

Business Transactions Group

2019 Year in Review

SEWARD & KISSEL LLP



To Our Clients & Friends

BUSINESS TRANSACTIONS GROUP — YEAR IN REVIEW 2019

The M&A market remained active in 2019, and Seward & Kissel clients engaged in a wide variety of complex and interesting deals that kept the Business Transactions Group busy all year.

As consistently occurs 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 the largest portion of the 2019 work of the Business Transactions Group. This Year in Review highlights a selection of these transactions, including the management buyout of value equity manager Cramer Rosenthal McGlynn from Wilmington Trust; Tocqueville Asset Management's sale of its gold strategies business to Sprott Asset Management (TSE:SII); the acquisition by UK-based commodities broker Marex Spectron of the customer business of Rosenthal Collins Group; Forbes Family Trust's acquisition of fund of funds manager Optima Fund Management; and multiple sales and acquisitions of minority stakes in investment management firms for clients that included Kudu Investment Management, iM Global Partner, Emigrant Partners and First Long Island Investors. 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), which follows transactions and developments involving the investment management industry, continues to be widely read by participants in the sector.

Shipping industry transactions continued apace in 2019, with this Review highlighting some of these deals, including the acquisition by Dry Ships Inc. (NASDAQ:DRYS), from an affiliate of Morgan Stanley and management, of 100% of the shares of shipping pool operator Heidmar Inc. that it did not already own; Ridgebury Tanker's product tanker joint venture with Riverstone Capital and Tufton Marine; the acquisitions by Euroseas Ltd. (NASDAQ:ESEA) of eight container ships in two separate transactions; the acquisition by Scorpio Tankers Inc. (NYSE:STNG) of leasehold interests in 19 product tankers from Trafigura Maritime Logistics; and the going-private merger of DryShips Inc. with SPIL Holdings (a company that may be deemed to be beneficially owned by DryShips' CEO George Economou).

In 2019 middle-market M&A transactions in other industries comprised a larger portion of the work flow for the Business Transactions Group, including the sale of marketing research provider TOPO Research to Gartner (NYSE:IT); the sale of veterinary hospital operator PESCM to Ethos Veterinary Health; the recapitalization of professional services firm Constellation Advisers led by private equity sponsor TZP Group; the sale of insurance company Cincinnati Equitable Life Insurance Company to Michigan Farm Bureau Financial Corporation; and the sale of Sargeant Marine's 50% stake in asphalt trading firm VALT to Vitol. 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 2019. Chambers and Partners, in its 2019 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." Likewise, The Legal 500, in its United States 2019 edition, recommended Seward & Kissel for middle-market M&A work, describing the team as "a trusted partner that provides practical advice and solutions to complex M&A projects" and "a go-to practice for middle-market M&A." Meanwhile, The M&A Advisor selected the merger of Transocean with Seward & Kissel client Ocean Rig UDW as the winner of its 2019 Cross Border M&A Deal of the Year (Over \$1 Billion) and also inducted Seward & Kissel partner Jim Abbott into its M&A Hall of Fame.

Seward & Kissel clients were very active in the deal markets in 2019, and this is continuing into the new year.

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 and joint venture activity for the Business Transactions Group in the shipping sector in 2019. Some of our clients' 2019 maritime transactions included:



Euroseas Ltd. (NASDAQ:ESEA) in connection with its acquisition of four feeder containerships for \$15 million and 22.5 million Euroseas shares



DryShips Inc. (NASDAQ:DRYS) in connection with its \$5.25 per share going-private merger with SPII Holdings Inc., a company that may be deemed to be beneficially owned by DryShips' CEO George Economou



Hudson Structured Capital Management in connection with its joint venture with Pangea Logistic Solutions (NASDAQ:PANL) to acquire four newbuilding bulk carriers



Scorio Tankers Inc. (NYSE:STNG) in connection with its acquisition from Trafigura Maritime Logistics Pte Ltd. of leasehold interests in 19 product tankers for 4,700,000 Scorio shares



Ridgebury Tankers in connection with its joint venture with Riverstone Capital and Tufton Marine to acquire three product tankers



Euroseas Ltd. (NASDAQ:ESEA) in connection with its \$40 million acquisition of four containerships from Synergy Holdings Ltd.



