



2013 ANNUAL REPORT

PROVIDING VALUE DELIVERING RESULTS

Every day at Hinckley Allen, we focus intently on improving the lives of our clients, our colleagues, our families, and our communities — through the ethical and insightful practice of law. Whether it's young staffers continually upgrading our firm's technology and communications capabilities, or senior partners resolving major client issues, every Hinckley Allen employee is empowered and encouraged to think independently.

For our clients, our broad base of expertise and our entrepreneurial passion ensure seasoned legal counsel imbued with common sense is available on every matter.

We deliver value. And we do so with maximum efficiency, as evidenced by our strong financial performance during the past several years — a difficult cycle for many in our profession. At a time when clients are scrutinizing legal spending more closely than ever, Hinckley Allen's business model offers unmatched value from some of the best legal minds in their specialties.

Client loyalty — as measured in client relationships or attorney tenure — provides strong testimony to the winning recipe of outstanding service, respectful collaboration, and experienced, practical counsel that defines our firm.

We welcome you to learn more — to look deeper into a firm with proven focus.

"I never hesitate to accept their counsel. If the wisdom is not instantly apparent to me it's usually because I haven't considered all the angles they've already taken into account."

~Mark Denneen, President & CEO, Denneen & Company



BUILDING A NEXT-GENERATION LAW FIRM

"Welcome to the new Hinckley Allen!"

Annual report aside, I can safely utter this phrase, not just every year, but virtually every *day*, thanks to the relentless spirit of innovation and hard work I see here week-in and week-out. In the past 12 months, we delivered on some ambitious objectives in terms of revenue growth, new hires, infrastructure improvement, and geographical expansion — all while maintaining superior client satisfaction and outcomes. The close of 2013 finds us a larger, stronger, and better-prepared firm than ever before in our 107-year history.

In my third year as Managing Partner, building deep and lasting relationships within Hinckley Allen and our client base is still my guiding objective. I believe this emphasis on strengthening interpersonal relationships — continually building trust — lies at the heart of the record-setting years we enjoyed in 2012 and again in 2013.

In a challenging and evolving economic environment that has led to sweeping changes throughout the legal industry, we have been able to thrive, in large measure because of our focus on two things: our clients and our people.

A sound model and fundamental discipline.

Our clients face tremendous pressures and new business realities every day. Our role is to help them accomplish their objectives intelligently and effectively by connecting them with top legal professionals who are focused on deep, long-lasting relationships. We provide personal service with an emphasis on value and results. And our clients see this as the winning — and even unique — model for success it truly is.

We invest prudently in our future as well, balancing our overhead and cost-structure to remain competitive. We avoid debt and maintain a significant "rainy-day" fund that gives our firm the stability to weather uncertain economic cycles.

Attracting, keeping, and developing talent.

Last year, we had many partners join Hinckley Allen from other firms, providing us breadth and depth across our practices and the region. While their individual stories may differ, they all share one thing in common: they sought an environment that would enable them to better serve their clients. Some came from smaller firms, looking to provide their clients with a more complete service offering; while others came from larger firms, seeking to service their clients in a high-quality environment with greater efficiency and intimacy.

Our profession has changed dramatically in the past few years, and lawyer mobility has reached historic heights. Fortunately, our turnover levels are significantly better than peer averages. In fact, it has been several years since a partner was successfully recruited away from Hinckley Allen.

We recognize that the “law firm of tomorrow” can be brought to fruition only by passionate employees operating at their personal best. The positive environment we’ve created allows the best people to thrive within our collaborative, enduring culture. In the coming years, recruiting next-generation talent will be a top priority, and we’re devoting significant resources toward attracting and developing top performers. In 2013, we broke ground for a firm of our size by hiring a full-time Director of Professional Development.

The benefit of this investment in our people has been obvious within the walls of Hinckley Allen and among our clients, but it was especially encouraging, in 2013, to receive several *external* acknowledgements for these efforts. None was more gratifying than finishing as the #1 “Best Places to Work” in Rhode Island for a mid-sized company — not the “top law firm” or “top professional services firm,” but rather the top *business* of any kind.

Building a next-generation firm on a rock-solid foundation.

Thanks to our loyal clients and our dedicated people, 2013 was another tremendously successful year for Hinckley Allen. And while we are delighted with the annual performance, we are unwavering in our pursuit of even *longer*, long-term objectives.

