

# Business Transactions Group

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2018 Year in Review

**SEWARD & KISSEL LLP**



# To Our Clients & Friends

## BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2018

In 2018, the M&A market continued to be active, and Seward & Kissel clients sought advice from the Firm's Business Transactions Group for many complex and exciting deals.

The shipping and offshore drilling industries have seen a recent wave of consolidation, with the Business Transactions Group handling several transformative M&A transactions in 2018. This Year in Review highlights several of these matters, including: the merger of Euronav NV (NYSE:EURN) and Gener8 Maritime, Inc. (NYSE:GNRT), creating the leading independent large crude tanker operator in the world with a fleet of 76 operating vessels and market capitalization of approximately \$2 billion; the \$2.7 billion merger of Transocean Ltd. (NYSE:RIG) and Ocean Rig UDW Inc. (NASDAQ:ORIG), creating one of the largest fleets of offshore drilling rigs; and the \$780 million merger of Poseidon Containers Holdings and Global Ship Lease, Inc. (NYSE:GSL) creating a leading containership owner with a fleet of 38 vessels.

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 were a large portion of the 2018 work of the Business Transactions Group. This Review highlights a selection of these transactions, including the sale of derivative asset manager Harvest Volatility Management to Victory Capital (NASDAQ:VCTR) and acquisitions of minority stakes in investment management firms by multiple clients including iM Global Partner, Kudu Investment Management, TIG Advisors and White Oak Equity Partners. The Firm also continued to have market leading activity handling seed and accelerator investment transactions related to fund managers. 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.

Middle-market M&A transactions in other industries are always part of the mix for the Business Transactions Group, including the acquisition by Himatsingka Seide Ltd. (Bombay:HIMATSEIDE) of the branded home products business of Global Brands Holdings (Hong Kong:GLBRF) and the business combination of Hunter Maritime Acquisition Corp. (NASDAQ:HUNT) with Chinese fintech company NCF Wealth Holdings at a \$2 billion valuation. 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 during 2018. 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." The National Law Journal recognized Business Transactions Group co-head Jim Abbott as a 2018 M&A Trailblazer, among only 27 attorneys nationally who it determined were "movers and shakers in the legal industry who have made an impact in their sector through new types of strategies or innovative matters".

Seward & Kissel clients kept the Business Transactions Group very busy working on complex and important deals in 2018. We look forward to continued opportunities to justify the trust they place in our team.

### The Seward & Kissel BTG Team



# Maritime Industry Deals

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Seward & Kissel's leading position with maritime industry clients in connection with all types of transactions led to substantial M&A activity for the Business Transactions Group in the shipping and offshore drilling sectors in 2018. Some of our clients' 2018 maritime transactions included:



**Ocean Rig UDW Inc.** (NASDAQ:ORIG) in connection with its \$2.7 billion merger with offshore drilling contractor Transocean Ltd. (NYSE:RIG)



**Euronav NV** (NYSE:EURN) in its merger with Gener8 Maritime (NYSE:GNRT), creating a \$2 billion market capitalization crude tanker operator



**Poseidon Containers** in its \$780 million merger with containership operator Global Ship Lease, Inc. (NYSE:GSL)



**Star Bulk Carriers Corp.** (NASDAQ:SBLK) in its acquisition of 15 dry bulk vessels from Songa Bulk ASA (Oslo.Axess:SBULK) for consideration of \$145 million in cash and 13.725 million Star Bulk shares



**TBS Ocean Logistics Inc.**, a dry bulk shipping company and dry bulk pool operator, in connection with a strategic investment by Mitsubishi Corporation and Lars T Ugland. As part of this transaction, TBS was renamed **Guardian Navigation Inc.**



**Borr Drilling Limited** (NOTC: BORR) in connection with its successfully completed \$232.5 million tender offer to purchase all of the outstanding shares of offshore drilling contractor Paragon Offshore Limited



**Euronav NV** (NYSE:EURN) in its sale of six VLCCs to International Seaways, Inc. (NYSE:INSW) for a total consideration of \$434 million



# Investment Management Industry Deals

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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 2018. Some of our clients' 2018 transactions included:



**iM Global Partner** in connection with its acquisition of a minority interest in \$2.3 billion AUM investment firm Sirios Capital Management



**Harvest Volatility Management** in connection with the announced sale of its \$12 billion AUM derivative asset management business to Victory Capital (NASDAQ:VCTR)



**TIG Advisors**, a \$3 billion AUM alternative asset management company received a permanent capital investment from **Kudu Investment Management LLC** and acquired a minority interest in CAD \$2.5 billion Canadian mortgage investor Romspen Investment Corporation



**Kudu Investment Management** in connection with its acquisition of a 32% interest in \$4.7 billion AUM California Bay Area wealth manager Bingham, Osborne & Scarborough



**Berens Capital Management**, a global emerging and frontier markets asset manager, in connection with its merger with Alternative Investment Group



**Marex Spectron**, one of the world's largest commodities brokers, in connection with its acquisition of the customer business of Rosenthal Collins Group

## IM Deals Blog

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](http://www.imdealsblog.com)



# Investment Management Industry Deals

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**Kudu Investment Management** in connection with its minority equity investment in Savanna, a New York-based real estate investment manager that has made over \$4 billion of investments since inception

## LRV Capital Management

**LRV Capital Management** and its principals in connection with the sale of its client assets and track record to Lazard Asset Management LLC



**White Oak Equity Partners** in connection with its acquisition of a minority interest in \$1 billion AUM credit focused manager FCO Advisors LP



**iM Global Partner** in connection with its acquisition of a minority interest in innovative liquid alternative manager Dynamic Beta investments



## Investment Fund Seeding Transactions

Seward & Kissel represented its clients in over 35 seeding transactions, including representing a number of the largest institutional seeding firms, as well as a number of “seeded” managers having some of the most significant launches of 2018

