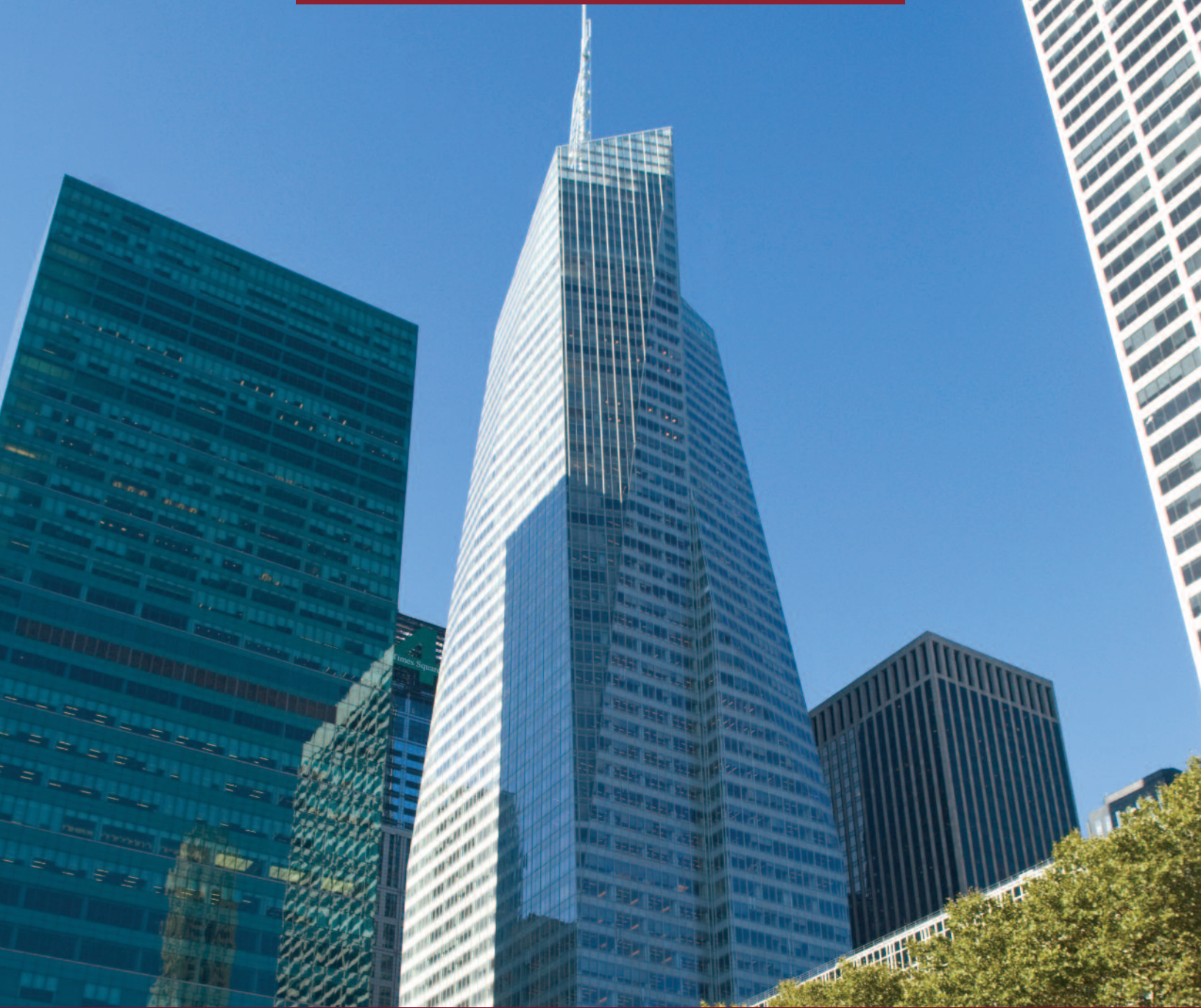


SEWARD & KISSEL LLP



2014

BUSINESS TRANSACTIONS GROUP  
YEAR IN REVIEW





## *To Our Clients and Friends*

**In 2014** the M&A market returned to a robust level of activity and this was equally true for Seward & Kissel clients, who engaged in numerous transactions in a variety of industry sectors.