The face of business, politics, and commerce is changing faster than ever. As such, we are inspired to build a next-generation firm that is in sync with modern clients — a flatter, agile organization with transparent governance and leadership that welcomes new ideas and quickly turns them to reliable client advantage.

Heartfelt thanks to the clients, colleagues, and friends who have made 2013 another banner year for our firm. I invite you to examine the progress we have highlighted on the following pages, and I look forward to welcoming you all to the “new” Hinckley Allen.



Marc A. Crisafulli, Managing Partner

FOCUS ON OUTCOMES

"Over the past five years, clients have talked increasingly about enhancing the 'value' they receive for the legal services they purchase, and it has become increasingly clear that what they mean by 'value' is efficiency, predictability, and cost effectiveness in the delivery of legal services, quality being assumed."

~From a study conducted by Georgetown Law's Center for the Study of the Legal Profession along with Peer Monitor/Thomson Reuters

The growth Hinckley Allen achieved in 2013 was a result of innumerable individual efforts throughout the firm. In order to sustain this growth well into the future, we identified the particular activities, business structures, attitudes, and work processes that distinguish the Hinckley Allen approach.

We don't try to be all things to all people. Instead, we try to do a reasonable number of things really well. We focus geographically in the Northeast and across a number of core practices where we can have a real impact and drive exceptional client value. This ability to concentrate our collective initiatives helps us make the kind of progress that sets us apart from other law firms of any size.

We are good listeners. And we respond thoughtfully. Clients comment on our ability to provide practical, *efficient*, common sense counsel that perfectly suits the new realities of today's legal market.

Our approach to managing the firm mirrors this approach to legal practice. Both are grounded in care and discipline. It's a style of decision-making that allows our partners, associates, and clients to maintain a high level of comfort in building long-term relationships. During a year that was termed "lackluster" by legal industry analysts, Hinckley Allen met an aggressive 10% revenue growth target for 2013 — deliberate and well-planned growth guided by a smart long-term strategy.

For example, in 2013, we expanded into Manhattan. This move came only after we confirmed sufficient client demand and identified some exceptional New York talent to service this office. Characteristically, Hinckley Allen was well prepared to take advantage of a timely opportunity, and the integration of our new office is off to a fast and fruitful start.

2013 BY THE NUMBERS



10%

- ▶ 10% revenue growth compared to 2012, while industry average dropped by 2%



45

- ▶ 45 Hinckley Allen partners were included in 2013 *Best Lawyers in America*®



20%

- ▶ 20% increase in new clients compared to 2012



21%

- ▶ 21% increase in new matters brought to us by existing clients compared to 2012

CONSTRUCTION RISES AGAIN



Joel Lewin, Partner
Practice Group Leader, Chair



Robert V. Lizza, Partner
Practice Group Leader, Vice Chair

REPORT AND OUTLOOK FROM OUR CONSTRUCTION & PUBLIC CONTRACTS GROUP

2013 was a rebound year for the construction industry, especially in the private sector. As a result, our Construction & Public Contracts Group saw dramatic increases in both transactional work and dispute resolution involving private development projects.

The Group added many notable clients, including an *Engineering News-Record* (ENR) "Top-Five" international building contractor, several ENR "Top-400" contractors, and many regional contractors and developers. As the year came to a close, we were selected to handle a bid protest over the MBTA commuter rail operating agreement. At nearly \$3 billion, this represented the largest public contract ever bid in Massachusetts.

Our group scored some notable victories in arbitration and in court this past year, including a \$9 million arbitration award in favor of a large New York City general contractor in a claim against a subcontractor on the Whitestone Bridge project, and a defense verdict from a federal court jury in Boston on behalf of a project investor in a dispute over the valuation of an apartment building, post-construction.

Looking into 2014, we see our transactional work increasing as the private real estate recovery gathers speed. We also see expanding opportunities for transactional work on public projects due to the growing popularity of financing infrastructure improvements through public-private partnerships ("P3s"). Cyclical claim and dispute resolutions work should also increase as the economy gains momentum. We expect the trend toward increased scrutiny of government contractors by public owners to continue, creating demand for the Construction & Public Contracts Group and our White Collar Group as well.

Through our work with clients and national trade associations, we are fostering innovative approaches to project delivery — such as Integrated Project Delivery ("IPD"), building information modeling ("BIM"), and "Lean Construction" — and helping to develop legal standards to accompany these new methods. Already, we have helped clients reap benefits from these models on four major health care projects.

