

SEWARD & KISSEL LLP



2016

BUSINESS TRANSACTIONS GROUP  
YEAR IN REVIEW



## *To Our Clients and Friends*

While the M&A market generally experienced a reduction of volume in 2016 when compared to the prior year, Seward & Kissel clients were active all year with numerous complex transactions that kept the firm's Business Transactions Group very busy.

There were many challenging deals involving the purchase or sale of investment management and broker-dealer businesses, as well as other strategic transactions in the financial services industry. Certain of these transactions are featured on pages 4 and 5 of the Review that follows, including the merger of Emerging Global Advisors with Columbia Threadneedle Investments; the reacquisition of a majority interest in Emerging Sovereign Group from The Carlyle Group; the acquisition by Alger Associates of Weatherbie Capital; the acquisition by iM Square of a minority equity stake in Dolan McEniry Capital Management; the sale by Harvest Volatility Management of a minority equity stake to Lincoln Peak Capital; and the merger of C.W. Downer with Spain-based

Nmas1 Dinamia to form ALANTRA. In addition, our IM Deals™ blog ([www.imdealsblog.com](http://www.imdealsblog.com)), which follows transactions and developments involving the investment management industry, continues to be widely read by participants in the sector.

The volume of middle-market M&A transactions in other industries was significantly increased in 2016 for the Business Transactions Group, as reflected on pages 6 and 7 of the Review that follows. We worked on numerous matters for longtime business media client UBM plc (LSU:UBM-LN), including its acquisition of trade event producer Content Marketing Institute, the sale of its global electronics media portfolio to an affiliate of Arrow Electronics (NYSE:ARW), and the divestiture of its minority interest in information company Light Reading to Informa plc (LSE:INF-L). Other transactions included the sale of a 50% stake in the global asphalt shipping and trading business of Sargeant Marine to energy trader Vitol Group, the private equity investment in human capital management solutions provider CARCO Group, Inc. by CIP Capital, the sale of a group of nine veterinary hospitals to the Compassion-First



Pet Hospitals portfolio company of private equity firm Quad-C Management, and the sale of financial examination training provider Securities Training Corp. to The Colibri Group portfolio company of Quad-C Management.

Global private equity client Cathay Capital invested in craft brewer Artisanal Brewing Ventures, and our other investment fund clients pursued the usual spread of private equity, private debt, venture capital and PIPE investment transactions, ranging from large leveraged buy-outs to early-stage private investments in a wide variety of businesses.

The work of Seward & Kissel's Business Transactions Group received plenty of independent recognition in 2016. *Chambers and Partners*, in its 2016 USA Guide, ranked Seward & Kissel as Highly Regarded for Corporate/M&A, calling us "Particularly adept at sell-side and midmarket transactions. Often advises investment funds and clients in the shipping industry." *The Legal 500*, in its United States 2016 edition, recommended Seward & Kissel for middle-market M&A work, describing us as an "effective and efficient group" that

"performs excellent work at reasonable prices. The practice is known for transactions within the investment management and shipping sectors; it also regularly handles complex middle market deals in the media industry and assists with high-profile sell-side M&A matters." In addition, The *M&A Advisor* selected one of our clients' transactions as Cross Border Energy Deal of the Year at its 2016 International M&A awards and two of our clients' other transactions as Cross Border Deal of the Year in their respective categories at its year-end 2016 *M&A Advisor* awards presentation.

Seward & Kissel clients kept the Business Transactions Group very busy in 2016 with challenging cross-border transactions and other interesting deals in a variety of industries. In response to the deal activity, we expanded the team by promoting Nick Katsanos to partner at the beginning of 2016 and promoting Gerhard "Gary" Anderson to partner at the end of the year, bolstering the Business Transactions Group's senior client service team. It was a very successful year for the firm's clients, and we are pleased to have assisted them in achieving their objectives.