DryShips Inc. (NASDAQ:DRYS) in connection with its \$17 million purchase, from a Morgan Stanley affiliate and management, of the 50.2% of shipping pool operator Heidmar Inc. it did not already own

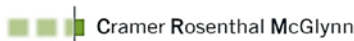
Investment Management Industry Deals

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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 the largest part of our deal activity in 2019. Some of our clients' 2019 transactions included:



Tocqueville Asset Management in connection with the sale of its \$1.9 billion AUM gold strategy asset management business to Canada-based Sprott Inc. (TSE:SII)



Cramer Rosenthal McGlynn in connection with the management buyout of its \$3.8 billion AUM value equity asset management business from Wilmington Trust Corporation



First Long Island Investors, a \$1.6 billion AUM wealth manager, in connection with its sale of a strategic minority interest to Kudu Investment Management



Kudu Investment Management in connection with its acquisition of a strategic minority interest in London-based \$2.4 billion AUM alternative credit manager Fair Oaks Capital



Emigrant Partners, a subsidiary of New York Private Bank & Trust, in connection with its minority investment in Minnesota-based \$1.5 billion AUM wealth manager NorthRock Partners

OPTIMA

Forbes Family Trust in connection with its acquisition of \$2 billion AUM alternative fund of funds manager Optima Fund Management

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.

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Investment Management Industry Deals

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Kudu Investment Management in connection with its minority equity investments in (i) \$7.6 billion AUM alternative asset manager EJF Capital, and (ii) Colorado-based \$4 billion AUM real assets investment manager Versus Capital Advisors



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



Perella Weinberg Partners Capital Management in connection with the transfer of its energy asset management strategies business to Pickering Energy Partners



iM Global Partner in connection with its acquisition of a minority interest in California-based \$3.4 billion AUM equity value manager Scharf Investments



Emigrant Partners, a subsidiary of New York Private Bank & Trust, in connection with its minority investment in Arizona-based \$950 million AUM asset manager Autus Asset Management



Kudu Investment Management in connection with its investment, alongside Pacific Current Group (ASX:PAC), in Austin, Texas-based \$1.9 billion AUM real estate private equity manager Pennybacker Capital Management

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 2019

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' 2019 deals included:



Sargeant Marine, Inc. in connection with the sale of its 50% stake in asphalt trading business VALT to Vitol



TOPO Research LLC, a California-based marketing research and advisory firm, in connection with its sale to Gartner, Inc. (NYSE:IT)



Constellation Advisers, LLC, a professional services firm, in connection with its recapitalization led by private equity sponsor TZP Group



PESCM, Inc. in connection with the sale of its California-based veterinary hospital business to Ethos Veterinary Health



Cincinnati Equitable Life Insurance Companies in connection with its sale to Michigan Farm Bureau Financial Corporation



Ensyn Corporation in connection with an affiliate's sale of its thermal processing facility that produces renewable fuels and chemicals from biomass



Agrifos Partners LLC in connection with the sale of its interests in Gulf Coast Ammonia LLC, an agricultural chemical manufacturing company, to a joint venture of Starwood Energy Group Global LLC and Mabanaf GmbH & Co. KG



HUNTER MARITIME ACQUISITION CORP.

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

Private Equity, Venture Capital and PIPE Deals

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Seward & Kissel's clients continued in 2019 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 commitment received from White Mountains Insurance Group Ltd. (NYSE:WTM)



BBRC Worldwide in connection with its equity investment in leading wellness brand Plant Therapy, LLC



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



Ocular medical device developer **Amblyotech, Inc.** in connection with multiple growth equity and bridge note offerings



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



Private investor **Cannondale Partners, LLC** in connection with its bridge note and Series E equity investments in Sonivate Medical, Inc.



Private investment funds managed by **RGM Capital, LLC** in connection with their growth equity investments in Medallia, Inc.