Through discipline and focus, we achieved solid growth in 2013, and we hold out hope for an even brighter 2014.

TAKING CARE OF BUSINESS



William W. Bouton III, Partner
Practice Group Leader, Chair



Aaron A. Gilman, Partner
Practice Group Leader, Vice Chair

REPORT AND OUTLOOK FROM THE CORPORATE & BUSINESS GROUP

The start of 2013 found our Hartford practice welcoming a *cadre* of attorneys from the firm of Levy & Droney, including its founding partners and some well-regarded specialists in labor and employment law. The integration was a true success and now, one year later, it seems as though our newest colleagues have been with us for a long time, bringing some terrific new clients and referrals along with the new faces.

This entrepreneurial team is now well positioned to grow the group in the year ahead. Our Tax practice continued to pick up steam, and Hinckley Allen's expansion into New York City has opened up doors for attorneys within various areas of our practice, including Corporate Trust and Public Finance. 2014 bodes well for continued growth in these areas.

Since the rate of economic recovery varies across regions, we made concerted efforts to share more resources, leads, and support among the attorneys in our practice group. For example, IP and Employee Benefits lawyers from Boston have established regular office hours in Providence, and a number of projects are being staffed on a multiple-office basis to take advantage of expertise and availability of resources. This dynamic scalability is a unique asset of Hinckley Allen that ensures our clients predictably receive the highest levels of value, efficiency, and responsiveness.

Significant new business this year included transactions for a multinational nutrition and materials leader, medical device manufacturers, health care leaders, and an innovator in online gaming.

Major regulatory changes within the Dodd-Frank Financial Modernization bill provided many advisory opportunities for our group. In health care, the Affordable Care Act and pressure on providers to deliver services efficiently is leading to increased consolidation and affiliation work. New Foreign Account Tax Compliance Act (FATCA) requirements for the reporting of foreign accounts provided additional opportunities for our tax lawyers to expand our international client base.

In 2014, we'll continue to invest in education and tools that build the value and competitive appeal of our attorneys. By providing high-quality, highly personalized service at a reasonable cost — by attorneys who love what they do — we expect to grow this group's business significantly in 2014.

EXPERTISE IN ACTION



Robert G. Flanders, Jr., Partner
Practice Group Leader, Chair



Gerald J. Petros, Partner
Practice Group Leader, Vice Chair

REPORT AND OUTLOOK FROM THE LITIGATION GROUP

Our Litigation Group continues to distinguish itself, with a reputation for successful outcomes, powered by a common-sense perspective. Clients who have suffered the pains of runaway trial costs with other firms have remarked that Hinckley Allen litigators provide trusted counsel — balancing the risks of litigation against the economic and productivity costs to the client. As one partner put it, “We don’t spend \$2 million to fight a \$1 million problem.”

Instead, we undertake a thorough and timely analysis of a dispute and then work with the client to evaluate potential actions and outcomes. For example, in 2013, we settled an insurance claim for a venerable textile manufacturer whose factory was destroyed in a fire. Today’s economic realities make it impractical to operate this kind of business in the Northeast. Instead of automatically rebuilding a \$26 million facility that would be hard pressed to compete, Hinckley Allen negotiated a settlement that left the business owner and the insurance company mutually satisfied — and in a much better position.

With ongoing clients in both traditional and renewable energy, the Litigation Group remains at the forefront of this exciting field. This year, we were involved in successfully advancing the East Coast’s first offshore wind farm — helping our client defeat motions from proposed interveners seeking party status in critical regulatory hearings. We also continued our work with several solar energy developers here in the Northeast.

For a major traditional utility client, we won summary judgments in two cases and filed an *amicus* brief on behalf of two utility leaders regarding the certification of classes in electrical outage cases arising from severe storms.

Other noteworthy cases included prevailing for a technology client in a rare appellate case involving a non-solicitation agreement, a precedent-setting appearance in one of the world’s newest judicial systems of tribal nations, and summary judgment against former General Electric CEO Jack Welch regarding an investment dispute. We also successfully defended a public company against shareholder class actions challenging disclosures in a proxy statement in connection with a proposed acquisition of the company.

Last year, our partners provided vigorous representation for clients in white-collar criminal matters, including grand jury investigations, tax matters, election law, antitrust claims, and shareholder actions.

In 2013, the Litigation Group saw positive growth with new wins across a wide range of matters and we look forward to building upon that momentum in 2014.

