

# *Middle Market Update*

**Q3 2018**



**BRYANT PARK  
CAPITAL**

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### Gross Domestic Product

- The real U.S. GDP increased by an annualized rate of 3.5% in Q3 2018, down from 4.2% in Q2 2018, primarily due to<sup>1</sup>:
  - Positive contributions from personal consumption expenditures, private inventory investment, state and local government spending, and nonresidential fixed investment
  - The deceleration in real GDP growth in the third quarter reflected a downturn in exports and a deceleration in nonresidential fixed investment

### Consumer Income and Savings

- Current-dollar personal income increased \$180.4B in Q3 2018, as compared with a nearly identical uptick of \$180.7B in Q2 2018<sup>1</sup>
  - Increases in rental income, wages and salaries, and nonfarm proprietors' income were offset by a downturn in farm proprietors' income and a slowdown in dividend income
- Real disposable personal income grew by 2.5% in Q3 2018, the same increase as in Q2 2018<sup>1</sup>
- The personal savings rate, expressed as a percentage of disposable income, was 6.4% in Q3 2018, down from 6.8% in Q2 2018<sup>1</sup>

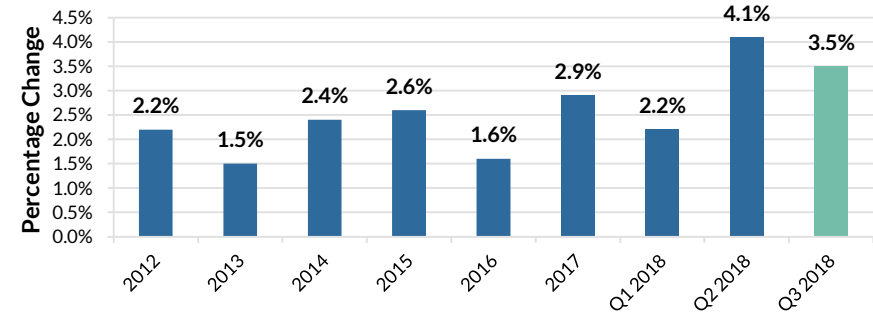
### Federal Reserve

- The Federal Open Market Committee (FOMC) views recent economic activity as positive, as evidenced by the continued strengthening of the labor market and rising economic activity, including gains in household spending and business fixed investment<sup>2</sup>
  - During its November 2018 meeting, the FOMC decided to maintain the interest rate at its current level and maintain its plan for another hike later this year
- The committee expects that the near-term economic outlook will remain favorable, fueled by sustained expansion of economic activity, stable inflation, and strong labor markets<sup>2</sup>

### Employment

- The U.S. unemployment rate declined to 3.7% at the end of Q3 2018, as compared with 4.0% at the end of the prior quarter, with the number of unemployed persons at 6.0 million<sup>3</sup>
  - Job gains mostly occurred in professional and business services, healthcare, transportation, and warehousing
- The average U.S. employee hourly earnings rose by 2.7% from Q3 2017 to Q3 2018<sup>3</sup>
  - As the gap between the number of available jobs and unemployed persons continues to narrow, upward pressure on wages has been rising

### Real GDP Growth Since 2012 (annualized)



Source: U.S. Bureau of Economic Analysis

### U.S. Treasury Securities

- The 10-year U.S. Treasury Note yield decreased slightly from 2.95% at the end of Q2 2018 to 2.92% at the end of Q3 2018<sup>4</sup>

	Q4 2017	Q1 2018	Q2 2018	Q3 2018 <sup>4,5</sup>
5-year Treasury Note	2.10%	2.56%	2.79%	2.81%
10-year Treasury Note	2.40%	2.74%	2.95%	2.92%
30-year Treasury Note	2.97%	2.97%	3.16%	3.06%
10-year Treasury (Inflation Protected)	0.50%	0.69%	0.79%	0.81%