With private equity investors supplying capital and wishing to consolidate their investments, 2014 was a banner year for mergers in the shipping industry, with Seward & Kissel continuing its role as go-to counsel in the sector. Pages 4 and 5 of the Review that follows describe some of the shipping-related transactions we handled last year, including the merger of Star Bulk Carriers Corp. with Oceanbulk and the merger of Knightsbridge Shipping Limited with Golden Ocean Group Limited.

We again worked on multiple deals involving the purchase or sale of investment management businesses and other strategic transactions in that industry, including an unprecedented number of seed investments. Certain of these

transactions are featured on page 8 of the Review that follows, including the acquisition by our UK-based client Marshall Wace of New York-based peer-to-peer loan investment manager Eaglewood Capital Management, and the sale by Hudson Valley Bank of wealth manager A.R. Schmeidler & Co. to Toronto-based Pine Street Asset Management. Our IM Deals® blog ([www.imdealsblog.com](http://www.imdealsblog.com)), which follows transactions and developments involving the investment management industry, is widely read by participants in the sector.

The Business Transactions Group also continued to handle middle-market, sell-side M&A transactions, including ILSC Education's sale to private equity sponsor Quad Partners, the sale of energy efficient lighting company ESCO Energy Services to ForceField Energy, and the sale of e-Business firm Crown Partners to the Razorfish digital agency unit of France-based global advertising agency Publicis Group SA. In the media sector, longtime client UBM plc made two divestitures of its Light



Reading and Pyramid Research divisions, and aviation information provider OAG acquired real-time flight information provider FlightView.

In addition, our investment fund and other clients pursued the usual spread of private equity, private debt, venture capital and PIPE investment transactions ranging from large leveraged buyouts to early-stage private investments in a wide variety of businesses.

Seward & Kissel's Business Transactions Group enjoyed plenty of independent recognition in 2014. *The Legal 500*, in its United States 2014 edition, recommended Seward & Kissel for middle-market M&A work, noting in part that the Firm "consistently advises on market-leading transactions within the investment management and shipping industries, in which the firm is particularly well known, and is also active in complex middle-market deals in the media industry, and in international sell-side M&A." *Chambers and Partners*, in its 2014 USA Guide, ranked Seward &

Kissel as Highly Regarded for Corporate/M&A, saying the Firm has a "Well-regarded New York M&A team handling domestic and cross-border transactions"... and "Remains a popular choice for investment funds, asset managers and clients in the shipping industry." In addition, each of *The M&A Advisor* and the New York Chapter of the *Association for Corporate Growth* selected one of our clients' transactions as Deal of the Year in their nominated categories and also named Seward & Kissel a Finalist for their 2014 Law Firm of the Year awards.

Seward & Kissel clients kept the Business Transactions Group very busy in 2014 with interesting and challenging deals, and the pace of activity has carried right into 2015. That's how we like it.

*Seward & Kissel LLP*



## Transportation Industry Deals

**Seward & Kissel's leading position with shipping industry clients in connection with all types of M&A, joint venture, capital markets and lending transactions led to substantial activity in the transportation sector during 2014, including some of the largest shipping mergers in memory:**