DEVELOPMENTS IN REAL ESTATE



David J. Rubin, Partner
Practice Group Leader, Chair



John H. Sokul, Jr., Partner
Practice Group Leader, Vice Chair

REPORT AND OUTLOOK FROM OUR REAL ESTATE GROUP

The practice of Real Estate law grows more sophisticated all the time, as transactions face more challenges, and deeper scrutiny from lenders, investors, and regulators.

In 2013, we added lawyers in our Connecticut, New Hampshire, and New York locations to supplement our deep and longstanding practices in Massachusetts and Rhode Island. These additions now help us provide more local land-use representation and provide additional capacity in acquisition, leasing, and financing. Our ability to service the entire region in all areas of real estate — along with our familiarity with the local business, political, and regulatory landscapes — provides a true competitive advantage and meaningful value to our clients.

Work for key clients, including the country's leading pharmacy chain, America's second-largest bank, and other investment/capital clients, was strong across all offices in 2013.

Among numerous projects in Rhode Island, we continued work with a 600,000-s.f. regional shopping center (including a Super Wal-Mart) and the South Station Power Redevelopment Project (which encompasses a 250,000-s.f. office building, garage, apartment building, and retail space). The project includes Federal and State Historic Tax Credits, New Market Tax Credits, and numerous local, state, and federal regulatory requirements.

In New Hampshire and Connecticut, we handled numerous complex land use matters for sophisticated developers, owners, and operators, including a multi-phase luxury resort project on Lake Winnepesaukee and a large commercial saltwater docking facility on the Piscataqua River, along with development and redevelopment projects for medical, institutional, educational, restaurant, retail, and other commercial uses.

This year, we closed a \$260 million loan secured by a portfolio of 23 California properties. We represented one of the world's premier banks in the \$200 million acquisition financing of Boston's Center Plaza and represented a national real estate company in acquiring tenant-in-common interests from over 31 investors. We also helped recapitalize and restructure the ownership of an office park on Route 128.

We look forward to 2014 with great optimism, with a blend of talented professionals from senior partners to associates and paralegals who are focused on providing efficient and effective delivery of legal services.

MATTERS OF TRUST



Leon C. Boghossian III, Partner
Practice Group Leader, Chair



Robert B. Levine, Partner
Practice Group Leader, Vice Chair

REPORT AND OUTLOOK FROM OUR TRUSTS & ESTATES GROUP

Just as it is in medicine, the practice of law has become increasingly specialized over the years — with Trust & Estate law now being revised nearly continuously. As a matter of discipline, our attorneys review the latest developments on a daily basis individually and set aside time during regular practice group meetings to review best practices as a team. We believe that this commitment to mastering every detail of our specialty is what has earned us the confidence of families and institutions who have remained loyal Hinckley Allen clients for generations.

It's a reputation that garnered us many invitations in 2013 to lecture on relevant topics and to advise colleagues — within Hinckley Allen and beyond. As our reputation has grown, so too has our client base. 2013 was another year of expanded capabilities and opportunities in Trusts & Estates.

In January of 2013, we were delighted to bolster our ranks with a group of seasoned attorneys and paralegals from the Hartford firm of Levy & Drone. This expanded team made incredible strides throughout the year, servicing existing estate planning clients and transitioning numerous clients from their former firm. Elsewhere, one of our Providence-based partners relocated and is now practicing primarily out of our Concord and Boston offices, while maintaining clientele in both Providence and Hartford.

The fluid dynamic of our group isn't limited to geography. In fact, this deliberate sharing of expertise and resources creates a highly efficient and integrated team — across many legal disciplines. The result of this unique group can be seen in the broad, well-informed perspective we bring to our clients' work.

For example, at the beginning of 2013, legislation was finalized regarding the transfer tax system in the United States. Portability of the estate tax exemption between spouses was reaffirmed and made permanent, and a transfer tax exemption of \$5 million helped us gain additional predictability in advising our clients and preparing optimal estate plans. By quickly and proactively leveraging new developments like this, we maximize Hinckley Allen's value to our clients — safeguarding their assets and maintaining harmony within families.

In view of the many tax law changes, we will be encouraging our clients to review their plans in 2014 to make sure they are taking advantage of all current tax planning strategies.

