

SEWARD & KISSEL LLP

Business Transactions Group

2017 Year in Review



To Our Clients & Friends

BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

The M&A market in 2017 continued its positive run and Seward & Kissel clients were actively involved, seeking the assistance of the Firm's Business Transactions Group for a series of complex deals.

Seward & Kissel's leading position as counsel to companies in the maritime industry resulted in the largest transactions handled by the Business Transactions Group in 2017. This Year in Review highlights several of these matters, including the merger of Scorpio Tankers Inc. (NYSE:STNG) with Navig8 Product Tankers Inc. (NOTC:EIGHT) to create the largest owner of product carriers listed on a U.S. securities exchange, the acquisition by Golden Ocean Group Limited (NASDAQ:GOGL) of Quintana Shipping Limited's entire dry bulk fleet, the acquisition by Borr Drilling Limited (NOTC:BORR) of Transocean Inc.'s entire fleet of 15 jack-up oil rigs, and the announcement of a merger agreement between oil tanker owners Euronav NV (NYSE:EURN) and Gener8 Maritime, Inc. (NYSE:GNRT).

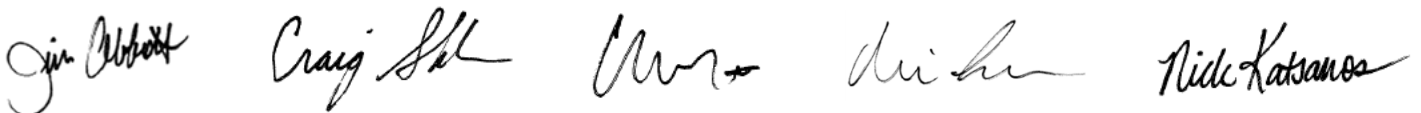
As is annually the case at Seward & Kissel, deals involving the purchase or sale of investment management firms, broker-dealers and other strategic transactions in the financial services industry formed a significant portion of the 2017 work of the Business Transactions Group. This Review highlights a selection of these transactions, including the acquisition by NewStar Financial, Inc. (NASDAQ:NEWS) of Fifth Street CLO Management LLC, the acquisition by Alger Associates, Inc. of investment manager Weatherbie Capital, LLC, and the announced agreement of HNA Capital (U.S.) Holding to acquire hedge fund of funds manager Skybridge Capital. The Firm also continued to be a market leader acting on seed investment transactions related to fund managers. Our IM Deals™ blog (www.imdealsblog.com), which follows transactions and developments involving the investment management industry, continues to be widely read by participants in the sector.

Middle-market M&A transactions in other industries are also always part of the mix for the Business Transactions Group, including sale transactions for healthcare data provider Work-Loss Data Institute to Hearst, educational software provider Rubicon West, Inc. to private equity firm Quad Partners, and e-commerce solutions provider MediaHive to Accenture (NYSE:ACN). In addition, our investment fund and other clients pursued numerous private equity, venture capital and PIPE investment transactions in a wide variety of businesses.

The work of Seward & Kissel's Business Transactions Group continued to receive independent recognition in 2017. *Chambers and Partners*, in its 2017 USA Guide, ranked Seward & Kissel as Highly Regarded for Corporate/M&A, saying the firm is "Particularly adept at sell-side and midmarket transactions. Recognized for its cross-border capabilities. Often advises investment funds and clients in the shipping industry." *The Legal 500*, in its United States 2017 edition, recommended Seward & Kissel for middle-market M&A work, describing the team as "a very talented, experienced group of individuals who have the ability to think as owners and find ways to resolve differences and close transactions...[t]he practice distinguishes itself through shipping industry and investment management M&A, as well as private equity deals."

Seward & Kissel clients involved the Business Transactions Group in many challenging transactions in 2017. We are pleased to have assisted them to achieve their objectives, and we have moved into the New Year with a backlog of deals that will keep the team busy and productive.

