Growth Zones?

20 A. What I would say is that Garden State
21 growth zones being the most depressed cities in
22 those categories, throughout this bill things were
23 targeted to expand the eligibility and expand, you
24 know, the -- the qualifications and requirements
25 for those locations and this would be a benefit

1 Lizura - examination/Walden
 2 to -- more sites become eligible.
 3 Q. So in other words, there's a bigger
 4 area where a locale that's struggling economically,
 5 even if it's a mile away, you want to incent that
 6 development.
 7 A. Yes, sir.
 8 Q. Okay, why don't we go to number 6. So
 9 this provision, if you look at number 6, added an
 10 increase in tax credits if the number of new
 11 full-time jobs is in excess of one thousand, it
 12 increases the award to \$1,500 per year?
 13 A. Correct.
 14 Q. And that's \$1,500 per year per job.
 15 A. Correct.
 16 Q. Can you please explain for us the
 17 policy implications behind this change.
 18 A. There was -- there's a belief as you
 19 can see through the whole thing that larger job
 20 projects have more economic impact to the region.
 21 So better to attract a company with a thousand
 22 more jobs than five hundred jobs. So the bill
 23 allowed for bonuses on top of the base award one
 24 that would increase a total award based on the
 25 number of new jobs and...

1 Lizura - examination/Walden
 2 this act, an increase of \$2,000 per year," is that
 3 correct?
 4 A. That's correct.
 5 Q. Is that a bonus of two thousand dollars
 6 per year per job?
 7 A. Right.
 8 Q. So would you agree with me that this is
 9 one of the biggest bonuses in the Economic
 10 Opportunity Act of 2013?
 11 A. It is.
 12 Q. What is the policy behind only
 13 including companies that are located within a
 14 half-mile of any light rail station to be
 15 constructed in the future?
 16 A. I'm not sure.
 17 Q. Did you understand the policy behind
 18 this change when you read it?
 19 A. I don't recall.
 20 Q. Do you recall who added this?
 21 A. I don't.
 22 MR. WALDEN: Let the record reflect it
 23 was Kevin Sheehan.
 24 Q. Now, let me just ask you this: As you
 25 sit here now, do you know whether or not any

1 Lizura - examination/Walden
 2 Q. Okay. Now, were there provisions as
 3 far as you knew in the Economic Opportunity Act of
 4 2013 that allowed, for example, companies moving
 5 into the same building or companies that were all
 6 part of the same building project, were they
 7 allowed to aggregate their jobs for the purposes of
 8 achieving the thousand-dollar threshold?
 9 A. I don't believe so.
 10 MR. WALDEN: And, if I said this
 11 already, just for the record, Kevin Sheehan
 12 made this change.
 13 Q. Okay, so let's go to number 7.
 14 Actually, you know what? I'm sorry. Oh, yes,
 15 okay. So the language was added --
 16 MR. WALDEN: -- excuse me, one second.
 17 (A pause in the proceedings.)
 18 Q. So I believe this is a modification of
 19 the definition of qualified projects.
 20 A. That's bonuses. It's --
 21 Q. I'm sorry, you're right. I was looking
 22 at the wrong provision. Okay. So the bonuses
 23 added here, if I could just read it, "For a project
 24 located within a half-mile of any light rail
 25 station constructed after the effective date of

1 Lizura - examination/Walden
 2 company was able to take advantage of this
 3 provision?
 4 A. I don't recall that.
 5 Q. You don't recall.
 6 A. I don't recall.
 7 Q. Do you recall whether Holtec was able
 8 to take advantage of this provision?
 9 A. Holtec uses the capital investment
 10 alternative.
 11 Q. We may have to revisit that with you.
 12 I know we're not prepared for Holtec, so, for
 13 another day.
 14 Could you go to 8 now, please. This
 15 says it's another modification of bonus. And then
 16 it says, "For a marine terminal project with the
 17 municipality located outside the Garden State
 18 Growth Zone but within the geographical boundaries
 19 of the port" -- I'm sorry, "The South Jersey Port
 20 District, an increase of \$1,500 per year, and
 21 that's \$1,500 per year per job.
 22 A. Correct.
 23 Q. Do you recall what the policy was
 24 behind this project?
 25 A. I do not.

1 Lizura - examination/Walden
 2 Q. Do you agree with it?
 3 A. I don't have a feeling about it.
 4 Q. Doesn't it seem like an oddly specific
 5 thing to add to a tax incentive bill, in your
 6 experience?
 7 A. Not necessarily. I mean, the bill is
 8 targeted geographically, so they are targeted,
 9 just like we said at the beginning, to incent
 10 people to invest in the particular location. I
 11 don't know where that is, per se. I mean, I
 12 doesn't surprise me.
 13 Q. All right. Listen, I'm going to ask
 14 you about another exchange that is reflected in a
 15 different document. So if you can, can you just go
 16 to tab 3 of your binder.
 17 A. Um-hum.
 18 Q. Do you see the document?
 19 A. I do.
 20 Q. Do see that this is a back-and-forth
 21 between, among other people, you and Colin Newman?
 22 A. Yes.
 23 Q. Does that refresh your recollection
 24 that there were lots of correspondence around this
 25 time concerning different provisions?

1 Lizura - examination/Walden
 2 A. No.
 3 Q. And do you know as you sit there today,
 4 what role, if any, Phil Norcross played in "the
 5 original bill draft"?
 6 A. No.
 7 Q. So can you, do you remember and can you
 8 explain to us -- I don't want to go through the
 9 document, it would take too long, and I'd like to
 10 get you off the stand by 4:15. Can you explain to
 11 us, do you have a recollection of this whole
 12 phantom tax issue?
 13 A. I do.
 14 Q. Can you explain it to us?
 15 A. I can, and I apologize. The NBT
 16 stands for net benefit test. Net benefit test is
 17 an economic input/output line which we designed in
 18 conjunction with Jones Lang LaSalle. And it was a
 19 test that we used to satisfy the provisions of the
 20 law that every project must have at least 110
 21 percent net benefit test except in the City of
 22 Camden where it's a hundred percent.
 23 And what it does is, it's designed to
 24 project the economic activity for a particular
 25 investment in a project. And that would be

1 Lizura - examination/Walden
 2 A. Sure.
 3 Q. I'm going to read the language into the
 4 record because I'm not really sure that you can see
 5 it on the screen. Is it on the screen? No. Okay.
 6 Doesn't matter. Let me just read it into the
 7 record.
 8 "This particular e-mail is from an
 9 individual at EDA to Colin Newman and you, copied
 10 to another person on September 9th of 2014. And
 11 the language says, "No, I believe it follows the
 12 intent of the act to include the 'phantom tax
 13 notion' for the NBT that Phil," and another person
 14 that I won't name, "laid out in the original bill
 15 draft." Do you see that?
 16 A. I do.
 17 Q. As you sit there now, do you know who
 18 Phil is?
 19 A. I assume that's Phil Norcross.
 20 Q. In any event, do you remember whether
 21 or not Phil Norcross was having input into the bill
 22 draft that we were just reviewing a couple of
 23 minutes ago?
 24 A. I don't recall.
 25 Q. You don't recall.

1 Lizura - examination/Walden
 2 different depending on the location in the state,
 3 the industry, the types of jobs, the salaries, and
 4 a bunch of different inputs.
 5 We used a federally-produced system
 6 called RIMS to calculate economic output.
 7 Q. I'm sorry, this is -- I completely
 8 understand everything you're saying, but would it
 9 be okay if I just asked you some leading questions
 10 and if I'm wrong, correct me? Just so that I can
 11 try in the interests of time?
 12 A. We're getting close.
 13 Q. No problem. It's not that you're
 14 taking too long. It's that it's really
 15 complicated. So there was a simpler way to explain
 16 it, but if you want to keep going, I don't want to
 17 cut you off.
 18 A. So with that output, we were
 19 projecting the amount of revenue the state would
 20 get in lieu of taxes. So at the end of the day,
 21 that law was used to try to line up the benefits
 22 of a project versus the costs of the tax credits.
 23 Q. So NBT is just a way to determine
 24 whether the state's getting a good ideal?
 25 A. Correct.

1 Lizura - examination/Walden
 2 Q. And good deal in Camden is defined as
 3 paying for itself?
 4 A. Yes.
 5 Q. And a good deal everywhere else in the
 6 state is defined as a ten percent profit.
 7 A. At least.
 8 Q. Now, how do phantom taxes -- well,
 9 first of all, what is a phantom tax?
 10 A. It's a made-up term that we use to
 11 describe in the Economic Opportunity Act the
 12 provision that exempted projects from property
 13 taxes and other taxes and there are other laws
 14 in -- UEZ and other laws that exempted projects
 15 from paying taxes.
 16 And the -- the connection was working
 17 closely with the Attorney General office, which is
 18 the reference here, is that the law allowed that
 19 we could count back those taxes that were
 20 otherwise exempted in the calculation of the net
 21 benefit test, so that companies could get the
 22 benefit from the program to incent their
 23 investment in the City.
 24 Q. Okay. But can you explain -- can I ask
 25 you a leading question?

1 Lizura - examination/Walden
 2 A. Yes.
 3 Q. So I'm not asking you and I didn't mean
 4 to elicit that you sought legal advice on this.
 5 I'm asking you a different question.
 6 Did this one concern you enough that
 7 you wanted to seek legal advice on it?
 8 A. We did seek legal advice, so I don't
 9 know how it's a concern -- we sought legal advice
 10 on a lot of things. It was certainly a, not
 11 standard fare, right? So it isn't standard fare
 12 in -- so because we wanted to make sure we were on
 13 legal footing, we asked the Attorney General,
 14 so --
 15 Q. All right. So I'm going to ask you the
 16 question again because I'm not sure that you
 17 answered it. I'm sure you're trying. I'm talking
 18 about you, Tim Lizura, reading this provision. You
 19 remember this provision, right?
 20 A. I do.
 21 Q. So my question is, when you read it,
 22 did it seem to you like this stepped over a line?
 23 A. I have to tell you, no, I
 24 understand -- the intent of the law was to get
 25 people to invest in the City of Camden, right? So

1 Lizura - examination/Walden
 2 A. Sure.
 3 Q. And again, I'm asking about -- what I'm
 4 concerned about or curious about is tax policy.
 5 That's what I care about, right? So my question to
 6 you from a tax policy perspective is, do I
 7 understand this that this essentially allows the
 8 program applicant to count costs that they really
 9 don't pay?
 10 A. That they can count in the benefit of
 11 the project that they don't pay.
 12 Q. So in other words, it is a way in a
 13 sense to artificially inflate the benefit to the
 14 state, so that they pass or surpass the net benefit
 15 that's required depending on where you are.
 16 A. Yes.
 17 Q. Okay. Whose idea was that?
 18 A. I don't recall.
 19 Q. Do you remember whether or not that was
 20 proposed by someone from Parker McCay?
 21 A. I don't recall that.
 22 Q. I understand that the Attorney General
 23 signed off. Obviously, I am not asking you for --
 24 because the Attorney General is the lawyer for the
 25 EDA, right?

1 Lizura - examination/Walden
 2 if you had a provision in the law which undercuts
 3 the ability to get people to do that by
 4 inadvertently having this kind of disconnect, that
 5 while you could get to a place where phantom tax
 6 makes sense. So I understand the -- I understand
 7 the notion of it, and I understand why in the
 8 context of Camden, you were doing this.
 9 Q. But in the context of Camden,
 10 essentially, do I understand this to be an
 11 exception to the net benefit test? This
 12 essentially allowed projects to get through even
 13 though they weren't paying for themselves.
 14 A. I would say that's a pretty accurate
 15 statement.
 16 Q. Do you know how many different
 17 companies advantaged themselves by the phantom tax
 18 provisions of the law?
 19 A. I don't know how many.
 20 Q. Do you know of any as you sit here now?
 21 A. I recall we had projects that took
 22 advantage of it.
 23 Q. Do you recall any of the projects as
 24 you sit there now?
 25 A. I would expect that the projects that

1 Lizura - examination/Walden
2 used the capital investment alternative would be
3 the ones that would be the ones that --

4 Q. But do you remember any of those as you
5 sit here?

6 A. Yes, sure.

7 Q. Who?

8 A. Holtec, The Sixers, American Water,
9 Subaru, Connor Strong, Michaels. NFL.

10 Q. Okay. So I'm going to ask you a
11 different question. Do you know whether or not
12 Parker McCay represents all those companies?

13 A. I recall they represent some, some
14 role in most of those.

15 Q. So what does it say to you about,
16 again, we're talking about this material factor
17 requirement, meaning I'm actually making a choice,
18 right? I'm making a choice to either go to Camden
19 or go somewhere else.

20 We're going to get to this in a minute,
21 but what does it say to you about material factor
22 if in fact, a law firm was put -- I'm not saying
23 this happened, but a law firm was putting in
24 changes for specific companies into the bill?
25 Would that be an indicator?

1 Lizura - examination/Walden

2 You're a very experienced guy, you
3 supervised the underwriting department. If you
4 knew that information when you were vetting an
5 application, "By the way, I just want to be honest
6 with you, our lawyer put this provision in for us,"
7 would that have an impact on your view of whether
8 or not the business decision had been made by the
9 time the act was passed by the legislature?

10 A. No.

11 Q. All right. So I have two more subjects
12 to talk to you about, and I'm going to do you a
13 huge favor which is, you know that there's one
14 issue with respect to material factor that, where
15 your perspective is different than what we've heard
16 from other people, so I want to try to tease that
17 out in a leading way if you don't mind, and I will
18 be faithful to what you told me, but just, we have
19 one more witness and I don't want to keep people
20 past 5 o'clock if we can get around it.

21 So we heard testimony today that, as
22 the EDA was administering the program for
23 businesses relocating in-state to Camden, say they
24 were going from Jersey City or wherever they were
25 coming from to Camden. We heard testimony today

1 Lizura - examination/Walden
2 that EDA required that they show that the jobs were
3 at risk, and that they submit proof that an
4 out-of-state location was bona fide, suitable and
5 available. I think that's it.

6 MR. WALDEN: Chairman, a fair summary
7 of the testimony? Okay.

8 Q. And so we looked back at every Camden
9 application since this bill came into law, to
10 today, and there were 32 and of those 32 -- I'm
11 sorry, 31, correct? I'm sometimes wrong, there are
12 31 applications and of those 31 applications there
13 were 30 of them, I'm talking about applications
14 where there was an in-state move to Camden, from
15 Marlton or -- thirty of them that actually said
16 that the jobs were at risk and they were
17 considering an out-of-state location, and one of
18 them said they were going to eliminate jobs in
19 Camden, which is a completely different thing,
20 right, because it qualifies under a different part
21 of the statute, right? Okay.

22 So the testimony that we heard today
23 aligns with the reality that all projects moving to
24 Camden actually did say jobs are at risk.

25 Now, you have a perspective on why that

1 Lizura - examination/Walden
2 happened, is that true?

3 A. Yes.

4 Q. Am I correct in saying that in your
5 interpretation, the statute itself does not require
6 for those kinds of projects that they actually show
7 an out-of-state location?

8 A. My interpretation and guidance from
9 the Attorney General office.

10 Q. Again, you're not at the EDA anymore so
11 you can't waive the privilege. So please stop
12 saying what the Attorney General advised on. We'll
13 talk to the EDA about whether or not they will
14 waive the privilege and allow us some factfinding
15 around that.

16 A. Okay.

17 Q. So put that aside. I'm just, I'm
18 talking about your interpretation and I'm going to
19 try to figure out why there seems to be two
20 different interpretations of this within EDA. But
21 you had -- even though it was not a requirement, in
22 your view, statute, whether the Attorney General
23 agreed or not, you offered a practical reason why
24 companies would have a motivation to consider
25 out-of-state alternatives and include that in the

1 Lizura - examination/Walden
2 application anyway.

3 A. Yes.

4 Q. So now I've done my leading. Can you
5 explain that to us?

6 A. Yes.

7 Q. Thank you.

8 A. My recollection of whether it met the
9 net benefit test was, the net benefit test was a
10 statewide test, and that would suggest, or that
11 would then require that the jobs would be at risk
12 of leaving New Jersey in order to include economic
13 impact of those jobs under the net benefit test.
14 If there was not a risk of leaving the state, we
15 would include all the other drivers of the net
16 benefit test except the economic activity from the
17 employees, which is largest driver of the economic
18 output.

19 Q. I just want to pause there for a second
20 because you just said something that's important,
21 and I'll tell you why in a second. But from your
22 experience, the job credit that one gets is the
23 largest part of an award.

24 A. On the net benefit test.

25 Q. On the net benefit test. Go ahead.

1 Lizura - examination/Walden
2 determine whether it was bona fide, it was
3 suitable, whether it was available in reality,
4 what's the consequences of that?

5 A. So my impression of that would be that
6 there were filing false documentation with a
7 government entity which is bad.

8 Q. I appreciate your perspective. I asked
9 a poor question, and I'm sorry, I'll rephrase it.
10 From the perspective of the award, if someone was
11 applying for a tax incentive award, and an
12 underwriter uncovered this in the context of
13 vetting the application, what are the consequences
14 for the applicant in the hypothetical that I
15 described?

16 A. If we on the board couldn't make a
17 finding of at-risk, then the net benefit test
18 would be -- the net benefit test would be
19 dramatically reduced and the award would be
20 dramatically reduced.

21 Q. Again, I apologize in the same way, my
22 questions are getting less crisp. But what I think
23 I was asking was, if an underwriter actually
24 discovered evidence of fraud, would that just
25 reduce the award or would that disqualify the

1 Lizura - examination/Walden

2 A. So for practical purposes, if you
3 wanted -- if you needed to maximize the award in
4 order to make a decision to move to the City of
5 Camden, you would have to show the out-of-state
6 location and that would then -- that would then
7 allow you to satisfy the net benefit test
8 provision.

9 Q. So is this another way of saying, in
10 your view, if you're moving jobs in-state to
11 Camden, you get no credit on the net benefit test
12 for the jobs?

13 A. Without an out-of-state -- without an
14 at-risk finding.

15 Q. When you say "at-risk finding," meaning
16 the jobs are at risk of leaving the state.

17 A. Correct.

18 Q. Okay. Now, so regardless of the
19 motivation that caused these applicants to put on
20 the application that there was an at-risk finding,
21 and that they were considering a location, what are
22 the consequences if there was a company that was
23 making it up, they really did not evaluate another
24 location, they just found another place, to just
25 put it on the application, they did no diligence to

1 Lizura - examination/Walden
2 applicant?

3 A. Oh, disqualify the applicant, and we
4 would refer that to appropriate channels.

5 Q. And from your recollection during your
6 time there, did that ever happen?

7 A. It did.

8 Q. That was a new question that I didn't
9 ask you before, so I may follow up with you
10 afterwards on that hypothetical.

11 Okay, so just for the last question on
12 this, I'm going to ask you the unfair question.
13 You don't even know who it was that probably
14 testified -- can you help us understand why there
15 appear to be two different interpretations within
16 the EDA, one that suggests that an adverse
17 designation is required to every single applicant
18 no matter where in the state they are, and your
19 interpretation, which is that a net benefit test
20 requires it, or at least strongly motivates it, but
21 it's not a requirement?

22 A. Sure. My exception so that is, it's
23 an extraordinarily complicated program and there
24 are a lot of shorthand -- shorthand -- shortcuts
25 to describe how things work, whether they be

1 Lizura - examination/Walden
2 colloquialisms to describe things, or kind of
3 practical answers to questions. So for -- if I
4 was a staff person working in the field, I would
5 not get into that level of detail, because why
6 make it more complicated? When we make it an
7 extraordinarily complicated program --

8 Q. As the prior COO, let me just ask you
9 this question from an administrative perspective.
10 The EDA had authority to administer the program,
11 correct?

12 A. Correct.

13 Q. If the EDA was telling people it's
14 required, you have to show that the jobs are at
15 risk, you have to show that you are considering an
16 alternate location, that's important, right?
17 Whether or not the statute required it or not, my
18 question is, did the EDA have authority in order to
19 interpret the statute to make this a requirement?

20 A. We can't -- no, we could not change
21 the law to do that. And I think you're aware that
22 there was one company that we did approve, not in
23 Camden, that availed themselves of that provision
24 for a different Garden State Growth Zone that
25 didn't make that assertion. So in the world of a

1 Lizura - examination/Walden
2 thousand approvals, 30 for Camden, one for
3 Atlantic City, this topic doesn't come up that
4 much. So -- and I would not take umbrage to my
5 colleagues taking a shortcut in that in the way of
6 describing it.

7 Q. Okay. That was very clear, thank you
8 very much, appreciate it. So I just have one more
9 topic for you, add then we'll see if the chairman
10 has any questions for you.

11 Again, I'm doing to try to streamline
12 this if I can.

13 While you were there, do you recall
14 that there was the employee named David Sucsuz who
15 filed an EEOC complaint?

16 A. I do.

17 Q. Do you recall that that complaint
18 alleged discrimination?

19 A. I do.

20 Q. And is it fair to say that Mr. Sucsuz
21 was eventually terminated?

22 A. Yes, fair to say.

23 Q. And fair to say that the person that
24 investigated the discrimination allegation found
25 that there was no nexus between the conduct that he

1 Lizura - examination/Walden
2 was alleging and his termination?

3 A. I believe that's true.

4 Q. Okay. So, and did you also become
5 aware while you were there that, subsequent to his
6 termination, Mr. Sucsuz filed a complaint that made
7 new allegations?

8 A. I was.

9 Q. Did you read his complaint?

10 A. I don't recall reading his complaint.

11 Q. Okay. Do you recall whether or not the
12 complaint made new allegations about specific
13 instances of potential fraud and misconduct at the
14 EDA?

15 A. I'm aware of that now.

16 Q. You weren't aware of that at the time?

17 A. I don't recall. It's speculative, but
18 I don't recall.

19 Q. Okay. But during the time that you
20 were there, were you aware that your boss, Michelle
21 Brown, was deposed?

22 A. Yes.

23 Q. Were you aware that others at the EDA
24 were deposed?

25 A. Yes.

1 Lizura - examination/Walden

2 Q. And it was an active litigation that
3 was going on including the trial -- you weren't
4 there the whole time, but --

5 A. I was there the whole time.

6 Q. Oh, you were, I'm sorry. During an
7 audit that the comptroller was doing?

8 A. Ask me the question?

9 Q. The litigation was active and ongoing
10 even during 2018 when the comptroller was doing an
11 audit?

12 A. The beginning of the audit, yes.

13 Q. Now, my question to you is this: Do
14 you recall a conversation among anyone in the
15 senior leadership team with Fred Cole about whether
16 or not Mr. Cole should disclose the existence of
17 this litigation to the comptroller during the
18 audit?

19 A. I don't recall the conversation.

20 Q. You don't recall a conversation at all?

21 A. No.

22 Q. Do you recall knowing that the
23 comptroller asked during a kickoff meeting whether
24 or not there was any pending or settled litigation
25 that involved a former employee making allegations

<p style="text-align: right;">Page 270</p> <p>1 Lizura - examination/Walden</p> <p>2 of fraud?</p> <p>3 A. I don't recall necessarily that</p> <p>4 specific request.</p> <p>5 Q. Just -- I know I don't usually pick at</p> <p>6 your answers, but what do you mean when you say you</p> <p>7 don't necessarily --</p> <p>8 A. I don't recall that.</p> <p>9 Q. Do you recall a question like it?</p> <p>10 A. No, I don't recall particulars of the</p> <p>11 things that may have been asked for in that -- in</p> <p>12 that meeting at this time.</p> <p>13 Q. Okay. So are you aware as you sit here</p> <p>14 now that that complaint was never disclosed to the</p> <p>15 comptroller during the audit?</p> <p>16 A. I know that now. I don't know that</p> <p>17 firsthand.</p> <p>18 Q. So I'm going to ask you again kind of</p> <p>19 the unfair question. Do you know how that</p> <p>20 happened? Do you have any insight, having been</p> <p>21 there in a senior level position, with litigation</p> <p>22 that is unique, and executives are getting</p> <p>23 literally deposed, there's a trial going on and</p> <p>24 somehow that information is requested by the</p> <p>25 comptroller and not disclosed?</p>	<p style="text-align: right;">Page 271</p> <p>1 Lizura - examination/Walden</p> <p>2 A. I'm not sure of the question, but I do</p> <p>3 not know how it happened. I think your question</p> <p>4 was, how does it happen. It -- in my time -- so</p> <p>5 to be very specific, while I was there at the</p> <p>6 beginning of the audit, I was not there when the</p> <p>7 audit kicked into full gear or when it ended.</p> <p>8 Q. Oh, I'm sorry. That was my</p> <p>9 understanding before, you said he you were there</p> <p>10 the whole time.</p> <p>11 A. I was there the whole time for the</p> <p>12 Sucsuz lawsuit. So if Sucsuz's lawsuit was</p> <p>13 settled -- not settled, it was, what's the term, a</p> <p>14 verdict?</p> <p>15 Q. There was a verdict.</p> <p>16 A. There was a verdict on the Sucsuz</p> <p>17 lawsuit while I was there. So the lawsuit</p> <p>18 was ended, and the judge ruled in our favor, the</p> <p>19 jury ruled in our favor --</p> <p>20 Q. Yes.</p> <p>21 A. That was the end of that lawsuit.</p> <p>22 Q. Just slow down a little bit. I think</p> <p>23 he may be having trouble.</p> <p>24 A. All right. My last day was in the</p> <p>25 middle of July, and I announced my -- that I was</p>
<p style="text-align: right;">Page 272</p> <p>1 Lizura - examination/Walden</p> <p>2 retiring in June so I had to become less engaged</p> <p>3 in those sort of things. The audit kicked in</p> <p>4 further then, so I was not there for most of that</p> <p>5 audit.</p> <p>6 Q. So then, I wouldn't even ask you that</p> <p>7 if I couldn't remember your termination date, so I</p> <p>8 apologize for that, but I thought you were saying</p> <p>9 you were there the whole time. So let me change</p> <p>10 the subject, then, and then we'll be done, unless</p> <p>11 the chairman has any questions. So here's my</p> <p>12 question:</p> <p>13 You were there for the whole verdict.</p> <p>14 Do you remember that the jury actually returned a</p> <p>15 verdict saying that Sucsuz had a reasonable basis</p> <p>16 to believe that EDA personnel had violated the law?</p> <p>17 Were you aware of that?</p> <p>18 A. I was not aware of that.</p> <p>19 Q. All right. So help us understand this:</p> <p>20 We heard testimony earlier today from someone who</p> <p>21 does remember the allegations, reviewed the</p> <p>22 complaint, took notes of it all, and his statement</p> <p>23 was that to this day, there's never been an</p> <p>24 investigation within EDA to determine whether or</p> <p>25 not those specific allegations are true or not.</p>	<p style="text-align: right;">Page 273</p> <p>1 Lizura - examination/Walden</p> <p>2 A. I believe that to be true.</p> <p>3 Q. Okay. But why?</p> <p>4 A. My assessment of why?</p> <p>5 Q. Yes. And maybe --</p> <p>6 A. Maybe it's bad on me, having been the</p> <p>7 COO. But through the entire -- we gave no</p> <p>8 credibility to the allegations that Mr. Sucsuz was</p> <p>9 making. We had our opinion was that it was -- it</p> <p>10 was without complete merit and they we didn't do</p> <p>11 it, there wasn't anything to investigate.</p> <p>12 Q. I understand that, I understood that</p> <p>13 from when you were interviewed, but here's the part</p> <p>14 that I don't understand. If you take that</p> <p>15 perspective and you say, "This guy's a liar, right?</p> <p>16 Everything he says is untrue," knowing that the</p> <p>17 case is going to have to be tried, wouldn't you</p> <p>18 want to do an internal investigation so that you</p> <p>19 could show that all of the specific -- because he</p> <p>20 mentions specific companies and very specific</p> <p>21 issues. But to demonstrate that the specific</p> <p>22 allegations were untrue and then you could impeach</p> <p>23 him when he testified?</p> <p>24 A. We clearly didn't think that was</p> <p>25 important to do. We didn't do it.</p>

Lizura - examination/Walden

Q. Okay. So now, help us understand this. Was there actually a decision where someone, where this issue was considered, the senior leadership team said, "Hey listen, we have got a crisis on our hands, we've got this lawsuit that's now accusing us of fraud, we need to figure out if we're going to do an internal investigation," I don't want to go on too long -- is this the only time in your 22-year career anything like this ever happened?

A. It is.

Q. Okay, was there a crisis management meeting after it was filed and it was reported in the press?

A. So, I don't want to completely minimize this. We talked about it at senior leadership team meetings, the status of the lawsuit, we considered his various proposals for payment option and we discounted any of those options. So we discussed the lawsuit. And that was to the extent of my recollection.

I say that with the fact that I know our senior vice-president of operations, Fred Cole, he was charged with running point on this lawsuit. So I don't know what he did,

Lizura - examination/Chen

necessarily, outside of the conversation.

Q. Okay. But in the conversations that you had, do you remember anyone raising the issue of, "Maybe we should investigate this so that we can prove that it's not true"?

A. No, we didn't.

Q. No --

A. I don't recall a conversation like that.

Q. So you don't have a recollection of a specific person saying, "No, don't do an investigation."

A. Correct.

Q. Okay.

PROF. CHEN: I just have a question, more of terminology in my mind.

EXAMINATION BY

PROF. CHEN:

Q. You referred to several parts of the programs that are Camden-specific.

A. Yes.

Q. There are other parts of programs -- parts of the New Jersey program that apply special rules and requirements to any of the cities that

Lizura - examination/Chen

are within the Garden State Growth Zone?

A. Correct.

Q. And that would be Camden, Trenton Paterson and Passaic?

A. Passaic.

Q. And I think for another reason, Atlantic City is also included in another piece of legislation.

A. Correct.

Q. When you were talking about the Urban Transit Hub tax credit, and when you were talking a moment ago that, with Mr. Walden, about the phantom tax issue, those were Camden-significant.

A. Camden, correct.

Q. And so the other cities that were part of the Garden State Growth Zone would not be eligible for growth --

A. Correct.

Q. -- off the tax records. Okay.

MR. WALDEN: You know, Chairman, I don't want to say that the -- I can't say for sure it was only Camden phantom tax, because the property tax exception portion of the bill was -- all growth zones were

Lizura - examination/Chen

eligible for, and they could opt into, and I'm not sure that phantom tax was embedded in that section of the law, I don't want to state --

EXAMINATION BY

PROF. CHEN:

Q. What about the part of the statute that limits the program, and the one I was looking at is the material factor requirement that you were talking with Mr. Walden before, earlier, that refers to projects in the Garden State Growth Zone that qualified as a MRERA, M-R-E-R-A?

A. Correct.

Q. Do you know what MRERA refers to?

A. I do.

Q. What is that?

A. I mentioned in my opening remarks, Municipal Economic Recovery Act.

Q. A specific act passed by the legislature. Do you have an understanding of to which city or cities that act applies?

A. The only city that I'm aware that applied to was the City of Camden.

Q. Would it be fair to say that when

1 Lizura - examination/Chen
2 legislation uses the term "Garden State Growth
3 Zone," that qualifies as a MRERA, that that is
4 generally understood only to refer to the City of
5 Camden?

6 A. No -- sorry, yes, yes, yes. Yes.

7 Q. And that would be the understanding
8 within EDA that that is short of a term of art or
9 shorthand term for Camden.

10 A. Yes.

11 PROF. CHEN: Thank you.

12 MR. WALDEN: Thank you for all the
13 time we spent beforehand and today.

14 (Whereupon, the witness was excused.)

15 B R A N D O N M c C O Y , having been first
16 duly sworn, was examined and testified as
17 follows:

18 EXAMINATION BY

19 MS. PATEL:

20 Q. Good afternoon, Mr. McCoy.

21 A. How are you?

22 Q. Like the chairman, I thank for you your
23 patience and staying here with us today. I'm
24 asking, as Prof. Chen explained before, one of the
25 things that we're trying to better understand is

1 McCoy - examination/Patel
2 the influence and the involvement of the many
3 stakeholders and policy experts that were involved
4 in the design and passage of the Economic
5 Opportunity Act, so we're hoping that your policy
6 background and your experience at New Jersey Policy
7 Perspectives can help let us know a little bit
8 about that process. So can you please explain your
9 educational and policy background for us?

10 A. Sure. I have a Bachelor's degree from
11 The College of New Jersey in sociology, a Master's
12 degree from the Edward J. Bloustein School of
13 Community and Public Policy at Rutgers in urban
14 planning and public policy, and I have worked as a
15 public policy analyst at New Jersey Policy
16 Perspective for almost five years now.

17 Q. And in what capacity do you work for
18 New Jersey Policy Perspective?

19 A. I started as a economic policy analyst
20 focusing on economic security issues, things like
21 the minimum wage and paid sick leave, and then I
22 became the director of government and public
23 affairs, and as of March 1st, I'm now the
24 president.

25 Q. And Mr. McCoy, what exactly is New

1 McCoy - examination/Patel
2 Jersey Policy Perspective? More specifically, what
3 kinds of research projects do you and your time
4 tackle?

5 A. We are a public policy think tank. We
6 do policy analysis and issues in a variety of
7 policy areas, including economic security, tax and
8 budget policy, healthcare, and immigration,
9 sometimes education as well.

10 Q. Are you familiar with the Economic
11 Development Act of 2013?

12 A. Yes.

13 Q. And does New Jersey Policy Perspective
14 conduct policy research or analysis on that act?

15 A. Yes.

16 Q. I'm going to refer to that act as EOA
17 13. What kind of research have you conducted on
18 EOA 13?

19 A. Research from our organization has
20 focused on the ways that EOA 2013 removed some of
21 the protections that we believe were important for
22 the state's, the EDA, economic development
23 programs, subsidy programs, and sort of keeping
24 track and monitoring the amount of corporate tax
25 subsidies that the state has awarded over the

1 McCoy - examination/Patel
2 years which has increased significantly in size
3 and scale.

4 Q. I want to talk specifically about,
5 picking up from where Mr. Walden left off, about
6 exactly the impact of having certain stakeholders
7 involved in the draft language of the bill. To add
8 a little bit of context to the timing, are you
9 familiar with the timing of the passage of the
10 Economic Opportunity Act?

11 A. Yes, I've seen the dates on which the
12 legislation moved through the legislature.

13 Q. Just to confirm, is it correct that on
14 May 20th, 2013, the EOA 13 was passed by
15 the Assembly and sent to the Senate?

16 A. I believe, yes.

17 Q. And on June 27, 2013, the EOA 13 was
18 passed by the Senate and conferred by the Assembly?

19 A. Yes.

20 Q. And so some of the changes to the draft
21 bill that Mr. Walden just walked through, I don't
22 know if you sat through the testimony but the dates
23 on these changes that were made by the person that
24 was making those changes were on June 14th, June
25 19th and June 21st, 2013, so it falls within that

McCoy - examination/Patel
period, between the the assembly passing and the Senate passing the bill.

A. Um-hum.

Q. So from a policy perspective, I wanted to ask for your reaction of, what is your reaction of a private law firm having access to the draft language of a bill right before it's passed and the impact that that would have on the resulting legislation?

A. So I don't think it's uncommon for legislators to ask for outside expertise for help in crafting bills. Legislators are not experts in everything. So seeking that assistance and input perfectly normal. For an individual or entity to directly edit and write a bill, particularly when that individual or entity has significant or sufficient opportunity to benefit financially and otherwise from the edits that they made, I would consider that improper.

Q. Do you believe that having attorneys as subject matter experts is generally important in creating a bill that meets policy goals?

A. Yes, definitely subject matter experts, you know, weighing in. You want to have

McCoy - examination/Patel
a variety of experts, particularly on something as far-reaching as the EOA 2013, which is dealing with economic development which requires a whole set of experts from urban planners to housing experts to environmental experts, to transportation experts, to sort of finance, development and lending experts. That's a very large undertaking, and you'd want to have input from a variety of those sorts of people.

Q. So going back to what Mr. Lizura had testified to previously, would you consider it bad policy to have, to allow an individual law firm to make those changes right before it was passed without broader access to any stakeholder to have access to amend that language?

A. Yes, to have those changes made in a manner, I mean, if I remember correctly, the size of the the bill grew from about 47 pages to 83 pages, if I remember correctly. To add that much content to the bill, and to not get sufficient input from other experts and other stakeholders in due time, is just not proper practice. I would say that it's not typically normal, I would say it's probably more normal than people are

McCoy - examination/Patel
comfortable with, but it's not a normal process.

Q. And what is the, what you just mentioned that you recall the bill went from 40 to 83 pages, from when to when did the bill expand?

A. If I remember properly looking at the state website, I believe the Senate voted on the changes or the changes were implemented June 24th and then the Senate voted on, actually voted on those changes June 27.

Q. So within the span of three days.

A. Yes. And I remember, I was not at NJ Policy Perspective at the time but looking, I happened to be familiar with this issue and looking back at journalistic reports and articles, you could see several legislators and stakeholders sort of commenting on the fact that they didn't have the time necessary to look through the changes that were made.

Q. And what were some of the policy concerns of having this type of involvement?

A. I think it's, the concerns would be that it was in sort of privatization of the legislative process, and that when you look at the changes that were implemented, it really opened up

McCoy - examination/Patel
the amount of spending that the state could pursue with regards to the corporate tax subsidies to an award. So previously they were having caps on spending, this removes those caps completely so it was technically an unlimited amount of spending that could occur in these programs.

It did not include important stipulations around reports or opportunities to review spending that had occurred, and didn't have a bunch of best practices that are commonly used across the country at a national level.

Q. You had mentioned that you have a background in economic development policy, and so some of the requirements under the tax incentive programs are requiring companies to prove that but for the tax incentives, they would move outside New Jersey.

And so I ask the question, how seriously could a company considering leaving New Jersey but for the tax incentives, if they directly are, or have counsel on their behalf, adding direct language or provisions into the tax incentive bill? So from, in your expert opinion, how seriously could companies such as the ones that were

McCoy - examination/Patel
potentially benefiting earlier, have been considering leaving New Jersey?

A. If a company has knowledge and awareness that the stipulations and language of a bill that had been structured in such a way that they would benefit, I would find it hard to believe that they would forego those benefits unless the deal that they would get from other states were significantly better. But considering the size and the scale of New Jersey's corporate tax subsidy program, we pay out, on average, significantly more than other states do, so I find that unlikely.

Q. Historically and generally, does New Jersey Policy Perspective get called upon to offer its expert opinion or policy research during bill drafting in various bills that have to deal with the kind of research that you do?

A. Yes. We, you know, we provide comments and help the legislators think through the structuring of bills with regards to minimum wage, with regards to healthcare, immigration like I mentioned, tax and budget policy, and we also, whenever we do research on these issues and

McCoy - examination/Patel
publish that, we should make sure that we are making state legislators aware of what our findings have been and make sure that we are saying that these are the things that we think are proper, and the proper thing to pursue in the construction of your bill.

Q. Is the substance of the EOA 13 the kind of bill in substance that your team at New Jersey Policy Perspective would have the expert knowledge to be able to offer substantial information and assistance in the bill drafting?

A. Yes. My predecessor, Jon Whiten, is largely considered by many to be one of the foremost experts on this topic in the State of New Jersey.

Q. And understanding that you were at New Jersey Policy Perspective in 2013 when the bill was passed, do you know if New Jersey Policy Perspective was called upon to assist in that process of contributing information and opinions as to the EOA 13 and making it a good bill to reach its broadest incentives?

A. Again, I was not employed at NJPP at the time, but in asking my predecessors had our

McCoy - examination/Patel
expertise been sought, the answer was no.

Q. And there had been a lot of statements that the contributions to the EOA 13 made it a better bill and it was a step up from what existed before. Based on your expertise and your experience at New Jersey Policy Perspective, and your study into this subject matter, can you opine on whether you believe that the bill that was actually passed, is it good policy to reach its goals?

A. I think there are many portions of the bill that are considerably poor policy. And in the sort of journey that the bill took through the legislature, and then adding Governor Christie at the time, he conditionally vetoed the bill, and he, I remember reading my predecessor Jon Whiten saying, "He removed the one good part of that bill which was some workforce protections."

So that was the negative, and then as I said previously, there are many things that could be in this bill that would lead to better oversight, better opportunities for review by both the state government and outside stakeholders and better, more chances to sort of rein in and be

McCoy - examination/Chen
more targeted with the goals of the programs themselves that were not included, but stakeholders were making those points at that time.

MS. PATEL: Mr. McCoy, I have no further questions for you. It was very important for us to today so you get across the perspective on the meaning of that and I'll hand the it to Mr. Chairman, if you have any other questions.

PROF. CHEN: Well, this is purely a policy question.

EXAMINATION BY

PROF. CHEN:

Q. One thing that EOA 13 did, it basically removed any upper cap on the potential amount of the awards. Do you have an opinion of whether that was a positive policy move?

A. Considering the State of New Jersey's fiscal standing and the many challenges that we had as a state with regard to the obligations that we continued to underfund and sort of not meet, no, I don't believe that that was a proper decision to make, to have a program where the

Proceedings

state is unable to determine what spending on this program will be from an earlier basis, is not good, sound or discrete policy.

PROF. CHEN: Thank you, I don't have anything further. Thank you very much.
(The witness is excused.)

PROF. CHEN: That is, I'm sure you will all be relieved to hear, our last witness for this hearing and therefore, I'll not belabor these proceedings. It has been a long day. I will conclude this hearing.

A transcript of today's proceedings will be available upon request. I note, made a further -- not promise, but assertion at the last day, and now we appear, we are certainly trying to explore ways in which we can very conveniently available, hopefully through the use of technology that we've all become accustomed to.

We do plan to conduct at least one more hearing before the beginning of June so that we may have as much information, before we issue our first report. At a later hearing we will allow members of the public

Proceedings

to offer any relevant testimony about the EDA's tax incentive programs and comments on the evidence we had gathered to further inform us about the direct impact of these programs to taxpayers and companies around the state. We'll make public announcements about those hearings using the same process we've used for this one. So thank you very much for attending, wish you all a good evening and this hearing is adjourned.

(Time noted: 4:40 p.m.)

C E R T I F I C A T E.

I, DAVID LEVY, a certified court reporter and notary public of the State of New Jersey, certify that the foregoing is a true and accurate transcript of the stenographic notes of the proceeding which was held before me on the date and place as hereinbefore set forth.

I FURTHER CERTIFY that I am neither attorney, nor counsel for, nor related to or employed by, any of the parties to the action and further that I am not a relative or employee of any attorney or counsel in this place, nor am I financially interested in this case.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of May 2019.