*Seward & Kissel LLP*

## Investment Management and Broker-Dealer Industry Transactions

**Mergers and acquisitions, joint ventures, equity investments and other strategic transactions involving investment management firms, broker-dealers and related financial services businesses again made up a significant part of our deal activity in 2016. Some of our clients' 2016 activity included:**

- Emerging Global Advisors, a New York-based registered investment adviser and a leading provider of smart beta portfolios focused on emerging markets, merged with Columbia Threadneedle Investments, the global asset management group of Ameriprise Financial, Inc. (NYSE: AMP)



- Emerging Sovereign Group, a New York-based registered investment adviser with approximately \$3.5 billion in assets under management, reacquired the 55% equity stake it had previously sold to The Carlyle Group in 2011



- C.W. Downer & Co., a Boston-based M&A investment bank, merged with Spain-based financial services group Nmas1 Dinamia, S.A. (BME:DIN) to form ALANTRA. The transaction was an M&A Advisor Cross Border Deal of the Year winner

**C.W.Downer&Co.**

**ALANTRA**

- iM Square, a Europe-based investment and development platform dedicated to the asset management industry, acquired a minority equity stake in Chicago-based Dolan McEniry Capital Management, an SEC-registered asset manager with approximately \$5.8 billion in assets under management, that specializes in investment grade and high-yield fixed income securities

Investment Managers Square Limited



- Harvest Volatility Management, LLC, an SEC-registered investment adviser with approximately \$6 billion in assets under management, sold a minority equity stake to Lincoln Peak Capital



- Alger Associates, Inc., a leading asset management firm founded in 1964 with \$19.6 billion of assets under management, acquired Boston-based growth equity manager Weatherbie Capital

**ALGER**

## Legal 500 Recognition

*The Legal 500*, in its United States 2016 edition, again included Seward & Kissel as a recommended firm in the M&A: middle-market (sub-\$500m) category, offering the following analysis as a result of its independent research:



“Solving legal problems rather than creating them”, Seward & Kissel LLP’s “effective and efficient group excels at providing legal services and advice to middle-market companies, and performs excellent work at reasonable prices”. The practice is known for transactions within the investment management and shipping sectors; it also regularly handles complex middle-market deals in the media industry and assists with high-profile sell-side M&A matters. Furthermore, expanding on the firm’s strength in the financial services sector, it recently completed transactions involving the sale of broker-dealers. In shipping, the team acted for global oil tanker shipping client Frontline on its agreement to merge with Bermuda-based Frontline 2012 to create one of the world’s leading tanker companies. Investment management transactions included advising Whitebox Advisors on the sale of a 19.9% minority stake to Dyal Capital Partners. **James Abbott** is “extremely well versed in the ins-and-outs of M&A legal issues and the problems and legal solutions during deal making”; **Craig Sklar** is “an outstanding transaction attorney”; and **Nick Katsanos** is “very client-service oriented, meets deadlines and provides good advice”. **Meir Grossman** is also highly regarded.

- Brent Brodeski, co-founder and CEO of wealth manager Savant Capital Management, engaged in a leveraged recapitalization of the company, involving new equity capital from 20 outside strategic investors and 47 employee-owners, as well as a community bank debt financing
- Our client, an alternative asset placement agent, received a minority equity investment from a family office
- Our team handled over 25 seed investment and accelerator capital investment transactions, involving in excess of \$1.2 billion in aggregate seed assets, reflecting a leading position as counsel in this market, representing both investment managers and some of the institutional investors who seed these funds



- Our client, a global investment management firm, formed a joint venture focused on intermediary distribution

## IM Deals<sup>SM</sup>

Seward & Kissel publishes *IM Deals*<sup>SM</sup>, a blog that follows transactions and developments relating to M&A, joint ventures, private equity and venture capital investments, financings and seed deals involving firms in the investment management industry. Visit *IM Deals*<sup>SM</sup> and subscribe at [www.imdealsblog.com](http://www.imdealsblog.com).

## Other Mergers & Acquisitions/Buyouts/Joint Ventures

M&A, buyout and joint venture transactional work, both buy-side and sell-side, kept the team busy all year. Some of our clients' 2016 deals included:

- Tech-enabled human capital management solutions provider CARCO Group, Inc. received an equity investment from private equity firm CIP Capital



- Italy-based Sodali S.p.A. acquired U.S. proxy solicitor Morrow & Co. to create Morrow Sodali Global, the world's largest independent corporate governance, proxy solicitation, investor relations, capital markets and shareholder services firm. The transaction was an M&A Advisor Cross Border Deal of the Year winner



- Sargeant Marine, a U.S.-based asphalt shipping and trading firm, sold a 50% stake in its global asphalt trading, storage and marine transportation business to energy trader Vitol Group, forming the new asphalt trading joint venture VALT



