



SEWARD & KISSEL LLP

2015

BUSINESS TRANSACTIONS GROUP

YEAR IN REVIEW



To Our Clients and Friends

The M&A market set an all-time record for volume in 2015, and Seward & Kissel clients were active participants with numerous transactions that kept the Firm's Business Transactions Group busy all year.

Large mergers dominated the news in the shipping industry in 2015, with Seward & Kissel continuing its role as go-to counsel in the sector. Page 4 of the Review that follows describes some of the shipping-related transactions we handled last year, including the mergers of Frontline Ltd. with Frontline 2012 Ltd., Knightsbridge Shipping Limited with Golden Ocean Group Limited and Navig8 Crude Tankers Inc. with General Maritime Corporation (which was winner of the 2015 *Marine Money* M&A Deal of the Year and the 2015 *M&A Advisor* award as Energy Deal of the Year Over \$1B).

The broker-dealer industry was another active sector for our Business Transactions Group in 2015, with the Firm handling five announced M&A deals in this sector. Page 5 of the Review that follows features these transactions, including

the sale of energy broker MOAB Oil, Inc. to Tullett Prebon plc, the sale of prime broker Concept Capital Markets, LLC to Cowen Group, Inc. and the announced merger of M&A investment bank Downer & Company, LLC with Nmasl Dinamia, S.A.

Deals involving the purchase or sale of investment management businesses and other strategic transactions in that space also remained active, including a substantial number of seed investments. Certain of these transactions are featured on page 6 of the Review that follows, including the sale of global fund of funds manager Saguenay Strathmore Capital to Titan Advisors, LLC, the management-led acquisition by Deimos Asset Management of the multi-manager hedge fund platform Guggenheim Global Trading from Guggenheim Partners, the sale of CLO and debt investment manager Feingold O'Keeffe Capital, LLC to Newstar Financial Inc. and the minority equity investment by the Dyal Capital Partners unit of Neuberger Berman Group in investment advisor Whitebox Advisors, LLC. 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.



The Business Transactions Group also continued to handle middle-market M&A transactions in other industries, including veterinary hospitals, mining and commercial lighting. In the business media and information sector, UK-based 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 2015. Chambers and Partners, in its *2015 USA Guide*, ranked Seward & Kissel as Highly Regarded for Corporate/M&A, calling us "A top-level firm for shipping and investment management, acting for both private equity and corporates. A resounding client favorite, praised for its industry knowledge and the high quality of its service." The *Legal 500*, in its United States 2015 edition, recommended Seward & Kissel for middle-market M&A work, describing us as "A fantastic firm for

complex M&A deal execution" which "fields top-notch professionals, who demonstrate extreme competence and quality of work. The practice stands out for investment management transactions, in addition to complex middle-market deals in the media and shipping sectors, and numerous international sell-side M&A projects." In addition, *The M&A Advisor* selected our clients' transactions as Deal of the Year in one of its industry categories for each of its 2015 International M&A Awards and its year-end 2015 M&A Advisor Awards presentations and also named Seward & Kissel a Finalist for its 2015 Law Firm of the Year award.

Seward & Kissel clients kept the Business Transactions Group very busy in 2015 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 and hiring additional associates with transaction experience. Given that our success is measured by that of our clients, it was a very good year indeed.

Seward & Kissel LLP



Transportation Industry Deals

Seward & Kissel's leading position with shipping and other transportation industry clients in connection with all types of M&A, joint venture, capital markets and lending transactions led to substantial M&A activity in the transportation sector during 2015, including some large public-company shipping mergers:

- Frontline Ltd. (NYSE/OSL/LSE:FRO) completed its merger with Bermuda-based Frontline 2012 Ltd. (NOTC:FRNT), creating one of the world's leading oil tanker companies with a total fleet of approximately 90 vessels



- Navig8 Crude Tankers Inc. (NOTC:BLUE) completed its merger with US-based General Maritime Corporation to form Gener8 Maritime (NYSE:GNRT) with a fully delivered oil tanker fleet of 46 vessels (which was winner of the 2015 *Marine Money* M&A Deal of the Year award)



- Star Bulk Carriers Corp. completed its acquisition of 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



- Knightsbridge Shipping Limited (NASDAQ:VLCCF) completed its merger with Bermuda-based Golden Ocean Group Limited (OSE:GOGL), with merger consideration to the shareholders of Golden Ocean consisting of an aggregate of 61.5 million Knightsbridge shares, and was renamed Golden Ocean Group Limited (NASDAQ:GOGL)