- Star Bulk Carriers Corp. (NASDAQ:SBLK), a Marshall Islands-organized global dry bulk shipping company, completed its merger with Oceanbulk Shipping and Oceanbulk Carriers, making Star Bulk the largest, diversified US-listed dry bulk company with a fully delivered fleet of 69 vessels. The consideration was an aggregate of 54,104,000 Star Bulk shares, making private equity funds managed by Oaktree Capital Management the largest shareholder of the company
- Knightsbridge Shipping Limited (NASDAQ:VLCCF), a Bermuda-organized dry bulk shipping company, acquired one bulk carrier vessel and five new building contracts for bulk carriers from Frontline 2012 Ltd. and an affiliate for consideration of \$360 million, and also announced a further agreement pursuant to which it acquired Frontline 2012's remaining fleet of 25 vessels in consideration for the issuance of 62,000,000 Knightsbridge shares



- Star Bulk Carriers Corp. announced an agreement to acquire 34 operating dry bulk carriers from Excel Maritime Carriers Ltd. for aggregate consideration of \$634.91 million, consisting of \$288.39 million of cash and 29.917 million shares of Star Bulk stock, expanding the company's fleet to 103 vessels on a fully delivered basis



- Euroseas Ltd. (NASDAQ:ESEA) entered into a PIPE transaction in which it sold 25,000 shares of Series B Convertible Perpetual Preferred Shares to a fund managed by Tennenbaum Capital Partners, LLC and 5,700 shares to Preferred Friends Investment Company Inc., an affiliate of the Company, for net proceeds of approximately \$29 million
- Euroseas Ltd. (NASDAQ:ESEA) entered into a PIPE transaction in which it sold approximately 11.2 million shares of its common stock to an institutional investor for net proceeds of approximately \$14.4 million





- Diana Containerships Inc. (NASDAQ:DCIX) made a \$92 million PIPE placement of its common stock to a group of investors led by 12 West Capital



- Scorpio Bulkers Inc. (NYSE:SALT) made a \$150 million PIPE placement of 40,000,000 shares of its common stock



- Braemar Shipping Services plc (LSE:BMS) merged shipbroker ACM Shipping Group plc with Braemar Seascope, the shipbroking division of Braemar Shipping Services, to form a new combined shipbroking business which will trade as Braemar ACM Shipbroking

- Our private equity firm client entered into two separate joint ventures with Athens-based shipping companies to acquire and operate South Korean-built container ship and oil tanker newbuildings



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

Seward & Kissel's private investment fund clients continued in 2014 to make private equity, venture capital, private debt, PIPE and similar private investment transactions. The Firm was ranked 5th by dollar value in the *PlacementTracker* league tables for issuer's counsel and was also included in the league tables for investor's counsel handling PIPE transactions. Some of the interesting private investment transactions made by our clients included:

- one of our investment fund clients purchased Series B preferred stock and convertible notes in a \$44 million PIPE offering by dELiA\*s
- one of our investment fund clients made an investment in Series D Preferred Shares of Lyft, Inc.
- one of our investment fund clients made an investment in Series F Preferred Shares of Cardlytics, Inc.
- one of our investment fund clients made an investment in a private equity fund formed to purchase shares of Alibaba Group
- one of our investment fund clients made a venture capital investment in a provider of sales lead generation mobile applications
- one of our investment fund clients made an investment in Series D Preferred Shares of Social Finance, Inc.
- one of our investment fund clients made an investment in Series B Preferred Shares of Urban Compass, Inc.
- one of our investment fund clients made an investment in common shares of Spotify Technology S.A.
- one of our investment fund clients made a venture capital investment in a leading provider of vehicle training, education, repairs and battery conditioning services for hybrid automobiles





## Other Mergers & Acquisitions/Buyouts/Joint Ventures

Our M&A, buyout and joint venture transactional work was recognized by both *The M&A Advisor* and the New York Chapter of the *Association for Corporate Growth*, each of which named Seward & Kissel a Finalist for their 2014 M&A Law Firm of the Year Award. Some of our clients' 2014 deals included:

- Toronto-based ILSC Education Group, a leading provider of location-based English language training for international students, was recapitalized by an affiliate of New York-based private equity firm Quad Partners



- London-based UBM plc (LSE:UBM) sold its Pyramid Research division, a provider of business information and market analysis for the information and communications technology industry, to Progressive Digital Media Group plc (LSE:PRO)



