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# Pryor Cashman Adds Securities Offerings Pro From Pillsbury

By **Eric Hornbeck**

Law360, New York (September 17, 2012, 5:11 PM ET) -- Pryor Cashman LLP said Friday that it has added a former Pillsbury Winthrop Shaw Pittman LLP attorney who represents bankers and investors in a range of securities offerings, including experience working on more than 100 private placement transactions, to its New York office as partner.

M. Ali Panjwani joined Pryor Cashman's corporate and China practice groups as a partner from Pillsbury, where he was counsel in that firm's corporate and securities practice. He has represented investment banks, investment funds and publicly listed issuers and startup companies in underwritten offerings, registered direct transactions, venture financing, reverse mergers, private placements and other corporate and securities issues.

His private placement experience includes issuing common stock, preferred stock, warrants, convertible notes and other types of securities for issuers, placement agents and investors. He also advises public companies on reporting obligations and corporate governance and investment funds on transactional work.

Panjwani told Law360 on Monday that he'd been impressed with Pryor Cashman after working across the table from the firm on several transactions, and that it offered a unique combination of a team of high-caliber lawyers and an attractive billing structure for clients.

"But also, because of its size, it's able to provide those services at more reasonable rates. It offers tremendous value to clients," he said.

He said that working with small- and mid-cap companies on securities offerings has the added benefit of allowing him to help companies grow their businesses, including in his China capital markets practice.

"You can really see the value and what these companies do after they raise the money," he said.

Eric Hellige, who chairs Pryor Cashman's corporate and securities group, said that Panjwani will further bolster the firm's relationships with middle-market companies.

"Having worked across the table from Ali on several deals, it is easy to understand how he earned a reputation as a tactical thinker who can guide clients smoothly through even the most complex transactions," Hellige said.

Panjwani also represents underwriters, placement agents, investors and issuers in his capital markets practice in China.

"His notable experience in China's capital markets is a tremendous asset for those U.S. companies looking to invest in China, and China-based companies looking to invest in the United States," Hellige said.

Prior to joining Pillsbury in 2010, Panjwani was previously an associate at Winston & Strawn LLP and Bryan Cave LLP.

Panjwani earned his law degree from the Benjamin N. Cardozo School of Law in 2001 and his bachelor's degree in finance and accounting from New York University's Leonard N. Stern School of Business in 1998.

--Editing by Katherine Rautenberg.

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## EMERGING GROWTH COMPANIES

### SEC Charges Start-up Bio Defense Corp., Officers With Boiler Room Scheme

**Bio Defense Corp.**, a start-up that proposed to develop and manufacture technology for irradiating mail to destroy anthrax and other pathogens, and three of its executives, sold millions of shares of unregistered stock through a boiler-room operation and defrauded overseas investors, the Securities and Exchange Commission has charged.

In a complaint filed in U.S. District Court in Boston, the SEC alleges that Bio Defense and its principal officers Michael Lu, Jonathan Morrone and Z. Paul Jurberg funded their operations with sales of unregistered shares from 2004 through 2008 before being hit with a cease-and-desist order from regulators in Texas and Massachusetts.

After that, the SEC alleges that Bio Defense and its executives took their scheme of selling unregistered shares to overseas investors by hiring Brett Hamburger, who was previously convicted of conspiracy to commit securities fraud, and Anthony Orth, a self-described marketer.

Hamburger and Orth connected Bio Defense and the executives with **Agile Consulting**, a firm purportedly based in Cyprus. Agile provided boiler-room operations to sell Bio Defense stock to overseas investors in exchange for 75% of the money raised.

Through its alliance with Agile Consulting, Bio Defense and the executives "knowingly made false and misleading statements about Bio Defense's securities offerings and expenses related to the offering," the complaint says.

Those included statements to prospective investors that Bio Defense's employees were working for no compensation in the hope of a future equity stake in the company after an initial public offering, the SEC said.

The commission alleges in the complaint that "Bio Defense became a deceptive Trojan-horse whose primary purpose served to defraud investors and enrich the company's fraudulent promoters."

From August 2008 to July 2010, the boiler-room operators were allegedly paid

\$8 million of the \$11.9 million they raised for Bio Defense and the other defendants.

The SEC is seeking disgorgement of ill-gotten gains plus interest, and bans against Lu, Morrone, Jurberg or Orth serving as officers or directors of publicly traded companies in the future. The SEC is seeking disgorgement of ill-gotten gains from **May's International Corp.**, a company controlled by Lu.

### FlatWorld Acquisition Calls Off \$23M Deal With Orchid Island REIT

Special purpose acquisition company **FlatWorld Acquisition Corp. (FWLAF)** has pulled the plug on its proposed \$23 million merger with real estate investment trust **Orchid Island Capital**.