- Agrifos Partners entered into a joint venture agreement with Borealis, a leading provider of solutions in the fields of polyolefins, base chemicals and fertilizers, to jointly develop a world-scale ammonia project along the Texas Gulf Coast



- Securities Training Corp., a leading provider of financial examination training, received an equity investment from The Colibri Group, a portfolio company of private equity firm Quad-C Management



- a group of veterinary hospitals operated by Aspen Meadow Veterinary Specialists (located in Longmont and Boulder, Colorado), Avets (located in Monroeville, Pennsylvania), CARE Center (located in Cincinnati and Dayton, Ohio), Veterinary Emergency & Specialty Center (located in Richmond and Midlothian, Virginia), Central Animal Referral & Emergency Hospital (located in Fredericksburg, Virginia) and VETMED (located in Phoenix, Arizona), were sold to Compassion-First Pet Hospitals, a portfolio company of private equity firm Quad-C Management



- UBM plc (LSE:UBM-LN), a global business-to-business event organizer, acquired Content Marketing Institute, a trade event producer headquartered in Cleveland
- UBM plc divested its electronics media portfolio to an affiliate of Arrow Electronics Inc. (NYSE: ARW), a global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions



- UBM plc divested its minority interest in Light Reading, a telecommunications industry information company, to Informa plc (LSE:INF-L), a global provider of business intelligence, academic publishing and events

- Work-Loss Data Institute, a leading provider of healthcare data and guidelines to the workers' compensation industry, was acquired by Hearst, one of the nation's largest diversified media, information and services companies



- our client, an executive at a New York-based real estate brokerage company, acquired a minority ownership interest in the company
- our client, the owner of a unique technology that converts wood and other solid biomass into renewable liquid fuels, entered into a joint venture with a third party to pursue a project that would use the client's technology to establish fuel production facilities with biomass feedstock providers

## Private Equity, Venture Capital and PIPE Investments by Fund Clients

Seward & Kissel's private investment fund clients continued in 2016 to make private equity, venture capital, private debt, PIPE and similar private investment transactions. Some of the interesting private investment transactions made by and/or involving our clients included:

- a common stock investment in Midwest Energy Emissions Corp., a provider of mercury emissions capture solutions for coal-fire industrial plants
- French-based global private equity firm Cathay Capital North America invested in craft brewer Artisanal Brewing Ventures in connection with its strategic alliance transaction between Victory Brewing Company and Southern Tier Brewing Company
- a common stock and convertible preferred stock investment in biopharmaceutical company Fate Therapeutics, Inc.
- an equity investment in a medical device software company
- a convertible debt investment in a veterinary pharmaceuticals company
- restructuring of an equity investment in a medical device company focusing on bone graft technologies
- a seed series preferred stock investment by Sage Technologies Ltd. in social networking platform Blink, Inc.
- a common stock investment in oil producer Centennial Resource Development, Inc.
- debt investments in JDCPhosphate, Inc., a company focused on applying advanced technology to the production of phosphate products for agriculture and industry in a sustainable and environmentally effective manner
- equity investments in Big League Advance LLC, a company that invests in professional baseball players
- a common stock and warrants investment in ViewRay, Inc., a manufacturer of MRI radiation therapy systems
- sale of an equity stake in an energy exploration company focused on central and southern Africa



*“We recommend Seward, they have a great team working there. They have proven their ability to execute the most complex transactions in an efficient manner.”*

## Chambers Recognition

*Chambers and Partners*, in its 2016 USA Guide, again ranked Seward & Kissel as Highly Regarded in its Corporate/M&A category, offering the following analysis as a result of its independent research:



### What the team is known for

Particularly adept at sell-side and midmarket transactions. Often advises investment funds and clients in the shipping industry.

### Strengths (Quotes mainly from clients)

“They did a spectacular job. Their ability to provide a comprehensive and multidimensional team to the middle-market deal setting is exemplary. They demonstrated extreme competence and a very high quality of work.”

“We recommend Seward, they have a great team working there. They have proven their ability to execute the most complex transactions in an efficient manner.”

### Work highlights

Represented Knightsbridge Shipping in its merger with Golden Ocean Group.

Acted for MOAB Oil in its \$26.6 million sale to Tullett Prebon.

### Notable practitioners

Practice co-chair **James Abbott** led on Knightsbridge Shipping’s merger with Golden Ocean. One commentator notes: “He has an ability to describe legal nuances in business terms. He is able to make the connection between legal advice and business objectives.”