DAVID LEVY, CLR, CCR
LICENSE NO. 30X100234000

-----INDEX-----

OPENING STATEMENT	PROF. CHEN	3
OPENING STATEMENT	MR. WALDEN	9
OPENING STATEMENT	MR. QUINONES	18
OPENING STATEMENT	MR. WALDEN	20
PRESENTATION	MS. PREVETE	32
WITNESS	EXAMINATION	PAGE
FREDERICK COLE	MS. LEVICK	46
	MR. WALDEN	76
	PROF. CHEN	77
KERRIE-ANN MURRAY	MS. WINSTON	79
	PROF. CHEN	97
JOHN BOYD	MR. BORCHARDT	97
	PROF. CHEN	111
DAVID LAWYER	MR. WALDEN	113
	PROF. CHEN	186
	MR. WALDEN	187
TIM LIZURA	MR. WALDEN	188
	PROF. CHEN	275
BRANDON McCOY	MS. PATEL	278
	PROF. CHEN	289

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

-----INDEX (Cont'd.)-----	
TASK FORCE EXHIBITS	IN EVID.
Exhibit 2 Presentation re Sucsuz litigation	32
Exhibit 3 Binder containing materials re Sucsuz complaint	53
Exhibit 4 Complaint filed by Sucsuz on 5/15, tab 4 in binder	55
Exhibit 5 Jury verdict sheet from Sucsuz trial	63
Exhibit 6 Document tabbed 6 in binder	69
Exhibit 7 Management representation letter dated 1/3/19 signed by Cole	71
Exhibit 6A Slide re underwriting and approval process	118
Exhibit 9 Chart showing data re 31 companies	139

A				
\$1,500 (4) 246:12,14 249:20,21	accounting (7) 48:18 103:4,18 117:5 218:8 220:22 221:13	59:18 91:8 93:5 136:25 231:5	167:5 266:9	250:2
\$11 (1) 193:25	accurate (9) 47:17 48:5 106:17 139:3 174:21 194:11 207:3 257:14 292:6	acute (1) 203:8	adopt (1) 109:25	agreed (4) 31:13 124:16 225:11 261:23
\$2,000 (1) 248:2	accusing (2) 27:4 274:6	add (5) 148:11 250:5 267:9 281:7 283:20	advance (5) 8:11 11:5 123:22 125:8 240:8	agreement (1) 110:17
\$23 (2) 154:20 158:5	accustomed (1) 290:20	added (21) 31:5 217:24 220:18 221:23 223:19,21 225:5,9,15 226:20 227:19 233:19 238:12 241:8,23 242:20 244:3 246:9 247:15,23 248:20	advanced (1) 192:24	agreements (1) 178:10
\$25.95 (1) 153:9	achieving (1) 247:8	adding (2) 285:22 288:15	advantage (3) 249:2,8 257:22	agrees (1) 120:3
\$33 (1) 194:4	acknowledged (1) 72:9	addition (7) 25:7 35:6 44:23 218:3 218:21 227:4 245:4	advantaged (1) 257:17	ahead (6) 56:24 122:10 134:4 168:24 190:3 262:25
\$40 (1) 168:8	acoustics (1) 188:8	additional (25) 23:23 25:4 28:24 30:9 84:22,24 85:3,7,11 86:11,19 87:4 90:13 90:14 110:20 129:7 137:22 141:24 163:15,20 164:8,15 166:5,6 240:24	adverse (2) 8:19 265:16	aid (1) 116:10
\$50 (1) 200:11	acquire (2) 229:8,11	address (10) 40:4,10,20 149:6,10 149:14,15 151:23 191:8 194:23	adversely (1) 8:10	airport (2) 102:7 192:6
\$555,154 (1) 171:11	acquired (5) 228:24 230:13 231:3 231:9 232:24	addressed (1) 19:9	advertising (1) 44:15	aligns (2) 201:17 260:23
A.G (6) 121:21 123:4,7 124:7 124:14 125:11	acquisition (10) 226:13,23 227:2,10 228:4,16 229:12,13 231:17 233:12	addresses (1) 149:5	advice (6) 14:21 229:7 256:4,7,8 256:9	allays (1) 23:23
ability (1) 257:3	acronym (1) 102:3	addressing (1) 9:8	advise (3) 111:8 211:19 229:7	allegation (8) 36:2 55:21 56:10,14 57:5,9 58:9 267:24
able (16) 29:6 32:3 87:24 106:18 107:9 130:21 134:17 158:8 168:23 205:24 206:21 230:10 240:8 249:2 249:7 287:11	act (34) 31:22 35:5 36:5 133:20 191:21,25 192:5 203:20 204:8 205:3,18,19 207:23 208:4 209:19 210:16,23 231:12 240:2,23 247:3 248:2,10 251:12 254:11 259:9 277:19,20,22 279:5 280:11,14,16 281:10	adds (2) 232:21 240:11	advised (2) 47:6 261:12	allegations (51) 12:11 24:11,17,23 26:3,9 27:8 29:24 33:4,18 36:23 37:2 37:4,5,7 44:24 49:23 50:5,19 52:3 52:8 58:12,15,18,23 59:10,19,25 60:3,15 60:24 61:6,18 62:10 62:14,21,23 63:9 70:17 72:20 74:24 75:5 76:21 79:16 268:7,12 269:25 272:21,25 273:8,22
absent (1) 198:17	action (4) 38:2 39:8 119:18 292:11	adequate (1) 193:13	advising (1) 211:21	alleges (1) 52:6
Absolutely (5) 61:11 77:17 119:6 128:9 200:24	active (3) 81:3 269:2,9	adjoined (1) 291:12	affairs (1) 279:23	alleged (27) 10:21 33:9 35:2,8 36:14 37:10,22 38:2 39:6 42:21 43:8 44:20 45:2,5 50:9 52:12 54:22 55:16 56:4,22 57:16,24 60:2 65:6 78:2,2 267:18
abundantly (1) 11:21	actively (1) 120:23	administer (3) 191:17 230:9 266:10	adversely (1) 8:10	allegedly (1) 38:8
academic (1) 105:7	activity (5) 10:9 125:25 126:5 252:24 262:16	administered (8) 13:4 22:8 28:20 86:11 87:15,16 118:12 135:13	advertising (1) 44:15	alleging (2) 50:2 268:2
accelerated (2) 4:14,24	actual (5)	administering (2) 16:23 259:22	advice (6) 14:21 229:7 256:4,7,8 256:9	allocated (3) 62:16,20 209:4
acceptable (1) 130:8		administration (4) 36:24 64:13 115:21 135:22	advised (2) 47:6 261:12	
accepting (2) 136:3,14		administrative (2)	advising (1) 211:21	
access (4) 102:5 282:7 283:15 283:16			affidavit (2) 5:15,18	
accessibility (1) 38:18			affairs (1) 279:23	
accommodate (2) 44:10 188:10			affect (3) 175:6 176:11 229:4	
accomplish (1) 7:2			affidavit (2) 5:15,18	
			afoul (1) 6:19	
			afternoon (2) 113:16 278:20	
			agency (3) 16:23 49:20 224:14	
			agenda (1) 127:24	
			aggregate (1) 247:7	
			aggressive (1) 173:11	
			ago (9) 10:5 165:24 168:2 232:25 233:2,9,9 251:23 276:13	
			agree (21) 16:21 58:11,14 62:10 62:15,19 75:4 107:11,12 123:18 212:2 224:7 225:6 228:8 230:7,7 237:4 244:8 245:4 248:8	

allocation (1) 209:13 allow (10) 219:8,19,23 220:8 227:13 231:2 261:14 263:7 283:13 290:25 allowed (8) 233:12 236:18 239:24 246:23 247:4,7 254:18 257:12 allowing (1) 238:13 allows (3) 202:2 228:21 255:7 alluded (1) 10:5 alter (3) 33:12 42:24 43:6 alternate (17) 38:12 39:4,13,16 40:3 40:6,9,16,20 41:3 41:10,11,22,23 168:18 178:11 266:16 alternative (15) 37:3,12,18 38:5,23 40:13 126:18,20 137:23 171:4 207:12 208:10,24 249:10 258:2 alternatives (5) 40:25 56:6 219:7 230:6 261:25 ambiguity (1) 16:18 ambiguous (1) 16:22 amend (1) 283:16 amended (4) 170:18,18 174:18,18 amendments (2) 31:4 132:21 America (1) 99:4 American (1) 258:8 amount (17) 19:23 21:12 43:18 62:15,19 122:23 168:6 205:21 207:5 208:19 210:3 227:14 253:19 280:24 285:2,6 289:17	amusement (1) 196:5 analyses (3) 123:12 124:10,19 analysis (30) 15:21 27:20 43:9 101:22,24 106:9 115:3 117:7 120:16 121:4,6,6,9 122:19 123:24,25,25 125:19,20 126:13 127:2,5,20 128:2,7 166:6 169:25 173:12 280:6,14 analyst (3) 190:15 279:15,19 analysts (1) 72:22 analytical (1) 103:24 analyze (1) 140:22 analyzes (1) 117:13 and/or (1) 178:10 Andrew (4) 173:6 177:7,14 179:17 announced (4) 4:13 35:21 145:9 271:25 announcements (1) 291:8 annual (5) 4:17 74:6 91:20 92:8 171:9 answer (14) 64:2,9 68:21 110:4 169:6 178:3 180:11 188:19 202:6 222:15 235:11,12 241:5 288:2 answered (3) 129:24 140:14 256:17 answering (1) 131:13 answers (4) 108:2 177:20 266:3 270:6 anticipated (2) 122:15 185:21 anybody (1) 230:19 anymore (1) 261:10	anyway (4) 17:12 38:6 164:12 262:2 Apart (1) 77:24 apologies (1) 244:7 apologize (9) 11:4 15:6 113:19 129:9 147:25 240:18 252:15 264:21 272:8 apparently (3) 38:4 188:9 222:16 Appeals (1) 20:3 appear (3) 53:14 265:15 290:16 appeared (1) 38:12 appearing (1) 189:17 applicable (2) 15:25 34:14 applicant (36) 13:5,11 17:9 37:17 39:10,19,22 40:2,7 40:24 41:23 65:7 119:19,23 120:7 121:22 127:11 129:12,12 130:22 135:11,13 143:14 143:16 170:4 192:14 208:17 219:6 220:11 227:13,24 255:8 264:14 265:2,3,17 applicant's (1) 38:11 applicants (19) 11:14 13:16 14:22 34:17 37:11 42:22 45:4 52:18 53:23 55:17 56:5 60:16 76:6 116:3 128:3 147:18 192:17 233:7 263:19 application (83) 14:5 17:20 38:4 39:2 39:9 40:8,13,17 41:17,20 42:6,15,20 43:24 44:15 58:20 116:4 117:8 118:19 119:10,16,22 120:6 120:12,13,19,22 123:6 125:6 128:16	131:3 135:10,18 138:8 139:6 141:7 141:14,17 143:19 144:11 145:3 165:8 165:11 166:21 167:22 168:3,16 169:3,10,13 170:18 172:3 174:17,18,24 175:3 176:10 178:15,16 179:7,18 182:14 184:25 186:6,8 192:15,18 226:15,24 227:3 228:17,25 229:9,13 231:4,18 232:23 259:5 260:9 262:2 263:20,25 264:13 applications (59) 7:16 14:21 16:17 17:23 18:2 22:14 23:14 24:3 26:10 28:19 29:2,10 33:13 34:5,8,8 36:12,20 38:8 42:23 45:7 56:8,22,25 62:25 64:7 78:5 119:9,12 122:13,14,16,21 123:13 128:12 134:2 139:24,25 142:4,7,11,25 143:23 144:4,21 145:15 150:18 152:6 162:14 165:16 166:11,12 166:13 186:23 192:21,23 260:12 260:12,13 applied (9) 4:20 23:6 111:23 138:22 171:13 186:4 210:10 237:14 277:24 applies (1) 277:22 apply (5) 18:11 208:18 239:17 242:3 275:24 applying (4) 18:24 76:7 82:7 264:11 appointed (1) 3:12 appreciate (5) 189:19 197:11 202:20 264:8 267:8 approach (1)	19:19 appropriate (2) 119:25 265:4 appropriately (3) 201:18 202:2,14 approval (27) 21:7 45:13 57:25 58:24 118:25 119:10,10 121:11 121:11,13,16,17,24 125:3 133:25 141:9 141:24 167:24 171:24 176:23 177:2 192:13,25 193:13 201:20 209:10 294:22 approvals (2) 33:10 267:2 approve (4) 21:21 193:16 201:6 266:22 approved (19) 5:12 38:5 41:18 42:15 42:20 45:8 56:8 57:18 116:5 121:15 167:23 192:8 193:22 194:2,3,8 201:11 219:17 230:19 approximately (16) 5:9 47:2,5 67:22 83:4 84:11,15 85:2,5 90:13 95:7 102:23 153:18,22 160:18 194:5 April (4) 35:20 48:2 79:12 184:3 arbitration (1) 69:17 Archer (1) 146:13 architects (1) 219:24 area (12) 18:13,19 105:20 201:8,11 202:13 218:15 237:14 241:10 243:23 244:15 246:4 areas (9) 87:2 127:12 132:6 134:10,18 189:9 192:5 193:8 280:7 arguable (2) 10:9,11
--	---	---	--	---

argument (1) 236:22 arms (1) 134:17 ARP (7) 4:16,19 5:4,12,20 6:8 6:11 arranging (1) 214:8 arrive (1) 216:10 art (2) 101:22 278:8 article (5) 144:25 145:8,12 146:4,7 articles (1) 284:15 articulate (1) 25:4 articulated (1) 167:13 artificially (1) 255:13 aside (1) 261:17 asked (39) 21:20 23:20 38:14 43:10 60:21 68:19 70:22 98:9 118:3 129:11 142:3,6 156:10,16,21 158:19 160:21,25 161:5 163:9 164:23 165:15 168:3 177:19 179:6,11,16 180:16 181:8 185:18,20 196:9 213:2 238:19 253:9 256:13 264:8 269:23 270:11 asking (22) 28:24 118:10 134:22 136:15 161:19 163:23 166:16 169:12 212:16 213:24 224:20,23 229:3,5 231:21 255:3,23 256:3,5 264:23 278:24 287:25 asks (1) 157:7 aspect (1) 123:6 aspects (3)	127:10,12 217:11 assembly (6) 30:22 212:7,9 281:15 281:18 282:2 assertion (3) 222:15 266:25 290:15 assertions (1) 22:3 assessing (1) 105:8 assessment (3) 141:10 185:4 273:4 assessments (1) 73:3 asset (1) 136:25 assets (2) 102:2,2 assigned (4) 120:19 122:20 186:23 187:2 assist (2) 120:2 287:20 assistance (3) 117:10 282:14 287:12 assistant (1) 33:22 assisted (2) 3:19,22 associated (4) 14:14 15:19,24 99:22 assume (4) 146:5 155:14 203:16 251:19 assumption (1) 70:10 astray (1) 199:10 at-risk (5) 168:17 263:14,15,20 264:17 Atlantic (9) 192:2,6 232:20 234:5 237:15,16 238:14 267:3 276:8 attached (1) 173:9 attaching (2) 5:16 53:15 attachments (3) 123:12 124:10,19 attending (2) 214:18 291:10 attention (1) 78:9 attorney (18)	18:19 60:8 74:5 121:19 189:12,14 193:2,11,14 254:17 255:22,24 256:13 261:9,12,22 292:10 292:13 Attorney-General's... 193:17 attorneys (1) 282:21 attract (3) 195:4 242:16 246:21 attractive (2) 102:8 111:10 attributable (1) 219:17 audience (3) 113:6 197:14 226:8 audit (39) 26:23 27:12 48:19 65:17,20 66:3,6,7 66:12,13,15,21 67:6 67:9,23 68:17 70:4 70:24 71:14 72:9,12 73:20,24 74:7,12 75:7,23 76:24 77:5 77:9 269:7,11,12,18 270:15 271:6,7 272:3,5 audits (5) 63:4 69:15 70:12,21 72:6 August (4) 20:2 152:21 154:13 157:16 authority (13) 16:16 34:25 36:11 48:17 64:6 81:9 114:9 137:18 190:10 243:21,22 266:10,18 Authority's (2) 1:6 3:7 automobile (1) 241:12 avail (1) 232:8 available (26) 8:4 12:2,7 13:12 17:7 20:23 22:11 120:9 130:15 136:11 137:9,12 150:11,25 157:9,10 160:5,22 162:23 164:18 166:15 185:6 260:5 264:3 290:14,18	availed (1) 266:23 average (6) 90:7,20,24 141:6,7 286:12 Avni (2) 1:17 3:23 award (44) 6:9 14:11,15 21:9 43:18 45:8 54:13,18 57:18 58:2 121:5 122:2 124:3 144:5 171:16 176:12 207:16 208:13,15 208:18,25 209:10 209:14,15,21 219:7 227:14,24 228:9,22 233:13 234:17 242:6,7 246:12,23 246:24 262:23 263:3 264:10,11,19 264:25 285:4 awarded (3) 62:17 168:7 280:25 awarding (1) 22:3 awards (9) 6:13 24:18 43:17 58:4 58:21,25 208:22,24 289:18 aware (38) 25:12 64:18 65:8,15 73:4,22 75:3,18 76:11 77:25 78:6 79:12 96:8 131:19 132:3,9 138:21 175:17 211:12 229:6 238:21 239:4 239:5 242:9,12,14 244:20 266:21 268:5,15,16,20,23 270:13 272:17,18 277:23 287:3 awareness (2) 48:25 286:5 <hr/> B <hr/> B (4) 1:12 4:21 97:16 278:15 Bachelor's (1) 279:10 back (26) 5:11 26:24 45:21 48:16 55:22 59:6,13 73:7 75:8 87:3	98:20 134:22 141:14 154:9 170:24 179:25 187:15 201:21 205:5 224:15 225:25 226:20 254:19 260:8 283:11 284:15 back-and-forth (2) 177:3 250:20 backfill (1) 93:6 background (9) 4:5 33:19 80:19 115:2 117:6 217:23 279:6 279:9 285:14 backup (1) 178:7 backward (1) 175:14 bad (5) 183:23 224:21 264:7 273:6 283:12 Baker (1) 2:12 balance (1) 183:2 ball (2) 90:22 119:20 Bank (2) 100:14,14 bar (1) 183:24 Barring (1) 110:3 base (7) 10:13 50:3 154:7 158:5 208:13,21 246:23 based (44) 7:7 10:14 15:19 17:6 26:5 27:18 29:4 35:3,5 39:18 43:19 59:20 61:16 82:4,19 105:24 128:2 131:13 137:16 139:2 149:18 151:7 152:5 156:2 158:8 159:12,20 164:24 170:3 177:18 183:7 185:2,10 194:2 205:21 208:15,19 216:16 221:4 222:14 224:23 236:16 246:24 288:6
--	---	---	---	---

baseless (3) 59:19 60:4,19	196:15 207:11 233:18 234:2	bigger (2) 242:6 246:3	279:12	27:16,17,19 97:15,25
basement (3) 148:17 159:8 160:2	243:13 247:9,18 251:11 268:3	biggest (1) 248:9	blue (1) 177:11	98:1,2,11,12,13,16 98:24 99:1 100:1,12 101:1 102:1 103:1 104:1 105:1 106:1 107:1 108:1 109:1 110:1 111:1 112:1,5 293:17
basically (7) 14:3 106:8 126:16 206:8 229:5 244:14 289:16	272:16 273:2 280:21 281:16 282:21 284:7 286:8 288:9 289:24	Biggins (1) 15:3	board (32) 21:6,8,9,17,18,20,25 22:2 119:10 121:10 121:11,13 122:6 123:15,20 124:15 124:25 125:2,5,5,8 125:10 127:20,21 127:22 141:8 146:9 167:24 192:25 193:18,21 264:16	bracket (1) 54:3
basis (11) 21:20 58:2 91:24 133:3 134:6 171:12 197:6 219:9,12 272:15 290:3	believed (1) 190:11	bill (54) 31:4,21 203:21,21 211:22,24 212:17 213:4,12,14,19 214:14 215:2 219:2 219:3 224:18 237:2 244:24 245:2,22 246:22 250:5,7 251:14,21 252:5 258:24 260:9 276:25 281:7,21 282:3,8,16,23 283:19,21 284:4,5 285:23 286:6,17 287:7,9,12,18,22 288:5,9,13,14,16,18 288:22	board's (1) 193:12	brand-new (1) 60:15
Bates (2) 222:23,24	believes (1) 153:3	billion (3) 21:14 194:2,4	body (1) 178:2	Branding (1) 103:8
batteries (1) 214:5	benefit (53) 4:24 13:25 14:2,6,9 14:13,18 15:18,21 43:2,9,10,12 54:11 56:23 57:2,7 121:4 123:24 125:18,20 190:20,22 192:5 199:15 209:12 225:15 233:19 234:10 238:20 245:25 252:16,16 252:21 254:21,22 255:10,13,14 257:11 262:9,9,13 262:16,24,25 263:7 263:11 264:17,18 265:19 282:18 286:7	bills (3) 282:13 286:18,22	Boeing (2) 99:5 100:13	Brandon (2) 31:16 293:24
BDO (13) 119:14,19 120:23 122:15,17 130:16 140:13 142:20 143:4,21 145:18 186:25 187:8	benefitted (1) 191:6	binder (19) 53:3,9 55:5 68:25 69:5 138:11 144:22 145:5 169:8,18 184:24 204:21 205:15 215:12 217:13 250:16 294:7,11,15	bold (1) 222:22	Brandywine (1) 204:18
BDO's (3) 119:22 120:5 140:5	benefiting (1) 286:2	bits (33) 18:13 22:12 32:2 48:12 49:13 52:5 60:11 81:21 83:14 91:13 93:21 130:10 139:23 145:14 150:5 154:15 155:8 159:3 176:21 183:18 188:13 189:24 200:14,18 202:18 224:5,6 227:17 228:12 244:14 271:22 279:7 281:8	bona (14) 11:25 12:7 13:12 22:10 136:5 137:12 138:6 162:7,19 163:10 166:15 185:5 260:4 264:2	break (9) 112:13 155:13 159:12 159:14 187:11,15 222:11 225:3 244:12
BDOs (2) 115:15 140:11	benefits (6) 54:2 236:21 242:4 243:9 253:21 286:8	billions (3) 282:13 286:18,22	bond (3) 33:24 36:15 53:24	breaks (2) 20:15 31:25
bears (1) 131:6	best (10) 84:18 90:18 92:15 106:10 111:23 133:19 134:15 183:2 190:22 285:11	binders (19) 53:3,9 55:5 68:25 69:5 138:11 144:22 145:5 169:8,18 184:24 204:21 205:15 215:12 217:13 250:16 294:7,11,15	bones (1) 208:5	brevity (1) 219:10
beautiful (1) 231:15	better (13) 7:14 115:16 116:7 132:15 168:22 182:21 246:21 278:25 286:10 288:5,22,23,25	bits (33) 18:13 22:12 32:2 48:12 49:13 52:5 60:11 81:21 83:14 91:13 93:21 130:10 139:23 145:14 150:5 154:15 155:8 159:3 176:21 183:18 188:13 189:24 200:14,18 202:18 224:5,6 227:17 228:12 244:14 271:22 279:7 281:8	bonus (3) 208:21 248:5 249:15	bricks (1) 219:18
beginning (9) 7:9 102:20 103:11 115:12 119:15 250:9 269:12 271:6 290:22	best (10) 84:18 90:18 92:15 106:10 111:23 133:19 134:15 183:2 190:22 285:11	bits (33) 18:13 22:12 32:2 48:12 49:13 52:5 60:11 81:21 83:14 91:13 93:21 130:10 139:23 145:14 150:5 154:15 155:8 159:3 176:21 183:18 188:13 189:24 200:14,18 202:18 224:5,6 227:17 228:12 244:14 271:22 279:7 281:8	bonuses (5) 208:14 246:23 247:20 247:22 248:9	brief (4) 32:24 118:18 136:22 191:10
begins (3) 103:15 119:4 177:6	beyond (2) 5:19 9:3	black (2) 177:11 183:24	book (1) 222:17	briefly (3) 37:6 54:22 222:4
begun (1) 63:6	bias (1) 99:24	blight (2) 194:20 199:2	boon (3) 203:24 204:2,2	bring (4) 28:14 195:2,9,12
behalf (5) 52:17 65:7 74:6 115:18 285:22	big (4) 103:8 104:3 163:4 242:2	block (1) 164:17	BORCHARDT (5) 1:19 97:20 111:17 112:5 293:17	broad (2) 25:9 64:22
behavior (3) 198:5 199:25 228:19		Bloustein (1)	bottom (2) 122:3,8	broadened (1) 227:11
belabor (1) 290:11			boundaries (1) 249:18	broader (3) 28:13 204:9 283:15
belief (4) 36:9 61:8 64:5 246:18			box (2) 199:14 205:4	broadest (1) 287:23
believe (30) 4:20 13:16 29:22,23 49:10 68:7 77:4 88:10 127:22 150:2 187:2 190:11			Boyd (29)	broadly (1) 25:18
				broke (1) 23:3
				broker (5) 108:6 110:11 172:5,6 173:2
				brought (3) 26:16 30:5 52:9
				Brown (2) 196:23 268:21
				bubble (1)

205:16	192:14 193:8 195:2	209:20 210:11,11	68:9,20 75:15 77:6	115:16 122:21
Buckelew (4)	235:5 259:23	210:14,17 219:6	77:12 79:19 93:23	123:6 124:15
142:12 146:10 149:6	businesspeople (1)	228:23 229:22	100:11 119:20	125:24 127:9,12,13
152:20	183:13	231:10,13 232:16	174:16 175:21	192:16 217:4
budget (3)	buying (2)	234:5 236:13,17	179:6 232:3 273:17	227:20 235:18
31:16 280:8 286:24	110:18 228:5	237:14 238:14	292:14	243:7 244:15 281:6
build (2)	<hr/>	239:12 252:22	cases (3)	certainly (4)
209:2 231:15	C	254:2 256:25 257:8	18:24 19:18 187:8	197:6 202:20 256:10
build-out (2)	c (7)	257:9 258:18	cash (1)	290:17
41:13 165:25	3:1 46:4,4 278:15,15	259:23,25 260:8,14	182:25	certification (13)
build-to-suit (1)	292:2,2	260:19,24 263:5,11	casts (2)	122:2 132:24,25
41:6	calculate (1)	266:23 267:2 276:4	30:10 150:24	170:14,19 174:4,18
building (30)	253:6	276:15,23 277:24	catalytic (1)	175:2,14,19,23
101:17 109:13 112:16	calculated (1)	278:5,9	200:10	192:19 230:4
164:5 167:9,10	208:21	Camden-significant...	catch (1)	certified (7)
171:4 180:25 181:2	calculating (1)	276:14	220:7	2:14 17:11 27:6 34:12
182:7 206:3,9,22,24	219:7	Camden-specific (1)	catch-all (1)	169:16 170:8 292:3
207:3,6,9,15,18,19	calculation (5)	275:21	221:3	certify (4)
209:3,3,22,25 210:2	121:5 124:4 208:25	candid (1)	categories (3)	192:17 221:14 292:5
221:20 228:5 233:8	209:8 254:20	9:11	66:25 67:3 245:22	292:9
247:5,6	calculations (1)	cap (3)	category (1)	certifying (1)
buildings (2)	43:11	219:6 227:11 289:17	221:18	175:15
184:22 195:7	call (14)	capacity (3)	cause (2)	CFO (3)
bulkhead (5)	9:19 30:12 45:6 48:5	78:12 211:8 279:17	62:24 225:20	181:21,25 183:12
218:16,22 223:6,21	123:10 129:3,4	capital (22)	caused (1)	chain (2)
225:10	139:17 175:17	126:4,5 135:4 194:4	263:19	146:15 182:4
bullet (1)	180:3,4 242:25	205:23 208:19	caution (2)	chair (4)
72:17	244:23 245:3	209:13,15,15 218:5	8:16 24:11	3:13 32:7 113:21
bunch (4)	called (22)	219:5,8,12,15,15	caveat (2)	147:25
117:25 217:14 253:4	13:25 14:2 15:3 19:11	220:2 226:13 227:8	10:10,22	chairman (8)
285:11	19:20 23:11 25:17	227:12,20 249:9	CBA (2)	30:3 178:25 260:6
burden (1)	27:16 121:8 126:13	258:2	124:2 166:4	267:9 272:11
173:13	127:2 156:5 181:2	caps (3)	CCR (2)	276:21 278:22
burned (1)	181:17 204:18	242:4 285:4,5	1:24 292:21	289:10
201:22	207:12 208:9	captured (1)	CDOs (1)	challenge (1)
bus (1)	240:21 242:16	220:20	115:15	230:9
243:22	253:6 286:16	care (1)	Center (2)	challenges (2)
Bush (4)	287:20	255:5	31:16 119:18	193:10 289:21
173:6 177:7,14	calling (2)	career (3)	Center's (1)	challenging (1)
179:17	94:17 157:2	31:11 189:24 274:10	191:12	188:9
business (42)	calls (5)	careful (4)	cents (1)	chambers (1)
12:2 25:6 46:21 48:15	89:12 180:19 214:25	22:17,22 24:12 79:23	155:14	216:12
98:19,23,25 100:4	215:5,9	carefully (1)	CEO (18)	chances (1)
101:23 115:13	Camden (79)	21:6	30:15 169:15 170:8	288:25
119:13,13,18 120:2	12:12,18 13:6,18,21	Caren (1)	170:13,18 174:4,18	change (41)
120:14 126:4 131:7	14:8 17:5,10 21:3	196:22	175:2,14,16,18,22	43:11 44:21 156:11
136:8 137:18,19	21:13 44:6 126:18	Carolina (2)	176:12 182:2 183:6	156:16 159:2,13
140:5,6 141:8,17,22	135:19,19 138:23	39:14,23	183:9 196:5,19	161:2 163:22
165:19,23 166:16	139:7,12 145:10	carried (1)	CEOs (3)	174:10 175:22
166:20 195:10	146:17 167:4,6	98:22	192:16 196:21,22	176:15,16 191:15
198:9 206:13 231:5	171:3 181:2 184:13	carry (1)	CEPA (1)	199:25 200:2
232:8,10,11 241:9	186:5 191:22,25	3:13	64:3	216:23,25 217:3,7
241:24 243:18	194:24 195:2	case (27)	certain (27)	218:9 226:6 227:8,9
245:6,12 259:8	202:21,24 203:4,9	19:10,20 20:2 25:23	5:15 8:7 31:4 37:15	228:19 234:2 236:4
businesses (8)	205:21 207:12	26:2,16,20 35:19	38:17 45:7 57:16,25	236:6,12,25 239:2
11:9 16:15 100:7	208:9,10,17,22,23	61:24 62:2,6 63:4	70:22 87:2,8 92:16	241:14,23 243:24

<p>244:21,23 245:2 246:17 247:12 248:18 266:20 272:9</p> <p>changed (6) 33:25 56:24 153:25 163:14 218:20 245:10</p> <p>changes (40) 30:25 31:12 133:3 134:14 159:16 164:25 174:9,17,24 175:5,16 176:10 200:15 203:21 211:20 212:18 213:14,19,21 215:2 216:18 217:4,11,14 222:20 223:15 224:8 226:12 231:21 258:24 281:20,23,24 283:14,17 284:8,8 284:10,19,25</p> <p>changing (1) 191:8</p> <p>channels (1) 265:4</p> <p>characteristics (2) 208:14,16</p> <p>characterized (1) 68:11</p> <p>charge (1) 198:11</p> <p>charged (2) 216:9 274:24</p> <p>charges (1) 198:11</p> <p>chart (7) 122:4 138:17 139:2 139:19 148:7 152:19 294:24</p> <p>Chase (1) 99:5</p> <p>check (3) 199:14 201:19,20</p> <p>Chen (64) 1:13 3:2,3 4:1 5:1 6:1 7:1 8:1 9:1,23 10:13 18:16 30:3 32:8,12 32:20 45:23 76:16 77:20,23 78:14,19 96:24 97:3,10,14 111:18,21 112:4,12 113:4 178:19 179:3 186:11,13,15 187:4 187:13,17,19 190:7</p>	<p>195:20 210:5,8 212:6 214:4 222:7,8 275:16,19 277:7 278:11,24 289:12 289:15 290:5,8 293:3,14,16,18,20 293:23,25</p> <p>Cherkas (2) 239:6,10</p> <p>Cherry (3) 146:15,16 170:25</p> <p>Chief (1) 190:18</p> <p>choice (5) 22:20 199:3 236:3 258:17,18</p> <p>choices (1) 235:25</p> <p>choose (1) 199:20</p> <p>choosing (3) 99:13 147:2 230:5</p> <p>Christie (2) 191:24 288:15</p> <p>Christine (1) 191:2</p> <p>Christmas (1) 197:7</p> <p>Circuit (1) 19:20</p> <p>circumstance (11) 21:16 137:25 138:2 175:4,24 176:3 180:16 186:7 227:25 228:3 232:21</p> <p>circumstances (8) 128:15 129:2 162:9 164:25 185:3,10 206:13 207:2</p> <p>cities (10) 191:19,25 194:16 200:13 202:21 207:15 245:21 275:25 276:16 277:22</p> <p>city (38) 13:7 14:8 40:9 82:21 83:21,25 93:25 135:19 149:7,11 191:22 192:2,5,6 194:25 202:22 208:8 209:20 210:17 229:21,22 232:18,20 234:6 237:15,16 238:14</p>	<p>252:21 254:23 256:25 259:24 263:4 267:3 276:8 277:22,23,24 278:4</p> <p>Civil (1) 49:16</p> <p>claim (8) 35:24 36:3 51:4 52:7 52:13 60:9 61:2 219:9</p> <p>Claimant (1) 52:5</p> <p>claimed (2) 22:15 40:5</p> <p>claims (23) 10:17 26:20 29:20 35:6 50:12 52:12,16 54:22 59:5,16,17,18 59:23 60:18,19 61:10,13,25 64:12 67:5 69:17 73:3 80:2</p> <p>clarification (1) 226:21</p> <p>clarified (2) 209:17 222:11</p> <p>clarify (4) 94:11 214:12 222:10 222:14</p> <p>class (2) 131:24 187:14</p> <p>classify (1) 119:7</p> <p>clear (33) 11:21 14:12 16:13,14 17:6 25:5 28:17 52:11 57:20 68:14 74:14 76:3 77:14,21 87:13 91:23 96:25 101:3 106:20 107:20 117:11 132:10 134:12 135:2 157:24 160:12 161:15 165:14 170:13 211:18 212:12 215:23 267:7</p> <p>clearly (5) 20:4 21:23 223:7 224:19 273:24</p> <p>client (5) 104:20 109:21,24 111:22 225:16</p> <p>clients (5) 31:19 99:4 100:13 110:11 111:8</p>	<p>climate (1) 100:5</p> <p>close (4) 188:13 203:5 211:15 253:12</p> <p>closed (3) 232:25 233:8,9</p> <p>closed-door (3) 123:8,11 124:20</p> <p>closely (2) 193:16 254:17</p> <p>closer (2) 173:20,21</p> <p>closing (2) 32:5 121:18</p> <p>CLR (2) 1:24 292:21</p> <p>code (4) 19:7 199:9,10,18</p> <p>cold (1) 94:17</p> <p>Cole (53) 26:13,15,17,18 27:2,6 27:12 29:16 46:1,2 46:9,14,15 47:1 48:1 49:1 50:1 51:1 52:1 53:1 54:1 55:1 56:1 57:1 58:1,11 59:1 60:1 61:1 62:1 63:1 64:1 65:1 66:1 67:1 68:1 69:1 70:1 71:1,9 72:1 73:1 74:1 75:1 76:1 77:1 78:1,17 269:15,16 274:24 293:12 294:19</p> <p>Cole's (1) 26:15</p> <p>Colin (9) 215:17,18 216:5,9 224:15,19 244:7 250:21 251:9</p> <p>Colin's (1) 216:7</p> <p>colleague (4) 25:22 45:22 188:7 227:15</p> <p>colleagues (9) 47:25 48:7 61:9 80:5 173:17 195:25 214:7,9 267:5</p> <p>collect (1) 19:12</p> <p>collectively (1) 120:24</p> <p>collects (1)</p>	<p>20:12</p> <p>college (2) 98:18 279:11</p> <p>colloquial (1) 243:5</p> <p>colloquialisms (1) 266:2</p> <p>color (2) 177:10 223:7</p> <p>colorblind (1) 223:9</p> <p>come (11) 5:11 61:25 78:8 134:14 136:20 154:9 195:20 209:24 224:14 225:25 267:3</p> <p>comes (2) 12:10 146:24</p> <p>comfortable (2) 140:8 284:2</p> <p>coming (5) 10:3 76:14 87:3 142:3 259:25</p> <p>commence (1) 120:16</p> <p>commenting (1) 284:17</p> <p>comments (5) 7:17 116:9 202:20 286:21 291:4</p> <p>commercial (4) 105:5 115:2 147:19 195:7</p> <p>commission (3) 3:14 49:17 99:22</p> <p>commitment (1) 201:16</p> <p>committed (3) 20:16 42:8,13</p> <p>committee (9) 34:10 124:9,12,17,21 125:4,7 193:11,18</p> <p>common (4) 104:12 114:2,3 147:12</p> <p>commonly (1) 285:11</p> <p>communicated (1) 224:15</p> <p>communication (1) 224:16</p> <p>communications (3) 72:21 103:7 196:16</p> <p>communities (5) 191:6 194:19 195:3</p>
---	--	---	---	--

195:17 203:9 community (7) 105:3 115:14 198:15 198:24,25 241:4 279:13 companies (74) 4:15,18 5:3,9,14 6:7 6:11,14 7:6,10 11:18 15:11 18:21 20:14,25,25 22:14 23:22 25:5 26:8 27:20 37:2 38:4 39:24 43:16 44:15 99:17 100:12,15,16 100:17 101:15,20 102:7 107:2,23 108:3,7 109:8,11,15 135:7,9 138:18,20 138:21 139:5,20 144:14 146:12 147:5,21 148:14 150:16 151:12 161:16 164:3,4 203:12 205:20 219:19 247:4,5 248:13 254:21 257:17 258:12,24 261:24 273:20 285:16,25 291:6 294:25 company (149) 4:23 5:24 6:3,9 10:22 12:5 15:3,4 16:4 17:13,18 20:24 22:7 22:9 23:25 25:6 27:16,17 29:21 37:20 38:10,19,22 39:5,12,22 40:12 41:5,12,16 42:7,12 42:16 43:3,5,25 44:4,12,16 79:16 81:4,18 82:11,15,17 82:19 83:15,25 84:9 84:12,21,25 85:10 86:8,10,21,24 87:24 88:9,11,14,17 89:2 89:13,18,19 90:12 90:23 91:24 94:9,20 95:25 96:9,17,18 98:12,14,17 99:13 99:15,20,25 100:12 102:21 103:2,16 105:6,17 106:3,18 107:7,8,9,14,14,16 108:11,13,14,18,21 109:2,4 110:5,12,17	110:22 111:3,7,12 111:13 127:15 131:6 137:6 138:3 139:11 144:10 146:15,17 165:20 167:12,13 171:13 179:12,23 180:5,14 185:16 186:3 198:22 199:5,20 207:4 209:2,5 219:5 233:20 238:24 242:10,16,20 243:9 244:21 246:21 249:2 263:22 266:22 285:20 286:4 company's (12) 41:4 42:10,14 54:12 54:17 84:17 87:21 98:25 100:5 105:22 152:2 171:16 comparable (3) 16:7 37:13 38:15 compared (1) 59:22 compensation (1) 201:9 competent (1) 104:7 competing (3) 37:12,24 198:7 competition (1) 169:5 competitive (1) 171:15 competitor (1) 179:12 complained (1) 55:17 complaining (1) 45:11 complaint (31) 32:25 34:19 35:14 50:2,6 51:10 52:3 52:24 53:10,15 55:4 55:7 59:4,8 63:9 67:25 68:4,15,16 76:20 79:13 267:15 267:17 268:6,9,10 268:12 270:14 272:22 294:8,10 complaints (2) 52:21 60:13 complete (14) 4:23 41:12 96:15 120:11,18 122:18	134:2 139:3 141:17 143:13,19 166:5 194:7 273:10 completed (1) 221:13 completely (5) 146:25 253:7 260:19 274:15 285:5 completes (3) 117:7 121:3,7 completion (2) 119:22 121:4 complex (3) 101:17 140:2 192:10 compliance (6) 4:4,21 5:2,17 132:22 192:22 complicated (6) 29:5 195:14 253:15 265:23 266:6,7 comply (1) 192:23 comptroller (17) 26:23 27:9 65:16 66:17,24 68:21 72:12 73:23 74:20 74:23 77:3 269:7,10 269:17,23 270:15 270:25 comptroller's (12) 66:8 68:4 70:4,23 71:14,22 73:20 74:9 74:12 75:6,12 193:25 comptrollers (1) 66:14 conceal (1) 19:23 concept (1) 175:20 concern (12) 5:10 23:24 129:14 132:6 145:25 161:23 162:12 163:21 185:11 225:20 256:6,9 concerned (1) 255:4 concerning (6) 17:4 24:18 29:9 73:3 179:11 250:25 concerns (10) 7:8 38:3 39:7 124:23 163:15 164:9,15 185:9 284:21,22 conclude (3)	6:2 31:7 290:12 concluded (2) 36:7 42:12 concludes (1) 45:18 conclusion (3) 56:11 58:6 194:11 conclusions (5) 10:13 23:2 29:9 30:6 79:19 concurrent (2) 49:10 63:3 conditionally (1) 288:16 conditions (1) 227:21 conduct (13) 3:14 6:12 39:15 58:12 58:16 59:9 61:13 64:11 65:17 66:15 267:25 280:14 290:21 conducted (4) 59:14 61:5,17 280:17 conference (2) 66:17,20 conferences (1) 214:18 conferred (1) 281:18 confidential (11) 10:14 26:6 100:8 123:24 124:2 127:2 127:17,19 128:2,7 169:24 confidentiality (1) 100:7 configuration (6) 110:2 156:16 159:13 159:17 161:2 163:14 configured (2) 157:11 159:7 confirm (3) 47:24 119:24 281:13 confirmed (1) 128:13 confirming (1) 70:22 conformed (1) 193:4 confronted (1) 44:11 conjunction (1) 252:18 connection (17)	20:4 33:10 35:10 36:6 37:22 48:22 63:10 75:9 79:18 83:16,19 83:24 87:7,8 91:5 211:20 254:16 Connor (14) 142:12,25 143:23 146:10 149:6 150:16 152:20 153:3 154:12 155:2 156:6 163:20 172:6 258:9 Conscientious (2) 35:4 36:4 consequences (3) 263:22 264:4,13 conduct (9) 22:18 108:11,15 111:9 197:15,16 261:24 282:20 283:12 considerable (1) 21:12 considerably (1) 288:13 consideration (2) 126:2 212:5 considerations (2) 28:23 54:12 considered (6) 19:24 110:6 125:4 274:4,18 287:14 considering (21) 11:23 13:20 15:12 17:12 30:24 105:14 107:16 109:5 111:13 144:11 146:10 149:7 172:11 183:20 260:17 263:21 266:15 285:20 286:3,10 289:20 consistent (2) 130:6 223:4 consistently (1) 132:7 consisting (1) 120:12 consists (1) 33:16 consolidation (1) 170:24 constantly (3) 100:4 115:22 192:11 Constitutionally (1) 243:12
---	---	--	--	---