The deal fell apart when more than 825,000 ordinary shares were tendered and not validly withdrawn before the expiration date Sept. 6. One of the conditions for completion of the deal was that less than 825,000 shares be tendered. FlatWorld terminated the tender offer and none of the tendered shares were purchased.

There are no penalty payments due because of the failed transactions, according to a Sept. 11 Securities and Exchange Commission filing.

SPACs are blank check companies that raise money in initial public offerings and then use the proceeds to acquire operating businesses. A SPAC is typically sponsored by a group of investors who hire a management team with expertise in a particular business or geographic region.

Orchid Island, a privately held REIT, invests largely in residential mortgage securities issued by Freddie Mac, Fannie Mae and Ginnie Mae. Its business model is based on earning returns on the spread between the yield on the securities and its costs, including the costs of borrowing funds to make asset purchases.

Last year, Orchid had planned to go public in a \$115 million initial public offering. The offering was scaled back to \$83 million before it was abandoned in July due to market conditions. The IPO

was to be underwritten by **Barclays Capital** and **JMP Securities**.

**Bimini Capital**, which controls Orchid as a wholly owned subsidiary, would have received preferred stock in FlatWorld that would have converted into 1.4 million common shares, valued at \$14.4 million. Bimini would have contributed \$1.7 million to FlatWorld at closing.

FlatWorld went public in a 2010 IPO worth \$22 million, underwritten by **Rodman & Renshaw**, **Ladenburg Thalmann** and **EarlyBirdCapital**.

### China Specialist M. Ali Panjwani Joins Pryor Cashman as Partner

M. Ali Panjwani, formerly counsel at **Pillsbury Winthrop Shaw Pittman**, has joined the law firm of **Pryor Cashman** as a partner in the firm's corporate and China practice groups.

Panjwani had worked at Pillsbury Winthrop since 2010. He was an associate at **Winston & Strawn** from 2008 to 2010. He will be based in Pryor Cashman's New York office.

Panjwani advises investment banks, investment funds, publicly listed issuers and start-up companies in corporate and securities matters, including underwritten offerings, registered direct transactions, venture financing, reverse mergers and private placement transactions.

"Having worked across the table from Ali on several deals, it is easy to understand how he earned a reputation as a tactical thinker who can guide clients smoothly through even the most complex transactions," said Eric Hellige, partner and chair of the corporate and securities group at Pryor Cashman in an email.

Panjwani's addition to the firm will "enhance the strong relationships we already have with middle-market companies," he added.

Hellige also said Panjwani's experience in China's capital markets "is a tremendous asset for those U.S. companies looking to invest in China, and China-based companies looking to invest in the United States."

## Pryor Cashman bolsters corporate and China practices in New York

10 Sep 2012



**Pryor Cashman** has lured an experienced attorney from the corporate and securities practice at **Pillsbury** to its office in Manhattan.

**M. Ali Panjwani** joins Pryor Cashman as a partner in its corporate and China practice groups. In his new role, Panjwani will apply his experience as an advisor to investment banks, corporations, hedge funds, issuers, and other clients in securities transactions such as private placement deals, underwritten offerings, registered direct transactions, and reverse mergers. Over the course of his tenures at **Bryan Cave** from 2001 to 2008, at **Winston Strawn** from 2008 to 2010, and at Pillsbury from 2010 through this month, Panjwani has played a role in more than 100 private placement transactions. He moves to Pryor Cashman at a propitious moment for U.S. companies looking to pursue investments in China, with China's trade surplus running at an estimated \$817 billion this year and expected to pass the \$1 trillion mark soon.

While at Bryan Cave, Panjwani gained first-hand experience with the China practice at Pryor Cashman. "I have known a number of the folks here for a few years. I also worked on a capital raise for a China-based company in 2006 where I was on the other side of the table from Pryor Cashman partner **Eric Hellige**," he explained.

"It's nice to be at a place where the China practice didn't begin just a year or two ago. They have a number of attorneys representing issuers in this space. One of my strengths is in representing underwriters and investors, so it's a nice complement to the existing foundation here," added Panjwani.

Pryor Cashman's China practice handles a wide range of matters, from reporting and compliance issues for companies doing business in China, to take-private deals, mergers, reverse mergers, and joint ventures, to U.S. stock exchange listings for companies operating in China. The practice now includes six partners: **Elizabeth Fei Chen, Conrad K. Chiu, Eric M. Hellige, Jeffrey C. Johnson, Edward C. Normandin,**

and Panjwani; one of counsel, **Michael T. Campoli**; and two associates, **Ying Cao** and **David E. Parsly**.

Panjwani's move made sense for him in view of his past experience with the firm and the strength of this practice. On yet another level, his move might be seen as part of a trend of attorneys transitioning from the larger model of law firm to a mid-sized platform offering clients more flexibility with regard to fees.

"I liked the fit of Pryor Cashman, and its size and capabilities. To be able to provide services at a high level without some of the overhead that comes along with some of the larger firms certainly is an advantage," Panjwani said.