The Seward & Kissel BTG Team



Maritime Industry Deals

BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

Seward & Kissel's leading position with maritime industry clients in connection with all types of transactions resulted in substantial M&A activity in the sector in 2017. Some of our clients' 2017 maritime transactions included:



Scorpio Tankers Inc. (NYSE:STNG) completed its merger with Navig8 Product Tankers Inc. (NOTC:EIGHT) for consideration of 55 million shares of Scorpio common stock, making Scorpio the largest owner of product carriers listed on a U.S. securities exchange, with a fleet of 105 vessels



Euronav NV (NYSE & Euronext:EURN) announced an agreement for a stock-for-stock merger with Gener8 Maritime, Inc. (NYSE:GNRT), which will create a leading independent large crude oil tanker company with 75 crude tankers and an estimated pro-forma market capitalization of \$1.8 billion



Golden Ocean Group Limited (NASDAQ:GOGL) completed its acquisition of 16 modern dry bulk vessels from Quintana Shipping Ltd. (its entire 14 vessel fleet) and Seatankers (2 vessels) for consideration of 17.8 million Golden Ocean shares and the assumption of \$285.2 million of debt



Borr Drilling Limited (NOTC:BORR) acquired from Transocean Inc. its entire fleet of 15 jack-up oil rigs (10 rigs in service and 5 new-build rigs under construction), securing financing for the transaction through an \$800 million private placement



DryShips Inc. (NASDAQ:DRYS) acquired, for consideration consisting of its common shares, all of the equity interests of Shipping Pool Investors Inc., which holds a 49% interest in global tanker operator Heidmar Holdings LLC



Ridgebury Tankers entered into a shipping joint venture with institutional investors to purchase 4 VLCCs



Investment Management Industry Deals

BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

M&A, joint ventures, equity investments and other strategic transactions involving investment management firms, broker-dealers and related financial services businesses again made up a large part of our deal activity in 2017. Some of our clients' 2017 activity included:



HNA Capital (U.S.) Holding, the New York-based subsidiary of the HNA Capital financial services unit of China-based Fortune Global 500 company HNA Group, agreed to purchase fund of hedge funds manager Skybridge Capital



NewStar Financial, Inc. (Nasdaq:NEWS) acquired Fifth Street CLO Management LLC, an affiliate of Greenwich, Connecticut-based credit-focused asset management firm Fifth Street Asset Management, Inc. (NASDAQ:FSAM)



White Oak Equity Partners, a private equity firm that purchases interests in alternative investment managers, acquired a minority equity interest in quantitative investment firm Blueshift Asset Management, which focuses on statistical arbitrage and high-frequency trading strategies



Alger Associates, Inc., a leading asset management firm founded in 1964, acquired Boston-based growth equities investment advisor Weatherbie Capital



The investment team of LRV Capital Management, a New York based registered investment adviser focused on international mid-cap equities, joined Lazard Asset Management, with substantially all client assets transitioning to Lazard



White Oak Equity Partners acquired a minority equity interest in systematic quantitative global macro hedge fund manager ROW Asset Management, which has over \$800 million in assets under management

Seed Investment Deals

An increasingly active part of our transactional practice in the investment management industry involves "seed deals," where an institutional investor, family office or wealthy individual makes a sizable investment in an investment fund (often \$50mm - \$200mm) and agrees to remain invested in the fund for a defined period of time, in exchange for a revenue share in the investment management firm. Our Business Transaction Group is regarded as one of the industry's leaders in seed deals, having represented scores of new investment managers, as well as some of the largest and most active seeders in the industry. In 2017, our team remained one of the most visible presences in the industry on seed investment transactions, handling over two dozen seed investment and accelerator capital investment transactions involving in excess of \$1.5 billion in aggregate seed assets, as well as providing thought leadership in numerous media outlets, and continuing the publication of the definitive annual survey of seed investment transactions (including breakdowns of the most significant terms and discussion of industry trends).

For a copy of our annual survey, please feel free to email:
Gary Anderson (anderson@sewkis.com)
Meir Grossman (grossman@sewkis.com)
Craig Sklar (sklar@sewkis.com).

Seward & Kissel publishes IM Deals™, 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™ and subscribe at www.imdealsblog.com

Other M&A, Buyouts & Joint Venture Deals

BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

M&A, buyouts and joint venture transactional work, both buy-side and sell-side, kept the team busy all year. Some of our clients' 2017 deals included:



Work-Loss Data Institute, a leading provider of health care data and guidelines to the workers' compensation industry, was acquired by diversified media company Hearst

Rubicon

Rubicon West, Inc., which provides cloud-based SaaS curriculum software solutions to over 13,500 schools in all 50 states and 100 countries around the world, was recapitalized by private equity firm Quad Partners



MediaHive, an e-commerce solutions provider to leading luxury retail brand customers, was acquired by global professional services company Accenture (NYSE:ACN)