- Dayton, Ohio-based e-Business firm Crown Partners was sold to the Razorfish digital agency unit of France-based global communications and advertising agency Publicis Group SA (Paris:PUB.PA). The transaction was the winner of M&A Advisor's M&A Deal of the Year (Over \$50mm to \$100mm) Award and also Corporate and Strategic Acquisition of the Year



- Flour Mills of Nigeria plc (FLOURMIL:NL) divested its interests in United Cement Company of Nigeria Ltd. to its partner, Nigeria Cement Holdings B.V., a 50% affiliate of Lafarge Africa plc (WAPCO:LG)

- Lenox, Massachusetts-based ESCO Energy Services Company, a leader in energy efficiency upgrades and lighting retrofit projects, was sold to ForceField Energy Inc. (NASDAQ:FNRG)



- London-based UBM plc sold its Light Reading division, a provider of research-led online communities and events focused on the communications industry, to one of its original founders, Stephen Saunders, with UBM remaining as a minority investor



- OAG, a leading provider of aviation information and analytical services and a division of UK-based AXIO Data Group (a portfolio company of private equity firm Electra Partners), acquired Boston-based FlightView, Inc. which provides real-time flight information solutions



- our clients Mark Ferraris and Orlando Figueroa entered into a joint venture with First Names Group to form First Names Structured Services (USA) LLC, a Global Structured Finance Services Unit of First Names Group in the USA

FIRST / NAMES  
GROUP

## Investment Management Industry Transactions

**Mergers and acquisitions, joint ventures, equity investments and other strategic transactions involving investment management and related businesses again made up a significant part of our deal activity in 2014. Some of our clients' 2014 accomplishments included:**

- London-based alternative fund manager Marshall Wace LLC acquired a 90% interest in New York-based asset manager Eaglewood Capital Management, which invests in peer-to-peer loans. After the transaction, in a £200 million IPO, the firms launched investment trust P2P Global Investments PLC (London SE: P2P), the first listed investment vehicle offering investors participation in a pool of peer-to-peer loans



- Centre Asset Management, LLC announced an agreement with International Strategy & Investment Inc. whereby the ISI Funds will be reorganized into corresponding Centre Funds with similar investment objectives

**IM Deals**

*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).*

- Wealth manager and broker-dealer A.R. Schmeidler & Co., Inc., a wholly-owned subsidiary of Hudson Valley Bank, was sold to Toronto-based Pine Street Asset Management



- Virtus Partners, a global market leader in technology enabled, fixed income collateral administrative services and data on structured and non-structured transactions, received a significant minority private equity investment from Aquiline Capital Partners



- Our team handled over 30 seed investment and accelerator capital investment transactions involving in excess of \$1 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





## M&A Deal of the Year Awards

The winners of the 2014 ACG New York Champion's Awards were revealed at the *Association for Corporate Growth's* 4th Annual Awards Gala held on June 19, 2014 at the Metropolitan Club in New York City. A panel of 13 independent M&A industry judges selected the winners from over 350 participating companies at this event sponsored by the New York Chapter of the *Association for Corporate Growth*. A transaction handled by Seward & Kissel's Business Transactions Group was declared winner of the Deal of the Year award in its category:

### DEAL OF THE YEAR

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

*Acquisition of Metropolitan Real Estate Equity Management by The Carlyle Group*

Seward & Kissel is proud to have represented real estate investment manager Metropolitan in connection with this award winning deal. Seward & Kissel was also a Finalist for ACG's 2014 Law Firm of the Year.