constructed (4) 206:3,22 247:25 248:15	77:16	29:24 47:3,21 48:11	cost (20) 37:4 43:4,6 44:25 202:3 205:25 206:2 206:22 207:6,9 209:3,21,23,24 210:2,3 219:12,18 221:17 229:9	27:11 45:15 51:16 72:12 77:5 105:4,21 107:3 128:22 242:22
construction (11) 41:7 53:24 206:9 207:9,17 218:17 219:22 221:11,20 226:25 287:7	contributing (1) 287:21	49:4 50:11,25 51:9 51:17,21 52:14 57:4 58:5 61:7 65:18,19 66:2 67:6 68:2 73:11 74:13 76:25 80:10,11,14 83:17 87:11,12 88:7 90:11 92:4,13,17 93:14 95:3 96:7,19 97:9 107:24 108:8,16,19 108:24 109:13,18 117:15,21,22 122:9 128:14 130:24 131:8 133:15 135:5 137:15 139:13 140:19,23 145:16 147:7,8 148:8,17,21 149:2 150:12 152:3 152:22 153:24 154:4,8,17 155:7,15 155:16 158:7 159:11,18 160:6 162:20 164:19 166:3 169:17 170:5 170:12 177:21 178:6 180:11,12 182:8,19 183:15 186:21 202:22,23 204:12 206:15 218:9 220:12,15 229:25 232:14,19 233:24 234:10 235:16,23 240:3 246:13,15 248:3,4 249:22 253:10,25 260:11 261:4 263:17 266:11,12 275:14 276:3,10,15 276:19 277:14 281:13	cost/benefit (5) 43:2 121:6 123:25 126:13 173:12	court (11) 2:14 19:9,12,14 20:3 20:5,9 34:23 51:5 67:25 292:3
consultant (8) 14:20 99:20,21 100:4 144:15,17 151:10 164:3	controls (1) 63:7	COO (2) 266:8 273:7	costs (43) 42:25 54:2,4,11 101:23 102:12,13 102:14 103:25 166:2 171:9,14 194:13 206:10 207:10,10,10,17 218:7 219:9,16,20 219:21,22,23,23,24 220:2,6,7 221:11,13 221:15,16 223:20 223:21 225:10 227:10 231:17 233:2,12 253:22 255:8	Courtroom (1) 2:12
consultants (1) 99:18	conveniently (1) 290:18	Cooper (16) 142:17 146:8 165:12 166:23 167:3 168:7 170:23 172:2 173:13 179:17 180:22 181:21 182:7 183:18,25 184:20	cover (5) 53:14 126:24 172:15 173:8 215:13	coverage (1) 157:10
consulted (1) 192:7	conversations (1) 275:3	Cooper's (1) 181:18	covered (2) 67:24 190:4	CPA (2) 221:14,15
consulting (1) 220:25	conviction (1) 20:6	cooperate (2) 6:14,18	crafting (1) 282:13	crazy (1) 197:8
Cont'd (1) 294:2	COO (2) 266:8 273:7	cooperating (1) 7:13	create (7) 44:3 84:21,25 85:22 109:3 135:3 190:12	created (11) 15:24 30:19,21 31:21 43:20,21 89:14 94:19 165:24 204:15,17
contact (4) 85:14,16 119:15,19	Cooper (16) 142:17 146:8 165:12 166:23 167:3 168:7 170:23 172:2 173:13 179:17 180:22 181:21 182:7 183:18,25 184:20	cooperation (5) 4:11,23 9:7 76:13 114:18	creating (3) 16:8 201:8 282:23	creation (1) 200:22
contacted (1) 4:12	Cooper's (1) 181:18	cooperative (1) 114:12	credibility (2) 30:10 273:8	credit (26) 14:25 22:3 42:17 87:5 91:6 96:9,17 114:24 115:3,5 191:23 199:15,16 200:8 205:22,22 206:11 206:12 207:14,16 208:6,7 210:10 262:22 263:11 276:12
contacting (1) 86:2	cooperate (2) 6:14,18	copied (1) 251:9	count (13) 14:14 64:3 94:2 229:8 229:12,13 231:17 234:10,16 239:24 254:19 255:8,10	credits (27) 13:9,13 20:7,9 21:4 21:10 55:19 62:16 84:7 88:2,6 171:14 194:2,6 199:11,11 199:12,13,17,18 205:25 206:15,21 207:5 232:13 246:10 253:22
contained (4) 91:17 127:25 128:12 140:16	cooperating (1) 7:13	copy (1) 74:4	counties (1) 198:3	
containing (2) 53:10 294:7	cooperation (5) 4:11,23 9:7 76:13 114:18	corner (1) 53:22	counting (1) 234:24	
contemporaneous (1) 165:20	cooperative (1) 114:12	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	country (3) 98:21 194:18 285:12	
content (2) 215:6 283:21	copied (1) 251:9	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	counts (1) 236:13	
contents (1) 71:24	copy (1) 74:4	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	County (1) 34:24	
context (14) 19:10 25:9 34:11 112:7 178:17 205:3 208:12 214:23 217:23 219:2 257:8 257:9 264:12 281:8	corner (1) 53:22	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	couple (18) 10:5 11:2 54:21 55:22 65:14 76:19 115:23 141:4 155:24 159:20 184:5 189:5 196:2 197:24 198:13 206:4 214:15 251:22	
contexts (1) 116:25	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	course (10)	
contiguous (2) 109:17,19	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		
continue (2) 94:19 96:2	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		
continued (3) 78:22 187:21 289:23	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		
contracts (1) 41:7	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		
contractual (1) 6:19	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		
contrary (1)	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11	corporate (16) 4:3 27:17 99:6,8,9,11 99:17 101:2 117:18 198:9 199:25 200:2 235:4 280:24 285:3 286:11		

crime (2) 19:2 20:17 criminal (4) 18:6,17,21 19:24 crisis (2) 274:5,12 crisp (2) 129:10 264:22 crisper (1) 229:15 criteria (1) 120:3 critical (4) 7:15 10:3,15 100:5 culminate (1) 5:14 curious (1) 255:4 current (4) 10:24 46:18 93:17 134:16 currently (4) 46:15 80:22 122:17 123:13 cut (1) 253:17	15:4 71:8,16 152:21 183:17 294:18 dates (2) 281:11,22 Dave (3) 181:13,16 182:6 David (14) 1:24 2:14 26:17 28:2 30:14 33:8 50:3 113:8,25 114:21 267:14 292:3,21 293:19 day (22) 8:15 10:12 24:8 26:14 32:19,23 35:12 47:21 95:12 157:15 158:24 172:25 174:4,7 230:22 249:13 253:20 271:24 272:23 290:12,16 292:16 day-to-day (1) 192:12 days (9) 35:21 51:16 158:11 158:12,16 168:2 176:25 184:5 284:11 deadline (2) 88:9,11 deal (11) 120:24,25 121:2 126:10 183:2 239:16,18 254:2,5 286:9,18 dealing (1) 283:3 debatable (1) 200:6 debt (1) 53:25 December (8) 153:13 167:23 170:15 171:24 172:4,23 176:23 177:24 decide (2) 62:8 75:25 decided (4) 8:6 42:3 229:23 232:15 decides (1) 102:21 deciding (1) 37:18 decision (23) 4:14 27:25 61:22	100:9 101:15 146:20 171:17 186:4 198:20 199:7 229:19,24,25 231:5 232:11,12 233:4 235:5,9 259:8 263:4 274:3 289:25 decisions (5) 27:22 99:15 103:9 200:2 235:4 declined (1) 138:9 dedication (1) 9:16 deem (2) 137:23 139:16 deemed (1) 122:18 deep (2) 127:9 140:22 deeper (1) 5:7 defend (1) 231:22 defendant (2) 51:24 77:12 defendants (2) 20:6 51:13 defers (1) 123:7 define (2) 176:15 207:8 defined (5) 219:21 220:23 227:11 254:2,6 defining (1) 209:25 definitely (1) 282:24 definition (8) 220:4 221:16 226:12 234:4 240:17,21 243:16 247:19 defraud (1) 19:4 Degnan (1) 66:18 degree (4) 67:13,14 279:10,12 delay (1) 177:15 deliberations (1) 107:10 delights (1) 113:5 Democrats (1)	191:4 demonstrate (5) 13:7 16:4 22:16 37:11 273:21 denies (1) 29:21 Denying (1) 53:23 department (33) 85:14,17 86:2,20 87:8 89:5,6,7,10,11,14 90:10 95:10 96:15 97:5,6,8 103:4,5,5,7 103:17 118:13 120:14,15 121:18 121:23 123:14 133:24 161:12 175:12 190:16 259:3 department's (1) 89:8 departments (3) 91:19 92:7 119:8 departure (1) 196:14 depend (1) 207:8 depending (8) 6:5 165:18 202:16 208:13,14 216:23 253:2 255:15 depends (2) 129:19 164:22 deposed (9) 26:16,18 35:16 51:16 77:3,11 268:21,24 270:23 deposition (1) 42:19 depositions (1) 35:17 depressed (1) 245:21 depriving (1) 18:22 deputy (1) 121:19 DEREK (1) 1:19 describe (15) 9:19 26:10 28:18 37:6 116:23 122:10 125:15 143:4,11 145:7 234:3 243:7 254:11 265:25 266:2	described (4) 33:15 67:10 235:2 264:15 describing (1) 267:6 description (3) 41:4 117:4 118:18 desert (2) 202:24 203:2 design (4) 3:15 7:24 219:18 279:4 designated (1) 193:15 designation (1) 265:17 designed (6) 135:3 200:10 202:14 202:17 252:17,23 desiring (1) 11:9 despite (2) 154:5 233:3 detail (3) 12:14 193:19 266:5 detailed (5) 5:16 31:3 74:24 117:7 192:15 details (3) 73:2 121:17 149:21 detained (1) 113:5 detect (1) 65:5 determination (1) 4:25 determine (8) 6:18 126:16 155:20 158:8 253:23 264:2 272:24 290:2 determined (8) 41:10 138:5 151:8,24 168:18 169:6 179:13 195:3 developer (4) 204:15,18 206:8,12 developers (1) 203:25 developing (1) 104:4 development (33) 1:5 3:7 34:25 36:10 64:6 81:9 114:9 115:14,14 119:13 119:13 120:14 140:5 141:8,18,22
--	--	--	--	---

145:10 146:11 190:10,14,16 191:18 207:10 243:16 244:17 245:6,11 246:6 280:11,22 283:4,8 285:14 developments (1) 132:20 devise (1) 19:4 devoted (1) 190:9 difference (6) 7:4 13:24 150:3 155:14 156:22 177:10 differences (3) 38:16 152:13 154:6 different (53) 10:19 17:16 24:11 39:12 61:2,2,25 63:7 75:2 100:19 103:14 109:8 110:9 110:12,22 111:7,13 116:24 129:22 149:15 156:12 157:19 172:5 174:13,13,14 186:23 194:9 196:21 197:11,19 198:8 212:12 213:15 222:17 223:4,7 226:3 228:14 240:25 250:15,25 253:2,4 256:5 257:16 258:11 259:15 260:19,20 261:20 265:15 266:24 differently (1) 107:3 differing (1) 17:2 digging (1) 7:11 diligence (10) 12:5 23:6 25:4 42:11 130:17 137:6 143:9 143:12,22 263:25 diligent (2) 9:8 104:7 dimensions (1) 38:17 direct (5) 53:3 74:19 220:8	285:22 291:5 directed (4) 42:24 44:20 65:16 219:22 direction (1) 26:24 directives (2) 33:11 93:17 directly (9) 23:2 60:20 75:5 112:15 196:19 219:16,25 282:16 285:21 director (4) 114:22,24 196:15 279:22 directors (1) 104:22 disagree (3) 225:6 231:22 237:4 disagreed (2) 31:13 225:11 disaster (2) 110:3 180:6 disclose (3) 10:4 73:19 269:16 disclosed (4) 10:7 73:2 270:14,25 disconnect (1) 257:4 discounted (1) 274:19 discoverable (1) 144:25 discovered (1) 264:24 discrete (1) 290:4 discriminate (2) 232:2 233:11 discriminated (1) 50:9 discrimination (15) 26:20 35:2,5,7 49:18 49:23 50:2,21 51:3 52:13 59:5 60:13,19 267:18,24 discuss (8) 59:7 73:16 106:4 115:6 122:21 123:11 134:7 194:10 discussed (9) 66:24 73:18 122:14 123:19 124:11 165:2 185:22	193:19 274:20 discussing (1) 242:23 discussion (4) 149:18 211:2 238:11 242:23 discussions (2) 70:14 118:6 disparity (2) 194:21,23 displayed (1) 217:6 disputes (1) 79:25 disqualify (2) 264:25 265:3 disqualifying (2) 16:11 229:24 dissuade (1) 234:23 distance (1) 120:8 distracted (2) 29:11 173:23 distressed (3) 194:16 195:3 201:11 distributed (1) 123:21 District (1) 249:20 dive (2) 127:9 140:22 dives (1) 117:12 division (4) 33:22,24 36:16 79:13 document (38) 53:7,12,19 56:12 58:7 66:25 69:3,4,7 93:18 103:24 121:10 126:23 127:16,18 138:14 145:19,22 172:10 172:16 183:17 184:2,8,19 186:3 204:11,12,14 206:18 213:6 223:12,17 224:11 226:22 250:15,18 252:9 294:15 documentation (8) 5:18 106:14 107:10 116:2 120:10,13 140:8 264:6 documents (20) 6:17 7:13 9:9 20:8	29:7 57:8 67:4,11 67:16 103:24 137:14 179:23,25 180:21 181:6 183:7 185:4 188:16 223:22 224:2 doing (15) 22:13,23 31:9 62:8 103:23 104:5 113:22 165:22 179:17 211:11 212:17 257:8 267:11 269:7,10 DOL (3) 86:11,14 87:16 dollars (7) 15:15 20:10 21:12,14 90:8 209:9 248:5 double (1) 231:13 doubt (2) 30:10 150:24 Doug (4) 181:10,20,24,25 downstream (1) 99:22 Dozens (1) 101:8 draft (19) 25:7 30:20,21,21 71:19 123:11 178:10 211:22,24 212:2,3 215:24 225:6 251:15,22 252:5 281:7,20 282:7 drafted (2) 71:22 121:17 drafting (5) 30:18 34:7 223:18 286:18 287:12 drafts (2) 123:23 215:25 dramatically (2) 264:19,20 draw (2) 30:6 79:19 drawing (1) 22:25 drawn (1) 106:6 driven (1) 235:14 driver (1) 262:17 drivers (3)	103:20 197:19 262:15 driving (1) 120:8 dropped (3) 153:21 155:5 156:6 dropping (1) 156:22 due (4) 19:23 42:11 79:24 283:23 duly (6) 46:5 79:3 97:16 113:11 188:3 278:16 duration (2) 158:20 161:25
E				
E (14) 1:12,12 3:1,1 46:4,4,4 79:2,2 113:2,2,11 292:2,2 e-mail (17) 106:15 129:4 172:15 173:5,8 177:6,13,22 178:2 181:10,13 182:17 184:4 185:22,23 215:13 251:8 e-mailed (1) 210:24 e-mails (1) 177:3 earlier (13) 48:15 59:3 70:17 134:13 182:4 184:6 223:23 226:5 238:25 272:20 277:11 286:2 290:3 earliest (1) 98:20 early (4) 18:8 35:16 79:22 94:23 earned (1) 91:19 easier (6) 86:4 95:11 116:16 132:15 148:2 211:16 easiest (1) 86:3 easy (1) 166:25 economic (47) 1:5 3:7 16:8 19:15				

31:22 34:25 36:10 64:5 70:8 81:9 114:8 190:10,13 191:24 192:4 194:21 205:2,17,19 207:23 208:3 209:19 210:16,19 210:23 231:11 240:23 246:20 247:3 248:9 252:17 252:24 253:6 254:11 262:12,16 262:17 277:19 279:4,19,20 280:7 280:10,22 281:10 283:4 285:14 economically (1) 246:4 economy (4) 20:16 195:16 200:5 200:15 EDA (171) 5:19 6:17 7:25 9:6 10:24 12:22 13:4,14 16:22 17:2 18:22 21:6,8,24 22:8 23:10 24:2,25 27:4 28:3,18 30:16,17 33:2,5,20 34:5,20 35:2,8,10,15 36:16 36:18 37:9,10,23 38:13 39:7 42:10,23 45:3,10,12,14 46:2 46:19 47:4,7 48:10 48:22 49:5,23 50:2 50:24 51:7,8,24 52:17,18,21 54:8 56:7 58:13,16,20 59:7,9 60:16 61:21 62:12,24 63:5,13 64:11,23 65:12,17 66:4 70:4,18 74:5 76:5 78:3 79:18 81:10,13,22 82:2 83:8,16 87:7,16,17 91:5 92:19 115:4,18 115:22 119:9 121:10,18,21 122:6 123:3,7,17 124:15 124:25 125:2,3,10 130:11 131:21 133:23 135:21,21 136:3,5,7,10,14 168:4 170:3 172:24 175:6 186:16 190:15,19,25 191:9	191:15,16 192:7,11 192:15,25 193:5,10 193:15,21 194:3,11 195:8 196:10 204:12 211:7,18 215:14 221:14 224:9 229:17 238:11 242:24 251:9 255:25 259:22 260:2 261:10,13,20 265:16 266:10,13 266:18 268:14,23 272:16,24 278:8 280:22 EDA's (15) 4:17 6:23 9:10 33:24 58:24 60:24 64:12 86:9 93:19 114:21 118:11 125:6 191:5 204:11 291:3 Edgar (3) 205:11,12,13 edit (1) 282:16 editing (2) 213:3 214:14 edits (2) 213:12 282:19 education (1) 280:9 educational (1) 279:9 Edward (1) 279:12 EEO (7) 49:6,14,22 52:7 59:15 59:22 60:13 EEOC (1) 267:15 effect (3) 20:11 21:18 73:5 effective (1) 247:25 effectively (2) 216:14 239:16 efficiency (1) 199:12 effort (4) 32:2 40:18 61:12 64:19 efforts (5) 9:12 65:2 191:12 195:15 242:15 eight (4) 35:21 185:14 200:13	207:15 eight-hour (1) 44:13 eighty (2) 84:15,18 either (19) 5:6 6:2 8:4 17:5 29:16 30:11 93:8 130:23 136:14 139:7 141:22 159:5 170:17 196:18 225:15 230:3 232:3 234:8 258:18 elect (1) 4:19 elected (2) 6:8 105:7 electronic (2) 216:22 223:12 eleven (2) 158:11,12 elicit (3) 8:20 9:20 256:4 elicited (1) 30:11 eligibility (8) 43:18 54:7,12,17 120:3 129:21 130:4 245:23 eligible (17) 5:4 6:7 129:23 207:17 210:2 219:5,9 220:2 220:6,9 221:15 227:10 234:11,20 246:2 276:18 277:2 eliminate (5) 17:14,19 21:4 139:12 260:18 eliminated (2) 95:22,23 elimination (2) 104:3,4 embedded (3) 199:9 208:8 277:3 embezzling (1) 19:16 emphasize (1) 33:17 emphasized (1) 10:2 employ (1) 44:5 employed (6) 80:22 81:4 83:2 94:19 287:24 292:11 employee (26)	28:3 33:2,5,20 35:4 36:4 59:21 60:3 62:3 79:17 81:14 86:22 92:3 93:3,4 93:24 94:8,13 101:12 209:9 234:4 234:13 240:14 267:14 269:25 292:12 employee's (2) 93:2 94:3 employees (48) 9:17 10:25 27:4 35:2 37:9 44:2,5,10 45:4 49:23 72:22,22 80:20 81:4 84:11,15 84:19 85:10 86:3,25 87:9,11,25 88:5,9 88:15,24 89:25 90:20,24 91:18 92:6 92:7,15,20 93:18 95:19,20 96:14 100:25 106:22 126:7 198:12 209:5 209:6 234:15 239:25 262:17 employer (9) 30:2 79:14,25 81:15 81:21 82:2 83:20 87:9,14 employer's (1) 80:4 employers (1) 194:7 employment (7) 49:7 50:3 80:19 93:18 93:24 125:25 126:6 employment-relate... 68:12,15,16 enacted (3) 190:24 192:9 193:6 encourage (2) 135:4 193:7 endeavored (1) 8:11 ended (2) 271:7,18 ends (1) 42:6 energy (1) 199:12 enforced (1) 16:15 enforcement (1) 18:6 enforcing (1)	16:17 engaged (2) 120:23 272:2 engineering (2) 218:7 220:23 engineers (1) 219:25 enjoy (2) 209:12 236:21 enormous (1) 194:22 ensure (12) 49:17 66:9 72:7 123:17 143:16,18 151:20 163:9 192:21 193:3,13 201:5 ensures (1) 121:23 ensuring (2) 34:17 66:14 entail (1) 81:2 entails (1) 122:23 entire (8) 77:9 95:4 120:22 168:4 192:25 194:25 209:2 273:7 entirely (1) 17:15 entities (2) 5:10 192:20 entity (6) 8:9 72:21 190:21 264:7 282:15,17 environmental (2) 218:13 283:6 environs (1) 112:16 envisions (1) 232:23 EO (1) 22:19 EOA (12) 13:5 215:6 280:16,18 280:20 281:14,17 283:3 287:8,22 288:4 289:16 EOH2013 (2) 214:24 215:24 equal (5) 49:6 198:23 206:2,21 209:23 Equally (1) 123:16
--	--	--	---	---

ERB (1) 210:18	195:14	116:1 117:1 118:1	87:1 88:1 89:1 90:1	40:22 180:13
Erin (1) 196:11	everybody (2) 28:8 232:7	119:1 120:1 121:1	91:1 92:1 93:1 94:1	exhaustive (1) 99:16
ERL (1) 6:9	everyone's (2) 79:24 205:3	122:1 123:1 124:1	95:1 96:1	exhibit (24) 32:14,15 53:8,9 55:3
error (1) 223:10	EVID (1) 294:3	125:1 126:1 127:1	examine (1) 9:14	55:4 63:18,19 69:3
especially (2) 79:23 194:15	evidence (25) 8:21 10:7,16 12:21	128:1 129:1 130:1	examined (8) 46:5 78:20 79:3 97:17	69:4 71:6,7 118:22
ESQ (8) 1:14,15,16,17,18,19	14:19 17:7 22:18	131:1 132:1 133:1	107:21 113:12	118:24 139:16,19
1:20,21	30:11 32:17 36:3,9	134:1 135:1 136:1	188:3 278:16	294:4,7,10,13,15,17
essential (1) 104:6	53:11 55:6 63:21	137:1 138:1 139:1	example (20) 19:19 43:23 60:22	294:21,24
essentially (16) 23:9 46:21 48:14	64:4 69:5 71:9	140:1 141:1 142:1	102:15 105:21	EXHIBITS (1) 294:3
49:15 93:12 117:17	107:14,22 119:2	143:1 144:1 145:1	109:17 130:21	exist (3) 99:25 105:6 151:21
121:8 125:21	139:21 160:24	146:1 147:1 148:1	131:9,25 133:7	existed (3) 151:19 160:13 288:5
152:11 169:15	161:4 264:24 291:4	149:1 150:1 151:1	137:20 138:6	existence (2) 42:2 269:16
170:10 182:5	evolved (1) 191:7	152:1 153:1 154:1	166:20 180:4	existing (5) 16:3,4 133:22 134:11
231:25 255:7	evolving (1) 115:22	155:1 156:1 157:1	191:19 202:11	190:24
257:10,12	exact (2) 164:5 226:7	158:1 159:1 160:1	214:18 221:8,19	exists (1) 216:24
established (1) 3:11	exactly (2) 279:25 281:6	161:1 162:1 163:1	247:4	expand (4) 41:17 245:23,23
estate (13) 99:23 105:3,14,22,24	examination (16) 3:15 46:7 76:17 77:22	164:1 165:1 166:1	examples (2) 38:7 54:21	284:5
108:6,7 110:11	79:5 97:2,19 111:20	167:1 168:1 169:1	exceed (3) 209:21,24 210:3	expanded (1) 192:4
114:25 147:19	113:14 186:14	170:1 171:1 172:1	exceeds (1) 207:5	expanding (1) 245:18
171:21 173:2	188:5 275:18 277:6	173:1 174:1 175:1	Excel (1) 91:16	expansion (3) 219:8 235:21,22
190:16	278:18 289:14	176:1 177:1 178:1	exception (8) 17:8,13 235:18,20	expansions (1) 235:24
estimate (1) 125:21	293:11	177:1 178:1 179:1	238:8 257:11	expect (9) 8:24 98:10 106:17,23
estimated (1) 171:10	examination/Borch... 98:1 99:1 100:1 101:1	179:1 180:1 181:1	265:22 276:24	107:4 112:8 185:23
estimation (1) 137:16	102:1 103:1 104:1	182:1 183:1 184:1	excess (1) 246:11	201:13 257:25
evade (1) 20:12	105:1 106:1 107:1	185:1 187:1 188:1	exchange (2) 219:4 250:14	expectation (2) 137:6 140:12
evaluate (1) 263:23	108:1 109:1 110:1	189:1 190:1 191:1	excluded (5) 54:5 57:17 58:3,8	expected (1) 146:12
evaluating (1) 232:10	examination/Chen (...) 78:1 97:1 111:1 112:1	192:1 193:1 194:1	235:15	expecting (1) 201:15
evaluation (1) 165:21	186:1 275:1 276:1	195:1 196:1 197:1	exclusively (1) 208:23	expects (2) 194:3,11
evasion (1) 19:15	277:1 278:1 289:1	198:1 199:1 200:1	excuse (3) 159:22 176:20 247:16	expensive (2) 126:18 171:11
evening (1) 291:11	examination/Levic... 46:1 47:1 48:1 49:1	201:1 202:1 203:1	excused (5) 78:18 97:13 112:11	experience (18) 24:24 79:16 87:21
event (2) 196:8 251:20	50:1 51:1 52:1 53:1	204:1 205:1 206:1	278:14 290:7	89:24 90:2 100:25
events (1) 174:22	54:1 55:1 56:1 57:1	207:1 208:1 209:1	executed (1) 120:12	109:20 134:21
eventually (3) 95:12 176:25 267:21	58:1 59:1 60:1 61:1	210:1 211:1 212:1	execution (1) 121:22	137:17 150:21
ever-changing (1)	62:1 63:1 64:1 65:1	213:1 214:1 215:1	Executive (3) 3:10 7:21 30:4	178:14 221:4
	66:1 67:1 68:1 69:1	216:1 217:1 218:1	executives (2) 77:11 270:22	224:24 234:22
	70:1 71:1 72:1 73:1	219:1 220:1 221:1	exempted (4) 175:18 254:12,14,20	250:6 262:22 279:6
	74:1 75:1 76:1	222:1 223:1 224:1	exercise (2)	
	examination/Patel (...) 279:1 280:1 281:1	225:1 226:1 227:1		
	282:1 283:1 284:1	228:1 229:1 230:1		
	285:1 286:1 287:1	231:1 232:1 233:1		
	288:1	234:1 235:1 236:1		
	examination/Walde... 77:1 114:1 115:1	237:1 238:1 239:1		
		240:1 241:1 242:1		
		243:1 244:1 245:1		
		246:1 247:1 248:1		
		249:1 250:1 251:1		
		252:1 253:1 254:1		
		255:1 256:1 257:1		
		258:1 259:1 260:1		
		261:1 262:1 263:1		
		264:1 265:1 266:1		
		267:1 268:1 269:1		
		270:1 271:1 272:1		
		273:1 274:1		
		examination/Winst... 79:1 80:1 81:1 82:1		
		83:1 84:1 85:1 86:1		

288:7 experienced (6) 31:7 89:20,20,21 117:4 259:2 experiences (1) 98:20 experiencing (1) 132:7 expert (6) 23:10 31:8 118:11 285:24 286:17 287:10 expertise (4) 4:4 282:12 288:2,6 experts (12) 279:3 282:13,22,25 283:2,5,6,6,7,8,22 287:15 expiration (2) 155:20 158:9 expired (8) 150:7,9,18 151:9 152:9 153:15 158:11 162:14 explain (23) 3:17 6:25 16:25 17:8 18:25 27:19 81:17 86:16 125:18 132:20 146:3 161:17 179:24 243:4 244:11 246:16 252:8,10,14 253:15 254:24 262:5 279:8 explained (3) 4:5 174:2 278:24 explaining (1) 148:10 explains (1) 229:17 explanation (8) 27:13 129:6 136:22 147:2 157:2 179:21 197:12 224:6 explanations (3) 179:24 180:10 185:17 explore (4) 12:14 181:6 189:6 290:17 exposure (1) 18:21 express (1) 124:23 extend (2) 151:15,18 extended (2)	108:13,23 extension (1) 157:3 extensions (1) 152:8 extent (4) 8:9 12:4 172:19 274:21 external (2) 37:8 45:3 extraordinarily (2) 265:23 266:7 eyebrow (1) 110:7 eyes (3) 168:22 182:21 183:23 <hr/> F <hr/> F (4) 1:12 46:4 113:2 292:2 fabricated (1) 40:16 face (2) 194:19 203:4 face-to-face (1) 98:3 faced (1) 193:9 facilities (6) 27:23 99:3 167:5 241:11 243:19 244:16 facility (10) 99:14 228:6 231:16 234:7 237:10,18 239:15 241:9 245:6 245:12 fact (23) 8:2 44:11 51:12 57:2 61:5 70:7 73:23 77:2,10 119:25 133:13 156:5 160:21 163:12,13 164:2 179:7 197:11 233:3 242:9 258:22 274:22 284:17 factfinding (2) 22:20 261:14 factor (11) 37:15 41:21 171:16 229:4 230:4,11 232:4 258:16,21 259:14 277:10 factoring (1) 171:8 factors (4)	100:5 102:17 104:24 229:4 facts (11) 5:16 7:11 8:14,25 118:7 147:13,15 161:9,10 166:10 176:13 factual (3) 22:24 23:17 147:11 failed (1) 41:23 failure (1) 6:18 fair (79) 7:21 51:22 52:23 56:11 57:6 58:6 70:10 76:22 77:8 78:7 101:14 102:18 106:10,16 128:10 130:20 135:2 137:12 138:13 139:5,10,25 140:11 141:10 142:2,9,11 143:8 144:4,7 149:5 149:10,19 150:6,14 151:7 152:4,11 154:12 157:14,18 158:15 159:22 160:3,16 167:3,12 167:19,22 168:6 169:9 175:5 176:23 180:20 183:16 184:11,18 185:15 189:2 200:21 203:7 203:25 204:14,17 210:4 211:25 213:2 213:20 214:22 221:22 227:17 229:20 235:17 240:22 260:6 267:20,22,23 277:25 fairly (3) 208:11,12 228:8 fairness (3) 7:7 30:7 147:5 faith (2) 4:21 5:18 faithful (1) 259:18 fall (1) 139:11 falls (2) 105:20 281:25 false (5) 18:3 19:5 20:8 44:24	264:6 falsified (3) 37:5 43:16 45:2 falsify (1) 36:19 familiar (12) 81:8,12 116:20 133:17 142:21 148:7 175:20 199:23 211:4 280:10 281:9 284:14 familiarize (1) 133:12 familiarized (1) 174:20 far (8) 5:8 116:13 132:24 146:20 194:12 199:10 211:8 247:3 far-reaching (1) 283:3 fare (2) 256:11,11 farther (1) 28:13 fast (1) 90:2 favor (3) 259:13 271:18,19 feasibility (2) 121:5 127:8 February (6) 15:4 65:20 155:3 158:24 161:6 193:25 federal (7) 18:24 19:2,18,25 67:5 97:8 212:9 federally-produced ... 253:5 fee (1) 120:13 feed (1) 173:18 feel (4) 123:14 129:24 130:3 190:5 feeling (1) 250:3 fees (2) 111:25 220:17 feet (22) 44:7 152:23 153:22 153:23 154:16 155:6,9 156:7	157:20,21,24 159:3 160:18 171:3 234:7 236:14,20,20,20 237:10 238:2 239:15 fell (1) 75:22 felt (2) 134:10,15 ferry (2) 181:18 243:23 fide (14) 11:25 12:8 13:12 22:10 136:5 137:12 138:6 162:7,19 163:10 166:15 185:5 260:4 264:2 field (5) 104:5,5,9 198:6 266:4 Fifteen (1) 169:11 fifty (5) 155:14 234:8 237:11 237:19 238:15 figure (8) 23:5 104:17 126:24 231:6,8,23 261:19 274:7 figures (3) 37:5 43:16 45:2 file (29) 29:4 118:18 130:13 140:9,14,16 145:18 151:8 152:5 156:3,4 156:15 157:6 158:19 159:21 160:21,25 161:4 171:22 172:14 179:6,10,16 180:17 180:18 185:12,19 199:13 229:9 filed (24) 24:9 34:19,22 35:13 50:2 51:4 52:13 53:16 55:5,8 59:4,8 67:24 79:13 144:8 145:15 152:9 166:25 178:16 179:18 267:15 268:6 274:13 294:10 files (9) 23:15 29:5,8 115:11 116:4 117:25 118:3 142:7,21 filing (1)
---	---	--	---	--

264:6	98:18,20 104:20	109:13,16,17,21,25	5:15 6:6 32:13,15	171:22 172:15
fill (2)	146:10,13 211:4	110:6 148:16 153:6	53:7,9 55:2,4 63:17	180:17,18 210:15
85:10 96:2	212:23 258:22,23	153:25 157:21	63:19 69:3,4 71:5,7	263:24 267:24
filled (2)	282:7 283:13	Florida (2)	107:6,22 114:13	founded (1)
91:24 92:2	firms (2)	102:14 198:11	115:7,19 116:9	98:19
filling (1)	98:22 112:2	flow (1)	118:21,24 139:19	four (11)
92:19	first (73)	182:25	190:7 294:3	22:14 28:25 44:8
film (1)	4:6 10:2,15 12:25	flux (1)	Force's (3)	100:25 101:4
54:3	16:10 20:20 24:8	192:11	32:24 33:7 45:18	106:22 141:11
final (6)	25:21 26:11,13 32:9	focus (10)	forces (1)	142:11 176:25
51:3 94:6,7 100:9	32:19,23 35:12 41:2	6:21 11:2 24:4 25:16	235:14	191:4 230:5
121:25 124:20	41:24 46:4 52:24	26:5 33:6 87:17	forego (1)	four-by-four (1)
finally (6)	63:25 72:14,15 73:7	191:17 200:22	286:8	230:11
20:2 31:15 44:23	73:8 79:3 81:19	213:24	foregoing (2)	frame (2)
121:7 124:25 125:2	83:10 84:8 97:16	focused (4)	218:4 292:5	25:20 117:16
finance (5)	99:19 110:12,15,16	32:3 58:24 183:12	foremost (1)	Franzini (1)
33:23 34:2 35:11	110:18,22 111:3,7	280:20	287:15	196:23
117:5 283:7	111:14 113:11	focusing (8)	forgive (1)	fraud (17)
financial (13)	122:11 133:18	28:8,10,12 163:13	100:18	18:25 19:7,8,14 20:6
48:18 73:5 74:7 82:18	142:24 144:24	183:13 184:25	form (2)	27:5 58:19 65:4,5
87:22 115:3 117:10	149:20 152:20	212:17 279:20	77:16 124:20	72:20,20 74:24
121:3,5 127:8,10,12	154:11 156:17	folded (1)	formal (7)	76:21 264:24
127:13	158:2 159:6,8 160:2	208:4	131:20,24 132:11,16	268:13 270:2 274:7
financially (2)	160:9,14 162:13	folks (2)	133:5,13 192:19	fraudulent (2)
282:18 292:14	163:4 181:4 188:2	105:22 242:10	format (1)	19:5,22
financing (1)	189:23 191:2 196:8	follow (5)	223:12	Fred (3)
191:6	197:13 204:6 206:6	8:25 25:23 76:9 134:3	former (20)	26:12 269:15 274:23
find (26)	215:11 217:18,21	265:9	10:24 27:4 29:25	Frederick (3)
8:21 30:8 39:16 85:10	217:23 218:24	follow-up (1)	30:15 33:2,5 72:22	46:2,14 293:12
93:2 108:7,10 109:8	227:7 228:15	214:15	79:14,25 80:3 81:14	free (3)
130:21,25 131:5,9	236:24 254:9	followed (2)	81:21 82:2 83:15,20	190:5 206:8 207:15
136:14 156:15	278:15 290:24	19:18 60:22	87:9,14 93:17 199:4	frequent (1)
158:18 160:20,24	firsthand (1)	following (4)	269:25	197:6
170:17 173:9	270:17	54:24 78:22 187:21	formulating (1)	frivolous (1)
179:15 180:7 181:8	fiscal (2)	218:5	116:11	59:24
209:18 230:10	16:8 289:21	follows (8)	forth (2)	front (3)
286:7,13	fit (1)	25:20 46:6 79:4 97:18	30:5 292:8	53:4 183:7 201:19
finding (10)	41:4	113:13 188:4	Fortune (2)	full (8)
7:20 10:16 36:6 51:3	five (14)	251:11 278:17	100:15,15	207:10 209:12,12
64:11 105:18	44:8 104:18 142:4,7	font (1)	forty (1)	237:11,24 238:2,3
263:14,15,20	174:7 187:14,16,17	223:4	156:6	271:7
264:17	201:12 208:4 233:9	food (4)	forward (5)	full-service (1)
findings (2)	236:19 246:22	90:2 202:24 203:2	10:4 28:15 51:2 65:14	234:9
118:7 287:4	279:16	237:18	79:20	full-time (6)
fine (6)	fixed (1)	foot (8)	forward-looking (1)	234:4,12,24 239:25
148:4 149:3 187:14	200:9	153:10 154:20 155:15	175:15	240:14 246:11
202:10 224:17	flagged (1)	155:17 158:6 239:3	forwarding (2)	fully (1)
239:9	217:14	239:22 240:6	181:12,13	114:12
finish (1)	flags (1)	footage (10)	Foster (4)	function (1)
221:12	128:13	44:9 148:16 150:3	181:14,16 182:6,18	103:18
fired (1)	floor (15)	153:9 154:5,6 155:6	found (22)	functions (2)
52:6	20:18 154:18 155:11	160:5,17 163:22	12:20 14:19 19:14,21	48:17 94:9
firing (2)	156:18 157:20,25	footing (1)	20:9 35:25 50:18	funding (4)
60:3 95:20	159:5,6,8,9,10	256:13	56:4 59:16 60:12	34:6,15 36:22 55:19
firm (14)	160:2,3,3,17	Force (30)	63:13 136:3 145:18	funds (1)
25:17 27:18 31:19	floors (10)	1:4 3:6,12,13 4:25	150:15 156:10	19:16

furniture (2) 39:22,24	234:14,23 235:3 278:4 282:22	175:6 177:25 183:4 190:2 199:10	245:3 250:13 251:3 253:16 256:15	grants (7) 18:3 36:13,19,21 43:17 64:8 191:5
further (22) 3:17 6:3 8:16 37:25 39:3 40:7,23 45:24 78:15 79:21 116:7 162:25 163:15 220:14 240:9 272:4 289:7 290:6,15 291:5 292:9,12	286:15 generate (2) 194:4,12 generated (4) 15:22 106:14 126:6 126:25 geographic (1) 103:21 geographical (1) 249:18 geographically (1) 250:8 geography (1) 102:14 George (1) 146:8 Georgia (2) 1:16 3:23 getting (12) 4:11 11:8 89:21 119:20 156:8 157:2 201:9 239:23 253:12,24 264:22 270:22 give (17) 8:13 23:18 25:25 29:8 55:11 93:16 104:23 105:19 110:18 116:25 118:18 136:21 188:19 202:10 203:12 217:23 245:3 given (10) 26:5 61:17 74:15 77:10 81:15,16 82:5 85:22 133:13 200:22 gives (3) 135:6 220:5 232:6 giving (3) 14:21 56:5 106:21 glasses (1) 233:16 glean (1) 146:19 go (44) 6:12 28:23 29:6 86:3 100:3 104:17 119:5 122:10 134:4,22 141:7 145:4 147:13 151:2 152:18 153:12 154:11,24 157:13 158:22 168:24 171:22	206:12 213:21 217:17 226:3 233:25 240:5,10 243:14 246:8 247:13 249:14 250:15 252:8 258:18,19 262:25 274:9 go-ahead (1) 81:16 goals (4) 3:18 282:23 288:11 289:2 God (1) 168:21 goes (7) 5:19 9:3 69:18 106:10 127:20 218:11,12 going (141) 10:18 11:6,16,21 12:3 12:4,13 13:2 15:5 17:14,19 18:11 22:11,13,21,24 23:7 23:9,16,18,20 25:10 25:11,16,19,19,21 25:24 26:7,9,12,22 27:12,15 28:16,17 28:21,22,25 29:6,8 29:25 30:15,19 31:2 31:11,15,17,24 53:3 54:25 63:16 69:2 71:4 72:16 80:18 83:12 84:9 87:17 107:25 108:2 112:7 113:22 118:20 126:3 130:9 131:17 134:21 138:10 139:11,16,17,22 140:12 142:10,24 144:24 146:5 147:9 147:13 148:25 150:5 151:3 154:9 165:7 166:19 167:8 176:20 183:10 189:8 202:8 203:15 203:17,20 204:12 205:5 210:22 211:2 212:2,14,15 213:21 213:21 214:2,4 216:17 217:5,9,17 218:2 219:4 226:4,5 226:6 231:2 232:16 234:3 239:8 240:19 242:3,25 243:14	258:10,20 259:12 259:24 260:18 261:18 265:12 269:3 270:18,23 273:17 274:7 280:16 283:11 Gold (2) 196:11,24 good (37) 3:2 4:21 5:18 46:9,11 79:7,8 97:21,22 99:21 100:4 112:12 113:16 118:16 119:8 122:4 126:10 134:15 148:6 158:11,12,16,20 197:16 224:21 225:22 229:7 244:16 253:24 254:2,5 278:20 287:22 288:10,18 290:4 291:11 Google (3) 39:17 143:13 145:2 goosing (1) 200:14 gotten (1) 228:24 governance (1) 196:15 governed (1) 34:15 government (7) 191:14 197:16 212:10 225:22 264:7 279:22 288:24 government's (1) 19:17 governor (13) 3:9 26:24 65:15 190:20,25 191:3,20 191:22,24 192:4,10 216:13 288:15 governor's (2) 215:22 216:15 governors (1) 191:3 gradually (1) 105:23 grant (13) 37:17,21 39:3 43:22 45:4 81:15,22 83:9 91:2,8 94:7 192:13 194:9	greater (7) 43:21 205:22,25 206:2,21 208:22 227:14 greatest (1) 193:9 Greiner (1) 146:13 grew (3) 98:19,23 283:19 grocery (15) 203:5,13 234:9 236:13,19 237:12 237:19,24 238:2,3 238:13 239:11,14 239:22 240:6 gross (1) 198:11 group (6) 23:11,13 94:18,18 95:4,20 grouped (1) 95:9 grow (54) 6:9 11:11 12:11 37:17 37:21 39:2 42:14 43:17,19 54:5 57:19 58:8 79:18 82:9 83:8,16 86:9 87:17 88:2,6 90:25 91:8 91:22,25 92:19 94:2 94:7 96:2,10,16 115:7,21 119:9,12 119:19,22,24 120:12 122:13 123:12 124:3 133:17,25 134:25 135:11 138:22 144:5 171:13 182:14 186:5 200:20,21 201:25 231:18 growth (19) 193:8 210:13,18 218:4 241:3,7 242:2
G				
G (2) 3:1 44:16				
gap (5) 153:19 157:7 161:5 163:2,4				
Garden (15) 149:11 210:13,18 218:4 241:6 243:18 245:14,19,20 249:17 266:24 276:2,17 277:12 278:2				
gateway (1) 102:6				
gather (1) 140:7				
gathered (1) 291:4				
gathering (2) 67:11 143:18				
gear (1) 271:7				
general (20) 64:25 65:12,13 67:18 116:25 117:3 136:4 143:5 170:7 175:13 212:6,8 234:19 254:17 255:22,24 256:13 261:9,12,22				
General's (6) 60:8 74:6 121:19 193:2,12,14				
generalization (1) 106:11				
generally (19) 66:7 72:5 87:21 89:24 129:2 131:15 136:17 137:21 141:3 167:9 196:18 197:24 207:20				