BY THE NUMBERS

92% of our clients would recommend us to a peer

96% of our clients are "Highly Satisfied"



A DEEPER EXCHANGE OF IDEAS

IS THERE A HOME FOR YOU AT HINCKLEY ALLEN

The outlook for our firm continues to be bright. We expect to maintain our measured growth strategy for some years to come. As such, we welcome inquiries from exceptional attorneys — especially within our identified specialties — and other legal professionals looking for a true “home” in which to develop and prosper.

Hinckley Allen lawyers relentlessly pursue excellence — in the courtroom and beyond. We are proud of the victories and progress we achieve for our clients. And we are honored to serve our profession and communities as volunteers, professors, mentors, leaders, and advisors.

REMOVING EVERY BARRIER TO COLLABORATION AND SUCCESS

As colleagues, we continually challenge one another to look deeper — and further — regarding matters of law, our impact on the places we live, our interactions with one another, and our commitments outside the office. For those who work alongside us, this shared ethos creates a brilliant atmosphere in which to build a career.

One of our senior partners noted a growing trend among our clients in 2013: “More and more, clients aren’t hiring ‘firms’ anymore. They’re hiring *attorneys*.” This focus on individuals fits perfectly with our long-view strategy that seeks to build a lean corps of independently thinking, self-motivated, and passionate legal professionals.

We are interested in attracting a diversity of candidates as varied as our client base and welcome the opportunity to play a role in developing new talent.

96% of our attorneys say they would “highly recommend Hinckley Allen to a close friend looking to change firms.”

"It's only been eight months since I joined the firm, but it feels like I've never worked anywhere else."

~C. Robert Zelinger, Partner

SUSTAINABLE ADVANTAGE FOR OUR CLIENTS

As one partner put it, Hinckley Allen attorneys tend to "see the whole elephant" when analyzing a case or legal situation, thanks to a daily firm-wide commitment to openness and exchange. Our clients work with mature thinkers at a firm where more than two-thirds of the attorneys are partners.

We like to think this maturity of vision and experience informs the direction of Hinckley Allen over the long term. Entrusted with a rich legacy, we look for ways to foster sustainable growth — in our business relationships and in the way we touch the world at large. We espouse a long view and accept responsibility for leaving things in a better state for the coming generations.

As we move confidently and optimistically into a new year, we look forward to helping more clients and potential new associates see the power of this vision too.

SHARING OUR EXPERTISE

Many of our attorneys and associates maintain positions of influence as members of various boards, bar associations, and nonprofit organizations. As advisors to government officials, panelists, and public servants, we contribute at many levels — from community-based volunteers to international policymakers. Our firm is regularly asked to speak at industry events such as the American Institute of Certified Public Accountants (AICPA), the National Association of Independent Office Parks (NAIOP), the Real Estate Finance Association (REFA), and Associated General Contractors (AGC).

In addition, several of our partners who are noted experts in their specialties are regular contributors to professional journals, serve as adjunct faculty, and are in demand as experts for conferences and events such as the Labor, Employment & Employee Benefits Law Seminar, the Securities Law Conference, the Construction Super Conference, the Rhode Island League of Cities and Towns Convention.

SHARING OUR GOOD FORTUNE

Included in our core values is a mandate to improve the communities in which we live and work. Our firm and our employees support hundreds of charitable organizations that affect the communities near our various offices. We focus on three areas of giving, the first being pro-bono legal services to people of limited means who are in need of our assistance. Secondly, our employees commit their time to community organizations whose missions encourage positive change. And finally, we give to those organizations that support the needs of our communities.

OUR LEADERSHIP

EXECUTIVE COMMITTEE

Marc A. Crisafulli

William R. Grimm

Joel Lewin

Robin L. Main

Thomas S. Marrion

Paul F. O'Donnell III

ADMINISTRATIVE MANAGEMENT

Marc A. Crisafulli, Managing Partner

Charles R. Reppucci, Chief Operating Officer

Kevin C. Curvelo, Chief Financial Officer

Laurie W. MacDonald, Director of Business Development

Gina M. Fajardo, Director of Marketing

John B. Guyer, Director of Information Technology

Megan A. McCormack, Director of Administration & Human Resources

Robert L. Harris, Director of Professional Development

Donna M. Yergeau, Director of Recruitment & Integration

Carolyn J. Trask, Director of Library Services

DIVERSITY COMMITTEE

Noble F. Allen, Co-Chair

Diana M. Ducharme, Co-Chair

ETHICS COMMITTEE

William R. Grimm

Alan P. Gottlieb

Richard Y. Uchida

HIRING PARTNERS

Matthew P. Doring

Timothy P. Jensen