The winners of the 2014 *M&A Advisor Awards* were revealed on November 17, 2014 at the 13th Annual *M&A Advisor Awards* Gala held at the New York Athletic Club. A panel of 11 independent M&A industry judges selected winners from more than 130 award finalists across all categories. A transaction handled by Seward & Kissel's Business Transactions Group was winner of M&A Deal of the Year awards in two categories:



### M&A DEAL OF THE YEAR

(Over \$50mm to \$100m)



### CORPORATE AND STRATEGIC ACQUISITION OF THE YEAR

*Acquisition of Crown Partners by Publicis Groupe*

Seward & Kissel is proud to have represented equity-holders of e-Business firm Crown Partners in connection with this award-winning deal. Seward & Kissel was also selected as a Finalist for *M&A Advisor* 2014 Law Firm of the Year.



## Chambers Recognition

**Chambers and Partners**, in its 2014 USA Guide, ranks 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*

Well-regarded New York M&A team handling domestic and cross-border transactions. Remains a popular choice for investment funds, asset managers and clients in the shipping industry.

### *Strengths*

*(Quotes mainly from clients)*

***"A highly impressive and knowledgeable team."***

***"Fantastic. They were very thoughtful and very considerate of the issues. They led in identifying areas we should focus on, from both the M&A and tax sides."***

### *Work highlights*

Acted for Bermuda-based Nephila Capital on its strategic partnership with KKR, with the latter acquiring a 24.9% interest in Nephila.

Acted for Ultrapetrol (Bahamas) on the \$220 million acquisition of 78.38% of its common stock by Southern Cross Latin America Private Equity Funds.

### *Notable Practitioners*

Clients are full of praise for **James Abbott**, saying that he "always puts client satisfaction as a primary objective, brings a lot of experience to deals," and "can explain legal items in everyday business terms." He handles M&A, private equity investments and strategic alliances.

Clients say **Craig Sklar** is "fantastic to work with," highlighting his commercial approach and ability to "help us focus on business issues while making sure we're protected in every way on the legal side." He recently acted for Agrifos Fertilizer on its acquisition by Rentech Nitrogen Partners for \$158 million, with an additional potential earn-out of \$50 million.

**Nick Katsanos** is counsel in the business transactions group, handling business formation, M&A, private equity transactions and strategic alliances. Clients say he is "extremely thorough and fully engaged," and particularly appreciate his "in-depth understanding of all aspects of the deal."



## Legal 500 Recognition

*The Legal 500*, in its United States 2014 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:



‘Superlative at winning the trust and confidence of the client’, Seward & Kissel LLP is ‘excellent in every way and represents great value for money. Its team is prompt, attentive and knowledgeable’. The group consistently advises on market-leading transactions within the investment management and shipping industries, in which the firm is particularly well known, and is also active in complex middle-market deals in the media industry, and in international sell-side M&A. Highlights included acting for longstanding client Metropolitan Real Estate Equity Management, a registered investment adviser with more than \$2.6bn in capital commitments across 22 partnerships, on its sale to global alternative asset manager The Carlyle Group; and acted for Ultrapetrol (Bahamas), an industrial transportation company serving the Latin American markets for diverse products as well as the offshore oil platform supply market, on its sale to Southern Cross Latin America Private Equity Funds of approximately \$220m of newly issued common stock. It also assisted UBM, a global events-led marketing services and communications company, on the sale of its UBM Channel division to an investment group led by executive management, which renamed the business The Channel Company.

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*Superlative at winning the trust and confidence of the client, Seward & Kissel LLP is excellent in every way and represents great value for money. Its team is prompt, attentive and knowledgeable.*

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New York-based **James Abbott** and **Craig Sklar** co-head the firm’s business transactions group. Abbott is ‘a great M&A attorney; he is very knowledgeable, great with clients, and deal oriented’. Sklar is ‘very good at laying out the timelines and expectations, and in dealing with attorneys from the other side as required; he also understands business objectives, focuses on those and does not create unnecessary problems. At the same time, he is careful to make clients aware of issues to which they should be attentive’. Counsel **Nick Katsanos** ‘guides clients through deals with a calm persona and reassuring level of confidence’.

## 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 or Craig Sklar.

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