The “very levelheaded” **Craig Sklar** advises on a range of transactional matters, including joint ventures and private equity deals. Of late, he represented Agrifos Partners in its acquisition of Baobab Mining and Chemicals Corporation.



## M&A Deal of the Year Awards

The winners of the 2016 *M&A Advisor* International M&A Awards were revealed at its 8th Annual Awards Gala held on April 12, 2016 at the New York Athletic Club in New York City. A panel of 19 independent M&A industry judges selected the winners from over 500 finalist companies at this event. A transaction handled by Seward & Kissel's Business Transactions Group was declared winner of the Deal of the Year award in its category:



### CROSS BORDER ENERGY DEAL OF THE YEAR

*Merger of Navig8 Crude Tankers  
and General Maritime*

Seward & Kissel is proud to have represented Navig8 Crude Tankers in connection with this award-winning transaction.

The winners of the 2016 *M&A Advisor* Awards were revealed on November 9, 2016, at the 15th Annual *M&A Advisor* Awards Gala held at the New York Athletic Club. A panel of 35 independent M&A industry judges selected winners from more than 320 nominees across all categories. Two transactions handled by Seward & Kissel's Business Transactions Group were declared winners of Cross Border Deal of the Year awards in their respective categories:

### CROSS BORDER DEAL OF THE YEAR

(From \$10mm to \$25mm)

*Acquisition of Morrow & Co. by Sodali Inc.*

### CROSS BORDER DEAL OF THE YEAR

(Over \$25mm to \$50mm)

*Merger of C.W. Downer & Co. with  
Nmas1 Dinamia, S.A. to form ALANTRA*

Seward & Kissel is proud to have represented Sodali Inc. and C.W. Downer & Co. in connection with these award-winning transactions.

## Business Transactions Group Growth

New and existing clients of Seward & Kissel have had steadily increasing demands for deal advice for several years, and the Business Transactions Group has grown to serve these needs, promoting its outstanding younger attorneys to leadership positions in the process. On July 1, 2013 Meir Grossman became a partner of the firm, on January 1, 2016 Nick Katsanos became a partner of the firm and on January 1, 2017 Gerhard “Gary” Anderson became a partner of the firm. With this expansion of the Business Transactions Group’s partner-level staffing, the firm’s clients will be very well served for many years to come on all types of deals.



Meir Grossman

Meir works with sponsors and managers of private investment funds on a wide variety of transactional and fund formation matters, including structuring and negotiating seed and other strategic investments. He regularly handles investment management firm M&A, majority and minority stake deals and restructurings, as well as private equity and venture capital transactions and complex outsourcing transactions. Meir’s work has been recognized by *The Legal 500*.



Nick Katsanos

Nick works with clients in connection with a variety of transactions and general corporate matters, handling M&A across all industries with a particular emphasis on middle-market deals for the firm’s clients in the investment management, broker-dealer, media and shipping industries. Nick’s work has been recognized by *Chambers USA*, *The Legal 500*, *The M&A Advisor* and *New York Super Lawyers*. Recent representative transactions include the sale of the electronics media portfolio of UBM plc (LSE: UBM-LN) to an affiliate of Arrow Electronics Inc. (NYSE: ARW), the sale of a 50% stake in Sargeant Marine, Inc.’s global

asphalt trading, storage and marine transportation business to Vitol Group, the sale of prime broker Concept Capital Markets, LLC to Cowen Group, Inc. (NASDAQ:COWN), and the sale of a group of veterinary hospitals to Compassion-First Pet Hospitals. In addition, Nick leads the firm’s Hart-Scott-Rodino compliance practice.



Gary Anderson

Gary represents public and private companies, private investment funds, investment management firms, financial institutions, business owners and managers in connection with a variety of business transactions, financings and general corporate matters. He regularly handles investment management firm M&A, majority and minority stake deals. Gary also specializes in structuring and negotiating special purpose investment vehicles and seed investments in asset managers, and has a broad background in securities laws and general corporate finance matters. Other representative transactions include mergers and acquisitions, private equity (with a particular focus on the medical device and life science industries), as well as venture capital transactions, joint ventures, strategic alliances and PIPEs.

## Contact Us

For more information about Seward & Kissel's Business Transactions Group or the contents of this Review, contact your S&K relationship attorney, Jim Abbott, Craig Sklar, Meir Grossman, Nick Katsanos or Gary Anderson.

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