Dometic AB

Dometic AB, a Sweden-based global leader in branded solutions for mobile living, for whom we served as special counsel in connection with certain aspects of its \$875 million acquisition of SeaStar Solutions, a leading North-American-based supplier to the leisure marine industry

East Coast-based Public Relations Firm

An East Coast-based public relations firm client acquired a California-based agency to expand its geographic footprint and clientelle

Private Investment Fund

A private investment fund client and secured creditor of root9B Holdings, Inc. (NASDAQ:RTNB) acquired at a public auction root9B, LLC, a leading provider of advanced cybersecurity products

Agricultural Company

A long-standing client that owns a grain trading and poultry group in Morocco sold a minority stake in the business to a global agribusiness company



Private Equity, Venture Capital and PIPE Deals



BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

Seward & Kissel's clients continued in 2017 to engage in private equity, venture capital, private debt, PIPE and similar private investment transactions. As in prior years, the firm features in the PlacementTracker league tables for handling PIPE transactions. Some of the interesting private investment transactions made by and/or involving our clients included:



Scorpio Bulkers Inc. (NYSE:SALT) sold common shares in two separate private placement transactions in exchange for vessel acquisitions



DIANA CONTAINERSHIPS INC.

Diana Containerships Inc. (NYSE:DCIX) sold in a private placement warrants to purchase up to \$140 million of preferred convertible shares



TORM plc (NASDAQ:TRMD) completed a private placement of \$100 million of common shares to a group of investors and an affiliated party pursuant to an offering backstop agreement



Panagaea Logistics Solutions Inc. (NASDAQ:PANL) completed a \$15 million private placement offering to institutional investors



Dryships Inc. (NASDAQ:DRYS) privately placed \$200 million of common shares in an unregistered offering and pursuant to a rights offering backstop agreement to an affiliated party



Pyxis Tankers Inc. (NASDAQ:PXS) privately placed \$4.8 million of common shares to a group of investors

Investment Fund

An investment fund client purchased common stock in a \$750 million private offering by Peabody Energy Corporation (NYSE:BTU) in connection with Peabody's emergence from bankruptcy



Black Granite Capital LLC, a private equity fund client, was the lead investor in a \$3.5 million purchase of Series C shares of Jump Technologies, a healthcare IT company.

Institutional Client

An institutional client sold shares of Brilliant Light Power, Inc. in a private secondary transaction

Institutional Clients

A number of institutional clients engaged in private secondary purchases and sales of preferred and common shares of major technology companies.

Investment Fund

An investment fund client was lead investor in a \$26.1 million private placement of common shares and warrants by ViewRay, Inc. (NASDAQ:VRAY)

Various Clients

A number of clients participated in bridge note financings for venture stage companies.

Recognition



BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2017

Chambers & Partners

Chambers and Partners, in its 2017 USA Guide, again ranked Seward & Kissel as Highly Regarded in its Corporate/M&A category.

WHAT THE TEAM IS KNOWN FOR

Particularly adept at sell-side and midmarket transactions. Recognized for its cross-border capabilities. Often advises clients working in investment management and the shipping industry.

STRENGTHS

Commentators describe the team as having **“top-quality and highly capable problem solvers”** and other sources characterize them as **“unusually easy to deal with, very diligent, very thorough and always easy to work with.”**

One client praises the department's responsiveness and asserts that **“you have the feeling they really care.”**

WORK HIGHLIGHTS

Represented Frontline in its merger with Frontline 2012. The total market capitalization of the newly-formed entity is upwards of \$1.2 billion.

Advised Concept Capital Markets in its acquisition by Cowen Group.

SIGNIFICANT CLIENTS

UBM, Whitebox Advisors, iM Square, Sodali, Sargeant Marine.

NOTABLE PRACTITIONERS

James Abbott is described as a problem solver by clients, who assert that he is **“really smart, personable and easy to work with.”** His recent work includes a variety of cross-border M&A transactions.

“Conscientious attorney” Craig Sklar is co-head of the firm's business transactions practice. He offers an **“amazing”** level of support to his clients, who note how enjoyable it is to work with him. Sources highlight his attentiveness to his clients' needs and goal-oriented nature.

Gerhard Anderson is **“an excellent lawyer”** who has **“great industry knowledge”** and provides a **“superior client service,”** according to an impressed source. He advises clients on business transactions, financings and general corporate issues.

The Legal 500 US

The Legal 500, in its United States 2017 edition, again included Seward & Kissel as a recommended firm in the M&A: middle-market (sub-\$500m) category.