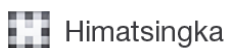
# Other M&A, Buyouts & Joint Venture Deals

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M&A, buyouts and joint venture transactional work, both buy-side and sell-side, are always a part of the Business Transactions Group mix. Some of our clients' 2018 deals included:

## Hunter Maritime Acquisition Corp.

**Hunter Maritime Acquisition Corp.** (NASDAQ:HUNT) in connection with its announced business combination with Wealth Holdings Limited, a Chinese fintech company, at a \$2 billion valuation



**Himatsingka Seide Ltd.** (Bombay: HIMATSEIDE) in connection with its acquisition of the branded home products business of Global Brands Group Holding Limited (Hong Kong:GLBRF) which includes Tommy Hilfiger® licensed home products

## Veterinary Hospital

**Veterinary hospital** in connection with its sale to a nationwide veterinary network



**BBRC Worldwide** in connection with a number of acquisitions of retail and consumer products businesses, including its acquisition of a significant interest in Hot 8 Yoga, a California-based chain of hot yoga studios



**APMEX Inc.**, a precious metals e-retailer, and alternative asset manager **Sprott Inc.** (TSX:SII) in connection with the launch of OneGold.com, an online marketplace to buy, sell and redeem digital gold and other precious metals using blockchain technology

## Executive

**Executive** at a New York-based real estate brokerage company in connection with the sale of his minority interest in the company



# Private Equity, Venture Capital and PIPE Deals

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Seward & Kissel's clients continued in 2018 to engage in 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:



**Kudu Investment Management, LLC** in connection with its \$250 million investment received from funds managed by Oaktree Capital Management, L.P. and from Mountains Insurance Group Ltd. (NYSE:WTM)

## Data Analytics Company

**Data analytics company** in connection with its initial Series A financing



Private investment funds managed by **Discovery Capital Management LLC** in their role as a lead investor for a round of growth equity investments in Chinese fintech online payments company Ant Financial



Private investment funds managed by **Scopia Capital Management LP** in their role as lead investor for a round of growth equity investments in pediatric care provider PM Pediatrics, LLC



Private investment funds managed by **Casdin Capital, LLC** in a number of investments in public and private companies, in many instances as lead investor

## Institutional Investor

**Institutional Investor** in connection with purchase of Series A Convertible Preferred Shares of Benefit Street Partners Realty Trust, Inc.

## Private Investors

**Private investors** in connection with purchase of Preferred Shares in a sports analytics company



# Recognition



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## Chambers & Partners

*Chambers and Partners*, in its 2018 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

"They were very communicative and we were able to resolve issues quickly and effectively," says a client.

"They give very good, sound, practical advice," says a client.

### WORK HIGHLIGHTS

Represented Emerging Global Advisors in its merger with Columbia Threadneedle Investments.

Advised CARCO on its sale to CIP Capital.

### SIGNIFICANT CLIENTS

UBM plc, iM Square, Agrifos Partners

### NOTABLE PRACTITIONERS

**James Abbott** is best known for handling M&A, joint ventures and private equity deals. Sources say he "possesses outstanding interpersonal skills and is a problem solver."

**Craig Sklar** is praised for his "out-of-the-box thinking," which covers M&A, financings and general corporate matters among others. Clients note Sklar's "thorough knowledge of the investment management industry, good understanding of deal dynamics and ability to propose adapted solutions."

**Gerhard Anderson** regularly works with public and private companies on M&A, joint ventures and strategic alliances. Interviewees say he is "particularly good at reminding us of a nuance that we may have missed that actually is important, as he has a great map in his mind of the architecture of each deal we do."

## The Legal 500 US

*The Legal 500*, in its United States 2018 edition, again included Seward & Kissel as a recommended firm in the M&A: middle-market (sub-\$500m) category.

Seward & Kissel LLP's 'team is extremely knowledgeable, available and responsive, and its lawyers represent great value for money'. Others praise the practice for being 'very well aware of what is important and making sure the key points are captured in the process'. The practice is highly rated for its advice to investment management and shipping industry clients - and expanding its coverage within the financial services sector, the team has also handled multiple deals involving broker-dealers. Other areas of strength include complex middle-market transactions in the media and technology space. New York-based **James Abbott** and **Nick Katsanos** are 'excellent, well-versed M&A attorneys, who are both extremely personable, which makes working with them very easy'. Abbott led advice to Borr Drilling in its acquisition from Transocean of its entire fleet of jack-up oil rigs; and Katsanos advised Scorpio Tankers, a provider of marine transportation of petroleum products, on its merger with Navig8 Product Tankers. The 'amazingly responsive and attentive' **Craig Sklar**, who is 'practical and focused on finding pragmatic solutions', led advice to NewStar Financial in its acquisition of Fifth Street CLO Management, an affiliate of Fifth Street Asset Management, a publicly traded credit-focused asset management firm; **Gerhard Anderson**, who is 'an excellent lawyer and tireless worker who excels in getting things done, and who always places his clients' interests first', assisted HNA Capital (US) Holding with its agreement to purchase, together with RON Transatlantic, a majority stake in global alternative investment firm Skybridge Capital; and **Meir Grossman**, who is 'responsive and aware of clients' overall issues', handles a variety of M&A, private equity, venture capital, joint venture, and lift-out and seed capital deals.

## The National Law Journal — M&A Trailblazer

**Jim Abbott**, partner and co-head of Seward & Kissel's Business Transactions Group (M&A and private equity), has been named a 2018 M&A Trailblazer by The National Law Journal. The list recognized only 27 attorneys nationally who have acted as "movers and shakers in the legal industry who have made an impact in their sector through new types of strategies or innovative matters."



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