- Sargeant Marine, the world's largest asphalt trading, storage and transportation business, agreed to sell a 50% interest to energy trader Vitol Group



Broker-Dealer Transactions

M&A transactions involving registered broker-dealers represented a significant portion of the work of the Business Transactions Group in 2015, with the following announced deals reflecting the broad scope of activity in this sector:

- Concept Capital Markets, LLC, a leading prime brokerage firm, was acquired by Cowen Group, Inc. (NASDAQ:COWN)



- 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, a transaction recognized as Cross Border Deal of the Year (Between \$10mm–\$25mm) at the 2015 M&A Advisor International M&A Awards



- MOAB Oil Inc., a Connecticut-based energy broker, was acquired by London-based Tullett Prebon plc (LSE:TLPR.L)



- C.W. Downer & Co., a Boston-based M&A investment bank, announced an agreement to merge with Spain-based financial services group Nmas1 Dinamia, S.A. (BME:DIN)



- WhoTrades, Inc., a global broker-dealer, acquired the Just2Trade and LowTrades brands from online securities broker Success Trade Securities, Inc.



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 2015. Some of our clients' 2015 activity included:

- Feingold O'Keeffe Capital, LLC (d/b/a FOC Partners), a Boston-based alternative asset management firm specializing in credit-oriented investment strategies with approximately \$2.3 billion in assets under management, was acquired by NewStar Financial Inc. (NASDAQ:NEWS)



- Deimos Asset Management, a New York-based, SEC registered multi-manager global hedge fund management company acquired the business of Guggenheim Global Trading, LLC from its parent, Guggenheim Partners, and in connection with the transaction, Deimos received a private equity investment from Ares Management, L.P. (NYSE:ARES), and Ontario Teachers' Pension Plan became an anchor investor on the Deimos platform



- Global private investor Harald McPike, founder and owner of the QuantRes group of companies, acquired a 40% economic interest in asset manager Vida Capital, Inc., which manages and invests in longevity-contingent assets

- Minneapolis-based registered investment



adviser Whitebox Advisors LLC sold a minority equity stake to Dyal Capital Partners, a unit of Neuberger Berman Group

- iM Square, a Europe-based investment and development platform dedicated to the asset management industry, acquired a minority equity stake in Boca Raton, Florida-based Polen Capital Management LLC, a growth equity manager with more than \$7.5 billion in assets under management

Investment Managers Square Limited



- Saguenay Strathmore Capital, an international fund of hedge funds investment manager, was sold to Titan Advisors, LLC



- our team handled over 25 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 the institutional investors who seed these funds

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.



Private Equity, Venture Capital and PIPE Investments by Fund Clients

Seward & Kissel's private investment fund clients continued in 2015 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:

- an investment in Series E preferred equity of Uber Technologies, a ride sharing social network company
- an investment in convertible secured notes and warrants in AudioEye, Inc. (OTCQB: AEYE), a company that provides web accessibility solutions to Internet, print, broadcast, and other media
- an investment in the securities of Spotify Technology, SA, a music streaming company
- an investment in Series E preferred equity of Lyft, a ride sharing social network company
- an investment in Series A preferred stock and warrants of WeAre8, a social multimedia platform
- an investment in Series C preferred equity of Urban Compass, a real estate listing app developer
- an investment in Series B convertible preferred stock of Torchlight Energy Resources, an oil and gas exploration company
- an investment in debt securities convertible into preferred equity shares of a biopharmaceutical company
- an investment in convertible debt and warrants in a company focused on applying advanced technology to the production of phosphate products for agriculture and industry
- a bridge loan and equity financing by one of our clients that is involved in the development and marketing of medical devices

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' 2015 deals included:

- 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



- Agrifos Partners, a privately held development company, sold 100% of Baobab Mining and Chemical Corporation SA, a company that owns a phosphate project in the Republic of Senegal, to Avenir Ltd. (ASX:AEV) f/k/a Minemakers Limited (ASX:MAK), a phosphate exploration company



- Agrifos Partners announced a preliminary 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
- Virtus Partners, a global market leader in technology-enabled, fixed income collateral administrative services, received a significant minority private equity investment from Aquiline Capital Partners



- emergency animal care hospital Animal Emergency & Referral Associates and affiliate Animal Eye Center of New Jersey were sold to Veterinary Specialists of North America