243:18 245:15,19 245:21 249:18 266:24 276:2,17,18 276:25 277:12 278:2 guess (8) 60:4,7,22 66:13 68:19 96:25 207:8 226:20 guidance (2) 60:10 261:8 guide (1) 29:3 guided (2) 193:2 209:4 guy (3) 197:17 225:22 259:2 guy's (1) 273:15	happens (2) 129:15 132:5 happy (3) 105:25 189:22 197:7 Haran (1) 3:21 hard (10) 4:10 9:25 74:4 195:12 219:20,21,25 223:21 225:10 286:7 head (4) 14:14 94:2 146:8 220:22 header (3) 70:7 91:25 207:22 headquartered (1) 235:5 headquarters (3) 146:11 241:11,25 Health (12) 142:17 165:12 166:23 168:7 170:23 172:2 179:17 180:22 181:21 182:7 183:19 184:20 healthcare (2) 280:8 286:23 hear (25) 10:19,20,24 12:3 13:2 13:15 22:12 23:7,9 25:11,19 26:12 27:12,15 30:13,15 31:15 45:25 51:19 79:10 84:8 97:14 112:8 173:19 290:9 heard (13) 24:7 32:18 52:10 66:19 116:16 123:14 199:23 229:16 259:15,21 259:25 260:22 272:20 hearing (30) 1:8 2:11 3:5 4:6,9,13 6:21 7:4,5 8:22 9:21 10:2,20 11:17,18 32:19,24 45:10 66:18 76:10 79:20 115:6,11 188:11 214:8 290:10,12,22 290:25 291:11 hearings (4) 7:22,23 8:24 291:8 heartened (1) 9:14	heeded (1) 10:6 held (7) 2:11 3:6 19:12 46:22 129:25 130:8 292:7 helm (1) 191:13 help (25) 18:25 99:9 101:20 109:8 118:11,22 129:15 131:21 133:12 191:21 195:16 197:13,20 206:18 218:25 226:8,8 227:7 234:21 265:14 272:19 274:2 279:7 282:12 286:21 helped (1) 7:14 helpful (4) 9:8,11 116:13 194:15 helping (5) 85:6,9 108:7 211:19 214:8 hereinbefore (1) 292:8 hereunto (1) 292:15 Hey (1) 274:5 high (9) 24:7 89:22 118:16 197:21 199:25 208:24 213:22 217:9 218:24 high-level (1) 25:25 high-profile (1) 102:10 higher (3) 201:9 219:9,12 highlighted (12) 168:20,25 169:19,22 170:22 171:6 173:7 173:22 204:25 205:4 222:21 223:4 highly (1) 192:10 Hill (3) 146:15,16 170:25 hire (8) 85:7 87:24 88:5,9 90:21 99:17,20 199:11 hired (8)	86:22,24 88:14,25,25 89:25 91:5 95:19 hires (5) 90:4,13,14,18 95:2 hiring (5) 38:25 87:9,10,20 96:13 historically (2) 63:8 286:15 Hoffman (1) 20:5 hold (10) 7:22 116:14 151:3 154:22 161:13 171:18 176:18 177:6 205:9 240:12 holidays (1) 197:7 Holtec (4) 249:7,9,12 258:8 home (1) 194:18 honest (1) 259:5 honestly (2) 73:25 74:7 hope (5) 6:25 31:14 113:23 116:10 178:12 hopefully (2) 140:20 290:18 hoping (2) 184:20 279:5 Hospital (1) 146:9 hostility (1) 55:17 hour (1) 90:8 hourly (4) 86:21,22 90:5,6 hours (12) 91:20 92:9,10,14,16 92:21 93:3,6,9,11 93:12 189:5 house (1) 212:4 housing (4) 105:4 146:17 241:10 283:5 HR (5) 48:18 94:9 103:5,16 104:22 hub (7) 191:23 200:8 207:13 208:6 244:2,25	276:12 hubs (1) 102:6 huge (1) 259:13 human (2) 79:14 224:22 hundred (17) 85:2,4,7 88:4,14 90:13 100:24,25 101:4,4,12 106:22 209:9,10,11 246:22 252:22 hurt (1) 20:15 hypothetical (4) 138:2 233:7 264:14 265:10 hypotheticals (1) 107:18
<hr/> H <hr/> H (2) 97:16 188:2 Haddonfield (1) 146:14 half (2) 86:21 122:3 half-mile (5) 245:7,13,18 247:24 248:14 hand (3) 113:10 289:10 292:16 handle (1) 112:3 handled (1) 14:20 handling (4) 62:25 78:4 152:6 214:10 handout (2) 20:21 21:15 hands (2) 196:2 274:6 handwriting (4) 53:18 69:9,11,20 handwritten (3) 53:21 56:12 69:19 happen (6) 6:15 18:10 129:2 174:14 265:6 271:4 happened (10) 27:14 118:19 176:4 180:14 258:23 261:2 270:20 271:3 274:10 284:14 happening (3) 174:8 175:24 225:20				<hr/> I <hr/> i.e (2) 16:5 178:9 idea (3) 25:3 27:10 255:17 ideal (2) 101:20 253:24 identified (3) 5:10 22:9 39:13 identify (3) 29:25 58:19 178:20 identifying (2) 80:3,4 illegal (1) 10:9 illustrates (1) 127:11 illustration (2) 119:8 122:5 imagine (4) 22:23 109:16 174:23 176:3 immediately (3) 134:15 152:15 202:12 immerse (1) 133:21 immigration (2) 280:8 286:23 impact (13) 16:8 62:11 138:7 185:4 201:14 227:18 242:2 246:20 259:7 262:13 281:6 282:9 291:5

impacted (1) 15:14	54:3	233:2 234:6 236:18	indicator (3) 15:8 153:2 258:25	290:23
impacts (2) 130:4 231:6	inaccurate (1) 44:22	243:17 251:12	indicators (1) 41:8	infrastructure (5) 66:12 194:20 195:7
impair (1) 129:20	inadvertent (1) 42:19	261:25 262:12,15	indicia (2) 162:19 163:8	199:3 218:14
impeach (1) 273:22	inadvertently (1) 257:4	285:8	indirectly (1) 23:3	initial (7) 8:18 83:10 103:20
impenetrable (1) 244:14	incent (6) 199:7 200:10 244:17	276:8 289:3	individual (18) 5:24 8:10 25:17 117:5	105:24 119:10
implementation (3) 3:15 7:25 192:12	246:5 250:9 254:22	includes (6) 15:23 120:6 121:4	120:21 152:5 173:4	140:4 151:9
implemented (3) 11:20 284:8,25	incentive (76) 3:16 5:3 6:24 33:6,10	123:2 142:10,12	181:17 190:21	initially (3) 40:2 81:13 90:14
implementing (1) 211:21	34:6,9,16 36:20,21	including (15) 7:17 13:5 34:4 38:16	193:3 207:4 212:19	initiate (1) 61:23
implicate (1) 58:15	36:25 37:16 39:3	53:15 122:24 123:3	215:14,16 251:9	initiated (2) 66:8 231:4
implication (1) 82:4	43:22 48:23 49:2	124:7,14 218:7,15	282:15,17 283:13	injury (1) 19:15
implications (6) 224:4,8,22 225:12	54:8,13,18 56:7	243:23 248:13	individuals (7) 7:7 25:13 51:8 52:17	input (9) 42:25 43:5,6,11 44:25
228:13 246:17	57:18 58:2,4,13,16	269:3 280:7	80:21 104:21	251:21 282:14
importance (1) 10:3	58:11,25 62:25	income (1) 198:12	119:21	283:9,22
important (25) 7:12 11:4 12:16 14:20	64:13,21,24 65:4,18	increase (8) 24:25 228:9,22	Industries (2) 142:15 146:15	input/output (1) 252:17
15:7,17 18:10 27:21	70:4,8,12,19 75:5	233:13 246:10,24	industry (5) 87:22,22 105:5	inputs (2) 37:4 253:4
99:10 102:10 103:6	76:7 78:4 81:23	248:2 249:20	219:21 253:3	inquire (1) 45:6
105:8 123:16	82:3,6 84:5 86:23	increased (4) 227:11 241:2 242:5	inferences (1) 8:19	inquired (1) 96:12
128:25 130:4 201:7	86:24 96:9 111:24	281:2	inflate (1) 255:13	Inquirer (1) 145:9
217:12 226:9	115:8,24 122:12,12	increases (1) 246:12	inflicts (1) 19:15	inquiry (1) 33:7
262:20 266:16	123:10 124:8,11,12	increasing (1) 227:24	influence (2) 198:4 279:2	insight (1) 270:20
273:25 280:21	125:4,7 197:20	increasingly (1) 103:7	influenced (2) 99:21,24	insinuating (1) 23:3
282:22 285:8 289:8	202:12,14 203:11	incredible (1) 224:24	inform (2) 68:3 291:5	instance (4) 31:21 41:20 62:5
impression (1) 264:5	209:21 224:25	incremental (2) 15:22 125:22	information (65) 5:5,17,22 6:5 7:19 8:3	184:19
improper (1) 282:20	228:19 232:9	independence (1) 99:20	9:10 20:23 22:25	instances (5) 43:16 92:23 119:17
improperly (2) 62:17,20	234:17,23 237:17	independent (1) 74:10	23:17,23 24:21	184:21 268:13
improve (4) 115:20 116:7 134:19	239:20 240:5 250:5	INDEX (2) 293:2 294:2	28:14 30:5,8,9	institutions (1) 115:4
195:17	264:11 285:15,23	indicate (1) 58:12	33:15 39:18 40:12	instructed (4) 36:18 92:25 93:6,12
improved (2) 115:24 134:10	291:3	indicated (7) 41:16 44:5,12 52:16	40:19 44:19,22 62:7	instrumentalities (1) 198:3
improvement (3) 9:16 59:21 124:3	incentives (44) 1:6 3:8 4:20 11:7,10	139:7 144:10	70:23 72:11 73:23	insurance (5) 146:9 221:9,10,11,17
improvements (2) 115:25 218:14	31:9 33:24 35:10	171:15	74:17,20 75:13	integral (1) 32:21
in-depth (1) 3:14	36:13,16 64:8 102:9	indicating (1) 27:3	79:17 127:6,14,17	integrity (1) 131:7
in-state (4) 14:12 259:23 260:14	102:10 114:24	indication (9) 145:17 156:4,10,14	127:25 128:3,6,12	intend (3) 10:12 83:20,25
in/out (1)	123:2 124:5 135:6	156:15 157:6	128:16,25 129:7	
	184:20 191:18	158:18 179:5,10	130:15,25 131:5	
	195:4 197:21,22,25	indications (1) 179:15	137:22 140:7,15,18	
	197:25 198:10,19		140:21 141:19,25	
	199:8,24 200:10,25		143:18 148:24,25	
	201:3 203:12,23		165:18 166:5 170:3	
	205:20,21 235:8,15		170:7,10 189:20	
	236:21 240:4,24		192:16 259:4	
	241:2 285:17,21		270:24 287:11,21	
	287:23			
	inclination (1) 198:23			
	include (24) 16:2 37:2 44:18 92:5			
	99:4 100:13 115:25			
	122:14 123:23			
	146:12 166:7 220:8			
	221:8,10 226:13			

intended (4) 15:21 197:22 203:19 238:20 intending (3) 86:10 164:4 167:4 intent (9) 84:17 130:23 134:14 136:16 147:6 173:10 178:10 251:12 256:24 intention (2) 41:16 139:7 interactions (1) 118:7 interest (1) 99:22 interested (4) 75:23 108:12 224:7 292:14 interesting (1) 198:6 interests (6) 126:15 148:22 151:4 195:10 213:23 253:11 internal (9) 34:19 48:18 59:9 64:17,19 99:24 122:5 273:18 274:8 internally (2) 92:11 129:14 Internet (3) 130:14,18,20 interplays (1) 198:14 interpret (1) 266:19 interpretation (7) 16:24 150:13 176:16 261:5,8,18 265:19 interpretations (2) 261:20 265:15 intersects (1) 232:22 interstate (1) 19:3 intervening (1) 157:9 interview (1) 213:2 interviewed (2) 13:2 273:13 intrastate (1) 135:18 introduce (4) 32:12 55:2 63:16 69:2	introduction (1) 9:18 introductions (1) 66:10 introductory (1) 114:18 inventory (1) 74:4 invest (4) 198:24,25 250:10 256:25 investigate (7) 5:22 7:20 49:22 50:12 60:18 273:11 275:5 investigated (5) 24:20 26:4,19 29:20 267:24 investigating (2) 68:10,18 investigation (26) 5:8 6:2,3,13,15 8:18 9:2 17:6 24:21 50:17,18 59:9,15 61:5,13,17,23 62:9 64:11 79:23 104:9 218:9 272:24 273:18 274:8 275:13 investigations (2) 104:5,6 investigative (1) 32:21 investing (1) 199:6 investment (19) 126:4,5 193:8 194:5 198:20 199:4,12 205:23 208:20 218:6 219:15 220:2 220:3 226:13 227:12 249:9 252:25 254:23 258:2 investments (7) 135:4 195:5,12 200:11 219:8 227:8 227:20 involved (14) 20:6 25:14,15 38:9 45:13 51:23 60:9 66:3 70:18 103:3 214:25 269:25 279:3 281:7 involvement (6) 25:16 31:18 115:9,16 279:2 284:21	involves (1) 127:9 involving (2) 76:5,6 irregularities (1) 5:7 issuance (1) 158:9 issue (22) 6:10,16 12:16 17:4 28:22 39:20 72:6 93:16 109:8 110:9 129:5,20,20 176:24 229:18 252:12 259:14 274:4 275:4 276:14 284:14 290:24 issued (3) 51:3 64:15 172:25 issues (12) 28:11 38:17 122:24 136:15 142:22 164:20,21 165:2 273:21 279:20 280:6 286:25 item (4) 32:9 120:18 129:4 224:17 items (7) 54:9 75:22 122:24 125:2 143:15 166:6 166:7 <hr/> J <hr/> J (2) 97:16 279:12 January (8) 3:11 26:24 35:18 71:16 73:9,9 94:23 95:21 Jen (2) 25:22 26:10 Jen's (1) 25:24 JENNIFER (1) 1:20 Jersey (131) 1:4,9 2:13,15 3:6 11:11,12 12:11,18 13:7 14:8 16:3 17:10,18 18:22 19:18 20:15 27:18 34:23,24 36:4,10 37:14,17,19 38:15 38:24 39:11 41:17 42:4,8,13 43:10	51:5 54:4 57:19 64:5 65:16 67:25 79:18 81:9,19 82:9 82:22,25 83:5,7,9 83:16,17,21 84:2,9 84:14,19 85:14,17 85:24 86:9,19 87:2 87:17 88:2,6,18 90:25 91:8,22 92:2 92:19 94:2,7 96:3 96:10,15,16 97:6 111:24,25 114:8 115:7 116:8 120:7 126:21 130:23 135:11 144:5 146:14,20 169:4,5 171:2,10,13,14,17 173:14 178:9 190:10,13,23 191:7 194:13,17 195:10 195:13,18 229:22 232:17 242:11 243:20 249:19 259:24 262:12 275:24 279:6,11,15 279:18 280:2,13 285:18,21 286:3,16 287:9,16,18,19 288:7 292:5 Jersey's (5) 20:16 35:4 194:16 286:11 289:20 Jim (7) 1:14 3:21 6:24 9:5,19 18:15 20:18 job (18) 1:25 14:13 37:5 43:16 45:2 53:25 85:23 128:11 140:20 200:22,22 205:22 208:19 246:14,19 248:6 249:21 262:22 jobs (86) 11:12,15,22 12:10,17 13:6,8,17 14:7,23 14:25 15:2,19,24 16:3,5,6,9 17:4,10 17:14,18,19,22 21:2 21:4,13,19 22:16 43:20,20 44:3 84:22 84:25 85:7,11 135:3 135:3,12,14,18 138:23,23 139:12 147:21 162:6 168:18 169:2 171:5	179:8 190:12 193:7 194:6,8 195:2,12 198:7 201:5,8,13 202:5 209:10,11,13 234:10,16,20,24,24 239:25 246:11,22 246:22,25 247:7 253:3 260:2,16,18 260:24 262:11,13 263:10,12,16 266:14 John (8) 27:16 97:15,25 181:10,13,22,25 293:17 join (1) 146:12 joined (2) 98:18 190:15 joining (1) 46:10 Jon (2) 287:13 288:17 Jones (1) 252:18 journalistic (1) 284:15 journey (2) 122:7 288:14 JPMorgan (1) 99:5 judge (1) 271:18 judgement (2) 161:20 164:12 July (4) 83:6 88:21,22 271:25 June (10) 28:20 84:12 272:2 281:17,24,24,25 284:8,10 290:22 jury (11) 35:19,21,24 36:7 63:13,19,22 64:10 271:19 272:14 294:13 <hr/> K <hr/> K (2) 46:4 79:2 keep (12) 31:25 96:13,14 108:18 188:13 209:6,11 213:22 217:9 227:15 253:16 259:19
---	--	--	---	---

<p>keeping (2) 201:12 280:23</p> <p>kept (3) 90:22,22 224:19</p> <p>Kerrie-Ann (3) 29:18 78:20 293:15</p> <p>Kevin (8) 144:18 167:20 212:19 212:20 236:10 241:20 247:11 248:23</p> <p>key (2) 26:3 103:20</p> <p>kicked (2) 271:7 272:3</p> <p>kickoff (3) 66:20,23 269:23</p> <p>kill (1) 240:7</p> <p>killed (1) 239:16</p> <p>kind (36) 60:20 65:4 77:9 82:17 87:10 89:24 101:19 117:18 134:20 161:9 162:25 176:8 181:6 197:12,13 198:18 199:8,19 200:23 201:14 202:11 221:2,5 229:16,17 230:24 231:23 235:18 243:7,8 257:4 266:2 270:18 280:17 286:19 287:8</p> <p>kinds (10) 100:11 136:2,13 181:7 197:19 199:11 220:19 234:16 261:6 280:3</p> <p>knew (4) 213:18 215:7 247:3 259:4</p> <p>know (108) 3:9 7:11,19 21:11 33:16 39:23 59:20 59:23 60:9,25 61:16 61:20,21 62:13,18 66:11 72:8 74:23 82:6 84:24 86:13 88:8,20 91:4 95:17 98:8 107:6 113:22 116:24 131:23 139:15 144:3,19 146:21 157:8 160:7 165:14 168:10</p>	<p>175:9,12,21,23 176:2 178:18 180:19,20 181:5 182:5 183:6 188:15 189:11 197:5 200:18 203:20 206:6,17 209:24 211:8,12,15 212:19 212:25 216:4,6,16 222:15 224:5 225:14,19 231:2 233:14,15 237:22 237:22 238:19 239:10 242:12,19 243:2,11 245:24 247:14 248:25 249:12 250:11 251:17 252:3 256:9 257:16,19,20 258:11 259:13 265:13 270:5,16,16 270:19 271:3 274:22,25 276:21 277:15 279:7 281:22 282:25 286:20 287:19</p> <p>knowing (3) 224:22 269:22 273:16</p> <p>knowledge (11) 62:24 72:16,19 80:3 84:18 88:12 90:19 92:15 95:25 286:4 287:10</p> <p>knowledgeable (1) 31:8</p> <p>known (4) 12:23 69:16 210:12 223:25</p> <p>knows (2) 149:22 168:21</p> <hr/> <p style="text-align: center;">L</p> <hr/> <p>L (4) 46:4 102:7 113:11 188:2</p> <p>L-3 (5) 167:9 171:4 181:2 182:6 183:2</p> <p>L-a-w-y-e-r (1) 114:4</p> <p>L-i-z-u-r-a (1) 188:24</p> <p>labor (14) 48:19 85:15,17 86:2 86:20 87:8 90:10 96:15 97:5,6,8</p>	<p>102:14 104:22,23</p> <p>lack (2) 198:15 199:2</p> <p>lacked (2) 41:20 195:6</p> <p>Lacy (1) 15:3</p> <p>laid (1) 251:14</p> <p>land (1) 207:10</p> <p>landlord (2) 110:17 173:10</p> <p>landscape (1) 195:15</p> <p>Lang (1) 252:18</p> <p>language (26) 15:16 169:20,23 170:21 173:8,22 182:22 204:25 205:6 206:19 212:18 226:18 240:11 241:8 244:13,25 245:5,13 247:15 251:3,11 281:7 282:8 283:16 285:23 286:5</p> <p>lapsed (1) 151:9</p> <p>large (9) 10:7 100:17 109:11 163:2,21 194:21 195:5 198:18 283:9</p> <p>largely (1) 287:14</p> <p>larger (3) 60:5 238:15 246:19</p> <p>largest (2) 262:17,23</p> <p>LaSalle (1) 252:18</p> <p>lasted (1) 35:21</p> <p>lastly (2) 100:6 102:12</p> <p>late (1) 51:18</p> <p>launched (1) 33:2</p> <p>laundering (1) 19:25</p> <p>Laurel (1) 171:2</p> <p>law (42) 2:12 3:4 4:2 18:12,17</p>	<p>19:2 23:4 31:19 34:18 36:11 49:18 64:6 112:16 120:4 123:7 133:3 146:13 191:23 193:4 199:16 208:8,13 214:7 223:6 224:19 224:21,21 229:11 252:20 253:21 254:18 256:24 257:2,18 258:22,23 260:9 266:21 272:16 277:4 282:7 283:13</p> <p>laws (12) 19:25 190:24 191:7 191:16 192:8,10,12 192:22 193:6 235:10 254:13,14</p> <p>lawsuit (24) 24:10,10 26:21,22 27:8,11 33:17 34:11 34:22 45:20 51:5 59:24 60:6,25 70:18 271:12,12,17,17,21 274:6,18,20,25</p> <p>lawsuits (3) 69:15,16 131:2</p> <p>lawyer (95) 28:3,16 30:14 113:8,8 113:16,25 114:1,5,6 114:21 115:1 116:1 116:13 117:1 118:1 119:1 120:1 121:1 122:1 123:1 124:1 125:1 126:1 127:1 128:1 129:1 130:1 131:1,25 132:1 133:1 134:1 135:1 136:1 137:1 138:1 139:1 140:1 141:1 142:1 143:1 144:1 145:1 146:1 147:1 148:1 149:1 150:1 151:1,10 152:1 153:1 154:1 155:1 156:1 157:1 158:1 159:1 160:1 161:1 162:1 163:1 164:1 165:1 166:1 167:1 168:1 169:1,10 170:1 171:1 172:1 173:1 174:1 175:1 176:1 177:1 178:1 179:1 180:1 181:1 182:1 183:1 184:1</p>	<p>185:1 186:1,12 187:1 212:23 215:7 244:13 255:24 259:6 293:19</p> <p>lawyer's (2) 213:16 222:15</p> <p>lawyers (2) 220:17 243:6</p> <p>laying (1) 183:19</p> <p>layperson (1) 125:16</p> <p>lead (9) 3:13 8:25 126:15 129:21,24 148:23 150:5 166:4 288:22</p> <p>leader (2) 134:15 175:12</p> <p>leaders (1) 105:2</p> <p>leadership (5) 35:14 224:12 269:15 274:4,17</p> <p>leading (8) 3:21 4:5 122:6 191:11 253:9 254:25 259:17 262:4</p> <p>learn (1) 24:23</p> <p>learned (4) 59:24 63:5 74:25 84:13</p> <p>lease (6) 25:7,7 152:24 178:10 182:6 205:25</p> <p>leasing (1) 110:18</p> <p>leave (3) 130:23 212:9 279:21</p> <p>leaving (10) 11:13 13:8 16:5 17:22 21:19 262:12,14 263:16 285:20 286:3</p> <p>led (1) 5:21</p> <p>left (5) 3:22 16:7 90:18 176:16 281:5</p> <p>legacy (3) 207:13 208:4 224:24</p> <p>legal (14) 33:21 103:4,17 122:24 143:15 195:14,14 218:8 220:22 256:4,7,8,9</p>
---	--	---	---	---

256:13	71:4 76:9 293:12	litigation (32)	231:1 232:1 233:1	165:23 167:6,17
legislation (13)	Levy (4)	27:3 32:16 45:15	234:1 235:1 236:1	168:18 171:2,11
25:12,14 30:18 192:8	1:24 2:14 292:3,21	51:15,23 63:12	237:1 238:1,10	172:10,11 176:25
216:11 242:25	liaison (3)	68:12 70:11 73:4,19	239:1 240:1,12	179:13 180:5 185:5
243:2,7,8 276:9	49:15 66:14 67:9	74:5,12 75:13,15,16	241:1 242:1 243:1	198:21 201:6 235:8
278:2 281:12	liar (1)	75:18 76:3,5,6,11	244:1 245:1 246:1	250:10 253:2 260:4
282:10	273:15	76:23 77:10,24,25	247:1 248:1 249:1	260:17 261:7 263:6
legislative (2)	Liberty (1)	78:8 131:3 269:2,9	250:1 251:1 252:1	263:21,24 266:16
31:20 284:24	182:25	269:17,24 270:21	253:1 254:1 255:1	locations (25)
legislators (5)	LICENSE (1)	294:5	256:1,18 257:1	25:3 28:22 37:3,13,25
282:12,13 284:16	292:22	litigations (1)	258:1 259:1 260:1	38:5,10,12 44:25
286:21 287:3	lie (2)	67:4	261:1 262:1 263:1	54:3,16 56:5,13
legislature (12)	18:22 20:14	little (36)	264:1 265:1 266:1	99:12 102:8 104:19
7:18 190:24 192:9	lieu (1)	11:6 18:13 22:12 43:9	267:1 268:1 269:1	147:7,10 170:25
193:6 194:22	253:20	48:12 49:13 52:5	270:1 271:1 272:1	174:14 178:8,11,15
203:19 212:15	life (1)	56:23 60:11 81:20	273:1 274:1 275:1	235:14 245:25
216:10 259:9	98:21	83:14 91:13 93:21	276:1 277:1 278:1	logic (1)
277:21 281:12	lifestyle (1)	130:9 139:23	283:11 293:22	117:8
288:15	102:7	145:14 150:5	loan (3)	logical (1)
legitimate (3)	light (3)	154:15 155:8 159:3	36:13 89:12 133:23	134:2
37:13,18 147:2	243:23 247:24 248:14	173:20 176:21	loans (1)	LOI (9)
lending (4)	limit (2)	183:18 188:13	64:8	136:23 137:24 151:15
33:22 89:19 115:2	237:17,18	189:24 198:8	lobbyist (1)	151:18,21 155:19
283:8	limitation (2)	200:18 202:18	151:11	157:3,4 171:25
length (1)	228:11,13	205:4 224:5,5	local (2)	LOI's (2)
149:25	limited (5)	227:17 228:12	198:4 200:15	152:12 153:15
let's (16)	43:25 75:14,19 218:7	271:22 279:7 281:8	locale (1)	LOIs (13)
109:3 110:10 153:12	218:15	live (5)	246:4	136:18,19,20 147:6
154:10 157:13	limits (1)	120:21 121:25 173:18	locality (2)	148:20 150:7 151:9
158:22 202:10,18	277:9	188:9 211:17	101:16 126:20	152:8 158:20
219:11 226:2 231:5	line (10)	live-streamed (1)	locate (6)	164:25 172:7
231:9 233:7,16	72:15 110:23 199:22	188:8	99:3 164:4 171:17	186:17,18
234:13 247:13	221:15,16 222:16	lived (1)	199:20 229:23	long (18)
letter (18)	222:19 252:17	86:25	231:5	46:22 47:4 81:5 98:16
27:2 53:14 70:22 71:8	253:21 256:22	lives (1)	located (12)	99:15 102:23 183:3
71:13,19,25 72:4,6	linear (1)	195:17	125:24 169:3 241:9	194:24 200:5 201:2
73:15,16 74:16	122:4	living (1)	243:17,19 244:14	201:4 202:6,8
121:16,24 158:9	lines (1)	80:24	245:7,12,14 247:24	211:10 252:9
172:25 173:9	123:6	Lizura (107)	248:13 249:17	253:14 274:9
294:18	lineup (1)	30:16,17 31:6 187:20	location (87)	290:12
letters (3)	24:6	187:20 188:1,23	11:23,25 12:6,20	long-term (2)
136:16 147:6 178:9	list (3)	189:1,2 190:1,9	13:11,17,20 15:10	200:23 231:9
level (20)	20:22 104:4 169:4	191:1 192:1 193:1	15:12 17:12,21	longer (5)
23:6 24:7 25:2 118:16	listed (2)	194:1 195:1,22	22:10,15 25:8 37:19	96:13,19 129:23
130:17 140:8	169:2 184:12	196:1 197:1 198:1	37:19 38:15,20,23	150:10 201:16
161:13 193:13	listen (2)	199:1 200:1 201:1	38:24 39:4,13,16	look (25)
197:21 198:18	250:13 274:5	202:1 203:1 204:1	40:3,5,6,9,16,20,25	22:14 55:23 56:16
199:17,25 200:9	listeners (2)	205:1 206:1 207:1	41:3,6,10,11,24,25	57:11 59:13 79:20
213:22 217:10	116:19 197:13	208:1 209:1 210:1,8	42:4 44:6,7 54:2,11	103:21 105:23
218:24 231:4 266:5	listening (2)	211:1 212:1,11	92:7 99:13 102:23	131:15 134:18,18
270:21 285:12	136:22 188:12	213:1 214:1 215:1	106:10 108:11	138:11 143:14
levels (2)	lists (1)	216:1 217:1 218:1	120:9 126:7,17	144:2 148:3 165:11
123:3 198:14	20:24	219:1 220:1 221:1	135:24 136:5,7,11	181:4 185:11
Levick (10)	literally (4)	222:1 223:1 224:1	137:7,9,11,23 138:4	204:20 215:12
1:21 46:3,8 53:6	210:10 217:2 232:25	225:1 226:1 227:1	138:5,6 139:8	217:18 231:11
54:25 63:16 69:2	270:23	228:1 229:1 230:1	146:20 163:10	246:9 284:18,24

<p>looked (11) 21:6 29:3 56:13 58:7 59:5 64:23 76:22 223:11 224:13 237:24 260:8</p> <p>looking (24) 60:5,10 68:23 75:8 102:18 107:22 110:10,21 111:6 117:13 162:18 166:24 178:15 185:13 188:16,17 212:3 216:22 234:18 247:21 277:9 284:6,13,15</p> <p>looks (3) 103:11 223:8,9</p> <p>lot (15) 63:6 102:17 106:9,13 107:10 108:2 127:5 174:14 185:18 201:22 204:9 207:20 256:10 265:24 288:3</p> <p>lots (5) 59:18 63:4 112:14 212:12 250:24</p> <p>loud (1) 72:18</p> <p>Louisiana (1) 20:7</p> <p>low-income (1) 236:16</p> <p>lower (2) 14:11 201:10</p> <p>lunch (2) 112:13,15</p> <p>Luncheon (1) 112:18</p> <p>lying (2) 20:11,12</p>	<p>19:22</p> <p>maintain (3) 90:24 194:8 201:5</p> <p>major (4) 99:2,19,25 102:6</p> <p>making (17) 18:20 27:21 60:3 73:12 137:2 213:12 213:13,19 258:17 258:18 263:23 269:25 273:9 281:24 287:3,22 289:4</p> <p>malfeasance (1) 78:3</p> <p>man (4) 26:17 27:15 28:2 30:16</p> <p>manage (1) 115:25</p> <p>managed (1) 199:2</p> <p>management (22) 24:2 33:12 36:18 37:24 38:2,19 39:7 42:10 45:11 60:24 69:16 71:7,13 72:5 72:9 92:12 93:16 123:4,17 171:15 274:12 294:17</p> <p>manager (9) 28:4,6 56:24 80:25 81:6 82:16 93:2,4 161:11</p> <p>managing (1) 114:22</p> <p>mandate (1) 8:23</p> <p>Manhattan (1) 102:16</p> <p>manipulate (1) 42:25</p> <p>manipulated (4) 37:4 42:22 44:25 91:17</p> <p>manner (4) 67:17 75:2 195:9 283:18</p> <p>manufacturer (1) 241:12</p> <p>Maps (1) 39:17</p> <p>March (7) 4:7 65:21 155:21 182:10,12 184:5 279:23</p>	<p>Margie (1) 54:3</p> <p>marine (1) 249:16</p> <p>mark (1) 71:4</p> <p>marked (1) 217:19</p> <p>market (12) 101:23 102:5 104:23 104:23 105:9 110:19 149:7 172:13 184:15 186:20 235:7,14</p> <p>marketed (2) 204:8 207:14</p> <p>marketing (1) 204:10</p> <p>marketplace (1) 105:8</p> <p>markets (1) 103:25</p> <p>markup (1) 69:9</p> <p>Marlton (2) 229:22 260:15</p> <p>marries (1) 201:25</p> <p>Master's (1) 279:11</p> <p>material (24) 15:13,13 21:23,25 37:14 41:20 74:12 159:16 171:16 174:17,24 175:22 176:10 229:3,4 230:4,11 232:4 235:9 240:4 258:16 258:21 259:14 277:10</p> <p>materialized (1) 202:5</p> <p>materials (5) 53:10 123:21 125:7 174:25 294:7</p> <p>matter (11) 16:10 65:12,13 136:4 175:13 229:21 251:6 265:18 282:22,24 288:8</p> <p>matters (3) 122:25 131:15 219:2</p> <p>maximize (1) 263:3</p> <p>McCay (11) 25:18 167:20 211:5</p>	<p>211:19 212:24 215:7 225:16 236:11 241:21 255:20 258:12</p> <p>McCoy (16) 31:16 278:20 279:1 279:25 280:1 281:1 282:1 283:1 284:1 285:1 286:1 287:1 288:1 289:1,6 293:24</p> <p>McGreevey (1) 191:20</p> <p>mean (23) 94:12,15 95:9 101:4 132:25 133:2 150:10 154:7 174:9 181:22 206:19 212:6 223:3,11,16 224:9 228:4 243:2 250:7,11 256:3 270:6 283:18</p> <p>meaning (9) 11:24 173:12,18 234:25 235:7 239:25 258:17 263:15 289:9</p> <p>meaningful (1) 195:5</p> <p>means (11) 14:12 69:24 70:2 110:14 113:20 116:24 125:19 219:13 220:10 245:6,11</p> <p>meant (4) 176:15 178:22 179:12 214:23</p> <p>measure (3) 15:21 63:2 126:9</p> <p>measures (1) 52:7</p> <p>measuring (2) 101:23,25</p> <p>mediations (1) 69:17</p> <p>meet (13) 55:18 88:11 92:20 93:19 94:2 104:21 104:22 105:2,6 119:23 137:3 152:2 289:23</p> <p>meeting (25) 48:6 66:16,21,24 70:15 81:17 83:10 103:15 120:6</p>	<p>122:11,13 123:8,11 123:15,23 124:6,9 124:13,21 125:9,10 193:21 269:23 270:12 274:13</p> <p>meetings (9) 34:9,10 103:12 106:3 122:5 193:19 215:5 215:9 274:17</p> <p>meets (2) 241:24 282:23</p> <p>megaproject (4) 240:16,22,24 242:5</p> <p>Melissa (1) 196:23</p> <p>member (4) 123:4 124:7,14 125:11</p> <p>members (16) 3:18 7:17 21:9 35:15 36:17 103:16 124:12,15,21 125:4 125:8 127:22 193:11,14 224:12 290:25</p> <p>memo (5) 15:2 21:18 127:2,19 128:2</p> <p>memorable (1) 52:25</p> <p>memorandum (1) 169:24</p> <p>memory (1) 224:22</p> <p>memos (5) 21:7,17 22:2 106:15 128:7</p> <p>mention (2) 26:7 239:8</p> <p>mentioned (18) 20:25 32:20 40:2 54:21 63:23 64:16 66:18 67:22 79:22 86:8 100:10 126:12 166:8 202:19 277:18 284:4 285:13 286:24</p> <p>mentioning (1) 239:7</p> <p>mentions (1) 273:20</p> <p>Mercer (1) 34:24</p> <p>merit (3) 123:14 163:15 273:10</p> <p>merry (1)</p>
---	--	---	--	--

197:7 met (9) 34:17 47:23,25 66:8 93:11 98:2 114:15 189:2 262:8 metadata (5) 213:7,11,13 216:24 241:20 method (2) 119:25 120:5 Michaels (12) 142:13,25 146:16 149:14 150:17 155:25 157:13 160:12 163:19 164:16 186:18 258:9 Michelle (2) 196:23 268:20 microphone (6) 9:5 148:4 188:14,19 195:23 205:6 mid-May (1) 84:10 mid-summer (1) 83:13 middle (2) 100:24 271:25 midpoint (1) 243:20 mike (2) 116:14 173:20 mile (3) 245:13,19 246:5 million (3) 168:8 180:10 200:11 Milt (2) 1:15 3:23 mind (8) 60:7 68:11 109:4 148:23 178:25 244:12 259:17 275:17 mine (1) 182:21 minimal (1) 48:24 minimize (1) 274:16 minimum (5) 31:25 92:21 93:11 279:21 286:22 minute (3) 149:22 187:15 258:20 minutes (3) 187:16,17 251:23	misconduct (12) 5:6 10:21 24:18 26:21 27:5 33:9 36:23 52:17 60:15,16 78:3 268:13 misquote (1) 230:14 misrepresentation (1) 58:19 misrepresentations ... 65:5,6 missed (1) 226:19 mission (3) 3:17 190:11 191:14 mistake (2) 29:12,14 model (1) 208:25 modeled (1) 192:19 moderate (1) 22:22 modification (3) 240:13 247:18 249:15 modifications (1) 211:22 modified (2) 234:5 243:17 modifies (1) 240:20 moment (10) 5:11 6:24 10:23 17:8 55:11,24 56:18 57:12 222:6 276:13 moments (1) 10:5 money (15) 14:5,24 19:4,13,25 20:13 62:16,20 89:22 168:7,11 183:12 206:9 219:13 220:10 monitoring (2) 100:4 280:24 month (4) 91:19 141:4 168:2 183:18 monthly (2) 91:16,24 months (19) 8:17 96:4 102:25 108:19 141:11 152:16 165:24 174:8 182:14 191:2 197:3,5 226:14,23	227:3 228:16 229:9 229:10 233:2 morning (8) 3:2 46:9,11 79:7,8 97:21,22 113:6 motivates (1) 265:20 motivation (2) 261:24 263:19 mouse (2) 216:25 217:2 mouth (2) 116:15 188:13 mouthful (1) 125:12 move (49) 13:17,21 14:10,12 17:9 23:20 39:11 42:4 53:6 81:18 82:22,25 83:4,7,12 83:20,25 84:9,13,18 84:22 85:18,20,21 88:17 90:19 102:23 103:19 107:4 110:6 111:24 113:21 135:18 138:23 139:7,8,22 144:11 147:21 155:24 167:5,8 172:11 201:12 233:16 260:14 263:4 285:17 289:19 moved (3) 38:24 83:15 281:12 moves (2) 101:11 106:22 moving (17) 12:12,18 13:6 14:7,23 17:4 21:2,13 51:2 65:14 102:22 135:14 146:11 167:13 247:4 260:23 263:10 MRERA (3) 277:13,15 278:3 Mt (1) 171:2 multi-billion-dollar... 16:12 multi-tenant (1) 207:19 multiple (3) 99:12 109:12,16 multiuse (1) 231:16 municipal (3)	191:20 210:19 277:19 municipalities (1) 198:2 municipality (1) 249:17 Murphy (3) 3:10 65:15 192:4 Murphy's (2) 26:24 191:3 Murray (26) 29:18 30:13 78:20 79:1,7 80:1,22 81:1 82:1 83:1 84:1 85:1 86:1 87:1 88:1 89:1 90:1 91:1 92:1 93:1 94:1 95:1 96:1 97:1 97:12 293:15 <hr/> N <hr/> N (9) 3:1 79:2,2 97:16 113:2,2,2 278:15,15 name (21) 3:3 26:15 29:18 46:13 80:4,5,21 89:8 91:9 97:23 113:24 114:3 114:21 152:7 173:4 178:23 188:22 190:8 205:10 239:8 251:14 named (9) 26:17 27:16 28:2 30:16 50:3 51:12 196:11 212:19 267:14 names (5) 8:7 26:7 91:18 92:6 146:5 naming (1) 7:6 narrow (1) 200:8 nation (2) 194:25 202:22 national (3) 102:6 198:4 285:12 natural (2) 110:3 180:6 nature (7) 28:9 55:20 56:9 57:4 67:18 161:14 219:19 NBT (3) 251:13 252:15 253:23 necessarily (7) 16:21 237:23 238:6	250:7 270:3,7 275:2 necessary (3) 87:25 96:24 284:18 need (12) 41:5 116:6 133:21 135:11 137:3 141:20 144:20 163:9 176:14 183:4 197:10 274:7 needed (10) 39:23 66:10,15 67:19 88:5 96:13 166:5 195:4 244:21 263:3 needs (6) 12:5 152:2 153:3 191:8 236:16 237:18 negative (1) 288:20 negotiate (4) 108:13,18,23 112:3 negotiating (4) 216:9,14 238:6,7 neither (1) 292:10 net (38) 13:25 14:2,6,9,13,18 15:17,20,24 43:2,8 43:9 54:2,11 56:23 57:7 121:4 123:24 125:18,20 234:10 252:16,16,21 254:20 255:14 257:11 262:9,9,13 262:15,24,25 263:7 263:11 264:17,18 265:19 net-present-value (1) 171:12 never (8) 47:23 52:9 60:23 98:2 107:16 230:16 270:14 272:23 nevertheless (3) 42:14 55:19 57:18 new (187) 1:4,9 2:13,15 3:6 11:11,12 12:11,17 13:7,17 15:22,24 16:3,8 17:10,18 18:22 19:18 20:15 20:15 27:18 34:23 34:24 35:4 36:4,10 37:14,17,19 38:15 38:24,25 39:11 40:3 41:17 42:4,8,13
---	---	---	---	---

43:10 44:6 51:5 52:8,12,16 53:25 54:4 57:19 59:24 60:14,18,24 61:9 64:5 65:16 67:25 79:13,18 81:8,18 82:9,21,22,25 83:4 83:7,8,16,16,20,21 83:25 84:2,9,12,13 84:19,19 85:14,17 85:24 86:9,18 87:2 87:17 88:2,6,18,24 89:2,3,5,25 90:4,13 90:14,25 91:4,8,22 91:25 92:19 93:25 94:2,7,17 95:2,19 96:3,10,14,16 97:5 111:24,25 114:8 115:7 116:8 120:7 126:4,6,7 130:23 132:6,21 135:3,3,10 144:5 145:9 146:14 146:20 152:12 157:3 169:4,5 171:2 171:10,13,14,17 173:14 176:13 178:8 190:9,12,23 191:7 193:7 194:4,6 194:13,16,16 195:10,13,18 199:11 205:22 242:11 243:20 245:13 246:10,25 262:12 265:8 268:7 268:12 275:24 279:6,11,15,18,25 280:13 285:17,20 286:3,11,15 287:9 287:15,17,19 288:7 289:20 292:4 Newark (4) 1:9 2:13 112:14 113:5 newer (1) 232:2 newly (2) 206:2,22 Newman (5) 215:17,18 244:7 250:21 251:9 nexus (3) 50:19 59:16 267:25 NFI (20) 142:15 143:2,23 146:15 149:11,16 150:17 154:11,11 156:20 158:2,15,24	159:14 161:24 163:3,18 172:6 186:18 258:9 NFI's (1) 158:2 nice (3) 98:6 112:14 189:5 nine (4) 5:9 44:7 141:11,13 NJ (4) 37:21 39:2 43:19 284:13 NJEDA (1) 46:17 NJPP (1) 287:24 non-contiguous (1) 109:25 non-partisan (1) 190:19 non-profits (3) 54:5 58:3,8 noncontiguous (1) 109:21 nonprofit (1) 58:3 Norcross (4) 146:8 251:19,21 252:4 normal (4) 282:15 283:24,25 284:2 North (2) 39:13,23 notary (2) 2:15 292:4 note (12) 7:3 56:12 58:7 69:19 76:22 79:21 115:19 115:22 118:21 163:25 236:9 290:14 noted (3) 45:15 186:17 291:13 notes (5) 53:22 54:7 76:22 272:22 292:6 notice (1) 168:16 noticed (1) 150:7 notified (2) 37:23 62:2 notify (2) 8:11 30:12 noting (1)	40:21 notion (2) 251:13 257:7 November (3) 166:25 170:14 176:22 nuance (1) 12:10 number (38) 3:10 10:19 24:10 43:20 44:2 66:24 87:25 90:20,24 91:10 92:16 93:11 115:11 127:11 139:16 152:16 154:24 158:23 160:11 161:24 164:25 178:5 194:18 209:5 216:18 217:16,16 217:16,19 222:24 222:25 240:10 243:15 246:8,9,10 246:25 247:13 numbers (5) 56:25 193:23 194:10 222:17,19 numerous (1) 38:16 <hr/> O <hr/> O (11) 1:12 3:1 46:4 97:16 97:16 113:2,2,2 188:2 278:15,15 o'clock (2) 32:5 259:20 oath (1) 34:12 object (1) 11:10 objected (4) 7:5 43:24 44:14 57:25 objective (1) 15:8 objectives (1) 103:19 obligated (1) 209:6 obligations (1) 289:22 observation (1) 100:18 observations (2) 130:10 134:8 obtain (9) 19:4 20:11,14 40:19	43:17 84:4 90:25 205:24 206:21 obtained (1) 180:21 obtaining (3) 141:19 165:19 228:5 obvious (2) 100:18 199:3 obviously (5) 17:23 130:14 225:19 233:3 255:23 occupant-construct... 206:24 207:3 occupants (2) 205:24 206:20 occupied (1) 234:8 occur (4) 68:8,22 141:3 285:7 occurred (2) 186:6 285:10 occurs (1) 49:19 October (5) 51:18,20 144:8 145:3 192:3 oddly (1) 250:4 odds (1) 42:6 off-site (1) 218:16 offend (1) 238:4 offer (14) 4:14 31:17 108:13,14 108:19,23 109:2 117:4 137:2 182:6,9 286:16 287:11 291:2 offered (2) 158:2 261:23 offering (1) 164:6 office (34) 48:16 60:8 66:8 68:4 71:22 74:6 75:12 93:25 100:19,20 102:4 105:14 106:21 108:10 109:9,13 110:2,19 121:20 123:4 124:7 124:15 125:6,11 170:24 183:25 193:3,12,15,18 215:22 216:15	254:17 261:9 officer (12) 33:23 34:2 49:6,7,14 49:22 119:14,17 122:20 140:5,6 190:18 officers (2) 115:14,15 offices (8) 27:23 39:6 42:11 45:6 100:24 101:12 146:13 167:14 official (1) 51:24 officials (3) 45:12 105:7,7 offset (1) 171:14 oftentimes (1) 109:11 Oh (11) 160:10 164:23 169:2 181:24 185:23 213:17 230:21 247:14 265:3 269:6 271:8 okay (139) 24:5 30:14 32:6 53:23 55:14 56:2,20 57:14 61:16 62:14 63:14 68:24 70:3 71:11 77:18 82:10 86:7 87:6,19 90:4,23 91:12 92:14 94:17 100:17 101:12 102:12 104:16 106:2,6 107:13 116:16 117:11,23 118:16 130:9 134:4 136:20 138:12 142:2 143:3 144:23 145:6 148:6,12 151:2,5 152:4,19 153:12 154:9,24 155:19,23 158:22 159:19 160:20 161:8,23 165:7,9 166:19 168:15 170:16 171:18 172:9 175:4 176:18 177:25 179:3,4,20 183:4 184:24 186:10 187:4 195:24 197:18 205:2 207:2 210:4 213:6,20,20 214:12
--	--	--	--	--