Seward & Kissel LLP has **‘a very talented, experienced group of individuals who have the ability to think as owners and find ways to resolve differences and close transactions; they are also very detail-oriented’**. Other clients rate the practice as **‘outstanding in all respects; it is tremendously responsive, the service is excellent and the advice is tailored to clients’ specific needs and issues rather than being theoretical’**. The firm promoted New York-based Gerhard Anderson to partner in the business transactions group; his representative transactions include M&A, private equity deals, joint ventures and strategic alliances, and he is praised as being **‘very efficient and prompt at turning around key documents in very short timeframes’**. The practice distinguishes itself through shipping industry and investment management M&A, as well as private equity deals. It has expanded its coverage of the financial services sector, where it has acted on multiple deals involving broker-dealers, and also regularly handles media and technology transactions. Also of note, the firm has traditionally acted predominantly on sell-side M&A work, but it is increasingly assisting clients with buy-side deals. Recent highlights include advising longstanding client Emerging Sovereign Group, a New York-based registered investment adviser, on reacquiring a 55%

stake held by Carlyle; and, in the shipping sector, the team acted for new client Sargeant Marine, a Florida-based asphalt business, in its sale of a 50% interest to The Vitol Group. Notable technology sector transactions included advising UBM on its acquisition of Content Marketing Institute. James Abbott and Craig Sklar co-head the business transactions group. Abbott is **‘a team player, who understands the primacy of business goals and solves problems rather than creating them; he is a good listener, wise counselor and contributes perspectives that defuse potentially confrontational issues’**. Sklar also draws praise; he is **‘a remarkable lawyer, who is practical and fair-minded and has total command of relevant precedent, law and practice’**. Other notable practitioners include Meir Grossman, who **‘facilitates smooth negotiations with sophisticated and demanding investors, is incredibly responsive, and highlights issues that clients need to think through’**; and Nick Katsanos, who is **‘an incredible professional’**.

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.

James E. Abbott
212-574-1226
abbott@sewkis.com

Jon P. Brose
212-574-1615
brose@sewkis.com

Craig T. Hickernell
212-574-1399
hickernell@sewkis.com

Marlon Q. Paz
212-574-1206
paz@sewkis.com

Gerhard Anderson
212-574-1687
anderson@sewkis.com

Ronald P. Cima
212-574-1471
cima@sewkis.com

Edward S. Horton
212-574-1265
horton@sewkis.com

Lawrence Rutkowski
212-574-1206
rutkowski@sewkis.com

John R. Ashmead
212-574-1366
ashmead@sewkis.com

Greg B. Cioffi
212-574-1439
cioffi@sewkis.com

John F. Imhof Jr.
212-574-1664
imhof@sewkis.com

Craig A. Sklar
212-574-1386
sklar@sewkis.com

Jeffrey M. Berman
212-574-1232
bermanj@sewkis.com

Paul T. Clark
202-737-8833
clark@sewkis.com

Nick Katsanos
212-574-1382
katsanos@sewkis.com

Michael S. Timpone
212-574-1342
timpone@sewkis.com

Derick W. Betts, Jr.
212-574-1662
betts@sewkis.com

James C. Cofer
212-574-1688
cofer@sewkis.com

Robert E. Lustrin
212-574-1420
lustrin@sewkis.com

Anthony Tu-Sekine
202-737-8833
tu-sekine@sewkis.com

Keith Billotti
212-574-1274
billotti@sewkis.com

Meir R. Grossman
212-574-1242
grossman@sewkis.com

Paul M. Miller
202-737-8833
millerp@sewkis.com

Gary J. Wolfe
212-574-1223
wolfe@sewkis.com

SEWARD & KISSEL LLP

New York
One Battery Park Plaza
New York, NY 10004
+1-212-574-1200

Washington, D.C.
901 K Street, NW
Washington, D.C. 20001
+1-202-737-8833

www.sewkis.com

The information contained in this newsletter is for informational purposes only and is not intended and should not be considered to be legal advice on any subject matter. As such, recipients of this newsletter, whether clients or otherwise, should not act or refrain from acting on the basis of any information included in this newsletter without seeking appropriate legal or other professional advice. This information is presented without any warranty or representation as to its accuracy or completeness, or whether it reflects the most current legal developments. This report may contain attorney advertising. Prior results do not guarantee a similar outcome.