



Play the PIPEs Loudly

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The U.S. market for private investment in public entity transactions is strong, even in the financial crisis, a new report says. In fact, the amount raised through them last year was up 111 percent.

The PIPE market seems quite sound, even during the credit crunch. A record \$177.26 billion was raised last year in transactions involving U.S. private investment in public entities, up 111 percent from \$83.96 billion the prior year, according to a new survey.

However, the number of transactions fell more than 9 percent, to a total of 1,283, said the survey, which was done by PlacementTracker, a product of Sagient Research Systems. This underscores that the market remained dominated by a handful of large transactions, Sagient said.

The survey found that 87 mega-PIPE transactions made up \$165.12 billion of the amount raised in 2008. And core PIPE transactions — defined in the research as placements of under \$100 million in gross proceeds — fell 21 percent, from \$15.34 billion in 2007 to \$12.71 billion in 2008.

"Still, it is important to note that despite the market instability and the resulting issuance decreases, the PIPE market remained one of the only new issue markets open for business in 2008," Sagient said.

Rodman & Renshaw LLC ranked as the most active investment bank in the U.S. PIPE arena in 2008, advising on 44 transactions, more than double the second most active advisor. Downsview Capital Inc. ranked as the most active institutional investor, participating in 26 deals. It was followed closely by Enable Capital Management, Hudson Bay Capital Management L.P., and Iroquois Capital L.P.

Sichenzia Ross Friedman Ference LLP ranked as the most active issuer counsel, with Schulte Roth & Zabel LLP ranking number among investor counsel, and Feldman Weinstein LLP holding the top spot as placement agent counsel in the U.S. PIPE market during the 2008.