215:9,11,11 216:20 217:7 219:10,14 222:2,18 225:14,25 226:11,21 228:11 230:3,25 231:2 232:20 233:15 236:23 237:6,7 238:18 240:10,13 240:18 241:8 243:14 246:8 247:2 247:13,15,22 251:5 253:9 254:24 255:17 258:10 260:7,21 261:16 263:18 265:11 267:7 268:4,11,19 270:13 273:3 274:2 274:12 275:3,15 276:20	189:25 196:3 199:22 202:19 277:18 293:3,4,5,6 operate (2) 44:16 171:9 operating (5) 102:12,13 103:25 171:9 190:18 operations (9) 46:21 48:10,17 65:25 73:6 100:6 153:4 170:24 274:23 opine (1) 288:8 opinion (7) 123:8 224:15 225:24 273:9 285:24 286:17 289:18 opinions (1) 287:21 opportunities (3) 134:19 285:9 288:23 opportunity (32) 8:13 24:25 31:22 49:7 105:20 115:20 123:16 124:22 145:22 148:19 191:24 192:4 195:20 204:8 205:3 205:18,19 207:23 208:4 209:19 210:16,23 214:6 231:12 235:6 240:23 247:3 248:10 254:11 279:5 281:10 282:18 opposed (1) 237:20 opt (1) 277:2 optimum (1) 99:13 option (12) 108:12 111:11 157:20 157:21 159:6,6 166:2,16 167:4 183:3,4 274:19 options (8) 81:18 105:4 157:19 183:19,25 184:12 184:12 274:20 oral (1) 165:18 order (20) 3:10 7:21 12:6 29:15	30:4 43:3 57:7 84:4 90:25 145:4 188:10 193:7 198:4 201:4,4 217:14,18 262:12 263:4 266:18 organization (16) 12:24 24:23 142:13 143:2 146:16 149:15 150:17 155:25 157:14 160:12 163:19 164:16 181:17 186:18 190:19 280:19 organized (1) 148:13 original (6) 151:21 157:10,15 186:17 251:14 252:5 originally (4) 26:19 152:9 157:11 158:2 Orsen (1) 196:23 out-of-state (27) 11:25 12:19 15:10 17:12,21 22:10,15 25:8 28:22 37:12,24 41:25 56:6 120:9 126:17 138:4 139:8 147:10 162:5 165:22 167:16 260:4,17 261:7,25 263:5,13 outcome (1) 63:11 outlined (1) 166:17 outlines (1) 121:17 outlining (1) 8:3 output (3) 253:6,18 262:18 outside (9) 9:7 45:17 135:19 169:3 249:17 275:2 282:12 285:17 288:24 outstanding (1) 122:23 over-enrichment (1) 204:3 overall (2) 105:9 171:8	overgeneralization ... 57:21 overlooked (1) 42:23 overseas (1) 99:2 overseeing (1) 48:16 oversees (1) 23:10 oversight (8) 3:16 6:23 7:25 65:17 67:15 115:24 193:14 288:23 overstepping (1) 45:12 overview (1) 29:9 owed (1) 20:10 owned (1) 231:10 owner (2) 205:23 231:10 owners (3) 232:2,3 233:11 <hr/> P <hr/> P (1) 3:1 p.m (4) 112:17,18 113:3 291:13 Pa (4) 171:5 172:13 178:9 178:11 Pablo (5) 1:18 4:2 5:22 18:14 20:19 Pablo's (1) 21:5 package (4) 120:11,19 127:21 143:19 page (15) 55:10,23 56:17,17 57:11 69:14 72:15 72:17 73:8 78:22 123:18 172:10 187:21 234:2 293:11 pages (5) 55:23 69:10 283:19 283:20 284:5 paid (8) 90:4,5 93:7,12,15	168:11,13 279:21 paint (1) 103:10 paragraph (12) 55:10,12,23 56:17 57:12 64:2 69:14,19 72:15,24 73:8 226:5 parameters (2) 193:6 195:13 Parker (11) 25:18 167:20 211:5 211:19 212:23 215:7 225:16 236:10 241:21 255:20 258:12 part (51) 7:7,8,23 8:8 15:5 16:2 17:16 37:14 39:12 40:25 43:19 51:15 52:15 57:3 59:25 60:2 74:18,22 83:8 84:22 102:10 103:8 104:3,6,13,13,15 105:21 108:6 124:16 125:24 127:20 128:10 130:16 135:22 143:13 169:9 186:19 210:9,12 218:20 232:6 239:14 240:5 247:6 260:20 262:23 273:13 276:16 277:8 288:18 participant (1) 214:19 participants (3) 123:22 124:6,13 participate (4) 4:19 5:4 6:8 86:10 participated (1) 87:14 participating (1) 86:9 particular (26) 11:3 19:10 52:24 68:9 86:14,16,25 93:23 95:10 99:23 101:16 102:3 105:13 108:22 138:7 185:19 198:20 200:14,21 220:5 224:16 225:23 244:15 250:10 251:8 252:24 particularly (4)
---	---	--	--	---

25:2 203:8 282:16 283:2 particulars (2) 122:22 270:10 parties (2) 4:11 292:11 parts (4) 134:13 275:20,23,24 Pasquantino (1) 19:11 pass (3) 9:5 152:16 255:14 passable (1) 216:12 passage (2) 279:4 281:9 Passaic (3) 192:2 276:5,6 passed (10) 30:23 212:4 259:9 277:20 281:14,18 282:8 283:14 287:19 288:10 passes (1) 140:13 passing (2) 282:2,3 Patel (6) 1:17 3:24 47:25 278:19 289:6 293:24 Paterson (3) 192:2,5 276:5 path (1) 129:22 patience (1) 278:23 pattern (1) 165:6 pause (16) 55:13,25 56:19 57:13 154:23 159:24 169:7 171:20 172:17 176:19 205:14 214:3 222:9 222:12 247:17 262:19 pay (7) 90:7 93:18 94:4 206:14 255:9,11 286:12 paying (4) 202:4 254:3,15 257:13 payment (2) 122:2 274:19	payout (1) 60:6 payroll (10) 15:19,23 79:17 80:25 81:3,5 82:16 91:18 93:7 94:13 PC (1) 146:13 pen (1) 175:11 penalties (1) 17:24 pending (5) 27:8 67:4 69:17 73:3 269:24 Pennsylvania (3) 40:6,24 41:13 people (49) 10:3,6 12:25 13:15 16:2,25 18:11 23:11 23:13 25:25 77:3 87:20 91:5 93:7 95:6 105:8 132:7 136:22 183:22 187:15 188:10,12 190:12,23 195:17 197:14,18 198:12 199:13 201:5 204:7 204:9,22 211:17 212:14 217:12,21 218:25 219:12 242:5 250:10,21 256:25 257:3 259:16,19 266:13 283:10,25 people's (1) 182:21 Pepsico (1) 99:5 per-head (1) 209:16 per-job (2) 208:15,25 percent (12) 54:4 102:15 160:18 219:20,23 234:8 237:11,19 238:15 252:21,22 254:6 percentage (1) 89:23 perfectly (1) 282:15 perform (1) 143:22 performance (1) 59:21	period (28) 8:19 28:7,20 59:7 63:8 67:5,21,23,24 73:9 75:17,20 92:16 92:21 108:14,23 117:20 118:13 128:23 129:25 131:18,19 134:23 135:22 141:23 157:9 175:10 282:2 permissible (1) 243:12 person (11) 26:19 47:23 229:17 233:7 243:9 251:10 251:13 266:4 267:23 275:12 281:23 personal (4) 3:20 80:3 93:8 115:9 personalized (1) 41:13 personally (5) 49:3 52:4 80:6 117:20 224:10 personnel (1) 272:16 perspective (43) 14:10 23:18 31:14 118:10,17 131:7 147:16 151:23 161:11 162:3 163:8 164:2,8,14,21 185:2 203:17,23 225:21 229:2 231:24 234:22 239:21 244:9 255:6 259:15 260:25 264:8,10 266:9 273:15 279:16,18 280:2,13 282:5 284:13 286:16 287:10,18 287:20 288:7 289:9 perspectives (6) 12:23 17:3 31:18 79:20 226:11 279:7 pertains (1) 120:10 phantom (21) 25:3 37:3 38:5,9,22 41:21 44:24 54:2,16 56:5,13 138:5 251:12 252:12 254:8,9 257:5,17 276:13,23 277:3 Phil (5)	251:13,18,19,21 252:4 Philadelphia (17) 144:12 145:8 146:14 147:3,7,20 149:8,12 164:5 167:14 171:5 172:13 173:10 176:24 180:6 184:16 185:5 Philip (1) 3:10 phone (9) 47:20 89:12 98:4 129:3 180:3,4,19 214:24 215:5 physically (1) 188:11 pick (2) 86:5 270:5 picking (3) 101:15 106:10 281:5 picture (2) 28:13 103:10 piece (6) 105:13,16 128:25 201:7 216:10 276:8 pier (5) 218:16,21 223:6,21 225:9 pipeline (4) 122:12,12 123:2 124:6 place (15) 35:17 63:7 66:13 83:13 95:20 122:6 174:23 180:7 208:10 229:24 237:17 257:5 263:24 292:8,13 places (3) 112:15 132:7 162:19 plain (1) 18:20 plaintiff (1) 64:3 plan (7) 6:12,22 9:20 10:25 59:21 165:23 290:21 planned (1) 84:13 planners (1) 283:5 planning (5) 21:3 84:21,25 170:24 279:14	plans (2) 137:19 145:9 platform (1) 243:23 play (3) 32:21 85:9 141:19 played (3) 30:18 61:15 252:4 plays (1) 103:5 please (30) 46:12 49:12 53:21 54:23 63:14,25 68:24 69:13 71:2 72:14 80:20 97:24 113:9 116:23 122:10 134:4 154:25 158:23 170:22 173:9 177:16 178:4,7 188:21 190:3 205:7 246:16 249:14 261:11 279:8 pleased (1) 214:11 plenty (1) 185:17 plug (1) 103:19 plus (1) 239:23 PNC (1) 100:14 point (26) 7:21 11:8 14:18 18:17 19:2 20:4,20 21:5 21:12,22 23:24 49:5 93:16 119:15 124:19 129:13 133:11 148:3 180:13 181:7 196:5 199:24 225:4 234:19,19 274:24 points (1) 289:4 policies (4) 35:8 64:19 65:3 193:20 policy (86) 31:8,12,17 50:21 59:17 64:23 176:8 193:4 197:14,15 198:19 199:8,19 200:17 203:16,18 203:18,18,22 211:20 217:10
--	--	--	--	--

224:4,7 225:2,7,11 225:21 226:11 228:13 229:2 230:17,25 231:24 231:24 232:9 233:10 234:21 235:8 236:18 237:6 237:20,23 244:8,17 245:18 246:17 248:12,17 249:23 255:4,6 279:3,5,6,9 279:13,14,15,15,18 279:19 280:2,5,6,7 280:8,13,14 282:5 282:23 283:13 284:13,20 285:14 286:16,17,24 287:10,18,19 288:7 288:10,13 289:13 289:19 290:4	positive (2) 190:13 289:19 possess (1) 103:6 possible (6) 61:18 62:22 186:22 209:19 213:22 237:17 possibly (1) 113:4 post (1) 86:5 post-9/11 (1) 191:11 post-approval (2) 119:11 121:14 post-closing (2) 119:11 121:23 posted (2) 85:23 127:23 potential (19) 5:6 10:8,11 18:5 43:21 54:11 58:19 60:16 76:21 89:12 108:10 162:4,17 163:8 167:16 183:25 227:23 268:13 289:17 potentiality (1) 202:15 potentially (6) 20:16 52:18 54:16 207:19 221:7 286:2 practical (4) 13:23 261:23 263:2 266:3 practically (1) 104:6 practice (3) 166:12 170:7 283:23 practices (2) 9:14 285:11 practitioner (1) 18:18 Pratt (1) 100:13 preapproval (1) 122:13 precautionary (1) 63:2 preceding (1) 56:17 predecessor (2) 287:13 288:17 predecessors (1) 287:25	preexisting (1) 88:25 prefer (1) 75:24 preference (1) 105:19 preferences (1) 103:21 preliminary (2) 143:9,22 preparation (7) 115:10 117:23 188:25 203:23 226:20,25 227:5 prepare (1) 103:24 prepared (2) 74:6 249:12 preponderance (3) 36:2,8 64:4 presence (1) 102:6 present (10) 6:22 30:8 32:23 80:13 123:2 124:5,10,12 125:11 193:20 presentation (22) 25:25 32:1,10,13,16 33:1,16 34:1 35:1 36:1 37:1 38:1 39:1 40:1 41:1 42:1 43:1 44:1 45:1,19 293:8 294:4 presented (2) 46:3 173:12 presenting (1) 34:8 presently (1) 138:22 president (2) 190:17 279:24 press (1) 274:14 pressure (2) 45:16 77:15 pressures (2) 37:8 45:3 pretty (4) 30:20 51:23 119:7 257:14 prevailing (3) 53:24,25 104:24 prevent (1) 65:4 Prevete (23) 1:20 25:22 26:10 32:1	32:10,11,18 33:1 34:1 35:1 36:1 37:1 38:1 39:1 40:1 41:1 42:1 43:1 44:1 45:1 45:23 54:21 293:8 previous (3) 58:7 85:23 220:3 previously (10) 56:12 57:8 64:16 79:22 83:9 89:18 139:17 283:12 285:4 288:21 price (3) 155:13 159:12,14 primarily (2) 87:17 136:16 primary (3) 23:13 34:3 119:15 Princeton (1) 27:18 Principal (1) 98:15 printing (1) 223:10 prior (29) 38:25 52:9 73:15 83:10 114:23 118:7 119:19 120:6 124:11 130:21 131:2 142:3 145:21 148:20 196:14 211:12 216:16 219:14 226:14,24 227:3,9 228:16,24 232:24 234:15 244:24 245:4 266:8 priorities (1) 191:9 priority (5) 190:21 241:10 242:3 242:4,7 private (4) 31:18 81:17 127:15 282:7 privatization (1) 284:23 privilege (2) 261:11,14 pro-business (1) 105:9 pro-development (1) 105:10 probably (8) 59:14 62:7 129:9 176:14 185:14 217:21 265:13	283:25 probe (1) 6:19 problem (14) 54:16 149:22,24 158:16 168:16 186:9 202:13,15,16 203:6,8 215:11 224:18 253:13 problematic (1) 67:19 problems (3) 7:15 132:8 203:3 procedures (3) 27:19 64:20 65:3 proceed (3) 5:24 113:7 123:19 proceeding (3) 8:15 35:13 292:7 proceedings (22) 8:7 18:9 24:8 26:14 32:7 55:13,25 56:19 57:13 154:23 159:24 171:20 172:17 176:19 205:14 222:9,12 247:17 290:1,11,13 291:1 proceeds (1) 19:24 process (68) 5:4,13,21 28:18 29:3 31:20 32:22 45:14 64:24 68:7 72:7 79:24 99:12,16 100:2,3,8 101:19 102:11,20 103:11 104:2,3,7,13,14,15 105:22 106:3,15,24 118:25 119:4,16 120:23 123:9 124:3 125:13 130:16 131:14,20 132:15 133:5,21,22,25 134:3,11 141:23,24 143:5,8 174:10,19 175:16 186:16 192:13 193:2 216:2 216:7 223:18 242:18 279:8 284:2 284:24 287:21 291:9 294:22 processed (1) 122:17 processes (6) 27:20 64:17 119:11
--	--	---	--	--

119:11 134:16,17 processing (3) 36:12 64:7 81:3 procurement (1) 48:19 produce (3) 106:18 107:9,15 produced (1) 67:17 producing (1) 67:11 production (1) 66:25 Prof (50) 3:2 10:13 18:16 32:8 32:20 45:23 76:16 77:20,23 78:14,19 96:24 97:3,10,14 111:21 112:4,12 113:4 178:19 179:3 186:11,13,15 187:4 187:13,17,19 190:7 210:5,8 212:6 214:4 222:8 275:16,19 277:7 278:11,24 289:12,15 290:5,8 293:3,14,16,18,20 293:23,25 professional (14) 9:16 161:20 164:11 195:9 218:8,12 220:18,19,20 221:17 223:7,20 224:23 225:5 professor (8) 1:13 3:3 9:23 18:18 32:11 111:18 195:19 222:7 proffered (2) 149:16 176:25 profit (1) 254:6 program (100) 4:15,18,22 5:3 6:24 11:10,14 13:4 14:22 16:13 17:3 18:12 22:7 33:6,10 34:14 34:16,17 36:25 42:16 43:19 48:23 49:2 52:18 54:8 55:18 57:19 58:13 58:16 76:7 79:18 81:23 82:3,7 83:17 83:19,24 86:9,14,17 86:19,24 87:7 91:6 96:10 115:8,10,12	115:21 116:3,4 118:12 130:11 131:22 132:17,21 133:14,17 134:25 135:12 138:22 194:14 199:17,18 200:8,20,21 201:9 201:24,24,25,25 202:3 203:12 206:7 207:14,15 208:6,7 209:15 210:9,15 228:19 229:6,21 235:21,22,24 238:25 254:22 255:8 259:22 265:23 266:7,10 275:24 277:9 286:12 289:25 290:3 program's (1) 57:25 program-specific (3) 69:20 70:11 76:4 programs (44) 3:16 5:20 6:10 8:2 34:6 35:11 37:16 56:7 63:5 64:13,21 64:24 65:4,18 68:10 68:18 70:5,8,12,19 75:6 86:11 87:9,15 87:18 89:5 115:25 133:23 194:15 197:20 201:23 208:4,5 224:25 232:10 275:21,23 280:23,23 285:7,16 289:2 291:3,6 prohibit (1) 234:24 project (77) 15:20,23 34:7,9 38:8 44:19,21 103:14,15 104:16 115:11 119:24,25 120:3,6 120:10 121:3,8,15 121:25 122:22 123:10,23 124:5,11 124:14,18 125:23 127:6,8 129:21,22 129:25 130:5,7 137:4 142:6 143:17 171:10,17 193:3,10 200:12,14 207:18 208:15,20 218:14 219:16,17 221:12 221:16 226:14,24	227:3 228:6,17 229:23 234:6 235:19 238:16,21 239:6,21,24 240:5,7 240:9 247:6,23 249:16,24 252:20 252:24,25 253:22 255:11 project-related (1) 75:21 projecting (1) 253:19 projects (33) 11:19 57:16 67:19 98:22 101:2,7 102:4 115:17 123:19 124:23 130:6 134:7 193:17,20,21 194:3 194:8,12 241:2 243:17 245:14 246:20 247:19 254:12,14 257:12 257:21,23,25 260:23 261:6 277:12 280:3 prolongs (1) 141:23 promise (1) 290:15 promised (1) 11:16 promising (2) 13:16 17:9 promote (1) 33:12 promotion (2) 49:11 196:6 proof (5) 22:8 135:23 136:3,13 260:3 proper (5) 49:19 283:23 287:6,6 289:24 properly (2) 16:14 284:6 property (18) 19:5,13 108:12 110:10,13,21 111:2 111:6,9,13 228:5 231:3,10,10 232:2,3 254:12 276:24 proposal (30) 25:8 148:14,15,16 150:2,2 152:21,24 153:12,13 154:24 155:20 156:6,8,18	156:20 158:3,10 160:2,11 161:24 163:4,5,22,23 171:22 182:18,24 238:24 239:11 proposals (14) 147:19 149:21 150:10 150:15,16 161:24 162:5,5,7,13,14 163:3 164:7 274:18 proposed (8) 15:20 38:11 41:2,5 147:10 178:8 192:8 255:20 proposes (1) 135:18 proposing (1) 239:3 propriety (1) 242:24 prospective (1) 173:10 protect (2) 11:12 79:24 protected (2) 19:13 49:19 Protection (2) 35:5 36:4 protections (2) 280:21 288:19 proud (1) 195:10 prove (5) 5:17 12:19 13:10 275:6 285:16 proven (3) 35:25 36:8 64:3 provide (17) 7:24 8:7 33:19 40:4 40:10 41:6,23,25 47:17 48:4 108:2 137:3 178:7 179:25 234:5 241:24 286:20 provided (22) 38:13 39:5,18 40:8,12 40:24 43:5 70:23 72:11 75:12 125:7,8 128:3 129:6,8 170:3 174:25 175:2 177:19 194:7 240:23,25 provides (3) 122:4 129:12 205:20 providing (3) 4:3,22 37:3	provision (40) 218:2,21 219:2,4 220:5,17,18 221:23 225:12 226:3,9 227:13,18 230:16 232:21 236:18 238:5,6,7,12,20 239:9,16,17,18 240:7 242:9,20 245:10 246:9 247:22 249:3,8 254:12 256:18,19 257:2 259:6 263:8 266:23 provisions (8) 34:14 225:15 234:23 247:2 250:25 252:19 257:18 285:23 proxy (2) 136:15 162:6 PTO (1) 93:7 public (30) 1:8 2:11,15 3:5 4:6 7:18,22 8:4,8,24 9:3 18:20 22:20 30:12 45:6,12 121:9 125:5 127:16,17,24 192:20 279:13,14 279:15,22 280:5 290:25 291:7 292:4 publicly (1) 20:23 publish (1) 287:2 pull (1) 173:20 pulled (5) 81:16 94:3,5,12,15 pulling (1) 127:14 pulls (1) 121:9 purchased (4) 226:14,23 227:2 228:16 purely (1) 289:12 purports (1) 117:14 purpose (13) 7:23 18:13 72:4 89:10 89:11 115:6 123:10 124:9 190:22 191:14 211:9,19
--	---	--	---	---

<p>228:18 purposes (6) 40:17 42:11 220:3 234:17 247:7 263:2 pursue (2) 285:2 287:6 put (21) 17:17 22:24 23:17 29:15 59:21 63:6 77:15 99:13 141:14 183:7 199:4 216:25 217:2 219:20 223:16 233:15 258:22 259:6 261:17 263:19,25 putting (1) 258:23 puzzle (1) 105:17</p> <hr/> <p style="text-align: center;">Q</p> <p>qualification (2) 214:22 231:7 qualifications (2) 34:18 245:24 qualified (11) 43:4 176:11 219:15 228:6 241:9 242:5 243:18 245:6,12 247:19 277:13 qualifies (3) 17:15 260:20 278:3 qualify (8) 13:13 43:3 200:12 218:5 220:11 232:12,17 234:12 qualifying (1) 16:11 qualitative (1) 101:24 quality (1) 189:20 quantitative (1) 101:22 quarters (1) 241:25 question (67) 57:22 64:22 101:17 109:4 128:18 129:9 129:14,17,23 130:3 133:9 138:2 141:21 145:4,24 146:22,23 151:5 156:13 162:12 163:2,21 164:24 165:19 166:11 168:17</p>	<p>173:15 178:2 179:2 187:6 196:9 197:23 207:22 209:17 210:6 213:2,9,15,16 220:21 229:15 232:4,5 235:11,12 254:25 255:5 256:5 256:16,21 258:11 264:9 265:8,11,12 266:9,18 269:8,13 270:9,19 271:2,3 272:12 275:16 285:19 289:13 questionable (2) 111:15 128:16 questioned (1) 137:24 questions (67) 23:19 28:24 31:3 45:24 76:20 80:18 98:8,8 101:9 107:25 111:19 123:5 124:22 129:11 131:3 133:7 134:22 137:13 140:14 147:9,11,14 151:4 155:24 157:7 159:20 161:14 162:10 163:9,11,15 163:16,23 164:9,12 164:15 165:3,13,17 165:17 166:14 173:25 177:19 179:7,11,16 180:11 180:16 185:18,21 186:12 190:6 195:21 196:4 206:4 210:22 211:4 212:16 213:24 214:16 253:9 264:22 266:3 267:10 272:11 289:7,11 quick (1) 210:5 quickly (1) 141:6 Quinones (8) 1:18 4:2,2 18:14,15 19:1 20:1 293:5 quite (4) 32:2 125:13 140:6 243:24</p> <hr/> <p style="text-align: center;">R</p> <p>R (13)</p>	<p>1:12 3:1 46:4,4 79:2,2 79:2,2 113:2,11 188:2 278:15 292:2 radius (4) 243:19 245:7,13,14 rail (4) 243:22,24 247:24 248:14 raise (12) 110:7 113:9 145:24 161:23 162:4,12,17 162:25 163:14,20 164:8,15 raised (3) 39:20 60:14 76:20 raises (1) 195:25 raising (1) 275:4 ramp-up (1) 8:18 ran (1) 195:8 Randy (1) 239:6 range (2) 100:24 237:25 rare (1) 100:3 rate (2) 89:23 209:16 rates (2) 104:24,25 ratios (1) 127:13 reach (3) 92:25 287:22 288:10 reached (1) 193:12 reacting (1) 182:17 reaction (2) 282:6,6 reactions (1) 52:2 read (42) 8:15 15:15 51:10 53:21 55:11,24 56:18 57:8,12 63:25 72:14,18,24 114:19 168:22,23,24,24 170:21 171:6 173:7 173:22 178:3 182:5 182:21,22 204:22 205:5,6,16 218:2 226:6,18,22 237:9</p>	<p>240:20 247:23 248:18 251:3,6 256:21 268:9 reading (4) 146:18 256:18 268:10 288:17 ready (2) 123:19 130:14 real (17) 18:21 37:25 38:12 99:23 105:2,13,22 105:24 108:6,7 110:11 114:25 147:19 171:21 172:25 190:16 227:18 real-time (1) 104:23 reality (2) 260:23 264:3 realize (2) 113:20 210:21 realizing (1) 126:3 really (33) 9:25,25 11:7 15:13 16:23 25:16 60:23 77:14 105:16 107:2 112:7 118:9 127:15 129:19 130:5 133:20 162:7 163:13 175:6 204:10 207:13 211:15 213:24 224:6,23 229:17 230:16 237:7 251:4 253:14 255:8 263:23 284:25 reason (15) 26:7 47:16,19 52:15 93:5 99:19,25 183:10 197:11 231:25 233:10,18 237:21 261:23 276:7 reasonable (4) 36:9 64:5 120:8 272:15 reasons (5) 59:14 99:19 161:17 212:13 245:18 rebutted (1) 8:20 REC'D (8) 32:15 53:9 55:4 63:19 69:4 71:7 118:24</p>	<p>139:19 recall (68) 26:25 51:4 62:5 63:11 66:23 69:25 73:12 73:18,25 74:3,8 83:5 156:24,25 157:5 158:21,22 168:5 174:22 211:11 213:18 215:3,8,10 216:3,3 216:4 236:5 238:17 238:18,22,23 239:5 239:13 241:17 242:14,15,18 248:19,20 249:4,5,6 249:7,23 251:24,25 255:18,21 257:21 257:23 258:13 267:13,17 268:10 268:11,17,18 269:14,19,20,22 270:3,8,9,10 275:9 284:4 recalled (1) 45:10 recap (2) 60:11 70:16 recapture (1) 18:5 receipt (1) 121:24 receipts (1) 106:18 receive (13) 42:17 49:25 62:7 87:4 87:25 88:5 104:19 125:22 128:20 130:8 141:20 185:22 215:25 received (16) 6:5 32:16 53:11 55:6 63:20 69:5 71:9 72:21 96:9 118:25 122:15,16 127:22 139:20 206:15 215:25 receiving (2) 55:19 57:17 recertification (4) 4:15,18 5:13 132:20 recertified (1) 176:12 recess (2) 112:18 187:18 recipient's (1) 43:17</p>
--	--	--	---	--

<p>recited (1) 33:11</p> <p>recognition (2) 9:15 151:22</p> <p>recognize (6) 53:12,18 55:7 69:7,10 71:12</p> <p>recollect (1) 225:8</p> <p>recollection (24) 50:8,23 55:15 56:3,21 57:15,24 74:11 111:23 172:20 213:11 214:14,17 215:5 223:14 227:9 230:15 238:8 250:23 252:11 262:8 265:5 274:21 275:11</p> <p>recollections (1) 214:24</p> <p>recommend (1) 109:24</p> <p>recommendation (2) 5:23,25</p> <p>recommendations (4) 105:24 116:9,11 132:14</p> <p>recommended (1) 125:3</p> <p>reconvene (1) 112:17</p> <p>record (41) 8:5,8 15:7 23:17 32:13 46:13 47:24 52:11 53:7 55:2 63:17 64:2 68:13 71:5 72:18,25 96:25 97:24 101:3 113:24 118:21 168:24 170:22 173:8,23 178:3 182:23 188:22 205:7,17 214:13 217:6 218:3 226:6 236:9 241:19 244:6 247:11 248:22 251:4,7</p> <p>records (9) 25:6 94:10,13 137:18 161:18 165:19 166:17,20 276:20</p> <p>recovery (3) 191:21 210:19 277:19</p> <p>recruiting (1) 102:9</p> <p>red (1)</p>	<p>128:13</p> <p>redevelopment (3) 191:12 192:3 218:6</p> <p>reduce (3) 20:9 209:16 264:25</p> <p>reduced (4) 14:15 209:14 264:19 264:20</p> <p>reevaluate (1) 65:3</p> <p>refer (15) 4:16 6:3 80:20 81:10 115:15 119:14 120:24 121:16,20 136:17 144:20 196:5 265:4 278:4 280:16</p> <p>reference (9) 54:7 56:14 57:8 58:9 97:4 144:20 146:8 208:2 254:18</p> <p>referenced (1) 52:3</p> <p>referred (15) 11:11 29:17 38:9 66:16,21 70:11 81:21,22 84:7 91:13 92:20 94:18 99:6 167:9 275:20</p> <p>referring (6) 4:17 76:4,5 81:22 91:15 97:5</p> <p>refers (2) 277:12,15</p> <p>reflect (4) 15:7 44:21 217:6 248:22</p> <p>reflected (3) 213:13 236:4 250:14</p> <p>reflects (1) 184:19</p> <p>reforms (1) 176:6</p> <p>refresh (7) 55:15 56:3,21 57:15 57:23 213:11 250:23</p> <p>refreshers (1) 132:22</p> <p>refreshes (1) 172:20</p> <p>refusal (8) 110:13,15,16,22 111:7,14 160:9,14</p> <p>refuse (1) 6:14</p>	<p>refused (3) 43:5,13 56:24</p> <p>regard (3) 165:3 214:20 289:22</p> <p>regarding (14) 40:19 45:7,19 56:13 57:7 58:8 60:15 66:11 68:10 75:13 93:17 123:5 135:23 168:17</p> <p>regardless (4) 191:13 222:19 238:14 263:18</p> <p>regards (3) 285:3 286:22,23</p> <p>region (6) 101:16 102:3 105:12 105:18,19 246:20</p> <p>regions (2) 195:6,6</p> <p>regular (1) 200:17</p> <p>regulation (3) 11:20 36:12 64:7</p> <p>regulations (6) 34:15 35:9 36:21 132:21 133:4 192:22</p> <p>regulators (1) 72:22</p> <p>regulatory (2) 6:20 131:10</p> <p>Rehabilitation (1) 191:21</p> <p>reimbursed (2) 86:21 90:9</p> <p>reimbursement (1) 87:11</p> <p>rein (1) 288:25</p> <p>reintroduce (1) 3:18</p> <p>rejected (1) 33:14</p> <p>relate (1) 75:5</p> <p>related (22) 36:24 37:8 45:4 54:12 54:17 58:12,16 63:8 67:4 68:9,20 75:16 79:17 98:21 106:18 107:22 117:9 124:10 126:5 221:19 241:11 292:10</p> <p>relating (2)</p>	<p>70:12 87:15</p> <p>relationship (1) 96:14</p> <p>relative (1) 292:12</p> <p>release (1) 216:14</p> <p>relevant (12) 6:23 8:14 15:25 24:15 24:16 38:18 131:2 142:22 177:2 226:9 227:8 291:2</p> <p>relied (1) 22:2</p> <p>relieved (1) 290:9</p> <p>relocate (6) 27:22,23 100:19,20 171:4 242:11</p> <p>relocating (4) 107:7 108:22 205:20 259:23</p> <p>relocation (7) 101:2,20 103:8 108:11 165:25 218:6,13</p> <p>relying (1) 38:22</p> <p>remain (2) 33:18 173:13</p> <p>remained (1) 94:13</p> <p>remains (2) 8:2 120:23</p> <p>remarks (30) 4:1,7 5:1 6:1 7:1 8:1 9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 19:1 20:1 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 29:1 30:1 31:1 277:18</p> <p>remediation (1) 218:13</p> <p>remember (40) 26:14 27:10 70:14 74:2 153:16 172:14 172:19 176:5 213:3 213:5,17 217:4,5 221:23 223:19 224:25 225:7,10,13 226:2 236:25,25 238:10 241:14 242:13 244:3 251:20 252:7</p>	<p>255:19 256:19 258:4 272:7,14,21 275:4 283:18,20 284:6,12 288:17</p> <p>remind (2) 180:25 188:18</p> <p>remnants (2) 208:7 210:15</p> <p>removed (5) 94:8,9 280:20 288:18 289:17</p> <p>removes (1) 285:5</p> <p>rent (2) 158:5 206:14</p> <p>rents (1) 154:7</p> <p>repair (1) 218:17</p> <p>repeat (2) 4:7 241:5</p> <p>rephrase (2) 57:22 264:9</p> <p>report (4) 68:14 69:16 193:25 290:24</p> <p>reported (4) 1:23 39:7 196:18 274:13</p> <p>reporter (2) 2:14 292:4</p> <p>reporting (1) 48:18</p> <p>reports (5) 103:12 106:6,15 284:15 285:9</p> <p>represent (3) 211:7 223:11 258:13</p> <p>representation (9) 15:14 17:25 18:3 21:24 71:8,13 72:5 72:10 294:17</p> <p>representations (4) 19:6 22:6 72:8 73:13</p> <p>representatives (1) 45:5</p> <p>represented (4) 80:9 144:15 160:17 167:20</p> <p>representing (3) 31:19 74:16 151:11</p> <p>represents (2) 138:17 258:12</p> <p>Republicans (1) 191:4</p> <p>reputable (1)</p>
---	--	---	---	---

15:3 request (10) 6:17 10:6 67:12 107:13 117:9 129:7 151:10,14 270:4 290:14 requested (5) 21:9 67:17 111:25 122:23 270:24 requests (4) 8:5 9:9 40:11 67:20 require (10) 5:7 9:13 25:3 135:23 136:5,7,10 224:5 261:5 262:11 required (22) 8:12 13:5,18 14:4 15:9 22:8 34:18 37:11 44:9 92:15 93:3,10 120:13 192:14,17,19 218:12 255:15 260:2 265:17 266:14,17 requirement (10) 37:15,16,23 56:6 92:21 258:17 261:21 265:21 266:19 277:10 requirements (16) 4:22 5:2 6:20 16:12 17:3 35:9 54:8 55:18 66:11 93:19 116:2 131:22 220:14 245:24 275:25 285:15 requires (7) 5:20 7:22 8:23 22:19 132:2 265:20 283:4 requiring (2) 163:23 285:16 research (8) 151:25 280:3,14,17 280:19 286:17,19 286:25 resident (1) 241:25 residential (1) 105:3 residents (1) 203:4 resisted (1) 33:11 resolution (1) 130:2 resolve (1)	196:4 resolved (3) 26:2 129:14,17 resources (2) 66:9 130:18 respect (14) 31:22 36:3 39:9 64:20 145:2 159:25 164:16 165:15 166:10 167:4 168:7 176:24 229:18 259:14 respective (2) 122:21 125:10 response (9) 38:3 110:4 128:21 129:8 130:8 169:4 177:14,15 178:11 responses (3) 48:5 164:22 177:16 responsibilities (3) 34:4 49:13,22 responsibility (5) 48:13,22 49:16 74:15 119:23 responsible (7) 16:16 22:22 34:13,16 48:16 67:10 195:8 responsive (1) 67:12 restriction (1) 234:19 result (11) 50:16 64:18 65:11 125:23,25 126:3 129:6 171:12 194:5 205:24 206:20 resulting (2) 15:18 282:9 retail (15) 90:2 153:10 154:20 155:17 234:6,15,20 234:24 235:6,13 237:9,18 238:15 239:15,23 retailers (1) 235:3 retain (9) 11:22 17:18 135:3 138:23,23 190:12 211:18 242:17,17 retained (5) 11:15 15:2 19:22 194:6 211:13 retaining (2) 16:6 102:8	retaliation (1) 35:24 retaliatory (1) 52:6 retention (1) 200:22 retiring (1) 272:2 retrain (1) 62:24 retrospect (1) 75:11 return (4) 20:18 32:6 121:24 188:18 returned (1) 272:14 returns (2) 19:22 199:14 revenue (7) 15:22 18:23 19:23 20:5 125:22 194:12 253:19 revenues (2) 126:2,6 review (34) 5:25 28:25 29:4 34:9 41:9 50:5 58:24 64:19 115:7 118:4 121:3 123:10,22,22 124:5,11,14,18 125:9 127:9 129:7 133:19 142:3,6 145:22 148:19 151:8 152:5 156:2 159:20 168:3 193:16 285:10 288:23 reviewed (12) 23:15 35:12 71:24 115:11 117:24 121:21 130:7 149:20 170:14 184:8 192:21 272:21 reviewing (6) 34:4 67:11 116:3 120:9 168:15 251:22 reviews (2) 63:5 72:7 revised (3) 175:2,3 192:21 revisit (2) 230:22 249:11 reward (1)	202:2 rhyme (1) 93:5 rich (1) 182:25 right (130) 3:22,25 7:19 12:17 19:12 24:12 28:8,10 47:6 48:10 49:12 58:21 65:25 67:12 69:21 70:5,7,19 73:10 74:15 75:4 77:19 80:12 95:15 97:10 98:4 100:21 101:14 105:18 107:23 108:3 109:9 110:12,14,16,22,24 111:4,7,14 117:3,25 121:13 125:20 133:18 134:5 137:21 138:10 146:23 150:20 152:10 153:17 160:9,10,14 161:9 161:13 173:3 174:8 174:11,12 176:14 176:20,22 179:20 180:2,8,22 181:2,8 182:15,16 183:8,11 184:7 185:25 189:11 196:3 197:25 198:7 202:12,15,18,24,25 203:18 206:13 213:8 217:17 220:23 221:7,22 222:8 224:3 227:5 229:19 230:18 232:17 233:4,5,25 235:25 236:8,14 237:7,9,14 238:6 239:21,21 244:24 247:21 248:7 250:13 255:5,25 256:11,15,19,25 258:18 259:11 260:20,21 266:16 271:24 272:19 273:15 282:8 283:14 rights (2) 79:14,24 RIMS (1) 253:6 risk (21) 11:12 13:8 16:5 17:22	21:19 22:16 135:12 135:14 147:20 162:6 169:3 179:8 201:17,25 260:3,16 260:24 262:11,14 263:16 266:15 road (2) 216:6 218:16 robust (4) 4:12 9:6 64:20,22 ROFR (2) 160:7,8 role (26) 30:17 32:21 46:18,25 48:13,15,20,21,24 49:6,13,15 66:6 67:8,15 82:15 85:6 85:9,13 89:4,17 103:6 128:17 216:7 252:4 258:14 rolling (2) 90:21,22 Ronald (2) 1:13 3:3 room (5) 9:15 103:17,18,19 189:15 roughly (5) 50:19 152:23 153:22 156:6 182:13 roundabout (1) 104:16 row (1) 148:15 rule (3) 36:11 64:6 235:18 ruled (2) 271:18,19 rules (5) 16:18 25:5 36:20 133:20 275:25 run (1) 214:4 running (2) 44:12 274:24 runs (1) 6:19 Rutgers (4) 2:11 3:4 214:7 279:13 <hr/> S <hr/> s (7) 3:1 113:2,2,2 123:4 124:7,14 sake (2) 144:20 243:15
---	---	--	--	--

salaries (3) 87:11 92:8 253:3 salary (4) 86:21 90:5 91:19,20 sale (2) 234:19,20 sales (3) 89:20 90:3 94:18 Sandy (1) 53:23 Sarbanes-Oxley (1) 192:20 sat (1) 281:22 satisfaction (1) 129:18 satisfactory (2) 128:20 216:13 satisfy (3) 128:24 252:19 263:7 save (2) 211:25 234:3 saw (6) 29:11 32:18 184:5 213:16 225:5 242:8 saying (19) 24:13 68:19 80:5 174:19 177:15 179:8 186:6 207:25 225:18 253:8 258:22 261:4,12 263:9 272:8,15 275:12 287:5 288:18 says (18) 21:18 69:14,15,19 70:7,8 72:15 73:8 107:8 205:17 207:22 220:18 228:15 231:2 249:15,16 251:11 273:16 scale (5) 141:15 185:9 195:5 281:3 286:11 scenario (1) 61:3 scenarios (1) 189:6 scene (1) 60:21 scenes (1) 28:12 schedule (1) 44:17 scheme (1)	19:4 schemed (1) 20:7 school (5) 2:12 3:4 112:16 214:8 279:12 schools (1) 12:21 science (2) 101:21,22 scope (5) 75:16,19,22 120:2 200:8 screen (11) 148:4 168:21 188:17 216:21 217:3,6,22 222:16 223:5 251:5 251:5 scrubs (1) 117:12 scrutiny (1) 25:2 se (1) 250:11 search (1) 143:14 searches (1) 8:5 second (38) 3:5 16:18 29:12 40:5 41:9 69:13 72:17 120:17 144:3 151:3 154:18,22 155:11 156:8,18 157:25 159:5,23,25 163:5 169:7 171:6,19 172:9 173:23 176:18 205:9 214:3 218:20 220:17 226:4 232:6 240:12 240:19 245:4 247:16 262:19,21 section (7) 19:7,8 28:5,6 168:25 240:11 277:4 secured (1) 7:12 security (2) 279:20 280:7 see (50) 21:15 29:13 31:24 61:15 71:16 73:8 75:9 76:10 98:6 105:5 113:23 132:18,23 133:6 145:17 147:24	156:4,20 164:20 169:19 172:19 177:5,7,9,13,16 179:5,10 182:16 204:24 207:20,22 215:13 216:24 217:13,22 218:18 218:22 220:16 222:23 226:3,16 229:11 246:19 250:18,20 251:4,15 267:9 284:16 seeing (3) 52:23 223:3 224:2 seek (3) 116:2 256:7,8 seeking (2) 17:18 282:14 seeks (1) 37:20 seen (6) 52:10,20 141:5 168:4 213:6 281:11 select (2) 101:20 102:22 selected (1) 124:16 selection (15) 27:17 99:7,8,10,11,18 100:2,8 101:10,15 101:21 102:11 103:6 104:7 106:15 self-dealing (1) 10:8 self-select (1) 208:18 sell (1) 235:7 selling (1) 89:21 Senate (7) 30:24 212:5 281:15 281:18 282:3 284:7 284:9 senior (24) 33:12 35:14 38:2 45:11 46:20 48:9,20 49:11 51:24 65:24 67:8 77:11 115:5 123:3,17 196:19 215:21 224:12,13 269:15 270:21 274:4,16,23 sense (12) 24:14 104:23 105:3 117:12,19 134:2	154:2 156:17 201:18 228:25 255:13 257:6 sensible (1) 236:17 sent (6) 30:22 121:22 173:5 176:9 212:3 281:15 separate (4) 87:7,15 93:15 121:18 September (8) 34:21 36:17,17 50:22 145:13 153:16 161:5 251:10 serious (6) 20:17 62:11 108:21 164:20 165:4 166:14 seriously (7) 61:9 107:7,16 109:5 110:5 285:20,24 seriousness (1) 27:24 serve (2) 116:7 190:22 served (3) 78:11 190:25 196:17 service (7) 49:16 100:16 221:18 237:11,24 238:2,3 services (12) 33:22 82:18 87:22 218:8,12 220:19,19 220:20 221:2 223:8 223:20 225:5 serving (2) 4:2 104:2 set (9) 149:20 204:7 215:23 234:13 240:25 241:2 283:5 292:8 292:16 setting (2) 60:21 125:5 settled (4) 69:18 269:24 271:13 271:13 seven (4) 46:24 182:13 185:13 185:14 seventh (4) 159:6,9 160:3,17 severance (2) 94:4,14 shape (4) 77:15 198:19 199:20	235:9 shapes (1) 136:21 Shapiro (1) 15:4 share (2) 75:24 80:2 Sheehan (14) 144:18 152:7,7 167:20 212:19,20 213:11 214:14,19 214:25 236:10 241:20 247:11 248:23 sheet (6) 40:20 63:20,22 136:24 183:2 294:13 sheets (2) 178:9,12 Sheridan (3) 181:10,13 182:2 shifts (1) 44:13 Shirley (8) 181:10,12,20,22,24 181:25 182:17,22 shocked (1) 52:5 Shoprite (1) 239:3 short (9) 85:20 104:4 158:19 161:25 187:11,14 189:25 200:4 278:8 shortcut (1) 267:5 shortcuts (1) 265:24 shorten (1) 190:6 shorthand (4) 208:9 265:24,24 278:9 shot (3) 110:18 183:3 217:3 show (21) 11:22 12:6 13:11,19 17:21 43:12 56:25 135:11,13 137:19 165:21 166:19 171:21 193:23 204:12 260:2 261:6 263:5 266:14,15 273:19 showed (9)
--	--	--	--	--