### Outlook for 2018

- Leading CEOs surveyed by Business Roundtable projected that the U.S. GDP will grow by 2.8% in 2018, a slight increase of 0.1% from the previous quarter's forecast<sup>6</sup>
  - Due to escalating concerns and uncertainty regarding the Trump Administration's approach to trade, expectations for capital spending and hiring over the next six months decreased slightly despite an overall strong economic outlook
- The U.S. Office of Management and Budget forecasts a budget deficit of \$1,083.0B for the fiscal year ending in September 2019, up sharply from the \$779.0B deficit incurred in fiscal 2018<sup>7</sup>
  - The U.S. federal budget deficit (now at \$6,200 per household) has ballooned in large part due to recent tax cuts and continuing military and other spending hikes
- Global economic growth is expected to be resilient in 2018 and 2019, as U.S. fiscal, monetary, and trade policies have created a high-pressure economy in the U.S.<sup>8</sup>

1. U.S. Bureau of Economic Analysis

2. U.S. Federal Reserve

3. Bureau of Labor Statistics

4. U.S. Department of Treasury

5. Federal Reserve Economic Data

6. Business Roundtable

7. U.S. Office of Management and Budget and U.S. Treasury Department

8. Euler Hermes / Allianz

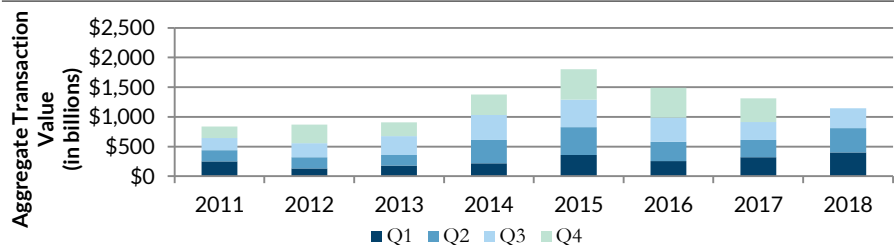
# Bryant Park Capital

## Mergers and Acquisitions and Private Equity



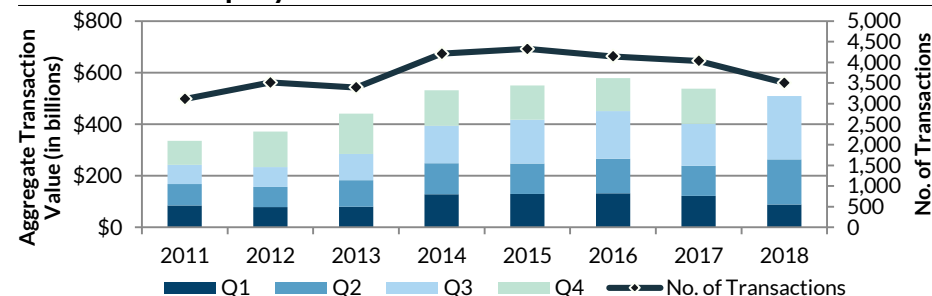
- Global mergers and acquisitions (M&A) activity reached \$2.7T across 13,575 transactions during the initial three quarters of 2018; Q3 deal value reached \$703.2B, the lowest Q3 figure since 2013<sup>1</sup>
  - Q3 saw subdued M&A activity, as growing geopolitical tensions, trade wars, and protectionism dampened spirits and caused corporate organizations to pause on M&A opportunities
  - Macro events are playing a larger part in M&A activity, as companies have continued to transact more closely; the U.S. and China tariffs are leading corporate organizations to consider deals that will receive less scrutiny
- U.S. M&A value reached \$1.1T during the first three quarters of 2018, a 25.7% increase from \$910.4B over the same period in 2017<sup>1</sup>
  - The average deal size increased by 33.9% to \$279.1M, up from \$208.5M, while the deal count decreased by 267 to 4,100
  - Though the U.S. economy remains relatively strong, uncertainty over global trade agreements and tariffs, particularly with China, have caused dealmakers to pursue M&A opportunities less aggressively
- Cross-border M&A trends shifted this year, as inbound M&A fell from Canada and China, key bidder regions in recent years<sup>1</sup>
  - Though Canada was still the top acquirer of U.S. companies during the initial three quarters of 2018, inbound M&A was down 52.9% from a peak of \$105.6B during the same 2016 period; activity from China followed a similar pattern, falling 54.7% to \$2.7B during the first nine months of 2018 from \$5.9B during the same period in 2017
- The median M&A EV/EBITDA multiple within North America was 9.2x in Q3 2018, as compared with 10.6x during the same period in 2017<sup>2</sup>
  - The decline was due primarily to growing global trade tensions, rising short-term interest rates, and overall uncertainty with regards to future government regulation