Venture capital fund **Gather Ventures** in connection with multiple growth equity investments, including its seed round investment in plant-based cheese producer Parmela Creamery

Recognition



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Chambers & Partners

Chambers and Partners, in its 2019 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. Regularly handles deals involving European interests. Often advises clients working in investment management and the shipping industry.

STRENGTHS

Clients report: **"The service is fantastic; they are very commercial and provide great value for money."**

Another says: **"They're very responsive and reasonable, and the advice is always geared toward practicality."**

"The team was able to meet our very aggressive timeline, and at the same time they still managed to protect our interest at every turn," another source comments.

WORK HIGHLIGHTS

Advised Euronav on its merger with Gener8 Maritime.

NOTABLE PRACTITIONERS

Craig Sklar offers substantial experience in M&A, joint venture deals and private equity transactions. One source says: **"He is a terrific attorney who gives practical business advice. His strength is understanding our goals in every transaction and helping provide us with options."**

James Abbott is a **"hard-working, no-nonsense, down-to-earth lawyer with very good business acumen,"** according to one source. He is active in M&A, private equity deals and joint ventures, with pronounced experience in the media and shipping industries.

The Legal 500 US

The Legal 500, in its United States 2019 edition, again included Seward & Kissel as a recommended firm in the M&A: middle-market (sub-\$500m) category.

Seward & Kissel LLP **'understands clients' business M&A strategy and understands the markets they operate in; the practice is a trusted partner that provides practical advice and solutions to complex M&A projects, where timing and execution are of the essence'**. The firm is a widely respected legal adviser to investment management and shipping industry clients. Beyond these areas, it is also a go-to practice for middle-market M&A for businesses and frequently assists with international deals and transactions involving private equity firms; in addition, the team has handled deals in the media and technology industries. Notable clients are iM Global Partner, UBM, Borr Drilling, White Oak Equity Partners (WOEP) and Euronav. The team advised New York-based private equity firm WOEP on its acquisition of a minority interest in FCO Advisors, a private municipal investment fund. Other recent work includes assisting Hunter Maritime Acquisition Corporation, a special purpose acquisition company, with its business combination with NCF Wealth Holdings, a Chinese fintech company; and acting for Ocean Rig, an international offshore drilling contractor, in its merger agreement with Transocean, the world's largest offshore drilling contractor. The team also advised alternative asset manager TIG Advisors on its acquisition of a minority interest in Romspen Investment Corporation, a real estate-focused alternative credit manager. **The co-business transactions group heads are the 'particularly helpful' James Abbott and Craig Sklar, who is 'singularly good at identifying the common sense core of a question and teasing out the solution'**. Abbott led advice to Belgium-based Euronav, the largest NYSE-listed independent crude oil tanker company in the world, on its merger with Gener8 Maritime; and Sklar acted for Harvest Volatility Management, known for derivative asset management, in the sale of its business to Victory Capital, a global investment management firm. Also highly rated is **Nick Katsanos, who 'understands the nuances that differentiate one deal from the next and provides practical advice to overcome the inevitable hurdles that arise'**. **Gerhard Anderson** and **Meir Grossman** are other key contacts, and **Danielle Lemberg** and **Dora Pulido** are notable senior associates. All advisers named are in New York.

Leading lawyers

James Abbott - Seward & Kissel LLP

Next Generation Partners

Nick Katsanos - Seward & Kissel LLP

Rising stars

Danielle Lemberg - Seward & Kissel LLP

M&A Advisor – Deal of the Year Award and Hall of Fame

The winners of the 2019 M&A Advisor Awards were revealed on November 21, 2019, at the 18th Annual M&A Advisor Awards Gala held at the New York Athletic Club. A panel of 28 independent M&A industry judges selected winners from over 200 nominees, representing over 500 companies across all categories. A transaction handled by Seward & Kissel's Business Transactions Group was declared winner of Deal of the Year in its category:

CROSS BORDER DEAL OF THE YEAR

(Over \$1 Billion)

Merger of Transocean and Ocean Rig

In addition, Seward & Kissel partner **Jim Abbott**, Co-Head of the firm's Business Transactions Group, was honored to receive The M&A Advisor's 2019 Leadership Award and was **inducted into the M&A Advisor Hall of Fame**.



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