32:24 43:9 56:23 138:14 165:25 183:17 186:3 213:7 223:22 showing (8) 14:4 15:10 29:23 41:21 139:20 216:24 221:25 294:24 shut (1) 139:14 sick (2) 93:8 279:21 side (3) 66:4 141:18 230:25 sidewalk (1) 218:17 sign (1) 70:22 signed (14) 3:10 27:2 71:8,13 74:16 120:14 121:18,21 191:20 191:22,24 192:9 255:23 294:18 significance (5) 147:14 154:10 161:10 186:7 229:18 significant (13) 5:7 14:16 15:15 62:15 73:5 99:14 122:24 161:2 164:17 176:15 195:4 228:9 282:17 significantly (7) 102:13 115:23 159:16 228:22 281:2 286:10,13 signing (2) 73:15 82:2 signs (1) 174:4 similar (5) 98:9 130:6 152:12 158:16 227:12 similarly (1) 45:15 simple (4) 22:6 126:9 194:10 234:14 simpler (1) 253:15 simply (3) 125:16 203:24 244:12 single (8) 17:9,20 21:16 89:5,6	207:18 243:9 265:17 sir (1) 246:7 sit (12) 134:7 180:21 212:25 215:4 233:19 248:25 251:17 252:3 257:20,24 258:5 270:13 site (63) 15:20 27:17 37:14 38:25 39:5,15 41:22 44:13 99:6,8,10,11 99:17,23 100:2,8 101:10,15,20,21 102:11 103:6,12 104:7,10,11,12,17 104:19,20 105:12 105:13,18 106:14 107:7,16 108:15,22 109:5 120:7,8 137:19 147:3 150:25 165:22 179:17 226:13,19 226:19,23,24 227:2 227:4 228:3,15,24 229:8,11 230:13 231:9,17 232:24 233:12 site's (1) 38:17 sites (5) 105:5 106:4 165:21 166:14 246:2 sitting (3) 3:25 59:13 175:24 situation (2) 60:23 206:23 six (6) 36:7 102:25 118:22 118:22 197:3,5 Sixers (1) 258:8 size (10) 45:9 101:2,3,7,11 107:4 227:24 281:2 283:18 286:11 sized (1) 207:16 sizes (2) 106:22 136:21 skills (1) 117:6 skip (2) 151:4 179:2	slide (7) 118:20,24 144:2,3 166:24 204:24 294:21 slides (1) 113:23 slightly (2) 153:25 173:11 slip-up (1) 42:20 slow (1) 271:22 small (3) 10:7 107:2 175:5 smaller (2) 100:16 236:14 social (1) 197:8 sociology (1) 279:11 soft (4) 219:23,24 220:7 223:20 sold (2) 96:17 105:17 solely (1) 210:16 solve (1) 202:15 some-odd (4) 84:19 85:7 88:4,14 somebody (4) 118:22 229:7,10 230:11 somebody's (1) 229:23 sorry (45) 29:15 51:19 57:3 58:14 83:22 120:25 132:25 140:17 142:10 145:11 150:4,5 164:23 168:23 169:12 177:15 178:21 181:24 202:7,9 205:6,8,9 206:16 207:21 208:3 212:8 212:10 213:16 214:21 222:6,23,24 227:16 238:18 244:7 247:14,21 249:19 253:7 260:11 264:9 269:6 271:8 278:6 sort (27) 27:5 59:20 60:5 63:3	66:11,13,20 67:15 74:3 106:23,23 107:13 108:23 131:24 132:4,22 224:14 239:21,24 272:3 280:23 283:7 284:17,23 288:14 288:25 289:23 sorts (1) 283:10 sought (3) 256:4,9 288:2 sound (1) 290:4 sounds (7) 105:12 106:2,9,13 107:9 199:22 211:15 source (2) 15:17 130:14 sources (2) 10:14 26:6 south (4) 39:14,23 102:14 249:19 space (29) 43:25 44:8 66:11 109:8 110:19,20 152:12,24 153:21 154:6 156:7,22 157:8,10,25 159:2,7 159:8,9,9 160:4,14 160:22 164:6,17 182:6 186:19,19 204:9 spaces (3) 147:20 160:13 174:13 span (3) 85:20 191:9 284:11 speak (6) 79:15 110:23 142:20 195:23 222:3,5 speaking (4) 137:21 207:11,20 235:3 special (7) 3:20 4:3 5:21 6:4 105:19 191:17 275:24 special-purpose (2) 242:25 243:2 specialization (1) 100:2 specific (49) 7:6 24:17,18 25:17 27:2 28:21 30:20	31:21 38:8 40:10 65:9 70:14 74:23 102:2 105:17 107:23 108:3 110:17 112:2 117:6 125:23 132:24 144:25 151:10 174:22 176:2 202:13,13 213:24 225:16 233:20 237:7 238:21 242:10,20 243:24 244:20 250:4 258:24 268:12 270:4 271:5 272:25 273:19,20,20,21 275:12 277:20 specifically (10) 12:12 44:3 58:18 109:9 118:12 143:14 171:3 193:15 280:2 281:4 specificity (1) 220:6 specified (1) 186:19 spectators (1) 113:6 speculative (1) 268:17 speed (1) 151:6 spell (4) 46:12 97:23 113:24 188:21 spelled (1) 120:4 spelling (2) 114:2,3 spend (1) 200:11 spending (5) 285:2,5,6,10 290:2 spent (1) 278:13 spins (1) 147:25 spoke (1) 47:20 spoken (3) 98:3 115:13 213:10 spread (5) 109:12,15 201:2,3 202:3 spreadsheet (13) 91:8,9,14,14,16,21,25
---	---	---	--	---

92:2,19 94:6,7 96:16 165:24 spreadsheets (1) 96:3 Spring (1) 149:11 square (35) 44:7,9 148:16 150:3 152:23 153:9,10,22 153:23 154:5,6,16 154:20 155:6,6,9,15 155:17 156:7 157:21 158:5 159:3 160:4,16,18 163:22 171:3 234:7 236:14 236:19,20,20 237:10 238:2 239:15 stable (1) 198:24 staff (28) 9:10 62:25 81:16 90:19 91:7,24 92:11 92:18,24,25 93:5,11 93:16 94:6 96:12,12 100:6 121:21 123:3 123:7,17 125:3 170:3 192:15 193:11 212:16 224:13 266:4 stage (7) 18:8 126:25 141:8,9 204:7 215:24 234:13 staged (1) 94:14 stages (1) 140:4 stakeholder (1) 283:15 stakeholders (6) 279:3 281:6 283:22 284:16 288:24 289:4 stand (3) 30:13 113:9 252:10 stand-alone (5) 236:19 239:3,11,22 240:6 standard (4) 72:6 241:25 256:11 256:11 standards (1) 161:13 standing (1) 289:21	stands (1) 252:16 start (8) 25:21 82:10 104:5 119:4 138:21 143:17 189:23 221:12 started (9) 26:23 33:21 35:20 82:20 115:4 133:11 197:12 242:18 279:19 starting (1) 67:5 startup (1) 107:2 state (93) 2:15 11:13,19,22,24 13:8,20 14:6,24 15:12,23,25 16:2,5 16:7 17:5,22 20:8 20:10,12 21:3,20 39:12 46:12 49:16 49:17 50:20 56:23 57:2 59:17 65:16 97:6,23 101:16 116:8 125:22,24 126:2,10 135:15,24 138:24 147:22 176:13 179:13 188:12 190:14,23 191:14,19 193:9 194:13,21 198:3,7 198:11,13 201:13 201:17 208:11 210:13,18 218:4 241:6 243:18 245:14,19,20 249:17 253:2,19 254:6 255:14 262:14 263:16 265:18 266:24 276:2,17 277:5,12 278:2 280:25 284:7 285:2 287:3,15 288:24 289:20,22 290:2 291:7 292:4 state's (6) 119:18 121:19 125:11 195:16 253:24 280:22 statement (16) 8:14 21:17 57:4,6 74:7 107:11 114:19 116:17 189:25 196:3 257:15	272:22 293:3,4,5,6 statements (5) 10:10 127:10,12 130:22 288:3 states (11) 19:6,11 169:5 194:17 198:8 201:19,20,22 241:10 286:10,13 statewide (2) 14:8 262:10 station (3) 243:23 247:25 248:14 stations (3) 243:24 244:18 245:8 stats (1) 48:19 status (1) 274:17 statute (21) 11:20 13:19 14:4,10 15:9 16:19,21 17:16 17:24 19:7,8 30:23 34:14 132:2 234:25 260:21 261:5,22 266:17,19 277:8 statutes (2) 18:25 19:14 statutory (1) 35:9 stay (5) 32:3 108:14 130:23 180:7 186:5 stayed (1) 154:7 staying (2) 42:13 278:23 steeped (1) 197:19 stenographic (1) 292:6 step (9) 10:15 113:20 121:12 123:9 124:8 143:9 143:12,22 288:5 STEPHANIE (1) 1:21 stepped (1) 256:22 steps (4) 6:4 60:10 62:8 65:9 sticks (1) 219:18 stimulus (1) 15:18 stipulations (2) 285:9 286:5	stop (2) 221:13 261:11 stopped (1) 96:6 store (12) 203:5,13 234:9 236:13,19 237:19 237:24 238:3 239:11,14,22 240:6 stores (1) 238:4 story (1) 238:14 straightforward (2) 208:11,12 stream (2) 188:9 211:17 streamed (1) 173:18 streamline (2) 5:12 267:11 street (7) 2:13 149:7,11 172:11 172:13 184:15 186:20 strengthen (1) 195:16 strike (1) 111:14 Strong (14) 142:12,25 143:23 146:10 149:6 150:17 152:20 153:3 154:13 155:2 156:6 163:20 172:6 258:9 strongly (1) 265:20 structure (2) 208:21 231:15 structured (1) 286:6 structuring (1) 286:22 struggling (2) 194:19 246:4 study (4) 133:19 221:6,6 288:8 studying (1) 99:12 stuff (1) 185:17 Subaru (3) 242:16,17 258:9 subject (13) 11:16,17 18:4 19:24	26:8 37:20 75:6 139:22 180:6 272:10 282:22,24 288:8 subjects (1) 259:11 submission (3) 135:23 138:3 172:12 submit (5) 8:13 25:6 192:15 199:14 260:3 submitted (28) 17:24 21:7 34:5 40:8 40:14 58:20 91:7,21 92:11 94:6 120:15 121:10 122:18 143:20 145:3 147:6 147:19 150:19 153:13 154:13,25 158:23 162:15 172:2,15,24 179:8 192:24 submitting (3) 5:14 20:8 39:2 subpoena (1) 6:16 subprime (1) 89:19 subsequent (2) 91:10 268:5 subsequently (2) 86:18 94:3 subset (1) 189:9 subsidies (2) 280:25 285:3 subsidy (2) 280:23 286:12 substance (3) 71:25 287:8,9 substantial (1) 287:11 substantially (1) 124:20 substantiate (1) 147:20 substantiated (1) 10:16 succeed (1) 35:23 success (2) 198:15,15 successful (2) 193:23 195:15 Sucsuz (70) 26:17 32:16 33:8,20
--	---	--	---	---

34:12,19,22 35:7,13 35:15,22 36:7,14 37:10,22 38:7,10,21 39:3,10,14,25 40:15 40:17,23 41:10,15 41:19 42:21 43:8,12 43:15,23 44:4,13,20 45:2,5,10 50:3,23 51:4 53:10,15 55:5 55:8,16 56:4,22 57:16,24 59:10 63:20 65:6 67:24 68:4 73:19 75:15 77:24 267:14,20 268:6 271:12,16 272:15 273:8 294:4 294:8,10,14	sunset (2) 200:9 238:25 super (2) 212:11,12 super-important (1) 212:13 Superior (3) 34:23 51:5 67:25 supermarket (2) 234:9 237:11 supermarkets (1) 237:8 supervised (1) 259:3 supervisor (11) 39:21 42:5,9,12,18 43:7,10,13 44:18,20 50:10 supply (1) 146:15 support (10) 46:21 48:15 125:9 129:8 137:23 172:2 190:13 235:10 239:18 244:19 supported (1) 16:7 supporting (1) 117:9 suppose (1) 202:16 supposed (6) 128:7 129:16 161:12 201:22 203:24 220:13 Supreme (1) 19:9 sure (64) 21:11 28:9 47:13 57:23 67:16 68:13 98:24 100:18 101:3 105:11 106:20 107:19 110:13 116:12,19 117:13 117:17 126:24 130:12 133:10 134:6,25 136:20 137:7 140:7 142:21 146:4 147:12 152:2 169:2 170:23 173:19 174:3 178:22 182:24 188:23 202:4 207:21 211:17 217:25 219:3,11 223:25 230:20,23	233:23 236:23 237:9 248:16 251:2 251:4 255:2 256:12 256:16,17 258:6 265:22 271:2 276:23 277:3 279:10 287:2,4 290:8 surpass (1) 255:14 surprise (2) 210:21 250:12 surprised (3) 52:16 89:13 216:5 surprises (1) 98:10 surrounding (3) 124:23 243:20 245:7 Susan (1) 54:3 suspect (2) 10:18 28:16 suspected (2) 40:15 72:20 suspension (1) 18:4 suspicious (1) 128:17 sustainable (1) 200:5 swearing (1) 5:15 swoop (1) 203:12 sworn (9) 8:13 46:5 79:3 80:15 97:17 113:12 170:11 188:3 278:16 system (4) 165:12 166:23 170:23 253:5 systemic (1) 200:15	181:5,9 183:22 204:20 205:15 215:12 250:16 294:11 tabbed (2) 69:5 294:15 table (2) 20:22 53:4 tabs (1) 144:21 tackle (1) 280:4 take (28) 6:4 22:13 32:2 49:6 55:23,24 56:16,17 57:11,12 83:13 102:24 103:21 105:23 122:5 140:6 164:11 165:11 206:23 214:2,6 233:7 238:8 249:2,8 252:9 267:4 273:14 taken (2) 187:18 224:11 takes (4) 120:17 122:3 126:2 141:7 talent (2) 102:2,4 TALIO (1) 102:4 talk (17) 11:7 12:4 23:21 24:6 28:21,23 136:2 203:15,18 212:14 212:15 224:4 226:10 228:12 259:12 261:13 281:4 talked (9) 125:15 132:13 134:20 141:2 148:7 167:25 177:3 179:22 274:16 talking (18) 21:14 28:11 101:11 175:10 176:5 180:25 182:13 203:17,19 214:25 224:21 256:17 258:16 260:13 261:18 276:11,12 277:11 tank (1) 280:5 target (1)	200:13 targeted (4) 245:23 250:8,8 289:2 targeting (1) 191:25 task (34) 1:4 3:6,12,13,19 4:25 5:15 6:6 32:13,15 32:23 33:7 45:18 53:7,9 55:2,4 63:17 63:19 69:3,4 71:5,7 107:6,22 114:13 115:7,19 116:9 118:21,24 139:19 190:7 294:3 tasked (2) 191:16 192:11 tax (160) 1:6 3:7,16 4:20 5:2 6:24 11:7,9 13:9,13 16:12 18:23 19:15 19:22,23 20:5,7,9 20:15 21:4,10 22:3 31:8 33:6 35:10 36:13,19,21,24 37:15 39:2 42:17 43:21 48:22 49:2 54:8,13,17 55:19 56:7 57:17,25 58:4 58:13,16,20,24 62:16,25 64:8,13,21 65:3,17 70:4,18 75:5 76:7 78:4 81:23 82:2,6 84:4 86:24 87:4 88:2 91:6 96:9,17 111:24 115:7,24 125:22 126:6 135:6 171:13 184:20 191:23 194:2,6 197:21,22 197:25,25 198:9,10 198:12,18,19 199:7 199:8,11,11,12,12 199:13,15,16,17,18 199:19,24 200:8,17 202:11,13 203:11 203:23 205:20,22 205:25 206:15,21 207:5,13,16 208:6 209:20 210:10 224:24 228:18 232:9,9,12 234:17 234:23 235:8,8,14 236:18,21 239:20 240:4 246:10 250:5 251:12 252:12
---	--	---	--	---

253:22 254:9 255:4 255:6 257:5,17 264:11 276:12,14 276:20,23,24 277:3 280:7,24 285:3,15 285:17,21,23 286:12,24 291:3 tax-exempt (1) 53:25 taxes (14) 19:10,12,21 20:12 101:23 103:25 198:11,14 253:20 254:8,13,13,15,19 taxpayers (2) 116:7 291:6 TBD (2) 169:6 179:13 TD (1) 100:14 team (19) 3:19,21 4:4,10 5:21 9:24 35:14 36:18 66:9 74:2 119:13 120:24,25 121:2 224:12 269:15 274:5,17 287:9 tear (1) 231:13 tease (1) 259:16 technical (1) 117:6 technically (1) 285:6 technology (1) 290:19 teeth-pulling (1) 40:21 telephone (3) 48:5 214:18 215:9 tell (14) 47:13 48:12 49:12 75:24 80:16 91:14 93:21 148:10 165:11 169:23 171:25 215:18 256:23 262:21 telling (3) 24:13 189:24 266:13 tells (1) 110:11 tempered (1) 8:20 ten (15) 33:21 81:7 90:8 155:5	168:8 171:11 185:9 185:9 187:15 202:3 206:3,22 209:4,7 254:6 ten-person (1) 100:19 ten-thousand-foot (1) 198:18 ten-thousand-perso... 100:20 ten-year (3) 67:5,21,22 tenant (5) 110:20 160:13 206:11 206:14 207:19 tend (1) 67:6 tenor (1) 105:9 tenure (4) 36:15 191:13 195:11 196:22 term (17) 70:11 116:18,20 117:2 191:3 194:9 200:4,5 201:16 219:22 227:12 243:5 254:10 271:13 278:2,8,9 terminal (1) 249:16 terminated (11) 34:21 50:23 93:24 94:13,23,25 95:2,6 95:14,17 267:21 termination (7) 18:4 35:3,7 94:3 268:2,6 272:7 terminology (1) 275:17 terms (15) 40:20 66:14 92:14 136:24 143:11 155:6 156:7 173:11 178:8,9,12 182:17 225:21 233:11 236:24 test (26) 13:25 14:2,7,9,18 43:2 54:2 57:7 252:16,16,19,21 254:21 257:11 262:9,9,10,13,16,24 262:25 263:7,11 264:17,18 265:19 testified (35)	27:10 38:11,21 39:4 39:10,14,25 40:7,18 40:23 41:2,15,19,22 42:5,18,24 43:15,23 44:4,14 46:5 59:3 60:12,14 70:17 79:3 90:12 97:17 113:12 188:3 265:14 273:23 278:16 283:12 testifying (3) 98:7 117:18,19 testimony (33) 9:20 30:6 37:8 45:25 47:17 60:17 61:4 68:17 70:16 78:19 81:25 83:15 87:14 106:9,21 112:6,8 113:22 116:10 117:16,24 138:14 145:21 148:20 187:19 188:25 259:21,25 260:7,22 272:20 281:22 291:2 tests (2) 54:11 117:8 Texas (1) 198:8 text (1) 183:23 text-messaged (1) 197:4 thank (57) 9:6,22,23 18:15,15 20:19 32:6,11 45:21 45:23 46:9 54:6 64:10 76:13 77:19 77:20 78:14,16 79:9 96:22 97:10,11 98:6 106:8 109:7 111:17 112:6,9,10 114:17 114:20 115:19 116:11,18 125:12 125:13 173:21 188:20 189:19,20 190:7 195:19,19,22 205:13 214:6 219:10 226:21 235:12 262:7 267:7 278:11,12,22 290:5 290:6 291:10 Thankfully (1) 4:10 thanks (4) 112:4 187:4,10 190:4	Theresa (4) 177:7,14 178:19,21 thing (13) 133:18 202:11 203:22 204:6 226:7 227:19 232:17,20 246:19 250:5 260:19 287:6 289:16 things (45) 6:15 11:2 12:7 14:2 26:4 60:21 61:9 64:23 72:18 101:25 107:3 125:14 135:7 151:6 165:21 166:25 174:8,10,14 179:24 181:7 183:13 196:3 197:24 198:22 199:19,21 202:19 219:19,24,25 220:20 221:5 224:14 229:6 245:22 256:10 265:25 266:2 270:11 272:3 278:25 279:20 287:5 288:21 think (64) 15:6 18:10,19 31:6 32:8 57:20 61:14,24 63:5 65:10 75:21 84:8 112:6 113:7 125:14 129:19 132:13,14 141:7 151:3 165:5 168:20 176:16 185:3 187:13 188:7,18 199:5 200:17 201:24 204:9,24,24 207:7 208:21 209:17 210:12 211:16 217:11 221:5 223:10 226:10 229:5,11 230:18 231:25 232:7 234:11 238:3 240:14,16 260:5 264:22 266:21 271:3,22 273:24 276:7 280:5 282:11 284:22 286:21 287:5 288:12 thinking (4) 102:21 107:8 156:12 224:25 third (3)	19:19 39:9 234:2 thirty (2) 21:2 260:15 thorough (2) 6:12 59:15 thought (8) 12:21 59:15 60:4 68:7 68:15 207:25 237:6 272:8 thousand (11) 44:7 155:5 156:7 194:3 209:9 236:19 238:2 246:11,21 248:5 267:2 thousand-dollar (1) 247:8 three (14) 12:7 44:12 99:19 104:18,19 125:14 143:23 148:13 151:12 162:13 184:12 191:3 196:22 284:11 three-month (1) 153:19 threshold (1) 247:8 thriving (1) 198:24 tie (1) 176:9 till (1) 191:10 Tim (4) 30:16 187:20 256:18 293:22 time (106) 23:16 27:9 29:13 33:18 45:24 52:9,24 59:6 60:8 62:3 63:8 64:17 65:23 75:17 75:20 79:9 81:19 82:8 84:16 85:18,19 85:20,21,21,21,25 92:18 93:7,7,13,15 95:7 96:22 108:15 112:13 113:7 117:21 122:2 126:16 129:25 131:18,19 132:5,5 135:10 141:6,14,19 144:21 148:22 149:25 151:4 152:17 157:8 158:20 168:4 175:10 181:16,20
--	---	--	---	---

184:20 188:15 191:10 194:22 200:16 201:2,4 202:8 211:8,10,25 213:19,23 225:4 230:6 234:3 239:2,4 239:9 242:8,22 243:6,6,15 250:25 253:11 259:9 265:6 268:16,19 269:4,5 270:12 271:4,10,11 272:9 274:9 278:13 280:3 283:23 284:13,18 287:25 288:16 289:5 291:13 timeline (2) 32:24 141:2 timely (3) 4:23 9:8 67:17 times (5) 44:8 101:6,8 197:8 199:23 timing (7) 59:20 63:3 78:10,11 139:23 281:8,9 Timothy (2) 188:23 190:8 title (3) 19:6 33:25 98:13 titled (1) 145:9 TMO (7) 143:24 158:23 159:25 161:24 163:3,13 172:6 today (63) 7:2 8:4 10:18 12:4,15 13:3,15 22:12 23:2 23:8 25:10,19 28:11 31:25 33:2 46:10 47:10,14,18 59:13 76:12,14 79:10 80:10,16 96:22 100:23 101:9 102:11 103:9 104:8 112:9 115:12 116:10 117:24 118:10 138:15 142:3 145:21 148:20 175:25 184:9 189:2,8 190:8 195:20 196:25 203:16,18 210:22 212:25 214:9 215:4 233:19 252:3	259:21,25 260:10 260:22 272:20 278:13,23 289:8 today's (7) 6:21 8:7 9:20 11:17 115:6,10 290:13 Todd (1) 191:2 told (15) 39:21 44:18 82:8 83:9 85:16,19 90:19 91:10 96:12,16 173:17 175:14 188:7 190:2 259:18 tool (1) 198:2 top (12) 66:17 86:22 91:9,21 104:18 122:8 177:13 182:16 183:23 198:17 220:21 246:23 top-of-mind (3) 77:9,10,13 topic (4) 11:3 267:3,9 287:15 topics (2) 6:22 10:19 total (5) 148:16 194:5,13 207:17 246:24 totality (3) 164:24 185:3,10 touch (2) 183:3 196:24 touches (1) 119:9 tour (1) 179:18 touring (1) 178:11 towers (1) 109:9 track (1) 280:24 Trade (1) 191:11 traditionally (1) 125:6 traffic (2) 221:6,6 train (2) 244:18 245:7 training (9) 49:19 130:10 131:20 132:5,11,17,23	133:2,14 Trans-Hudson (1) 243:22 transaction (2) 232:25 233:8 transactions (1) 193:17 transcript (2) 290:13 292:6 transfer (1) 14:13 transit (9) 191:23 200:7 207:13 208:6 243:20,21 244:2,15 276:12 transit-oriented (4) 243:16 244:25 245:5 245:11 transparency (1) 7:24 transportation (3) 101:25 102:5 283:7 travel (1) 106:19 traveling (2) 38:20 98:21 Treasury (1) 19:17 treated (1) 55:16 treatment (1) 242:2 Trenton (2) 192:2 276:4 trial (14) 2:12 8:22 25:24 30:3 35:20 61:15 63:20 63:23 65:11 77:6,12 269:3 270:23 294:14 tried (3) 39:16 194:22 273:17 trouble (2) 175:7 271:23 true (17) 5:8 61:19 62:11,15,21 128:13 135:17 206:7,7 234:14 236:15 261:2 268:3 272:25 273:2 275:6 292:5 truth (3) 24:14 47:14 80:16 truthful (3) 47:17 48:4 128:8 truthfulness (1)	192:18 try (20) 14:3 31:25 110:19 129:10 188:17 198:4 201:21 211:25 213:22,23 217:9,10 234:13 244:11,12 253:11 253:21 259:16 261:19 267:11 trying (12) 23:5 24:4 44:3 231:8 231:23 233:6 242:10 243:10 244:17 256:17 278:25 290:17 turn (21) 18:14 45:21 53:5 54:23 55:10,22 63:14 68:3,24 69:13 71:2 75:2 96:23 161:9 168:19 169:8 169:18 172:9,18 177:5 183:22 turned (7) 24:20 68:20 73:23 74:2,3,8,17 turning (4) 59:6 73:7 74:11,22 turnover (1) 104:24 turns (2) 18:2 111:3 twelfth (2) 159:10 160:3 twelve (1) 158:16 twenty (2) 231:11,14 twenty-two (1) 191:9 two (33) 3:16 6:10,15 12:14,21 16:24 47:25 51:16 96:4 100:24 101:4 106:22 109:3 120:24 157:15,19 164:4 168:2 186:22 198:12 209:8 228:13 229:6 231:3 232:24,24 233:7,8 233:11 248:5 259:11 261:19 265:15 type (8) 61:3 65:5 78:2 99:21	99:24 105:5 125:23 284:21 types (1) 253:3 typical (2) 62:4,6 typically (8) 5:19 27:21 102:25 103:2,15,18 104:18 283:24 <hr/> U <hr/> U (2) 79:2 188:2 U.S (3) 19:20 20:3 99:2 UEZ (1) 254:14 ultimately (15) 26:22 35:19,23 40:11 41:24 42:16 82:23 87:24 88:17 96:9 102:22 120:11 134:19 143:17 192:23 um (3) 64:23 90:16 232:6 Um-hum (7) 174:6,15 204:13 217:8 236:2 250:17 282:4 umbrage (1) 267:4 unable (5) 39:17 40:4,10 47:17 290:2 unanimously (1) 35:24 unaware (1) 60:25 unclear (1) 232:22 uncommon (2) 174:9 282:11 uncovered (1) 264:12 undercut (1) 24:22 undercuts (1) 257:2 underfund (1) 289:23 underlying (2) 137:18 179:23 underscore (2) 20:20 21:5
---	---	---	--	---

underscores (1) 21:22	117:12 119:5 120:20 121:7	unlimited (1) 285:6	valid (1) 109:2	46:20 48:9,21 49:11 65:24 67:9 196:19 274:23
understand (83) 7:15 18:12 22:5,23 30:2 47:13 66:19 67:21 79:25 80:7,8 80:12,16 87:13 98:24 99:9 101:10 105:11 110:14 115:5,16 116:6 118:9,11,15 119:24 120:5 125:17 129:15 130:5 131:21 133:5,10,19 134:11,16,25 147:16 150:9 152:19 161:8,21 166:21 170:6 174:4 177:18 181:9 186:16 189:8 197:20 204:7,10 206:16,18 207:21 216:11,20 217:12 218:25 219:11,12 226:8 227:7 228:4 231:20,23 232:5 235:17 248:17 253:8 255:7,22 256:24 257:6,6,7,10 265:14 272:19 273:12,14 274:2 278:25	128:11,23 129:5,13 129:16 130:13,15 130:17 134:7 137:13,17,22 138:4 140:12 142:20 145:18 149:19,20 150:4,6,15 151:8 155:25 156:5,21,25 157:7 158:19 160:21,25 161:5,20 162:10,18 165:3,16 166:3,13,15 179:6 179:11,16,21 180:15,15 181:8 185:2,8,11,16 187:3 187:9 264:12,23	unpack (9) 81:20 83:14 91:12 176:21 202:18 227:16 230:24 231:23 236:24	validity (1) 117:8	view (6) 13:10 235:20 238:12 259:7 261:22 263:10
understanding (24) 14:23 31:6 34:13 54:6 54:10,15 69:23 71:21 72:3 86:7 87:6 116:25 131:13 135:16,20 136:23 145:2 147:13 210:9 241:22 271:9 277:21 278:7 287:17	underwriter's (5) 118:17 128:17 137:5 140:20 151:23	unpaid (1) 19:21	value (5) 132:18,19,23 133:6 176:17	viewed (1) 21:24
understands (5) 28:9 117:7,17 143:16 232:7	underwriters (12) 23:12 115:13 128:4 131:12,15,21 132:6 132:16 133:4 151:17 175:13 186:24	untrue (2) 273:16,22	variety (3) 280:6 283:2,10	viewing (1) 237:2
understood (8) 16:15 42:3 70:3 216:8 224:3 230:16 273:12 278:4	underwriting (28) 28:4,6 114:22,25 116:20 118:13,25 120:15,18,22 121:2 122:19 123:13 124:18 133:24 141:23 143:20 147:15 161:12 162:3 163:7 164:2,7 164:14,21 175:11 259:3 294:21	unusual (4) 150:21,22 158:13 178:14	various (13) 25:13 34:6 35:8,14 36:19 103:16 115:3 123:3 136:21 141:16 165:2 274:18 286:18	violated (3) 36:11 64:6 272:16
undertake (1) 9:2	unemployed (1) 86:4	up-front (1) 171:9	vary (1) 102:13	violation (3) 35:3 36:20 59:17
undertaking (1) 283:9	unemployment (1) 87:3	upcoming (1) 123:15	vast (2) 134:14 145:9	violations (3) 35:8 50:20 131:10
underwriter (63) 33:25 34:3 36:15 115:5 116:21	unfair (2) 265:12 270:19	updated (1) 132:6	verdict (11) 35:22 63:20,22 64:15 64:18 271:14,15,16 272:13,15 294:13	vision (1) 200:23
	unfounded (1) 60:13	updating (2) 115:25 116:4	verified (4) 5:16 128:3 148:24 192:16	visit (6) 39:15 104:10,11,17 105:13 120:8
	unique (1) 270:22	upheld (2) 20:5 49:18	verification (1) 124:2	visited (1) 42:10
	United (3) 19:6,11 241:10	upper (1) 289:17	verify (3) 42:2 128:11 140:24	visits (7) 103:12 104:12,19,20 105:12 106:19 165:22
	University (1) 146:9	urban (10) 191:23 194:20 200:7 201:8 207:13 208:6 210:10 276:11 279:13 283:5	version (8) 30:23 31:3 210:23 212:4 216:21,22 236:12 244:24	visual (1) 119:8
	unlawful (2) 35:3,6	use (14) 19:3 27:21 90:21 101:19 102:3 118:20 146:5 151:17 152:7 198:4 243:6 244:12 254:10 290:19	versions (2) 31:10 234:15	vividly (1) 29:21
	unlawfully (1) 19:21	useful (1) 112:7	versus (2) 101:24 253:22	voice (4) 205:11 222:3,6 227:16
		uses (2) 249:9 278:2	veterans (1) 87:4	voluntarily (3) 114:10 189:17,18
		usually (3) 109:16 174:16 270:5	vetoed (1) 288:16	volunteered (1) 185:24
		utility (1) 218:16	vets (1) 28:19	vote (1) 21:8
		utilizing (1) 219:6	vetted (2) 151:24 193:10	voted (3) 284:7,9,9
		V	vetting (4) 16:17 24:2 259:4 264:13	votes (1) 125:10
		V (1) 113:11	viability (1) 235:6	vs (2) 19:11,20
		vacation (1) 93:8	viable (1) 195:6	W
		Vader (1) 211:16	vice-president (8)	W (1) 113:11
				wage (5) 53:24,25 104:24 279:21 286:23
				wait (2) 86:6 205:8

<p>waiting (2) 61:15 141:24</p> <p>waive (2) 261:11,14</p> <p>Walden (72) 1:14 3:20,21 6:25 9:19,22 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1 20:19 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 29:1 30:1 31:1 32:8 76:16,18 77:19 78:16 79:21 113:15 114:20 139:15 178:25 179:4 186:11 187:5 187:7,10,16 188:6 205:8,12 210:7,20 212:8 214:2 222:5 222:10,13 236:9 241:19 244:6 247:10,16 248:22 260:6 276:13,21 277:11 278:12 281:5,21 293:4,6,13 293:19,21,22</p> <p>walk (4) 36:22 54:20 119:3 148:2</p> <p>walked (1) 281:21</p> <p>want (92) 3:4 8:16 9:6,23 18:7 18:16 22:17 24:12 47:12,24 53:6 68:13 76:9,13,19 77:14,20 79:9,15,23 81:20 83:14 91:12 98:24 100:7,23 102:7 105:11,15 106:20 107:19 109:16,19 110:13 116:19 117:17 119:3 125:13 126:23 127:15,16 130:11 139:23 144:2,19 147:12 148:2,11 155:23 161:14 163:25 169:7,8 176:21 180:24 181:6 196:2 197:13 198:25 204:6,7,23 214:12,15 215:12 220:16 222:11 227:16 228:12</p>	<p>230:12,14,24 231:13,13,15 244:23 246:5 252:8 253:16,16 259:5,16 259:19 262:19 273:18 274:8,15 276:22 277:4 281:4 282:25 283:9</p> <p>wanted (8) 39:11 109:21 114:19 232:8 256:7,12 263:3 282:5</p> <p>wants (3) 20:21 107:6 108:15</p> <p>warehouse (1) 231:14</p> <p>Washington (1) 2:13</p> <p>wasn't (12) 27:7 62:2 89:17 93:11 133:13 156:13,13 157:10 178:22 211:12 239:8 273:11</p> <p>Water (1) 258:8</p> <p>Waterfront (1) 145:10</p> <p>way (48) 4:17 16:19 17:5,17 25:9,12,19 28:19 31:20 61:25 63:6 67:18 77:15 86:3 94:4,5 108:5 126:9 126:11,16 131:13 133:2 134:11 157:11 170:17 183:9 190:17 198:10 199:5 201:23 204:8 206:7 210:15 234:14 235:2,4,9,9 236:5 253:15,23 255:12 259:5,17 263:9 264:21 267:5 286:6</p> <p>ways (8) 10:7 15:15 38:16 42:22 194:10 228:14 280:20 290:17</p> <p>we'll (15) 28:14 30:11,13 55:23 97:14 105:2 112:8 119:5 149:21 168:24 200:18 261:12 267:9</p>	<p>272:10 291:7</p> <p>we're (75) 4:11 10:18 12:3,13 16:19 18:8 21:13 22:11,13,21,24 23:5 23:16,20 24:3,12 25:10,10,15,21 26:12 27:12,15 28:8 28:10,11,12 29:6,8 29:24 30:4,14,19 31:2,11,15,24 79:19 101:11 104:2 105:25 113:22 118:19 127:14 132:10 139:17 141:24 148:25 154:9 166:19 182:13 183:9 184:24 202:4,8 203:15,17 211:2 212:2,15,16,17 213:20,21 214:2 225:19 231:2 240:20 249:12 253:12 258:16,20 274:7 278:25 279:5</p> <p>we've (18) 8:11 12:25 30:11 60:23 63:5 76:21 118:6 134:20 148:7 165:2 167:25 217:2 217:13 220:23 259:15 274:6 290:19 291:9</p> <p>wealthiest (1) 194:17</p> <p>website (2) 127:23 284:7</p> <p>Wednesday (1) 178:12</p> <p>week (3) 109:3 178:13 230:8</p> <p>weeks (1) 141:4</p> <p>weighing (1) 282:25</p> <p>welcome (5) 3:5 115:20 116:8 187:20 195:21</p> <p>welfare (1) 87:2</p> <p>Welfare-to-Work (1) 86:23</p> <p>well-designed (1) 203:11</p> <p>well-run (1)</p>	<p>198:24</p> <p>Wells (4) 177:7,15 178:19,21</p> <p>went (8) 25:24 35:19 56:24 77:6,12 143:5 206:12 284:4</p> <p>weren't (8) 22:6 60:22 179:25 238:5,7 257:13 268:16 269:3</p> <p>WHEREOF (1) 292:15</p> <p>whistleblower (12) 10:21 24:9,9,13 25:23 29:17 32:25 33:4,8 35:25 45:19 62:6</p> <p>whistleblowers (1) 32:20</p> <p>Whiten (2) 287:13 288:17</p> <p>Whitman (1) 191:2</p> <p>Whitney (1) 100:14</p> <p>Williams (3) 1:15 3:23 48:2</p> <p>willing (1) 137:3</p> <p>Winston (7) 1:16 3:23 78:21 79:6 96:21 97:11 293:15</p> <p>wire (3) 18:25 19:8,14</p> <p>wires (1) 19:3</p> <p>wish (1) 291:10</p> <p>wishes (1) 77:16</p> <p>withdrew (1) 42:16</p> <p>withhold (2) 74:19 77:16</p> <p>witness (20) 12:3 23:10 25:11 28:17 29:14 78:18 97:13 112:10,11 113:8 117:19 118:11 187:12 210:14 259:19 278:14 290:7,10 292:15 293:11</p> <p>witnessed (1) 33:9</p> <p>witnesses (9)</p>	<p>6:23 7:2,14 10:25 12:15 13:22 30:12 32:4 45:14</p> <p>woman (1) 196:10</p> <p>wonk (1) 197:15</p> <p>wonks (1) 197:15</p> <p>wonky (3) 11:6,8 14:3</p> <p>word (3) 90:21 151:18 227:4</p> <p>words (12) 8:23 10:11 21:18 93:10 117:12 122:7 126:8 136:24 218:21 235:13 246:3 255:12</p> <p>work (49) 4:6,10 7:9 9:4,13 23:16 28:10,14 29:2 46:16,17 49:3,17 62:8 75:16,19 92:7 92:16 93:3 96:18 98:10 100:12,14 103:23 106:9 108:7 114:7,8 115:19 119:21 128:22 134:9 139:2 140:5 143:6 146:17 186:17 190:9,20 195:11 198:13 205:13 214:23 216:5 218:21 223:21 225:9 265:25 279:17</p> <p>worked (15) 33:5 81:5 91:20 92:9 92:10,14 101:6 114:24 118:20 181:17 190:17 192:14 193:5 195:12 279:14</p> <p>workforce (3) 102:9 105:4 288:19</p> <p>working (12) 9:24 17:2 33:3 44:8 82:10 115:4 134:8 141:18 193:16 239:10 254:16 266:4</p> <p>works (8) 101:10 131:14 134:9 174:2 202:17 206:8 223:6 239:2</p>
---	---	---	--	--

worksheet (1) 124:2	209:4,7 214:10 231:3,11,14 232:24	157:21	186:20	115:5
workspace (1) 109:19	232:25 233:8,9 279:16 281:2	10th (1) 35:22	153,000 (1) 153:22	2007 (1) 191:23
world (2) 191:11 266:25	yielded (1) 24:21	11 (4) 34:23 153:6 154:3 156:17	153,345 (1) 152:23	2010 (3) 67:6,23 73:9
worst (1) 185:10	York (9) 13:18 40:3 79:13	110 (1) 252:20	16 (1) 171:23	2011 (1) 36:17
worth (2) 14:17 18:19	82:21 83:21,25 84:12,19 93:25	110,000 (1) 153:23	1601 (1) 149:7	2012 (2) 47:2 49:11
wouldn't (12) 75:14 111:10 185:21 185:23 210:3 216:5 223:25 239:17,18 239:19 272:6 273:17	Yup (1) 200:3	111 (1) 293:18	160109 (1) 1:25	2013 (29) 13:5 28:20 30:19 31:23 117:21 118:14 128:23 131:14,18 134:23 191:25 205:2,17,19 207:23 209:20 210:23 215:6 231:12 240:23 247:4 248:10 280:11,20 281:14 281:17,25 283:3 287:18
Wow (1) 231:12	Yusuf (1) 19:20	113 (1) 293:19	17 (4) 57:12 133:12 172:18 172:22	2014 (16) 34:20,21 36:17 49:25 50:22 52:13 59:4 166:25 167:23 172:4,23 177:24 182:10,12 184:3 251:10
wrinkle (2) 12:9,13	Z	118 (1) 294:21	18 (3) 19:6 177:5 293:5	2015 (11) 15:5 34:23 53:16 55:8 59:6,8 67:24 70:18 82:12,13 145:13
write (2) 201:20 282:16	Z (1) 188:2	12 (3) 153:7 154:3 156:17	186 (1) 293:20	2016 (19) 83:6,13 84:8,10,13 88:21,22 90:15 94:4 94:5,12,19 144:8 145:3 152:21 153:13,16 154:13 157:16
writing (3) 177:10 180:18 201:18	zero (1) 36:7	12:12 (1) 112:18	187 (1) 293:21	2017 (22) 28:7,21 35:16 51:18 51:20,20 94:20,24 95:21 114:23 115:10 117:21 118:14 128:24 131:14,18 134:13 134:13,23 155:3,21 158:24
written (1) 170:2	zone (15) 105:20 210:13,18 218:4 241:3,7 242:3 243:18 245:15 249:18 266:24 276:2,17 277:12 278:3	120 (1) 90:13	188 (1) 293:22	2018 (12) 20:2 26:25 35:16,18 35:20 65:15,21 79:12 191:10 192:3 193:25 269:10
wrong (5) 204:23 240:14 247:22 253:10 260:11	zones (4) 242:4 245:19,21 276:25	123 (1) 2:12	19 (2) 181:5,9	2019 (6) 1:10 2:7 3:11 71:17
wrongdoing (1) 10:4	0	123,578 (1) 171:3	190 (1) 209:13	
X	07102 (1) 2:13	125 (3) 2:12 85:2,4	1974 (1) 191:5	
Y	1	12th (1) 48:2	1975 (1) 98:20	
Y (5) 79:2 97:16 113:11 188:2 278:15	1 (13) 64:3 73:9 138:11 148:14 150:2 157:21 161:24 163:22 204:20 205:15,25 217:16 217:19	13 (13) 47:2 154:3 156:18 165:10 168:20 280:17,18 281:14 281:17 287:8,22 288:4 289:16	1995 (2) 190:15 191:10	
yeah (2) 213:17 234:18	1/3/19 (2) 71:8 294:18	13,082,000 (1) 168:14	19th (1) 281:25	
year (16) 41:14 51:2 52:13 96:2 102:25 145:14 209:6,12,13,14 246:12,14 248:2,6 249:20,21	1:03 (1) 113:3	1341 (1) 19:7	1st (4) 153:13 177:24 184:3 279:23	
yearly (2) 132:19 133:3	10:00 (1) 2:8	1343 (1) 19:8	2 (19) 1:10 2:7 32:14,15 109:17 144:22 148:15 150:2 153:12,13 154:25 157:20 158:23 160:11 163:23 206:2 215:12 217:16 294:4	
years (32) 14:5 33:21 46:24 47:5 52:21 65:14 81:7 111:24 112:2 115:23 168:8 171:12 190:9 191:8 191:9 201:12 202:3 203:3 206:3,23	100 (1) 100:15	15 (3) 55:24 169:8,18	20 (5) 102:15 183:22 219:20 219:23 293:6	
	103,000 (2) 154:15 156:22	150 (1) 44:5	20,000 (1) 236:20	
	103,491 (2) 157:20,24	150,000 (3) 234:7 237:10 239:15	2002 (2) 98:18 191:21	
	103,710 (1)	1500 (4) 149:11 172:13 184:15	2006 (1)	

73:10 292:16	50:19 139:6,11	55 (1)	293:4 294:24
20th (1)	160:18 260:13	294:10	93,000 (2)
281:14	267:2	5th (2)	155:9 156:23
21 (2)	30th (2)	172:4,23	95,000 (1)
34:20 55:11	35:20 157:16	<hr/>	160:18
21st (1)	30X100234000 (1)	6	96,000 (1)
281:25	292:22	6 (11)	159:3
22 (1)	31 (9)	55:10 63:15 69:3,4,5	97 (2)
190:9	20:24 138:17,20	118:23 204:24	293:16,17
22-year (1)	139:5,20 260:11,12	246:8,9 294:15,15	9th (5)
274:10	260:12 294:24	60 (2)	153:16 161:6 167:23
22.50 (1)	32 (4)	54:4 237:25	171:25 251:10
155:17	260:10,10 293:8	60,000 (1)	
225 (2)	294:4	236:20	
90:20,24	354 (2)	63 (1)	
24 (9)	222:25 223:2	294:13	
47:5 52:21 226:14,23	357 (1)	69 (1)	
227:3 228:16 229:9	234:2	294:15	
229:10 232:25	3rd (3)	6A (3)	
24-hour-per-day (1)	71:17 73:10 292:16	118:23,24 294:21	
44:17	<hr/>	<hr/>	
240,000 (1)	4	7	
194:6	4 (11)	7 (10)	
24th (7)	54:24 55:3,4,5,23	68:24 71:6,7 109:21	
3:11 34:21 144:8	57:11 109:17	110:6 153:6 154:2	
145:3,13 155:21	144:22 240:10	157:22 247:13	
284:8	294:10,11	294:17	
25 (1)	4:15 (1)	70-page (1)	
15:4	252:10	208:12	
26 (1)	4:40 (1)	71 (1)	
35:18	291:13	294:17	
27 (2)	40 (1)	74 (1)	
281:17 284:10	284:4	211:10	
275 (1)	41 (1)	75,000 (4)	
293:23	6:7	236:14 239:3,22	
278 (1)	45 (1)	240:6	
293:24	191:8	76 (1)	
27th (2)	46 (1)	293:13	
182:12 184:5	293:12	77 (1)	
28 (1)	47 (1)	293:14	
4:7	283:19	79 (1)	
289 (1)	<hr/>	293:15	
293:25	5	7th (1)	
28th (3)	5 (10)	166:25	
158:24 161:6 182:10	32:5 63:18,19 72:15	<hr/>	
29th (2)	109:17 145:5,7	8	
152:21 154:13	243:15 259:20	8 (3)	
<hr/>	294:13	71:3 72:24 249:14	
3	5/15 (2)	80 (1)	
3 (16)	55:5 294:11	95:8	
53:5,8,9 56:17 109:17	500 (1)	83 (2)	
109:21 110:6 144:2	100:15	283:19 284:5	
144:3,22 153:6	52 (3)	<hr/>	
154:2 217:17	3:11 7:22 22:19	9	
250:16 293:3 294:7	53 (1)	9 (5)	
30 (6)	294:7	69:14 139:18,19	

EXHIBIT D

Bush, Andrew

From: Bush, Andrew
Sent: Friday, November 14, 2014 3:34 PM
To: shirley-douglas@CooperHealth.edu
Subject: EDA

EDA has asked for a comp from out of state to support our application. I've reached out to liberty to get a proposal for 100k sf from the navy yard.