- Lenox, Massachusetts-based ESCO Energy Services Company, a leader in energy efficiency upgrades and lighting retrofit projects, was re-purchased by its founder from ForceField Energy Inc. (NASDAQ:FNRG)



- Sustainable South Bronx, Inc., a workforce non-profit focusing on green construction and building operations/maintenance, social enterprise and environmental stewardship, formed a strategic partnership with The HOPE Program, Inc., a workforce development organization providing training, jobs and career advancement to New York City residents
- our medical device developer client merged with an upstream vertical counterpart



M&A Deal of the Year Awards



The winners of the 2015 M&A Advisor International M&A Awards were revealed at its 7th Annual Awards Gala held on April 28, 2015 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 DEAL OF THE YEAR

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

*Divestiture of A. R. Schmeidler & Co.
by Hudson Valley Holding*

Seward & Kissel is proud to have represented the management team of investment manager and broker-dealer A.R. Schmeidler & Co. in connection with this award-winning deal.

The winners of the 2015 M&A Advisor Awards were revealed on November 17, 2015 at the 14th Annual M&A Advisor Awards Gala held at the New York Athletic Club. A panel of 25 independent M&A industry judges selected winners from more than 280 nominees representing over 690 companies across all categories. A transaction handled by Seward & Kissel's Business Transactions Group was winner of the M&A Deal of the Year award in its category:

ENERGY DEAL OF THE YEAR

(Over \$1B)

*Merger of Navig8 Crude Tankers
and General Maritime*

Seward & Kissel is proud to have represented Navig8 Crude Tankers in connection with this award-winning deal. Seward & Kissel was also selected as a Finalist for M&A Advisor's 2015 Law Firm of the Year.



“I like their responsiveness, their competency and their ability to be pro-business. They don’t just tell you what the rules are and what you can’t do, they tell you what you can do.”

Chambers Recognition

Chambers and Partners, in its 2015 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

A top-level firm for shipping and investment management, acting for both private equity and corporates. A resounding client favorite, praised for its industry knowledge and the high quality of its service.

Strengths (Quotes mainly from clients)

“I like their responsiveness, their competency and their ability to be pro-business. They don’t just tell you what the rules are and what you can’t do, they tell you what you can do.”

“They have an excellent grasp of the nuances of a transaction and are very commercial in their understanding of businesses.”

“They are technically very, very good but also very practical. They understand the client’s needs and look at everything with a keen eye.”

Notable practitioners

James Abbott is described by sources as “an extremely impressive” attorney who “truly cares about the client.” He has over 30 years’ experience acting on a wide variety of corporate transactions.

Craig Sklar represents clients, including private equity funds, in transactions. His recent highlights include acting for Metropolitan Real Estate Equity Management in its acquisition by The Carlyle Group. Sources call him a “very thoughtful and level-headed” lawyer who is praised for his communication skills.

Nick Katsanos is an “extremely proactive and very responsive” practitioner who is “excellent at helping clients understand transactions.” Of late, he was lead lawyer on Knightsbridge Tankers’ deal to acquire a fleet of capesize bulk carriers from Frontline 2012.

“A fantastic firm for complex M&A deal execution,” Seward & Kissel LLP fields “top-notch professionals, who demonstrate extreme competence and quality of work.”

Legal 500 Recognition

The Legal 500, in its United States 2015 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:



‘A fantastic firm for complex M&A deal execution’, Seward & Kissel LLP fields ‘top-notch professionals, who demonstrate extreme competence and quality of work’. The practice stands out for investment management transactions, in addition to complex middle-market deals in the media and shipping sectors, and numerous international sell-side M&A projects. It advised Star Bulk Carriers, a global dry bulk shipping company, on its merger with Oceanbulk Shipping and Oceanbulk Carriers, and related acquisition of vessel-owning entities; and acted for Marshall Wace, a London-based alternative fund manager with \$18bn

of assets under management, on its acquisition of a 90% interest in New York-based asset manager Eaglewood Capital Management. James Abbott is ‘an expert negotiator for sell-side M&A clients; he has total command over the legal subject matter as well as the communication and negotiation skills to get the most difficult of transactions to completion’. Craig Sklar ‘delivers consistently excellent advice and transactional support’, and Nick Katsanos ‘stands out for his prompt and efficient client service, and for going above and beyond when required’.

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 or Nick Katsanos.

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