### U.S. M&A Activity



Source: Mergermarket

### U.S. Private Equity Deal Flow



Source: PitchBook

- LBO leverage is rising, as PE firms' equity contributions were 39.6% of total deal value during the initial three quarters of 2018, the lowest level since 2014, and nearly 13% of LBOs were financed with debt of at least seven times EBITDA, more than double the 2017 level<sup>3</sup>
- U.S. middle-market PE firms completed 2,171 buyouts worth \$311.7B through Q3 2018, as compared with \$233.0B over the same time period in 2017<sup>2</sup>
  - The median deal size for year-to-date (YTD) 2018 was \$177.0M, 3.0% below that of full-year 2017
- U.S. middle-market PE firms raised \$88.1B across 99 funds through Q3 2018, up from \$84.3B across 131 funds over the same period in 2017<sup>2</sup>
  - The average U.S. middle-market fund size increased to \$890.2M during the first three quarters of 2018, a 47.3% increase from \$604.2M over the same period in 2017
- The median PE buyout EV/EBITDA multiple reached 11.9x in Q3 2018<sup>2,4</sup>
  - For PE-led transactions between \$10.0M and \$250.0M, the median EV/EBITDA multiple was 7.4x in Q2, up from 6.9x in Q1<sup>5</sup>
  - Valuations are being buffeted by the large amount of dry powder held by U.S. PE firms (\$417.0B)<sup>6</sup>; competition among U.S. corporations with high cash balances buttressed by increasing repatriation of overseas funds; and the boost provided by add-on and strategic acquisitions to mitigate slowing organic growth, though tariffs and rising interest rates loom as threats
- U.S. PE-backed company exit activity remained busy throughout the initial three quarters of 2018, totaling 752 exits valued at \$280.2B<sup>2</sup>
  - The YTD 2018 median PE-backed IPO value was \$625.2M, 76.4% larger than the median exit value of \$354.4M across all exit types
  - Secondary buyouts accounted for 53.8% of middle-market exit volume for YTD 2018, pushing the median exit size to \$274.0M from \$200.0M in 2017

1. Mergermarket  
 2. PitchBook  
 3. S&P Global Market Intelligence LCD

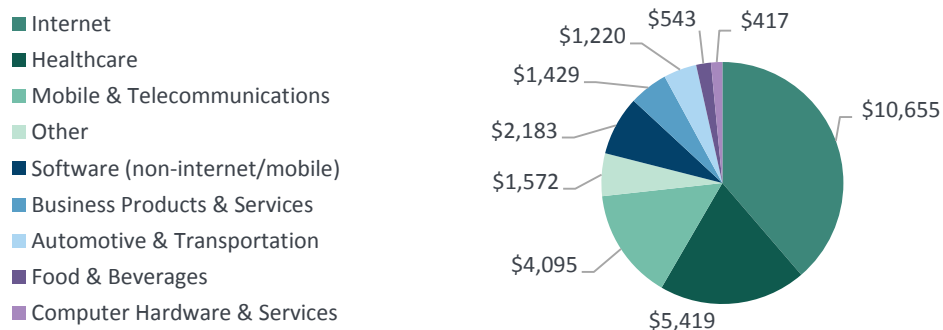
4. These multiples reflect prices paid for mainly public companies and do not account for smaller private company transactions that tend to change hands at much lower multiples  
 5. GF Data  
 6. American Investment Council



### Venture Capital Investing

- In Q3 2018, transactions for U.S. venture capital (VC)-backed companies totaled 1,229 valued at \$27.5B, a decrease in volume of 18.1% but an increase in value of 16.5%, as compared with Q2 2018<sup>1</sup>
  - The inflation of valuation figures can be attributed in part to the trend of increasing fund sizes, with VC investors now viewing large capital reserves as a competitive advantage<sup>2</sup>
  - The average time to exit has climbed steadily over the past decade, settling at 6.4 years in 2018; this is due in part to the rise in capital availability<sup>2</sup>
  - Mega-round investment (capital raise rounds of \$100.0M or more) activity for U.S.-based companies saw a record quarter with 55 deals, a 20% increase compared with Q2 2018<sup>1</sup>
- U.S. corporate VC participation has continued to skyrocket, with \$39.3B invested over 1,096 deals from Q1 through Q3 2018, surpassing 2017's total deal value of \$36.3B<sup>2</sup>
  - This historically high investment activity and the larger deal sizes relate in large part to the greater capital availability from corporate tax cuts and capital repatriation, as well as strategic initiatives to fund innovative technologies
- In 2018, global VC investment already has surpassed its annual record set in the prior year, raising \$52.0B across 3,045 deals in Q3 2018; both Asia and the U.S. achieved new annual VC investment highs this quarter, while VC investment in Europe remained about steady<sup>3</sup>
- U.S. VC activity reached approximately \$90.0B in 2017, a 160% increase since 2010, but that was less than half of the jump seen in the rest of the world, which grew by 375% during the same seven-year period to about \$80.0B, meaning the U.S. market share of global VC investments has dropped from roughly 95% to just over 50%<sup>4</sup>
  - China gained the most ground, garnering almost one-quarter of global VC investments, with India, Germany, France, Israel, Singapore, Sweden, and Japan collectively accounting for almost another fifth

### U.S. VC Deal Value per Industry (in millions) – Q3 2018

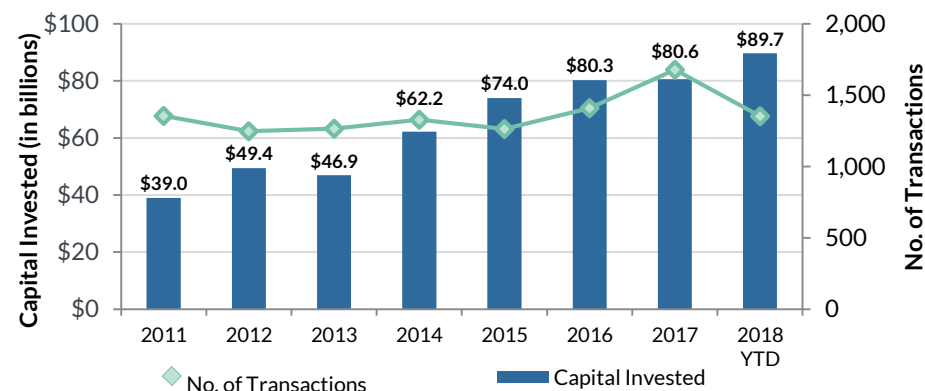


Source: MoneyTree Report

### PIPE Investing

- There were 647 U.S. private-investment-in-public-equity (PIPE) deals that closed in Q3 2018, a 51% year-over-year increase in total capital raised compared with the same period in 2017<sup>5,6</sup>
  - Biotech continued to be the most robust deal driver, with more than 130 transactions that generated over \$8.0B; many of the deals involved less than a \$5.0M raise
  - Cannabis companies continue to drive the PIPE market in Canada

### U.S. PIPE Activity



Source: Placement Tracker

### Corporate Earnings

- S&P 500 company earnings for Q3 2018 are on pace to grow 22.5% year-over-year, which would mark the third highest increase since Q3 2010<sup>7</sup>
  - Earnings growth can be largely attributed to recent tax cuts, a strong U.S. economy, and less overall regulation<sup>8</sup>
  - The energy sector experienced the biggest increase in earnings growth between Q3 2017 and Q3 2018 at 95.3%, mostly attributed to higher (though now declining) oil prices

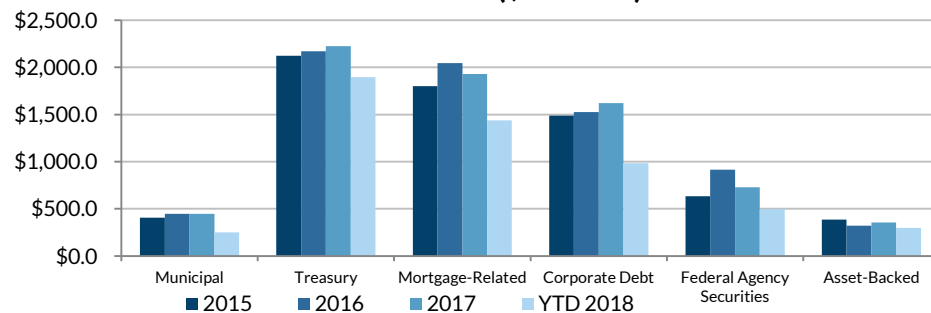
1. PricewaterhouseCoopers  
 2. PitchBook  
 3. KPMG  
 4. The Wall Street Journal  
 5. The Deal  
 6. Placement Tracker  
 7. FactSet  
 8. CNBC



### Debt Capital

- The Barclays U.S. Aggregate Bond Index recorded a 0.02% gain during Q3 2018, an increase from the 0.16% loss in Q2 2018<sup>1</sup>
  - The Fed's hawkish view on the economy has persisted, as it has started selling down the bonds on its balance sheet while also raising interest rates
- The Barclays Investment Grade U.S. Corporate Bond Index generated a gain of 0.97% in Q3 2018, following a 0.98% loss in Q2 2018<sup>1</sup>
  - Despite increased volatility across the global markets in 2018, the economic climate still supports U.S. corporate bonds; the demand for new issues remained strong with most deals 3.0 to 3.5 times oversubscribed
  - As in Q2, the new supply of 20- to 30-year bonds rose amid a flatter yield curve and was met by renewed investor interest, particularly from investors based in Asia
  - Leverage for companies pursuing acquisitions rose from 2.4x to 4.0x, on average, between 2015 and Q3 2018
- Total U.S. bond issuances were \$1,803.0B in Q3 2018, a 6.4% falloff from the Q2 2018 level of \$1,927.1B, but a 2.2% year-over-year uptick from the Q3 2017 level of \$1,763.5B<sup>2</sup>
  - U.S. bond issuances across all of the different debt markets decreased from Q2 to Q3 2018
  - The largest contributing factor to this decrease was the shrinking of asset-backed securities and corporate debt bond issuances, whose volume dropped 31.2% and 22.2%, respectively, to a total of \$80.3B and \$322.3B, respectively<sup>2</sup>
  - The spreads for institutional first-lien credits widened in Q3 across both large corporate and middle-market borrowers, as the pace of refinancing activity slowed and was replaced by new-money transactions; large corporate spreads increased 60 bps to 387 bps, while the average spreads for the middle market widened 37 bps to 504 bps<sup>3</sup>

### Issuances in the U.S. Bond Market (\$ billions)



Source: SIFMA

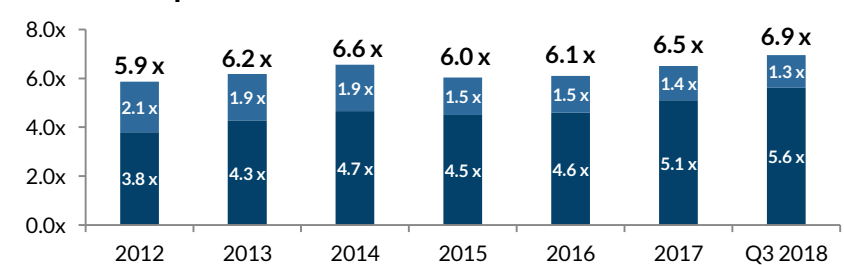
### Middle-Market Lending

- Total U.S. middle-market lending in Q3 2018 was \$35.6B, down 13.1% compared with Q3 2017 and off 35.6% from the prior quarter's issuance level of \$55.3B<sup>3</sup>
  - Lenders indicated that political uncertainty, particularly concerning the impact of midterm elections and an intensifying trade war, continued to complicate the underwriting process further<sup>4</sup>
  - The new issuances were mostly within the larger segment of the middle market (\$100.0M to \$500.0M), accounting for 81.4% of the total Q3 2018 volume
  - The average new-issue yield for Q3 2018 was 7.15%, 35 bps lower than it was in Q2 2018
  - There has been \$16.7B of institutional loan default debt YTD, as compared with \$16.4B in 2017 over the same period
    - The trailing 12-month default rate was 2.2%, with no institutional leveraged loan default activity for a second straight month
- Lending activity declined in Q3, with U.S. leveraged loan YTD volume at \$930.3B, as compared with last year's YTD record issuance of \$1,062.5B over the same period<sup>3</sup>
  - The technology sector continued to lead the way for new issuance volume, comprising \$132.4B or 14.2% of the total YTD volume

### IPO Market

- The U.S. IPO market saw 47 IPOs in Q3 2018 raising \$11.9B, increases of 74.1% and 240.0%, respectively, as compared with Q3 2017<sup>5</sup>
  - Momentum has been driven by post-IPO price performance, which keeps investors engaged and draws more issuers to the market
  - 83% of U.S.-listed IPOs in the first three quarters of 2018 were for companies that were unprofitable during the LTM period prior to their debut, the highest proportion on record; the stocks of these money-losing companies were up 36% on average from their IPO prices as of near the end of Q3<sup>6</sup>
  - Healthcare and technology continued to dominate the IPO market, with 17 IPOs raising \$3.1B and 13 IPOs raising \$3.3B, respectively, in Q3 2018

### Debt Multiples of Middle-Market LBO Loans



Source: Thomson Reuters LPC

■ Senior Debt/EBITDA ■ Non-Senior Debt/EBITDA

1. Prudential

2. SIFMA

3. Thomson Reuters LPC

4. William Blair

5. Ernst & Young

6. Jay Ritter, University of Florida

# Bryant Park Capital

## Special Purpose Acquisition Company (SPACs)



Special-purpose acquisition vehicles (SPACs) are investment vehicles that raise capital from investors via an IPO to use at a later date in an acquisition of a target that is still undetermined as of the listing. Investors in SPACs are essentially backing sponsors with the belief that they'll be able to effectively deploy the capital in an attractive asset that will provide a good return.

SPACs have seen a marked uptick in activity over the past three years, driven by a number of factors, including choppy IPO markets, greater acceptance among the small and mid-sized companies that typically make up the universe of SPAC targets, and, perhaps most significantly, increasing interest in the structure by financial sponsors and management teams with experience in private equity.

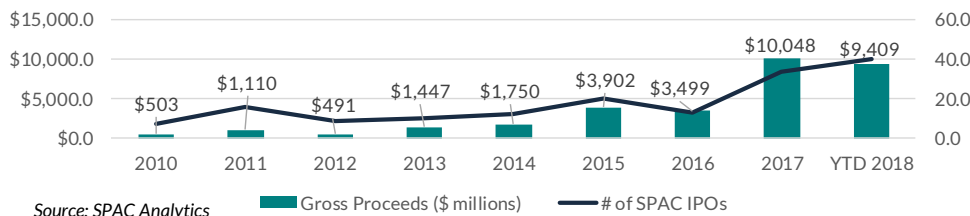
Proceeds from a SPAC listing are typically set aside in an escrow account until a target has been identified, at which time investors have the ability to either approve the transaction or receive their money back. Promoters typically have between 18 and 24 months to identify a suitable investment.

Earlier generations of SPACs had a mixed reputation, the result of deals that didn't play out as originally planned. This is beginning to change, however, with a new generation of SPACs backed by experienced management teams and sponsors with successful track records and long histories of strong performance for investors.

### Legitimacy and an increasing force in the market

SPACs have seen multiple boom-and-bust cycles since their advent in the 1980s. In 2007, 69 deals raised \$12.3 billion; activity once again peaked in 2017, with 76 deals raising \$14.8 billion. Not only are SPACs raising more capital than ever, but the proportion of the overall IPO market they represent is at a record high, as low interest rates and high valuations have pushed investors further afield in search of attractive returns. In the U.S., SPAC listings accounted for 19% of the total IPO market by value last year, up from just 12% in 2007.

*SPACs and other blank-check companies saw a record year in 2017*



Source: SPAC Analytics

### Why raise a SPAC?

As a structure that bridges the gap between public and private equity, SPACs fill a small but important niche in the market. Indeed, the resurgence in issuance is reflective of a number of benefits the structure has for sponsors, the companies they acquire, and investors.

*For Sponsors:*

- **SPACs allow sponsors to go beyond their traditional LP base** – The exchange-listed nature of SPACs and their increased liquidity make them attractive to a range of investors above and beyond PE firms' typical investor base of pensions, foundations, and endowments.
- **SPACs allow for greater flexibility and creativity in structuring than a traditional IPO** – They can give sponsors more tools to close deals than other structures. Some recent SPAC acquisitions have seen sponsors assign portions of their shares to other stakeholders in order to facilitate a transaction, for example.
- **SPACs can increase a firm's investible universe** – SPACs can attract management teams outside of a firm's particular purview or allow them to invest in deals that might fall outside of traditional LP agreements.

*For Companies:*

- **SPACs can enable cost savings relative to traditional IPOs** – SPACs allow companies to achieve cost and time savings vs. a traditional IPO, which can involve multiple underwriters and months of road shows.
- **A reverse merger with a SPAC allows for greater certainty in terms and conditions** – Companies are able to negotiate the terms of a sale with greater confidence in their ultimate valuation vs. a standard IPO, which subjects companies to the vagaries of the market on any given day. Companies are able to avoid much of the underpricing and first-day volatility that are inherent in a typical listing process, and enter the public markets with a shareholder base that is oriented toward the long term.
- **SPACs can represent a streamlined regulatory approval process relative to trade buyers** – Because they don't have existing operations, SPACs encounter fewer bureaucratic hurdles.

# Bryant Park Capital

## Special Purpose Acquisition Company (SPACs)



### *For Investors:*

- **SPACs allow investors to participate in types of deals that might be otherwise off limits** — Sometimes called the “poor man’s PE,” SPACs can offer access to PE-like opportunities for public market investors. PE’s nascent push into retail notwithstanding, SPACs are one of the few opportunities available for many to invest in the private markets. Of course, they also come with increased risks — while a traditional commingled fund might have 10 to 20 or more investments in its portfolio, a SPAC typically has just one.
- **They have increased liquidity relative to commingled PE funds** — Although trading volume in SPAC shares is typically thin, they’re exchange-tradeable and relatively liquid compared with PE funds, which can lock up capital for the better part of a decade.
- **The structure and economics of SPACs favor an alignment of interests** — Because SPACs don’t charge an annual management fee, but instead normally allocate 20% of the company’s shares to its sponsors, incentives for sponsors to perform are high. They also provide investors with a built-in put option — allowing them to participate in the upside for attractive deals and to receive their cash back for unattractive deals.

However, their compressed time frames often necessitate an accelerated public market readiness process. Since SPACs typically have only 18 to 24 months in order to identify a target and execute an acquisition (though this can sometimes be extended a few months to allow deals in process to close), one of the common criticisms against their use is that they can push managers into rushed deals. Complicating matters is the fact that SPAC targets are often not currently reporting entities.

### **More on the way?**

Particularly in light of recent market volatility, it’s reasonable to wonder whether SPAC formation will continue its upward trajectory, or whether future market disruptions, regulatory developments, or investor disfavor might once again curtail their attractiveness.

There are a number of tailwinds that suggest that SPACs might become more prevalent in the coming years — both the increasing sophistication of public market investors and the strong demand for PE-style investments represent powerful secular trends.

Indeed, some SPACs have seen such strong demand that they’re moving away

from the traditional 1:1 ratio for warrant offerings, instead offering investors warrants exercisable for a half-share or third-share. U.S. tax reform, which limits the deductibility of interest payments, could spur increased demand for equity capital, and other regulatory changes, such as the NYSE’s recent changes to its listing requirements to make itself more amenable to SPAC offerings, could represent additional enablers of growth.

### ***About EY and the authors:***

EY is a global leader in assurance, tax, transaction, and advisory services with over 260,000 employees in over 700 offices in approximately 150 countries. EY’s Global Private Equity Sector helps private equity firms, their portfolio companies, and investment funds face complex challenges.

**Karim Anani** is an EY partner and a member of Ernst & Young LLP’s Financial Accounting Advisory Services practice, where he provides accounting advisory services to multinational clients and end-to-end services to SPACs in the consumer products, technology, oil and gas, and media and entertainment sectors.

**Alex Zuluaga** is an EY partner and a member of Ernst & Young LLP’s Financial Accounting Advisory Services practice, where he offers technical assistance to help large, complex organizations understand the scope and implications of changing accounting standards, policies, and practices and helps SPACs with their comprehensive needs.



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### PLEASE VISIT

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### Selected Transactions

<p>\$250,000,000</p> <p>DIVIDENDSOLAR has merged with Figtree FINANCING</p> <p>and secured equity and debt financing affiliates of LL Funds, LLC</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$150,000,000</p> <p>MoneyLion</p> <p>Senior Secured Credit Facility</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$31,000,000</p> <p>ReMeD has been acquired by US Community Behavioral a portfolio company of BregalPartners</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$95,600,000</p> <p>US HOME SYSTEMS (NASDAQ:USHS) has been acquired by TRUE HOME MORTGAGE (NYSE:HD)</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$240,000,000</p> <p>J.G. WENTWORTH has sold a majority stake in the company through a leveraged buyout transaction to JLL Partners</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>
<p>\$50,000,000</p> <p>PAWNEE LEASING CORPORATION a Chatham Group Limited company</p> <p>Term-Out Facility</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>Up to \$50,000,000</p> <p>THRIVEST™</p> <p>Senior Credit Facility</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$20,000,000</p> <p>ADF APPLIED DATA FINANCE</p> <p>Mezzanine Debt</p> <p>CO-ADVISER</p>	<p>Amount Not Disclosed</p> <p>MDAligne has merged with Angelrush VENTURES to form HealthRight</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$30,000,000</p> <p>FOX POINT TRUCKS</p> <p>Credit Facility</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>
<p>\$60,000,000</p> <p>Northern Leasing Systems, LLC Excelling at service. Exceeding expectations.</p> <p>Senior Secured Credit Facility</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>123 LUMP SUM</p> <p>Private Placement of Preferred Stock with GCP Capital Partners</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>Frankford FRANKFORD CANDY &amp; CHOCOLATE CO., INC. has sold its business operations and real estate to Frankford. FRANKFORD CANDY LLC a company formed by Management and a Strategic Partner</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>Amount Not Disclosed</p> <p>QUANTUM CLEAN has acquired the assets of Chamber Performance Services a division of APPLIED MATERIALS. (NASDAQ:AMAT)</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$150,000,000</p> <p>GOLDEN PEAR FUNDING</p> <p>\$100,000,000 Senior Secured Credit Facility \$50,000,000 Additional Commitment</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>
<p>\$200,000,000</p> <p>ENTERRA ENERGY TRUST Oil &amp; Gas Income Trust (NYSE:ENT and ISX:ENTUN)</p> <p>Senior and Junior Secured Credit Facilities</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$185,000,000</p> <p>glori ENERGY has merged with INFINITY CROSS BORDER ACQUISITION CO. (NASDAQ: INXBU)</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$20,000,000</p> <p>ADF APPLIED DATA FINANCE</p> <p>Mezzanine Debt</p> <p>CO-ADVISER</p>	<p>\$140,000,000</p> <p>EnergySouth (NASDAQ NMS: ENS) &amp; FORTRESS have acquired MISSISSIPPI HUB LLC</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>	<p>\$278,000,000</p> <p>i-trax NASDAQ NMS: ITRAX (AMEX: DMX) has been acquired by Walgreens</p> <p>EXCLUSIVE FINANCIAL ADVISER</p>

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