EXHIBIT C

NEW JERSEY TASK FORCE
ON THE ECONOMIC DEVELOPMENT
AUTHORITY'S TAX INCENTIVES

PUBLIC HEARING
Newark, New Jersey
May 2, 2019

B E F O R E :

PROFESSOR RONALD CHEN
JIM WALDEN, ESQ.
MILT WILLIAMS, ESQ.
GEORGIA WINSTON, ESQ.
AVNI PATEL, ESQ.
PABLO QUINONES, ESQ.
DEREK BORCHARDT, ESQ.
JENNIFER PREVETE, ESQ.
STEPHANIE LEVICK, ESQ.

Reported By:

DAVID LEVY, CCR, CLR

Job No. 160109

1 Lawyer - examination/Walden
2 applications, it would make complete logical sense
3 to follow that same process as well.

4 Q. Okay. Please, go ahead.

5 A. All right. So I took it upon myself
6 to make sure that on almost a daily basis I would
7 sit with an underwriter to discuss what projects
8 they were working, what were their observations,
9 what works, what does not work, are there any
10 areas that they felt may be improved. That was my
11 way to understand what was the existing process.

12 I made it clear to everyone in the
13 earlier parts of the 2017, and May of 2017, that
14 my intent isn't to come in and make vast changes
15 immediately. I felt as a good leader it's best to
16 understand what are the processes, the current
17 processes, and then once I'm able to get my arms
18 around it, look for areas -- look for
19 opportunities to improve, which ultimately we did.

20 Q. So now that we've talked about kind of
21 your experience when you got in, I'm now going to
22 go back to the questions I was asking before about
23 the period between 2013 and May of 2017.

24 But before I do that, let me just ask
25 you to make sure I understand. The Grow program,

1 Lawyer - examination/Walden
2 so everyone is clear, is it fair to say that's
3 designed to create new jobs, retain new jobs, or
4 encourage capital investments?

5 A. Correct.

6 Q. And it gives tax incentives if
7 companies do one or more of those things?

8 A. Yes.

9 Q. And for companies that were, at the
10 time of their application, they were already in New
11 Jersey, does every Grow applicant need to show that
12 the jobs were at risk, as the program was
13 administered, does every applicant have to show
14 that the jobs were at risk of moving out of the
15 state?

16 A. That is my understanding.

17 Q. And is that true even where an
18 application proposes to move jobs intrastate from a
19 city outside of Camden to Camden?

20 A. That is my understanding, yes.

21 Q. Does the EDA, did the EDA during this
22 period, again, as part of its administration,
23 require the submission of proof regarding the out
24 of state location?

25 A. Yes.

1 Lawyer - examination/Walden
2 Q. And before I talk about the kinds of
3 proof that you found that the EDA was accepting,
4 let me just ask you, as a general matter, did the
5 EDA require that the location be bona fide?

6 A. Yes.

7 Q. Did the EDA require that the location
8 be suitable for business?

9 A. Yes.

10 Q. And did the EDA require that the
11 location be available?

12 A. Yes.

13 Q. Now, if you would, what kinds of proof
14 did you find that the EDA was either accepting or
15 asking for as a proxy for those -- those issues?

16 A. Primarily letters of intent.

17 Q. Can we refer to those generally as
18 LOIs?

19 A. LOIs.

20 Q. Okay. So I'm sure that the LOIs come
21 in various shapes and sizes but could you just give
22 the people who are listening a brief explanation of
23 your understanding what an LOI is.

24 A. In other words, it's a terms sheet.
25 It's someone who has the actual asset. They are

1 Lawyer - examination/Walden
2 making an offer on, this is what they may be
3 willing to provide you to meet your need in
4 whatever project that you have.

5 Q. And would it be the underwriter's
6 expectation that the company actually did diligence
7 to make sure that that location was suitable?

8 A. Yes.

9 Q. And that the location was available?

10 A. Yes.

11 Q. And if the location didn't seem
12 suitable or available, or bona fide, fair to say
13 that the underwriter would ask more questions and
14 ask for more documents?

15 A. Correct.

16 Q. And did, in your estimation or based on
17 your experience, does the underwriter have the
18 authority to ask for underlying business records,
19 "Show me the business plans for why this site is
20 suitable," for example?

21 A. Right, generally speaking the
22 underwriter can ask for any additional information
23 they deem in support of that alternative location
24 that they questioned an LOI.

25 Q. And if there was a circumstance, as a

EXHIBIT D



Online Application for Financial Assistance

OFFICIAL COPY

APPLICATION SUBMISSION DATE - 11/7/2014 2:17:03 PM

APPLICATION NUMBER: 207419

Application Date:	11/7/2014
Who is your NJEDA contact?	Justin Kenyon
Products Selected:	Grow New Jersey Program
Application Fee:	\$5,000
Payment Method:	BYCHECK

Applicant Organization Information

Applicant Organization Name: (legal name without abbreviations)	The Cooper Health System
Federal Employer's I.D. No. (FEIN):	
Doing Business As Name:	Cooper University Health Care
Holding Company Name:	n/a
Authorized Representative:	
Authorized Representative Title:	SEVP & CFO
Is the Organization's address the same as the Contact's address?	YES
County:	Camden
Telephone Number:	
Website Address:	www.cooperhealth.org
Number of Employees:	5,998
NAICS Number:	6221
Nature of Business:	Medical Services

Please provide a brief history and description of the applicant's business (including principal products and services) :

The Cooper Health System is a leading provider of health services to Southern New Jersey and had been a vital institution in Camden for 137 years. Cooper provides a comprehensive network of services that include prevention and wellness, primary and specialty physician services, hospital care, ambulatory and diagnostic treatment services – currently serving more than half a million patients a year

Year Established: 1877

Ownership Structure: Nonprofit Organization

State of Incorporation/Formation: NJ

List all Trustees or Officers:

Name	SSN	Position	US Citizen	Permanent Resident
Adrienne Kirby, PhD, FACHE	[REDACTED]	Officer	YES	
Douglas Shirley		Officer	YES	
Gary Lesneski		Officer	YES	
Anthony Mazzairelli, MD, JD, MBE		Officer	YES	

Principal Bank Reference Information

Bank Name	Contact Name	Contact Telephone Number
TD Bank	[REDACTED]	[REDACTED]

Legal Information

Name of counsel to applicant: Gary J Lesneski, Esquire

Address: 3 Cooper Plaza Suite 316 Camden, NJ 08103

Telephone: [REDACTED]

Accountant Information

Accountant name: William G. Smith

Address: 3 Executive Campus Suite 310 Cherry Hill, NJ 08002

Telephone: [REDACTED]

Has the applicant, or any related parties, previously received EDA assistance? YES

Applicant Contact Information

Salutation: Mr.

First Name: [REDACTED]
Middle Initial: [REDACTED]
Last Name: [REDACTED]
Suffix:
Title: Vice President
Company: Cooper University Hospital
Mailing Address: One Cooper Plaza
Address Line 2:
City/Town: Camden
State: NJ
ZIP Code: 08103
Telephone Number: [REDACTED]
Fax Number: [REDACTED]
Email Address: [REDACTED]

Consultant Contact Information

Contact Name: na
Contact Title: na
Company: na
Address: na
Address Line 2:
City: na
State: NJ
ZIP Code: na
Phone: na
Email: na

Project Information**Project Location**

Street Address: 1 Federal Street
Address Line 2:
City/Town: Camden City
State: NJ
ZIP Code: 08103

County:

Camden

Block	Lot
73	1,73,76,142-144

Census Tract:

340076103.00

Is the project located on property that was wholly or substantially damaged or destroyed as a result of a Federally-declared disaster? NO

Project Description

Please provide a narrative description as fully and precisely as possible of the project, including acquisition, lease and renewal terms, construction or expansion plans, current and future uses by the applicant, size of existing and proposed facility, and/or project occupant(s) of the building(s) and/or equipment to be acquired or upgraded:

Cooper plans to lease 123,578 square feet of office space, renovate the space, add furniture and add IT infrastructure to support Cooper's operations in this facility. Cooper will utilize the space for administrative services which support its delivery of Integrated health care services.

Will the project facility be occupied or used by any party other than the applicant? YES

Is it anticipated that the project location will be purchased or leased? LEASE

Landlord Contact Information

Contact Name: Howard Needleman
Contact Title: Partner
Company: L/N CAC, LLC (Needleman Management)
Address: 1060 N Kings Highway, Suite 250
Address Line 2:
City: Cherry Hill
State: NJ
ZIP Code: 08034
Phone: [REDACTED]
Email: [REDACTED]

Useable Square Footage leased by the tenant: 123,578

Total Useable Square Footage of the building: 569,473

Asset Type:	Gross Leasable Area (GLA))	Useable Square Feet (USF)

Office	123,578	123,578
--------	---------	---------

Describe how the green building standards posted on EDA's website, here www.njeda.com/GreenBldgGuidance1 and here www.njeda.com/GreenBldgGuidance2, will be incorporated into the proposed project. Also include how renewable energy, energy efficiency technology, and non-renewable resources will be incorporated into the project to reduce environmental degradation and to encourage long-term cost reduction.

The project will incorporate green building standards related to renovation of an existing non-industrial building

Will the project generate solar energy on the site? NO

Project Costs

Please enter applicable costs:

Existing Building Renovation or Addition	\$2,600,000
Fees - Engineering and Architectural	\$650,000
Fixtures & Equipment, Furniture	\$3,600,000
Technology & Networking	\$1,800,000
Relocation Costs	\$480,000
Total Cost:	\$9,130,000

Prevailing Wage

Be advised that projects utilizing financial assistance for construction related costs are subject to state prevailing wage requirements. For further information regarding prevailing wage requirements, please visit the New Jersey Department of Labor and Workforce webpage on prevailing wage requirements located at http://lwd.dol.state.nj.us/labor/wagehour/wagerate/prevailing_wage_determinations.html. Please contact Justin if you have any questions.

Project Costs - Existing Building Renovation or Addition

Be aware that Renovation and Additions may trigger Prevailing Wage. Please contact Justin if you have any questions.

Provide a brief description of the size and nature of the renovations and/or addition: Construction costs will result from tenant fit-out to configure the space for Cooper's use and is expected to include demolition of the existing fit-out, modifications to HVAC system, construction of new walls, finishes, etc

Square feet of the building:

569473

Describe all approvals for this project	Status	Date
1. Site Plan Approval	Anticipated	
2. Schematic Drawings	Anticipated	
3. Design Drawings	Anticipated	
4. Construction Drawings	Anticipated	
5. Construction Permits	Anticipated	
6. Historic Review	NA	
7. Traffic/Offsite Improvements	NA	

Project Costs - Existing Building Renovation or Addition

Has construction work begun on project? NO

Do you have an Architect under contract at the time of this application? NO

Do you have an Construction Manager under contract at the time of this application? NO

Do you have an General Contractor under contract at the time of this application? NO

Sources of Funds

Sources should include categories such as owner's equity, bank financing, and other government support used to finance the completion of the project. The EDA grant request, if successful, should not be considered a project financing source since it will be available over time.

Source Name	Source Amount
owner's equity	\$9,130,000
Total:	\$9,130,000

Grant Amount Requested: \$44,770,000

Describe how the request was calculated:

The Grant Amount was developed using the base credits and bonus credits available under the GrowNJ program for a project at this site. The Applicant anticipates 407 full time jobs and base/bonus credits of \$11,000 per job per year.

Desired Grant Term 10

Grow New Jersey Program

Location of Corporate headquarters

Address: 1 Cooper Plaza
 Address Line 2:
 City: Camden
 State: NJ
 ZIP Code: 08103
 County: Camden
 Country: US
 State of Incorporation: NJ

New Jersey Operations

Job Type	Number of Employees	Employment	Relocating to Proposed Site	Current Location of Positions	Employee Type	Number of Hours Per Week
Administrative and support services	383	Retained	YES	Cherry Hill & Mt Laurel	W-2	35
Administrative and support services	52	Retained	YES	Camden	W-2	35
	Total: 435					

Does the company provide employee health benefits under a group health plan as defined under section 14 of P.L. 1997, c. 146 (C.17B:27-54), a health benefits plan as defined under section I of P.L. 1992, c.162(C.17B:27A-17), or a policy or contract of health insurance covering more than one person issued pursuant to Article 2 of Title 17B of the New Jersey Statutes?

YES

Number of existing full-time jobs in NJ to be relocated to the proposed site: 407

Are any jobs listed in the application at risk of being located outside of New Jersey: NO

Date or dates that the jobs at risk would be expected to leave the State:
n/a

Number of new full-time jobs to be created at the proposed site: 0

Number of Construction jobs working on this project: 75

List other states New Jersey is in competition with:
Cooper intends to provide 435 total jobs including 407 Full Time jobs. Of these full time jobs,

355 are relocating from outside Camden and 52 are relocating from within the city limits to allow for clinical expansion on Cooper's main campus at One Cooper and Three Cooper Plaza.

What is the approximate start date for the project? 1/1/2015

What is the approximate date of completion for the project? 7/1/2015

Date that company commenced operations in New Jersey: January 1875

Are any of the employees or capital investment referenced in the application currently subject to a BEIP, BRRAG or HUB agreement? NO

Total number of full time NJ employees: 4,658

Estimated Total Gross Payroll at the project site: \$27,264,000

Average Annual Salary for Eligible Employees: \$62,918

Median Annual Salary for Eligible Employees: \$49,305

I certify that my business is not in default with any other program administered by the State of New Jersey: YES

List the exact names of all tax-paying entities below that will pay withholdings for eligible employees under the Grant together with their New Jersey tax identification number (all entities paying withholding taxes for eligible employees will be required to execute the grant agreement). Any companies that are not wholly owned subsidiaries of the Recipient will be required to submit an application for inclusion in the Grant.

Tax Entity	ID #
The Cooper Health System	[REDACTED]

Additional Background Information

Businesses applying for eligibility for NJEDA programs are subject to the Authority's Disqualification/Debarment Regulations (the "Regulations"), which are set forth in N.J.A.C. 19:30-2.1, et seq. Applicants are required to answer the following background questions pertaining to the commission of certain actions that can lead to debarment or disqualification from eligibility under the Regulations.

All capitalized terms used in this Questionnaire, except those defined elsewhere herein, shall be defined at the bottom of this form.

1. Commission of a criminal offense as an Incident to obtaining or attempting to obtain a public or private contract, or subcontract NO

thereunder, or in the performance of such contract or subcontract.

2. Violation of the Federal Organized Crime Control Act of 1970, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice, or any other offense indicating a lack of business integrity or honesty. NO

3. Violation of the Federal or State antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C.874). NO

4. Violation of any law governing the conduct of elections of the Federal Government, State of New Jersey or of its political subdivision. NO

5. Violation of the "Law Against Discrimination" (P.L. 1945, c169, N.J.S.A 10:5-1 et seq., as supplemented by P.L. 1975, c127), or of the act banning discrimination in public works employment (N.J.S.A 10:2-1 et seq.) or of the act prohibiting discrimination by industries engaged in defense work in the employment of persons therein (P.L. 1942, c114, N.J.S.A 10:10, et seq.). NO

6. To the best of your knowledge after reasonable inquiry, violation of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor. NO

7. To the best of your knowledge, after reasonable inquiry, violation of any law governing the conduct of occupations or professions of regulated industries. NO

8. Debarment by any department, agency, or instrumentality of the State or Federal government. NO

9. Violation of any of the following prohibitions on vendor activities representing a conflict of interest, or failure to report a solicitation as set forth below:

- i. No person shall pay, offer or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Authority officer or employee or special Authority officer or employee, as defined by N.J.S.A 52:13D-13(b) and (e), with which such person transacts or offers or proposes to transact business, or to any member of the immediate family as defined by N.J.S.A 52:13D-13i, of any such officer or employee, or partnership, firm or corporation with which they are employed, or associated, or in which such officer or employee has an

- interest within the meaning of N.J.S.A 52:13D-13g.
- ii. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any Authority officer or employee or special Authority officer or employee from any person shall be reported in writing by the person to the Attorney General and the Executive Commission on Ethical Standards.
 - iii. No person may, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Authority officer or employee or special Authority officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Authority, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A 52:13D-13g. Any relationships subject to this subsection shall be reported in writing to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the Authority officer or employee or special Authority officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.
 - iv. No person shall influence, or attempt to influence or cause to be influenced, any Authority officer or employee or special Authority officer or employee in his or her capacity in any manner which might tend to impair the objectivity or independence of judgment of the officer or employee.
 - v. No person shall cause or influence, or attempt to cause or influence, any Authority officer or employee or special Authority officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the person or any other person.

NO

10. Has any member of the Controlled Group been found guilty, liable or responsible for the violation in any Legal Proceedings of any State, Federal or foreign law that may bear upon a lack of responsibility or moral integrity, or that may provide other compelling reasons for disqualification. (Your responses to the foregoing question should include, but not be limited to, the violation of the following laws, without regard to whether any monetary award, damages, verdict, assessment or penalty has been made against any member of the Controlled Group, except that any violation of any environmental law in category (v) below need not be reported where the monetary award damages, etc. amounted to less than \$1 million).

- i. Laws banning or prohibiting discrimination or harassment in the workplace on the basis of gender, race, age, religion or handicapped status.
- ii. Laws prohibiting or banning any form of forced, slave, or compulsory labor.
- iii. Laws protecting workers who have reported the wrongdoing of their employers to governmental authorities, commonly referred to as "Whistleblower Laws".
- iv. Securities or tax laws resulting in a finding of fraud or fraudulent conduct.
- v. Environmental laws.
- vi. Laws banning the possession or sale of, or trafficking in, firearms or drugs.
- vii. Laws banning anti-competitive dumping of goods.
- viii. Anti-terrorist laws.
- ix. Criminal laws involving commission of any felony or indictable offense under State, Federal or foreign law.
- x. Laws banning human rights abuses.
- xi. Laws banning the trade of goods or services to enemies of the United States.
- xii. The New Jersey Conflicts of Interest Law, N.J.S.A 52:13D-1, et seq.

NO

11. To the best of your knowledge, after reasonable inquiry, is any member of the Controlled Group a party to pending Legal Proceedings wherein any of the offenses or violations described in questions 1-10 above are alleged or asserted against such entity or person? NO

If the answer to any of the foregoing questions is affirmative, you must provide the following information as an attachment to the application: (i) the case and court in which such matters were tried or are pending; (ii) the charges or claims adjudicated or alleged; and (iii) a brief explanation of the circumstances giving rise to such matters. Also, for affirmative answers to question 1-10, copies of the final judgments, consent orders or administrative findings, as the case may be, that were entered or made in such matters must be attached.

The terms set forth below shall be defined as follows:

"Affiliates" means persons having an overt or covert relationship such that any one of them directly or indirectly controls or has the power to control another.

"Legal Proceedings" means any State, Federal or foreign civil, criminal or administrative proceeding in a court or administrative tribunal in the United States, any territories thereof or foreign jurisdiction.

The Authority reserves the right to require additional clarifying or explanatory information from the applicant ("Applicant") regarding the answers given. If, at any time prior to board action on this application, or, at any time between the date of such action and the execution of a grant agreement with the Authority, the Applicant should become aware of any facts that materially alter or change such answers, or render any of them incomplete, the Applicant shall have a duty to immediately report such facts to the Authority in writing.

Certification of Application

PLEASE NOTE:

Eligibility of financial assistance by the New Jersey Economic Development Authority is determined by the information presented in this application and the required attachments and schedules. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction or the acquisition of assets such as land or equipment. Please contact the staff of the EDA before taking any action which would change the status of the project as reported herein. The EDA's regulations and policies regarding the payment of prevailing wages and affirmative action in the hiring of construction workers require the submission of certain reports and certificates and the inclusion of certain provisions in construction contracts. Please consult with the EDA staff for details concerning these matters. (Forms can be found on our website www.njeda.com/forms)

Only Board Members of the governing board of the particular program for which you are applying, by resolution, may take action to determine project eligibility and to authorize the issuance of funds.

I, THE UNDERSIGNED, BEING DULY SWORN UPON MY OATH SAY:

1. I have received a copy of the "Regulation on Payment of Prevailing Wages" and the "Affirmative Action Regulation" and am prepared to comply with the requirements contained therein.
 2. I affirm, represent, and warrant that the applicant has no outstanding obligations to any bank, loan company, corporation, or individual not mentioned in the above application and attachments; that the information contained in this application and in all attachments submitted herewith is to the best of my knowledge true and complete and that the bond/loan applied for herein is not for personal, family, or household purposes.
 3. I understand that if such information is willfully false, I am subject to criminal prosecution under N.J.S.A. 2C:28-2 and civil action by the EDA which may at its option terminate its financial assistance.
 4. I authorize the New Jersey Department of Law and Public Safety to verify any answer(s) contained herein through a search of its records, or records to which it has access, and to release the results of said research to the EDA.
 5. I authorize the EDA to obtain such information including, but not limited to, a credit bureau check as it may require, covering the applicant and/or its principals, stockholders and/or investors.
 6. I authorize the EDA to provide information submitted to it by or on behalf of the applicant to any bank or State agency which might participate in the requested financing with the EDA.
- ☒ I am Authorized Signer and I accept the terms and conditions.

Required Attachments

- Application for Tax Clearance
 - Download Application for Tax Clearance - Division of Taxation
(Instructions: Please only complete the information above the dotted line on the application and sign and date at the bottom of the form.)
 - Link to Treasury
 - P.L.2007, C.101
- 3 Years of Financial Statements
- Professional Engineer certification for solar claims, if applicable
- Site Map according to Site Map Specifications
- PDF of the on-line mapping tool found at http://nigin.state.nj.us/OIT_BusinessMap2 with applicant's proposed determination of project eligibility and associated report
- CEO Certification
- Additional application questions
- List all local and/or state financial assistance being utilized in the proposed

project including development subsidies being requested or receiving, other state assistance, low interest rate loans, Infrastructure Improvements, property tax abatements and exemptions, and training grant assistance. Please specify program name, granting body, dollar amounts or value, terms and status of application.

- **Material Factor** - The provision of a grant from the Grow New Jersey Program must be a 'material factor' in a company's decision to retain/relocate/expand operations in New Jersey.
 - A. A full economic analysis of all locations under consideration including such components as, but not limited to the cost effectiveness of remaining in this State versus relocation under alternative plans (e.g. Real Estate listings, Tax or other State/Local financial incentives offered to the applicant and Cost - Benefit Analysis, which may include cost per square foot, real estate tax, tax incentives, training incentives, labor costs, etc.)
 - B. All lease agreements, ownership documents, or substantially similar documentation for the business's current in-State locations
 - C. All lease agreements, ownership documents, or substantially similar documentation for the potential out-of-state location alternatives, to the extent they exist
 - D. A description of the 'at risk' nature of the employees that may be leaving the State. Include how such issues as the following will be addressed: mobility, labor and regulatory requirements as applicable (e.g., is the lease at the current facility expiring, will there be stranded assets if the business leaves; is the business' labor force required to be in the State; is a union contract required; is a license required to operate in the State).
 - E. A specific statement on the role the grant will play in the company's decision-making process to relocate in New Jersey
- **Additional Project Information**
 - A. Project schedule that identifies projected move dates for each site
 - B. A schedule of short-term employment projections of the business in the State based upon the relocation
 - C. An estimate of the projected retained State tax revenues resulting from the relocation
 - D. A description of the type of contribution the business can make to the long-term growth of the State's economy and a description of the potential impact on the State's economy if jobs are not retained, etc.
 - E. A description of any capital investments made by the business at the new business location
 - F. Applicants can designate different companies to receive the tax credit; however the recipients must be part of the applicant's 'controlled group'

approved by the EDA. Controlled group is defined pursuant to section 1563 of the Federal Internal Revenue Code of 1986, 26 U.S.C.A. § 1563. As such, all companies receiving the allocation must be part of the Project Agreement thereby approved by the EDA. If applicable:

- a. Attach a list noting the percentage (%) allocated to each member of the controlled group of corporations.
- Project Occupant Application (available at www.njeda.com/forms)
 - Notice Regarding Affirmative Action/Prevailing Wage, and Green Building Requirements, [click here](#) for form.
 - Copies of permits (Existing Building Renovation or Addition)

EXHIBIT E

To: Justin Kenyon[JKenyon@njeda.com]
Cc: Kevin Sheehan[ksheehan@parkermccay.com]
From: Bush, Andrew
Sent: Tue 11/11/2014 7:37:12 PM (UTC)
Subject: Cooper Hospital GrowNJ Application
[GrowNJ Cost Benefit Analysis - Cooper.xls](#)
[Benefits Acknowledgement form 2014.pdf](#)
[2015OpenEnrollmentGuide.pdf](#)
[EDA CEO Certification.pdf](#)
[EDA turner form.pdf](#)
[Application completed by Cooper.pdf](#)

Justin,

Regarding your questions:

1. **CEO certification:** please see attached
2. **Cost benefit analysis:** please see attached; I am happy to walk you through our analysis and assumptions
3. **Development Subsidy Jobs Goals:** I presume that this is the same form as the 'Turner' form. Please see attached
4. **Health insurance confirmation:** we offer health insurance to all fulltime employees and part time employees that work 20+ hours a week. The attached Benefits Acknowledgement form is provided for all such employees. I've also attached the open enrollment guide to benefits.
5. **Retained jobs clarification:** The attached application provides details on jobs retained. None of these positions are physicians or provide direct medical care. Our proposed grant award is based on 407 FTEs. We intend to relocate more than 407 employees to this facility, we've also included the part time employees as these employees will also be relocated to Camden (435 total employees retained). Beyond our own employees, we will also be relocating multiple vendors and consultant housed within this facility – we did NOT include any of these positions in our retained jobs.
6. **Application fee:** the check for the application fee was mailed today along with a hard copy of our application and supporting exhibits. FedEx tracking number is: 7718 1869 9063

Lastly, I noticed this morning that we inadvertently keyed in the incorrect census tract in our application. The correct census tract is 6103, it has been updated on the attached application.

Thanks for your assistance

Andy

Andrew Bush

VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Kevin Sheehan [<mailto:ksheehan@parkermccay.com>]
Sent: Monday, November 10, 2014 2:44 PM
To: Justin Kenyon
Cc: Bush, Andrew
Subject: RE: Cooper Hospital GrowNJ Application

Justin. Cooper will provide the information you have requested. We have responded to the issues you identified below in red.

Andy Bush is copied on this email and will send the information to you directly.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com
www.parkermccay.com

From: Justin Kenyon [<mailto:JKenyon@njeda.com>]

Sent: Monday, November 10, 2014 11:13 AM
To: Kevin Sheehan
Subject: RE: Cooper Hospital GrowNJ Application

Kevin,

Thanks for the submission. I had a chance to review and here are a few comments/questions/needs.

1. CEO Certification was not included in the package, please provide. **They will sign and send to you directly.**
2. Cost Benefit Analysis was not included in the package, we need to see something that indicates a comparison of the current NJ locations with a consolidation to the L3 space. Also need specifics on the lease associated with the L3 space, is there an LOI in place, still negotiating lease terms, etc? **They will complete and send it to you by tomorrow.**
3. Development Subsidy Job Goals form was not signed. **They will sign and send to you directly.**
4. Need proof they offer health insurance to their employees. **What documentation or information do you need to prove they offer health insurance?**
5. Please provide a more specific breakdown of the jobs to be retained, I know the question will come up and I want to be able to head off any questions in advance that might have to do with insuring these are not actually physicians or medical facility related jobs. Also, grant is calculated on 407 jobs but there are 435 jobs listed as retained, please clarify. **They will clarify.**
6. Need the \$5,000 application fee before analysis can start. **Check will be delivered by the end of the day today or tomorrow.**

If you're shooting for the December board please get me this information as soon as possible, we are short handed on the analyst side and will have a slew of projects going to the December board under the new legislation so timing/capacity will be tight.
Thanks. **We are shooting for the December meeting.**

Justin

From: Kevin Sheehan [<mailto:ksheehan@parkermccay.com>]
Sent: Saturday, November 08, 2014 9:56 AM
To: Justin Kenyon
Cc: Tim Lizura
Subject: Cooper Hospital GrowNJ Application

Justin. I wanted to give you a heads up that Cooper Hospital filed its GrowNJ application for the relocation of its administrative offices from Cherry Hill & Mount Laurel to Camden online Friday.

As you review the application, if you need anything, let me know.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
ksheehan@parkermccay.com
www.parkermccay.com

9000 Midlantic Drive, Suite 300
P.O. Box 5054
Mount Laurel, New Jersey 08054-5054
P: 856-596-8900
F: 856-552-1427

--
This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

--
This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
COST/BENEFIT ANALYSIS
VERSION 1.03

APPLICANT: The Cooper Health System

Date: 11/10/2014

Grow NJ Term: 10 Years

LOCATION INFORMATION:

	NEW JERSEY LOCATION	ALTERNATE LOCATION	SIZE DIFFERENCE
Project Location (City, State)	Camden, NJ		
Location Size in Sq. Ft.	123,585 Sq. Ft.	89,258 Sq. Ft.	34,327 Sq. Ft.
Purchase (P)/Gross Lease (GL)/Triple Net Lease (TNL)/ Owned Facility (OF)/Construction (C)	GL	GL	
Building Cost Per Sq. Ft.	\$ 28.00 /Sq. Ft.	\$ 22.70 /Sq. Ft.	

ONE-TIME UPFRONT COSTS:

Land Acquisition Cost (if separate from building)	\$ -	\$ -
Building Acquisition Cost	\$ -	\$ -
Building Construction Costs	\$ -	\$ -
Building Renovation Costs	\$ 2,600,000.00	\$ 2,600,000.00
Machinery and Equipment Acquisition Cost	\$ 5,400,000.00	\$ 5,400,000.00
Furniture, Fixtures and Equipment	\$ -	\$ -
Employee Relocations Costs	\$ 480,000.00	\$ 480,000.00
Company Moving Costs	\$ 3,900,000.00	\$ 3,900,000.00
Lease Termination Costs	\$ -	\$ -
Sale of Owned Facility (Net of any Mortgage Amount)	\$ -	\$ -
Other One-Time Upfront Costs - Demolition/Temp Rental Space	\$ 650,000.00	\$ 650,000.00
Total One-Time Upfront Costs =	\$ 13,030,000.00	\$ 13,030,000.00

ONGOING ANNUAL COSTS:

	Start Month	End Month	Cost Frequency
Annual Rental Costs	1	180	
Annual Real Estate Taxes	1	180	
Annual Property Insurance Costs	1	180	
Annual Building Maintenance Costs	1	180	
Annual Electricity Costs	1	180	
Annual Payroll Costs	1	180	
Lease of Owned Facility (for a partial sublease or due to relocation)	\$ -	1	180
Other Annual Ongoing Costs -	\$ -	1	180
Other Annual Ongoing Costs - Description	\$ -	1	180
Other Annual Ongoing Costs - Description	\$ -	1	180
Total Annual Ongoing Costs =	\$ 3,460,380.00	\$ 2,026,156.60	\$ 1,434,223.40

Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 10 Year Grant Term = \$ 23,795,454.54
Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 15 Year Grant Commitment Duration = \$ 27,193,376.14

ASSUMPTIONS:

1 Existing leases costs include weighted average of 4 locations. Operating costs are for real estate only and do not include payroll or other business expenses

2 Lease termination costs include remaining obligation on 4 leased properties

3 Proposed location lease costs include \$17 NNN + \$11/sf opex. Entered as GL for simplicity

4

5

6

7

8

9

10

Given that selecting the proposed New Jersey location is \$23,795,454.54 more expensive than the alternative location and the potential incentive grant may not completely cover the cost differential, please provide insight into the other factors that make New Jersey competitive despite the additional costs:

1 Additional SF leased allows for relocation of 52 jobs from other camden locations. Space vacated on the health sciences campus allows for expansion of clinical services.

2 Consolidation of support services to this location allows for consolidation of IT staff in single location and better team support

3 Consolidation of support services to Camden affords these offices and staff closer geographic proximity to the hospital and supports ongoing Camden redevelopment efforts

4

5

6

7

8

9

10

Existing Cooper Facilities

Property	SF	annual occupancy cost	\$/sf	Exp	remaining obligation beyond 1/1/2015
3 Executive, Cherry Hill	61,136	1,250,000	20.45	9/30/2017	3,437,500
10000 commerce pkwy, Mt Laurel	20,000	590,000	29.50	6/30/2015	295,000
200 Federal St, Camden	3,130	81,000	25.88	3/31/2016	101,250
2 Acquarium Dr, Camden	4,992	105,000	21.03	9/30/2015	78,750
Total	89,258	2,026,000	22.70		3,912,500

EXHIBIT F

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 11/14/2014 8:33:42 PM
To: shirley-douglas@CooperHealth.edu
Subject: EDA

EDA has asked for a comp from out of state to support our application. I've reached out to liberty to get a proposal for 100k sf from the navy yard.

EXHIBIT G

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 11/25/2014 11:31:40 PM
To: Jon.Sarkisian@cbre.com
Subject: Re: favor

Will do

Andy Bush
(267) 847-4862

On Nov 25, 2014, at 6:31 PM, Sarkisian, Jon @ Mt Laurel <Jon.Sarkisian@cbre.com> wrote:

Andy

I also got your VM about a proposal . I like to speak to you the numbers may not come in the area that you thought.

Call me in the office tomorrow

Jon C Sarkisian
Executive Vice- President
CBRE
1000 Howard Blvd. suite 104
Mount Laurel NJ 08054
856-359-9408
jon.sarkisian@cbre.com

Sent from my iPad

On Nov 25, 2014, at 10:27 AM, Bush, Andrew <bush-andrew@CooperHealth.edu> wrote:

Jon-

As part of our EDA application we need a term sheet for a potential location outside of NJ.

I need a credible location that is LESS expensive than L3. I think that Center Sq may be the right comp – the building is listed by CBRE

Given that this building is within the CBRE family – can you get me a term sheet for 120k sf? Quietly? No probability of us moving to Center Sq, so I don't want to make too much noise

I need a full service number of \$24/sf or less to make the numbers work. Space can be as-is for 10 or 15 year term.

Let me know

Thanks

Andy

Andrew Bush

VP of Real Estate and Facilities

Cooper University Hospital

856.342.3083

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

EXHIBIT H

Message

From: Kevin Sheehan [ksheehan@parkermccay.com]
Sent: 11/26/2014 6:04:57 PM
To: Justin Kenyon [JKenyon@njeda.com]
CC: bush-andrew@CooperHealth.edu
Subject: RE: Cooper

Justin. Cooper will agree to remove the 52 jobs relocating from within Camden. They want to add 8 new jobs in IT at this location. That would change their application from 355 jobs to 363 jobs @ \$11,000/year or \$3,993,000 per year.

Andy is getting the documentation, but he is not sure that he will be able to get it today given the holiday.

We will respond to Teresa's other questions in a separate email shortly.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com
www.parkermccay.com

From: Justin Kenyon [mailto:JKenyon@njeda.com]
Sent: Wednesday, November 26, 2014 9:10 AM
To: Kevin Sheehan
Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not find it possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Message

From: Justin Kenyon [JKenyon@njeda.com]
Sent: 11/26/2014 7:01:48 PM
To: Kevin Sheehan [ksheehan@parkermccay.com]
CC: bush-andrew@CooperHealth.edu
Subject: RE: Cooper

Thanks Kevin, I passed this on to Teresa and we will discuss internally at our incentive meeting on Monday. She has already left for the holiday so no need to rush it at this point. Have a Happy Thanksgiving.

From: Kevin Sheehan [mailto:ksheehan@parkermccay.com]
Sent: Wednesday, November 26, 2014 1:05 PM
To: Justin Kenyon
Cc: bush-andrew@CooperHealth.edu
Subject: RE: Cooper

Justin. Cooper will agree to remove the 52 jobs relocating from within Camden. They want to add 8 new jobs in IT at this location. That would change their application from 355 jobs to 363 jobs @ \$11,000/year or \$3,993,000 per year.

Andy is getting the documentation, but he is not sure that he will be able to get it today given the holiday.

We will respond to Teresa's other questions in a separate email shortly.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com
www.parkermccay.com

From: Justin Kenyon [mailto:JKenyon@njeda.com]
Sent: Wednesday, November 26, 2014 9:10 AM
To: Kevin Sheehan
Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not find it possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

--

This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/5/2014 10:05:53 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheehan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems
Attachments: Proposal - Cooper (12-5-14).docx

Teresa-

Please find attached a letter of intent from a prospective Philadelphia landlord. The terms are slightly more aggressive than those presented in the cost benefit analysis meaning that there is more of a burden to Cooper to remain in NJ.

Please let me know if you would like me to update the cost benefit analysis.

Thanks

Andy

-----Original Message-----

From: Bush, Andrew
Sent: Thursday, December 04, 2014 1:19 PM
To: 'Teresa Wells'
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Attached is the LOI for the L3 portion. The lease has not yet been updated to reflect these terms. PA alternate anticipated by the end of today.

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:13 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

I'll be "greedy"..can I have both? Thanks

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Tuesday, December 02, 2014 10:03 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

We have a draft lease. Would you prefer a draft lease (unexecuted) or an executed LOI?

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.
2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.
3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services?
These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:
Internal Auditor
Process Improvement Black Belts
Applications analyst

Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.



Nicholas J. Gersbach
First Vice President

CB Richard Ellis, Inc.
Office Leasing Division

Two Liberty Place
50 S. 16th Street
Suite 3000
Philadelphia, PA 19102

215 561 8900 Main
215 561 8945 Direct
215 557 6719 Fax

nick.gersbach@cbre.com

December 5, 2014

Mr. Jon Sarkisian
CBRE
100 Howard Blvd, suite 104
Mount Laurel, NJ 08054

RE: Cooper University Medical Systems

Dear Jon:

We are pleased to present the attached proposal for Cooper University Medical Systems' tenancy in Centre Square.

Centre Square offers Cooper University Medical Systems a state-of-the-art office building in the best location in the city of Philadelphia. Significant renovations to the building's systems, including all new elevators, life safety, HVAC, security and technology have been completed. The main lobby renovations have been completed and the building's new front courtyard and glass façade have created a dynamic new entry to the towers. In addition, Cooper's employees can take advantage of our 400-car on-site parking facility, our newly renovated escalators providing direct access to the SEPTA concourse and the beautiful new Dirworth Park across the street at City Hall.

Jon, I assure you that Equity Commonwealth will work extremely diligently to accommodate your tenant's needs. We hope to hear positively from you regarding our proposal.

Regards,

Nicholas Gersbach
First Vice President
215-561-8945

Christian L. Dyer
First Vice President
215-561-8946



cc: Dan Brogan, EQC
John McCullough, CBRE

PROPOSAL FOR
COOPER UNIVERSITY MEDICAL SYSTEMS
at
CENTRE SQUARE
1500 MARKET STREET, PHILADELPHIA, PA

Landlord: Equity Commonwealth (NYSE: EQC) is an internally managed and self-advised real estate investment trust (REIT) and one of the largest commercial office REITs in the United States with a portfolio of over 40 million square feet located in 30 states, DC and Australia. Equity Commonwealth is based in Chicago, IL.

Tenant: Cooper University Medical Systems

Requirement: 113,756 RSF of contiguous space in the West Tower

Premises:

Floor 15	28,368 RSF
Floor 16	28,368 RSF
Floor 17	28,368 RSF
Floor 18	<u>28,652 RSF</u>
	113,756 RSF

Lease Term: Ten (10) years and eight (8) months

Rent Abatement: Eight (8) months

Base Rent:

<u>Option A:</u>	\$22.00 per rentable square foot *
<u>Option B:</u>	\$24.75 per rentable square foot *

* Base Rent shall increase fifty cents (\$.50) per rentable square foot annually thereafter for the balance of the lease term. Base rent is quoted Full Service and includes all operating costs, real estate taxes, janitorial service and full electric for heating, ventilation and air conditioning up to 5 watts per RSF. Operating expenses and Real Estate taxes are subject to reimbursement for increases over the base year as provided below.

Lease Commencement: The Lease Term will commence on the date (the "Commencement Date") that Tenant takes delivery of the Premises for construction of the improvements. The Substantial Completion Date is currently estimated to

be June/July 2015. The Premises is currently vacant and will be delivered 150 days prior to the Substantial Completion Date for Tenant to complete all improvements, furniture installations and telephone and network cabling.

Tenant Improvement

Allowance: Option A: N/A
 Option B: \$50.00 per rentable square foot *

* Landlord shall provide an allowance on a per rentable square foot basis for design, engineering and construction of the Premises. Tenant may use up to \$3/RSF for soft costs associated with their moving expenses.

**Operating Expenses
And Real Estate Tax**

Escalations: Tenant will pay its pro rata share of increases in operating expenses and real estate taxes over a 2015 base year, grossed up to 95% occupancy.

Operating Expense History

2012 - \$8.89/RSF
2013 - \$9.13/RSF
2014 est. - \$9.15/RSF

Real Estate Tax History

2012 - \$2.54/RSF
2013 - \$2.61/RSF
2014 est. - \$2.42/RSF

Construction

Management Fee: Improvement work may be performed by Landlord or Tenant, at Tenant's option. Tenant shall select contractors and subcontractors for the design and construction of the Premises if Tenant performs its own construction, subject to Landlord's reasonable approval. A 3% construction management fee will be payable for initial construction of the Premises if Landlord performs the construction. If Tenant performs improvements, it shall have 120 days from delivery to complete the work. Space is currently available.

Prior Access: Landlord shall permit Tenant and its vendors to access the Premises without triggering rent commencement for the purpose of installing furniture, fixtures and equipment provided it does not interfere with Landlord's ability to complete construction.

Space Planning

Allowance: Landlord will reimburse Tenant up to \$.12/USF for Tenants' architect to perform a test fit plan in addition to the Tenant Improvement Allowance.

Right of First Offer: So long as Tenant is in full compliance with the terms & conditions of the lease and is not marketing more than 10% of the Premises for sublease, Tenant shall have an ongoing annual Right of First Offer for contiguous space on the 19th floor of the West Tower for the first 2 years of the lease term. In the event Tenant exercises it's Right within twenty four (24) months from initial occupancy, the expansion space shall be leased at Tenant's then current rental rate with a proportionate amount of TI but does not include free rent. ROFO space taken after the second lease year will be at FMR (Fair Market Rent). Tenant shall receive 90 days to construct improvements in any ROFO space. Tenant's ROFO rights shall be subordinate to existing rights of current tenants and to future renewal rights of tenants signed in the ROFO space during Tenant's quiet period.

Holdover: In the event of any holdover, Tenant will be subject to a penalty equal to 150% of the then current monthly rent plus any consequential damages.

**Assignment
& Sublease:**

Tenant may sublease or assign all or any portion of the Premises with Landlord's consent, which consent shall not be unreasonably withheld. Tenant may, with prior notice to Landlord, assign its interest in the Lease to an entity which shall be a successor to Tenant either by merger or consolidation, or to a purchaser of all or substantially all of Tenant's assets, subject to certain terms and conditions to be set forth in the lease.

Signage:

Landlord	Tenant					
	Type	Exclusive	Available	Logo	Lighted	Expense
Monument on 15 th		N	Y	N	Y	Y
Lobby Directory		N	Y	N	N	Y
Full Floor						
Elevator Lobby		Y	Y	Y	Y	N

Lease Renewal

- Option:** By providing Landlord with 15 months prior written notice, Tenant will have the right to renew its lease for one (1) five (5) year term at Fair Market Value.
- Storage:** Subject to availability, Tenant may lease storage space at \$13 per rentable square foot, net of electric, HVAC and cleaning, with 2½ % annual increases.
- Security Deposit:** Subject to review of financials. Landlord requests credit documentation from Tenant in the form of an annual report of the last three years of audited financial statements and shall base its decision about securitization after analysis of said financial information. Please provide this documentation as soon as possible.
- Parking:** The building contains an independently operated 400 car parking facility. Monthly reserved and unreserved spaces are currently available.
- After Hours HVAC:** Overtime HVAC is currently charged at a rate of \$95/hour.
- Compliance With Laws:** Landlord represents and warrants that Centre Square is maintained in accordance with all applicable government regulations, codes, rules or laws, including, but not limited to, the American with Disabilities Act and NFPA 101, Code for Safety of Life. Landlord will be responsibility for placing and keeping Centre Square (excluding the Premises) and all building systems in compliance with all applicable Government regulations, codes, rules and laws. The cost of compliance with any such regulations, codes or laws enacted prior to the Commencement Date will not be included in Operating Expenses.
- In-Place Power Redundancy:** The Centre Square complex is served by four (4) separate electrical feeds from four (4) separate utility substations. Two of the four independent utility feeders serve each office tower. Redundant power in each tower is accomplished by connection with an automatic transfer system. Deregulated electricity is provided by PECO Energy. Primary service from the street is four 13.2 kv, 3 phase, 3 wire services, distributed from the M1 Mechanical levels in the East and West Towers. Secondary service consists of 480v, 3 phase, 3 wire panels located at various areas of the complex.

**Real Estate Agent/
Commission:**

Landlord recognizes Jon Sarkisian and CBRE as the representative for Tenant for this lease. Landlord will pay Tenant's broker a commission equal to four percent (4%) of the aggregate lease consideration for years one through ten. Tenant broker's commission shall be payable 50% upon lease signing and 50% upon Tenant's occupancy.

**Confidentiality/
Disclaimer:**

The contents of this proposal are confidential and are not to be reproduced or distributed to any person or entity without the prior written consent of the Landlord or used for any purpose other than initial evaluation as indicated above. It is understood that this letter merely summarizes certain proposals and neither party shall be legally bound by any of the information contained herein until a mutually acceptable lease has been fully executed by both Landlord and Tenant.

CENTRE SQUARE PROPERTY FACT SHEET

ARCHITECT:	Vincent G. Kling & Associates.
STRUCTURAL ENGINEER:	Farkas, Barron & Partners.
MECHANICAL ENGINEER:	Jaros, Baum & Bolles.
SITE DATA:	Lot is bounded by Market Street and Ranstead Street, 15 th Street and 16 th Street. The lot size is 366'0" East to West and 286'0" North to South. Total square footage of the lot is 104,676 square feet.
CONSTRUCTION AGE:	Approximately 35 years old. Construction began in 1971, with the first full year of occupancy in 1974. A lobby renovation/upgrade including plaza, sidewalks, and elevators was completed in 1990 and again in 2007.
STRUCTURE:	Reinforced poured concrete structure and two-way reinforced pan deck (waffle).
NUMBER OF FLOORS:	36 in the East Tower 43 in the West Tower
FLOOR HEIGHT:	Average dimension from deck to bottom of waffle slab in both towers is 10'8".
COLUMN SPACING/	Both towers have bays laid out 30'0" wide by 20'0" long
BAY DEPTH:	(column to column). West Tower is twelve 20'0" bays by 30'0" bays. East Tower is nine 20'0" bays by four 30'0" bays.
FLOOR LOAD:	Office areas – 60 lbs/square foot (live load). Commercial areas – 100lbs/square foot (live load). Mechanical areas – 200 lbs/square foot (live load). Parking areas – 75 lbs/square foot (live load).

FIRE TOWERS:

Four fire towers are located in each of the East and West Towers, at the four corners of the core area. Re-entry floors are located on alternating floors. Each tower is equipped with motion detectors, as well as sonic alarms throughout.

WET COLUMNS:

West Tower: Columns E-10, E-12, M-10 and M-12
East Tower: Columns B-2, B-4, 1-2, 1-4.

LOADING DOCK:

Six loading dock bays located on the South side of the complex entered via 15th Street and Ranstead Street. Loading dock has direct access to freight elevators #1, #2 and #3. Loading dock also houses the trash compactor for the complex.

ELEVATORS:

Westinghouse Elevators maintained by Schindler Elevator Corp.

Passenger Elevator:

West Tower – 22 elevators

East Tower – 17 elevators

West Tower – 2 elevators (41st to 43rd floors)

Garage – 2 elevators

Elevator Speed

High Rise – 1,000 ft/min

Mid Rise – 800 ft/min

Mid-Low Rise – 500 ft/min

Freight Elevators:

West Tower – 1 elevator to all levels

East Tower – 1 elevator to all levels

Loading dock – 2 elevators

Cab data (FE1 and FE4):

Door opening – 53.5" by 94.5

Cab dimensions – 79.75" wide by 120.5" high by 71.25 deep

Load capacity – 3,500 lbs

Speed – 800 ft/min

LIFE SAFETY SYSTEMS:

Control Room:

Centre Square's control room is located on the ground floor at the base of the East Tower. At this location, all fire, sprinkler, and security systems are monitored. This room is staffed 24 hours per day, 7 days per week, including all holidays.

Fire Alarm Systems:

Simplex Fire Management System provides central monitoring of all pull stations, smoke detectors and sprinkler systems throughout the complex, including a two-way firemen communication system. The complex is monitored by, an outside central station, which also notifies the fire department. Project Engineer: Koffel Associates.

Fire Sprinkler Systems:

Fully sprinklered and in operation. A variance was granted by the City for the Galleria common area. Project Engineer: Maida Engineering

Emergency Generators:

There are two emergency generators for the Complex. One is located at the loading dock and is dedicated to the East Tower and the other is located on the M1 level of the West Tower and is dedicated to the West Tower. The generators handle all Life Safety Systems, Emergency Communications, Emergency Lighting, and Elevators. The generators are tested annually per Philadelphia Fire Code under full load conditions.

East Tower

Make: Katolight

Fuel: Diesel

Operating Data: 750 KW, 938 KVA, 480 volts

West Tower

Make: Caterpillar

Fuel: Diesel

Operating Data: 675 KW, 844 KVA, 480 volts

Diesel Fire Pumps:

Two are located on the P1 Parking level. These are redundant systems in that one pump is needed for a fire emergency and one is backup. Each pump has an output of 750 gallons per minute, at 265 psi.

Wet Standpipe System:

This system is for use by the Fire Department. Connections are located at each floor at each fire tower door location.

HVAC:

Heating:

Complex is heated by steam generated by Trigen Philadelphia via the City Steam Loop. West Tower & Galleria are heated by circulated air tempered by the steam heat through a VAV system at interior areas and through individual two pipe induction units at perimeter areas. East Tower is similar to the West Tower and Galleria except the perimeter is heated via individual 4-Pipe fan coil units with centrally located electric boilers which serve as an alternate heat supply to the Trigen Steam supply.

Air Conditioning:

The Galleria is cooled by circulated air tempered by the chillers. West Tower system employs DDC controlled VAV boxes for the interior areas and two pipe induction units at the perimeter. East Tower system includes DDC controlled VAV boxes for the interior areas and individual 4-Pipe fan coil units for the perimeter

Building Automation System:

Equipment Supplier: Siemens Building Automation System to a PC Based network system utilizing smart panels to record and monitor thousands of points throughout Centre Square. These panels are then accessed as required with information being downloaded to the network. Other building systems such as security guard rounds tracking, incident reporting, inventory and fire/safety can be integrated into the network and monitored unilaterally. CAD graphics are utilized to provide more accurate and precise floor plans and diagrams to assist

in monitoring the buildings, as well as providing a professional presentation to prospective tenants.

LIGHTING:

Galleria – Fluorescent and incandescent (277 and 120 volt)

West Tower office areas – Fluorescent and incandescent (277 and 120 volt)

East Tower office areas – Fluorescent and incandescent (277 and 120 volt)

UTILITIES:

Electricity:

Deregulated electricity is provided by PECO Energy

Primary service from the street is four 13.2 kv, 3 phase, 3 wire services, distributed from the M1 Mechanical levels in the East and West Towers. Secondary service consists of 480v, 3 phase, 4 wire panels located at various areas of the complex.

Power Redundancy:

The Centre Square complex is served by four (4) separate electrical feeds from four (4) separate utility substations. Two of the four independent utility feeders serve each tower. Redundant power in each tower is accomplished by connection with an automatic transfer system.

Steam:

Provided by Trigen Philadelphia.

Service is provided through one 12" high-pressure steam line located at the corner of 15th Street and Ranstead Street.

Water:

Provided by The City of Philadelphia.

Service is provided through one 20" water line located at Market Street at the West Tower.

Gas:

Provided by Philadelphia Gas Works (PGW).

Service is provided through a 4" gas line located at 16th Street feeding the concourse restaurant area, as well as a tenant emergency generator located on the roof of the West Tower.

Sewer:

West Tower: Two 15" combined house traps located at 16th Street.
East Tower: One 15" combined house trap located at 15th Street and one 12" combined house trap located at Ranstead Street. Sewer Ejectors handle west from the concourse, P1 and P2 levels to the City sewer system.

STANDARD BUILDING HOURS:

Monday – Friday: 8:00 a.m. to 6:00 p.m.
Saturday: 8:00 a.m. to 1:00 p.m.
Holidays accepted.
Access to the buildings and premises is available 24 hours per day, 365 days per year.

BUILDING SECURITY:

Lobby security attendant 24 hours per day, 365 days per year.
After hours card key access at the 15th Street entry doors.
Elevators are equipped with card-access capabilities.
CCTV cameras have been installed to monitor the lobby and common areas within the complex

AMENITIES:

Parking:

Parking garage is located on the lower levels of the building with direct access to the concourse and lobby levels. Parking spaces consist of 402 spaces.

Transportation:

Direct access to SEPTA inner city subways as well as regional rail lines.
Direct access to SEPTA bus lines at 15th & Market Streets.
Taxicab stand located at 15th & Market Streets.

Message

From: Kevin Sheehan [ksheehan@parkermccay.com]
Sent: 11/18/2014 4:37:07 PM
To: Justin Kenyon (JKenyon@njeda.com) [JKenyon@njeda.com]
CC: bush-andrew@CooperHealth.edu
Subject: Cooper - updated cost benefit analysis
Attachments: GrowNJ Cost Benefit Analysis - Cooper - 2014-11-18.xls

Justin. Attached is an updated Cost Benefit analysis for the Cooper application.

Please contact me if you have any questions.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.

P: 856-985-4020

F: 856-552-1427

ksheehan@parkermccay.com

www.parkermccay.com

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

COST/BENEFIT ANALYSIS

VERSION 1.03

APPLICANT: The Cooper Health System

Date: 11/10/2014

Grow NJ Term: 10 Years

LOCATION INFORMATION:

	<u>NEW JERSEY LOCATION</u>	<u>ALTERNATE LOCATION</u>	<u>SIZE DIFFERENCE</u>
Project Location (City, State)	Camden , NJ		
Location Size in Sq. Ft.	123,585 Sq. Ft.	120,000 Sq. Ft.	3,585 Sq. Ft.
Purchase (P)/Gross Lease (GL)/Triple Net Lease (TNL)/ Owned Facility (OF)/Construction (C)	GL	GL	
Building Cost Per Sq. Ft.	\$ 28.00 /Sq. Ft.	\$ 23.50 /Sq. Ft.	

ONE-TIME UPFRONT COSTS:

			<u>COST DIFFERENCE</u>
Land Acquisition Cost (if separate from building)	\$ -	\$ -	\$ -
Building Acquisition Cost	\$ -	\$ -	\$ -
Building Construction Costs	\$ -	\$ -	\$ -
Building Renovation Costs	\$ 2,600,000.00	\$ 4,800,000.00	\$ (2,200,000.00)
Machinery and Equipment Acquisition Cost		\$ -	\$ -
Furniture, Fixtures and Equipment	\$ 5,400,000.00	\$ 5,400,000.00	\$ -
Employee Relocations Costs	\$ -	\$ -	\$ -
Company Moving Costs	\$ 480,000.00	\$ 480,000.00	\$ -
Lease Termination Costs	\$ 3,900,000.00	\$ 3,900,000.00	\$ -
Sale of Owned Facility (Net of any Mortgage Amount)	\$ -	\$ -	\$ -
Other One-Time Upfront Costs - Demolition/Temp Rental Space	\$ 650,000.00	\$ 720,000.00	\$ (70,000.00)
Total One-Time Upfront Costs =	\$ 13,030,000.00	\$ 15,300,000.00	\$ (2,270,000.00)

ONGOING ANNUAL COSTS:

		<u>Start Month</u>	<u>End Month</u>	<u>Cost Frequency</u>		<u>Start Month</u>	<u>End Month</u>	<u>Cost Frequency</u>	
Annual Rental Costs	\$ 3,460,380.00	1	180		\$ 2,820,000.00	1	180		\$ 640,380.00
Annual Real Estate Taxes		1	180			1	180		\$ -
Annual Property Insurance Costs		1	180			1	180		\$ -
Annual Building Maintenance Costs		1	180		\$ -	1	180		\$ -
Annual Electricity Costs		1	180		\$ 264,000.00	1	180		\$ (264,000.00)
Annual Payroll Costs		1	180			1	180		\$ -
Lease of Owned Facility (for a partial sublease or due to relocation)	\$ -	1	180		\$ -	1	180		\$ -
Other Annual Ongoing Costs -	\$ -	1	180		\$ -	1	180		\$ -
Other Annual Ongoing Costs - Description	\$ -	1	180		\$ -	1	180		\$ -
Other Annual Ongoing Costs - Description	\$ -	1	180		\$ -	1	180		\$ -
Total Annual Ongoing Costs =	\$ 3,460,380.00				\$ 3,084,000.00				\$ 376,380.00

Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 10 Year Grant Term = \$ 555,153.86
Amount in Today's Dollars (NPV at 6%) that New Jersey is More Expensive than the Alternative Location Over the 15 Year Grant Commitment Duration = \$ 1,446,862.74

ASSUMPTIONS:

- 1 Existing leases costs include weighted average of 4 locations. Operating costs are for real estate only and do not include payroll or other business expenses
- 2 Lease termination costs include remaining obligation on 4 leased properties
- 3 Proposed location lease costs include \$17 NNN + \$11/sf opex. Entered as GL for simplicity
- 4 Alternate location is based on proposed terms from Brandywine Realty Trust for 1900 Market St
- 5 Construction cost for space includes remaining capital cost AFTER landlord TI allowance. Indicative terms on sheet 3 of worksheet

6
7
8
9
10

Given that selecting the proposed New Jersey location is \$555,153.86 more expensive than the alternative location and the potential incentive grant may not completely cover the cost differential, please provide insight into the other factors that make New Jersey competitive despite the additional costs:

- 1 Additional SF leased allows for relocation of 52 jobs from other camden locations. Space vacated on the health sciences campus allows for expansion of clinical services.
- 2 Consolidation of support services to this location allows for consolidation of IT staff in single location and better team support
- 3 Consolidation of support services to Camden affords these offices and staff closer geographic proximity to the hospital and supports ongoing Camden redevelopment efforts
- 4 Anticipated that a relocation out of state would cause some of these positions to be vacated due to inconvenience, additional commuting time. Positions would likely be filled in location of new office

5
6
7
8
9
10

6.00% = Discount Rate for Net Present Value

Grow NJ Term: 10

	Month 0	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
New Jersey							
One-Time Upfront Costs	\$ 13,030,000.00						
Annual Rental Costs	\$ -	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00
Annual Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Property Insurance Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Building Maintenance Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Electricity Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease of Owned Facility (for a partial sublease or due to relocation)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total NJ Costs	\$ 13,030,000.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00
Alternate Location							
One-Time Upfront Costs	\$ 15,300,000.00						
Annual Rental Costs	\$ -	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00
Annual Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Property Insurance Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Building Maintenance Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Electricity Costs	\$ -	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Annual Payroll Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lease of Owned Facility (for a partial sublease or due to relocation)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Annual Ongoing Costs -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Alternative Location Costs	\$ 15,300,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00
Difference	\$ (2,270,000.00)	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00

VERTICAL LOOKUP TABLES

<u>NPV for Grant</u>		<u>NPV for 1.5 Times</u>		
<u>Years</u>	<u>Term</u>	<u>Years</u>	<u>Grant Term</u>	<u>Years</u>
1	(\$1,905,572.20)	1.5	(\$1,731,376.13)	6
2	(\$1,562,315.70)	3.0	(\$1,239,000.58)	7
3	(\$1,239,000.58)	4.5	(\$788,902.28)	8
4	(\$934,468.33)	6.0	(\$377,451.15)	9
5	(\$647,627.79)	7.5	(\$1,328.79)	10
6	(\$377,451.15)	9.0	\$342,498.26	11
7	(\$122,970.32)	10.5	\$656,802.99	
8	\$116,726.52	12.0	\$944,120.32	
9	\$342,498.26	13.5	\$1,206,767.48	
10	\$555,153.86	15.0	\$1,446,862.74	

Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17
\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00	\$ 288,365.00
\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00	\$ 235,000.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00	\$ 257,000.00
\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00	\$ 31,365.00

NPV for Grant
Term Plus 5 Years
(\$377,451.15)
(\$122,970.32)
\$116,726.52
\$342,498.26
\$555,153.86
\$755,455.31

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Existing Cooper Facilities

Property	SF	annual occupancy cost	\$/sf	Exp	remaining obligation beyond 1/1/2015
3 Executive, Cherry Hill	61,136	1,250,000	20.45	9/30/2017	3,437,500
10000 commerce pkwy, Mt Laurel	20,000	590,000	29.50	6/30/2015	295,000
200 Federal St, Camden	3,130	81,000	25.88	3/31/2016	101,250
2 Aquarium Dr, Camden	4,992	105,000	21.03	9/30/2015	78,750
Total	89,258	2,026,000	22.70		3,912,500

Proposal from 1900 Market St, Philadelphia

size	120,000	
rent	29.50	3,540,000
steps	2.00%	annually
opex	-	-
RE taxes		
utilities	2.20	264,000
TI allowance	45.50	5,460,000
Quote is 10 yr term. Pulling TI out, (44.50, 8%, 10 yrs = 6.50) reduces rent to 23.50		

	1900 Market St, Philly		L3		
	120,000		126,000		
Construction	40.00	4,800,000	20.63	2,600,000	Low estimate based on walkthrough
TI allowance	-	-		-	none
Net construction	40.00	4,800,000	20.63	-	
A&E	6.00	720,000	5.16	650,000	
FF&E	30.00	3,600,000	28.57	3,600,000	
IT	15.00	1,800,000	14.29	1,800,000	
Relocation	4.00	480,000	3.81	480,000	
total		11,400,000		9,130,000	anticipate that actual costs will be \$12M, conservative es

time for EDA application

Message

From: Teresa Wells [twells@njeda.com]
Sent: 12/2/2014 3:02:09 PM
To: Bush, Andrew [bush-andrew@CooperHealth.edu]
CC: Justin Kenyon [JKenyon@njeda.com]; Kevin Sheehan [ksheehan@parkermccay.com]
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services? These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:

Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

Message

From: Kevin Sheehan [ksheehan@parkermccay.com]
Sent: 11/26/2014 2:34:45 PM
To: Shirley, Douglas [shirley-douglas@CooperHealth.edu]; bush-andrew@CooperHealth.edu
CC: Philip A. Norcross [pnorcross@parkermccay.com]
Subject: FW: Cooper

Doug & Andy. Please see the email below from Justin Kenyon of EDA.

Andy. Can you get the information Teresa Wells requested to her this morning.

Doug. Any chance to move our 1:30 call up to an earlier time. I am good any time except 11:00-11:30.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.

P: 856-985-4020

F: 856-552-1427

ksheehan@parkermccay.com

www.parkermccay.com

From: Justin Kenyon [mailto:JKenyon@njeda.com]
Sent: Wednesday, November 26, 2014 9:10 AM
To: Kevin Sheehan
Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not it be possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/2/2014 3:02:59 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheehan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems

We have a draft lease. Would you prefer a draft lease (unexecuted) or an executed LOI?

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital

856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ -
Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services?
These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:

Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

Message

From: Teresa Wells [twells@njeda.com]
Sent: 12/2/2014 3:13:29 PM
To: Bush, Andrew [bush-andrew@CooperHealth.edu]
CC: Justin Kenyon [JKenyon@njeda.com]; Kevin Sheehan [ksheehan@parkermccay.com]
Subject: RE: NJEDA Grow/Cooper Health Systems

I'll be "greedy"..can I have both? Thanks

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Tuesday, December 02, 2014 10:03 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

We have a draft lease. Would you prefer a draft lease (unexecuted) or an executed LOI?

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services? These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:

Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?

Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by
MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

Message

From: Kevin Sheehan [ksheehan@parkermccay.com]
Sent: 12/2/2014 3:57:46 PM
To: Teresa Wells [twells@njeda.com]; Bush, Andrew [bush-andrew@CooperHealth.edu]
CC: Justin Kenyon [JKenyon@njeda.com]
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa. Cooper does not need 19 new jobs in order to get credit for those jobs because it qualified for credits under the statute if it moves 27 retained jobs to the site.

The statute NJSA 34:1B-244 says:

"To be eligible for ANY tax credits pursuant to P.L.2011, c.149 (C.34:1B-242 et al.), a business's chief executive officer or equivalent officer shall demonstrate to the authority, at the time of application, that:

(1)the business, expressly including its landlord or seller, will make, acquire, or lease a capital investment equal to, or greater than, the applicable amount set forth in subsection b. of this section at a qualified business facility at which it will:

(a)retain full-time jobs in an amount equal to or greater than the applicable number set forth in subsection c. of this section;

(b)create new full-time jobs in an amount equal to or greater than the applicable number set forth in subsection c. of this section; OR

(c)in combination, retain full-time jobs and create new full-time jobs in an amount equal to or greater than the applicable number set forth in subsection c. of this section;"

.....

"c. The minimum number of new OR retained full-time jobs required to be eligible under the program shall be as follows: (2) for a business engaged primarily in a targeted industry other than technology startup or a manufacturing company, a minimum of 25 new OR 35 retained full-time jobs;" [The numbers are reduced by a 25% in South Jersey.]

Once they hit the minimum number of EITHER new OR retained jobs, they are entitled to credits for all jobs. There is nothing in the statute that requires them to hit 19 NEW jobs before it can get credits for all new jobs after it has met the minimum number of retained jobs necessary to qualify for ANY tax credits. Therefore, if they are providing 17 new jobs, on top of the 365 retained jobs, all new jobs qualify for tax credits.

Kevin D. Sheehan, Esquire

PARKER McCAY P.A.

P: 856-985-4020

F: 856-552-1427

ksheehan@parkermccay.com

www.parkermccay.com

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan

Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.

I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.

Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services?

These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:

Internal Auditor

Process Improvement Black Belts

Applications analyst

Director of IT

Clinical applications analyst

Compliance

Chief Compliance Officer

Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by
MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this

communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/2/2014 3:18:28 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheehan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems

I have a draft lease that I can send by the end of the day. LOI will take a few days as we will have to create to reflect current terms

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:13 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

I'll be "greedy"..can I have both? Thanks

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Tuesday, December 02, 2014 10:03 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

We have a draft lease. Would you prefer a draft lease (unexecuted) or an executed LOI?

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.
2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.
3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services? These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:
Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza

3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--

This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/1/2014 4:17:57 PM
To: macklin-eileen@CooperHealth.edu
Subject: FW: NJEDA Grow/Cooper Health Systems

fyi

From: Bush, Andrew
Sent: Monday, December 01, 2014 11:15 AM
To: 'Teresa Wells'
Cc: Justin Kenyon; 'Kevin Sheehan'
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [<mailto:twells@njeda.com>]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.

I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.

Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is – what type of clinical services?

These jobs are non-clinical and are removed per the modification above but we do intend to move these positions.

Descriptions and locations as follows:

Internal Auditor

Process Improvement Black Belts

Applications analyst

Director of IT

Clinical applications analyst

Compliance

Chief Compliance Officer

Paralegal

Secretary

Lawyer

Community Development

Foundation Development

Accountant

Employment Consultant

HR Director

Project Management

Director of Facilities

AVP Facilities And the addresses in Camden are

1 Cooper Plaza

3 Cooper Plaza

401 Haddon Ave

2 Aquarium Drive

200 Federal Street

618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?

Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer

NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625

(v) 609-858-6752 / (f) 609-278-4699

twells@njeda.com

Please consider the environment before printing this message.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/1/2014 4:15:06 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheelan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.

I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.

Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is – what type of clinical services?

These jobs are non-clinical and are removed per the modification above but we do intend to move these positions.

Descriptions and locations as follows:

Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer

Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com

Please consider the environment before printing this message.

Message

From: Teresa Wells [twells@njeda.com]
Sent: 12/1/2014 4:51:37 PM
To: Justin Kenyon [JKenyon@njeda.com]; bush-andrew@cooperhealth.edu; 'ksheehan@parkermccay.com'
[ksheehan@parkermccay.com]
Subject: RE: Cooper

Hello,

I ran the grant calculation at 363 jobs and it would change to \$10,750/yr or \$39,022,500. The bonus for large number of new and retained jobs decreases from \$750 to \$500 for jobs between 261 and 400.

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com

From: Justin Kenyon
Sent: Wednesday, November 26, 2014 1:29 PM
To: Teresa Wells
Subject: Fwd: Cooper

I know you've probably left for the day but we can use this as a basis moving forward and can discuss on Monday. Thanks.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Kevin Sheehan
Date: 11/26/2014 1:05 PM (GMT-05:00)
To: Justin Kenyon
Cc: bush-andrew@CooperHealth.edu
Subject: RE: Cooper

Justin. Cooper will agree to remove the 52 jobs relocating from within Camden. They want to add 8 new jobs in IT at this location. That would change their application from 355 jobs to 363 jobs @ \$11,000/year or \$3,993,000 per year.

Andy is getting the documentation, but he is not sure that he will be able to get it today given the holiday.

We will respond to Teresa's other questions in a separate email shortly.

Kevin D. Sheehan, Esquire
PARKER McCAY P.A.
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com
www.parkermccay.com

From: Justin Kenyon [<mailto:JKenyon@njeda.com>]
Sent: Wednesday, November 26, 2014 9:10 AM

To: Kevin Sheehan
Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not it be possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

--

This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

Message

From: Teresa Wells [twells@njeda.com]
Sent: 11/24/2014 9:51:01 PM
To: bush-andrew@cooperhealth.edu
CC: Justin Kenyon [JKenyon@njeda.com]
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is – what type of clinical services?
4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com

Please consider the environment before printing this message

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/4/2014 6:18:32 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheelan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems
Attachments: Proposal - Doug Shirley Andy Bush.doc

Attached is the LOI for the L3 portion. The lease has not yet been updated to reflect these terms. PA alternate anticipated by the end of today.

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:13 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

I'll be "greedy"..can I have both? Thanks

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Tuesday, December 02, 2014 10:03 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

We have a draft lease. Would you prefer a draft lease (unexecuted) or an executed LOI?

-----Original Message-----

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Tuesday, December 02, 2014 10:02 AM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks..do you have something in writing for the Camden lease?

And I'll address the jobs also, if you are saying there are now 17 new jobs not moving from suburbs..in order to get credit for new hires the minimum is 19...19 more jobs is just over \$40 million again...

- Teresa
609-858-6752

-----Original Message-----

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 5:13 PM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis - it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.
2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ -
Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.
3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services?
These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:
Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--
This message has been scanned for viruses and dangerous content by
MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

--
This message has been scanned for viruses and dangerous content by MailScanner, and is believed to be clean.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/1/2014 10:13:30 PM
To: twells@njeda.com
CC: JKenyon@njeda.com; ksheehan@parkermccay.com
Subject: RE: NJEDA Grow/Cooper Health Systems

All quoted numbers are verbal from prospective landlords in Pennsylvania. I expect to have proposals to justify the numbers by the end of the week.

I will verify the occupancy dates of each space.

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 4:43 PM
To: Bush, Andrew
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis – it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.
I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.
2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.
Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to

modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is - what type of clinical services? These jobs are non-clinical and are removed per the modification above but we do intend to move these positions. Descriptions and locations as follows:

Internal Auditor
Process Improvement Black Belts
Applications analyst
Director of IT
Clinical applications analyst
Compliance
Chief Compliance Officer
Paralegal
Secretary
Lawyer
Community Development
Foundation Development
Accountant
Employment Consultant
HR Director
Project Management
Director of Facilities
AVP Facilities And the addresses in Camden are

1 Cooper Plaza
3 Cooper Plaza
401 Haddon Ave
2 Aquarium Drive
200 Federal Street
618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?
Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com<mailto:twells@njeda.com>

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.

Message

From: bush-andrew@CooperHealth.edu [bush-andrew@CooperHealth.edu]
Sent: 12/2/2014 12:00:43 AM
To: twells@njeda.com; JKenyon@njeda.com; ksheehan@parkermccay.com
Subject: RE: Cooper

Teresa,
We recently approved an IT initiative that will add more than the 8 jobs mentioned below. We believe that we will add a minimum of 17 jobs, totaling 372 total new or relocated from outside the city of Camden. This change at \$10,750 per job would yield \$39,990,000.
Thanks
Andy

From: Teresa Wells [twells@njeda.com]
Sent: Monday, December 01, 2014 11:51 AM
To: Justin Kenyon; Bush, Andrew; 'ksheehan@parkermccay.com'
Subject: RE: Cooper

Hello,

I ran the grant calculation at 363 jobs and it would change to \$10,750/yr or \$39,022,500. The bonus for large number of new and retained jobs decreases from \$750 to \$500 for jobs between 261 and 400.

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com

From: Justin Kenyon
Sent: Wednesday, November 26, 2014 1:29 PM
To: Teresa Wells
Subject: Fwd: Cooper

I know you've probably left for the day but we can use this as a basis moving forward and can discuss on Monday. Thanks.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Kevin Sheehan
Date: 11/26/2014 1:05 PM (GMT-05:00)
To: Justin Kenyon
Cc: bush-andrew@CooperHealth.edu<mailto:bush-andrew@CooperHealth.edu>
Subject: RE: Cooper

Justin. Cooper will agree to remove the 52 jobs relocating from within Camden. They want to add 8 new jobs in IT at this location. That would change their application from 355 jobs to 363 jobs @ \$11,000/year or \$3,993,000 per year.

Andy is getting the documentation, but he is not sure that he will be able to get it today given the holiday.

We will respond to Teresa's other questions in a separate email shortly.

Kevin D. Sheehan, Esquire
PARKER MCCAY P.A.
P: 856-985-4020
F: 856-552-1427
ksheehan@parkermccay.com<mailto:ksheehan@parkermccay.com>
www.parkermccay.com<http://www.parkermccay.com/>

From: Justin Kenyon [mailto:JKenyon@njeda.com]
Sent: Wednesday, November 26, 2014 9:10 AM
To: Kevin Sheehan
Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not it be possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.
Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

--
This message has been scanned for viruses and dangerous content by MailScanner<<http://www.mailscanner.info/>>, and is believed to be clean.

Message

From: shirley-douglas@CooperHealth.edu [shirley-douglas@CooperHealth.edu]
Sent: 12/1/2014 11:39:33 PM
To: bush-andrew@CooperHealth.edu
CC: ksheehan@parkermccay.com
Subject: Re: Cooper

Sure.

Douglas E. Shirley
SEVP & Chief Financial Officer
Cooper University Health Care
One Cooper Plaza
Camden, NJ 08103
Office (856) 342-2443

On Dec 1, 2014, at 11:57 AM, Bush, Andrew <bush-andrew@CooperHealth.edu> wrote:

[REDACTED]

From: Teresa Wells [<mailto:twells@njeda.com>]
Sent: Monday, December 01, 2014 11:52 AM
To: Justin Kenyon; Bush, Andrew; 'ksheehan@parkermccay.com'
Subject: RE: Cooper

Hello,

I ran the grant calculation at 363 jobs and it would change to \$10,750/yr or \$39,022,500. The bonus for large number of new and retained jobs decreases from \$750 to \$500 for jobs between 261 and 400.

Teresa Wells, Sr. Finance Officer
NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625
(v) 609-858-6752 / (f) 609-278-4699
twells@njeda.com

From: Justin Kenyon
Sent: Wednesday, November 26, 2014 1:29 PM
To: Teresa Wells
Subject: Fwd: Cooper

I know you've probably left for the day but we can use this as a basis moving forward and can discuss on Monday. Thanks.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----
From: Kevin Sheehan

Date: 11/26/2014 1:05 PM (GMT-05:00)

To: Justin Kenyon

Cc: bush-andrew@CooperHealth.edu

Subject: RE: Cooper

Justin. Cooper will agree to remove the 52 jobs relocating from within Camden. They want to add 8 new jobs in IT at this location. That would change their application from 355 jobs to 363 jobs @ \$11,000/year or \$3,993,000 per year.

Andy is getting the documentation, but he is not sure that he will be able to get it today given the holiday.

We will respond to Teresa's other questions in a separate email shortly.

Kevin D. Sheehan, Esquire

PARKER McCAY P.A.

P: 856-985-4020

F: 856-552-1427

ksheehan@parkermccay.com

www.parkermccay.com

From: Justin Kenyon [<mailto:JKenyon@njeda.com>]

Sent: Wednesday, November 26, 2014 9:10 AM

To: Kevin Sheehan

Subject: Cooper

Kevin,

Good morning. Any thought given to what we discussed a few days ago? Teresa Wells is the analyst on our side and she needs to know what we are looking at in terms of project scope/grow dollar amount because our next incentive meeting is Monday so she needs to wrap up her analysis in the next few hours. I believe she emailed Andrew Bush some questions a few days ago and to the best of my knowledge she has not received responses. Also, if this is going to be an over \$40MM request the December board might not find it possible since that process takes a lot longer in terms of analysis and we still need to have the CEO meeting to discuss the over \$40MM aspect, would also need an approval fee check early next week for half a percent of the award amount being sought which is our policy for any over \$40MM project, in this case we would need a check roughly in the amount of \$220,000. Let me know which way things are leaning if you can. Thanks.

Justin

Sent from my Verizon Wireless 4G LTE smartphone

Notice: This e-mail message and any attachment to this e-mail message contain information that may be legally privileged and confidential from the New Jersey Economic Development Authority. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this e-mail or any attachments to it.

If you have received this e-mail in error, please immediately notify us by return e-mail or by telephone at 609-858-6700 and delete this message. Please note that if this e-mail message contains a forwarded message or is a reply to a prior message, some or all of the contents of this message or any attachments may not have been produced by the New Jersey Economic Development Authority.

This notice is automatically appended to each e-mail message leaving the New Jersey Economic Development Authority.

Please consider the environment before printing this message.

Please consider the environment before printing this message.

This e-mail message from the law firm of Parker McCay P.A. is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

--

This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

Message

From: Teresa Wells [twells@njeda.com]
Sent: 12/1/2014 9:43:02 PM
To: Bush, Andrew [bush-andrew@CooperHealth.edu]
CC: Justin Kenyon [JKenyon@njeda.com]; Kevin Sheehan [ksheehan@parkermccay.com]
Subject: RE: NJEDA Grow/Cooper Health Systems

Thanks, it is very important that I have some back-up to the lease terms as presented in the Cost Benefit analysis – it's all verbal at this point?

I've also been asked to find out how long Cooper has leased space in Cherry Hill and Mt. Laurel...so from the leases you provided..since 1996 in Mt. Laurel and since 2005 in Cherry Hill?

Thanks, Teresa
609-858-6752

From: Bush, Andrew [mailto:bush-andrew@CooperHealth.edu]
Sent: Monday, December 01, 2014 11:15 AM
To: Teresa Wells
Cc: Justin Kenyon; Kevin Sheehan
Subject: RE: NJEDA Grow/Cooper Health Systems

Teresa,
Sorry for the delay in the response. Please see responses below.
Regards,
Andy

Andrew Bush
VP of Real Estate and Facilities
Cooper University Hospital
856.342.3083

From: Teresa Wells [mailto:twells@njeda.com]
Sent: Monday, November 24, 2014 4:51 PM
To: Bush, Andrew
Cc: Justin Kenyon
Subject: NJEDA Grow/Cooper Health Systems

Hi Andrew,

I am processing Cooper's Grow Application for review by EDA Board. I have a couple of questions:

1. Please provide the back-up on the proposed terms for each of the locations, NJ and PA, ie term sheets, letters of intent and/or draft lease agreements.

I am touring alternate locations in PA on Wednesday and hope to have term sheets by the end of the week.

2. I wanted to verify the number of jobs - 407 total retained full-time jobs within NJ - Comprising of 355 relocated from outside of Camden and then 52 retained jobs within Camden? I also saw 435 jobs retained in the application.

Our application was based on 407 FTE positions relocated to this facility. The 435 jobs included ALL jobs including part time positions. Kevin Sheehan's email to Justin on Nov 26th indicated that we intend to modify our application to remove the 52 Camden jobs but add an additional NEW 8 jobs in IT to this location. the revised totals 363 jobs @ \$11,000/yr or \$3,993,000 per year.

3. Regarding the 52 retained jobs within Camden, please provide the job titles for these positions as well as where from within Camden they are relocating from. Please also provide a more detailed explanation about what this portion of the project is – what type of clinical services?

These jobs are non-clinical and are removed per the modification above but we do intend to move these positions.

Descriptions and locations as follows:

Internal Auditor

Process Improvement Black Belts

Applications analyst

Director of IT

Clinical applications analyst

Compliance

Chief Compliance Officer

Paralegal

Secretary

Lawyer

Community Development

Foundation Development

Accountant

Employment Consultant

HR Director

Project Management

Director of Facilities

AVP Facilities And the addresses in Camden are

1 Cooper Plaza

3 Cooper Plaza

401 Haddon Ave

2 Aquarium Drive

200 Federal Street

618 Benson St.

4. What is the number of full-time NJ employees as of end of the last tax period, 12/31/13? Is it 4,658?

Full time NJ employees was 4,646 as of 12/31/2013

Thanks, Teresa

Teresa Wells, Sr. Finance Officer

NJEDA, 36 West State Street, P.O. Box 990, Trenton, NJ 08625

(v) 609-858-6752 / (f) 609-278-4699

twells@njeda.com

Please consider the environment before printing this message.

--

This message has been scanned for viruses and dangerous content by [MailScanner](#), and is believed to be clean.

***** This communication, including attachments, may contain information that is confidential. It constitutes non-public information intended to be conveyed only to the designated recipient(s). If the reader or recipient of this communication is not the intended recipient, employee, or agent of the intended recipient who is responsible for delivering it to the intended recipient, or you believe that you have received this communication in error, please notify the sender immediately by return e-mail or telephone and promptly delete this e-mail, including attachments without reading them or saving them in any manner. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful.