



**Hunter Wise Financial Group LLC**

*Maximizing Corporate Value<sup>SM</sup>*

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California • Missouri • Colorado • Texas  
Illinois • Michigan • Utah • Hawaii  
Vancouver, BC • London, England • Beijing, China

# Why We Became Securities Licensed

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## 1. LANDRETH TIMBER CO. V. LANDRETH, 471 U. S. 681 (1985)

- A transaction was rescinded after an unlicensed broker represented the interests of the owners in a stock sale outside of the guidelines of the Securities and Exchange Act of 1933
- Rescinding a transaction is enormously difficult and expensive
- We **NEVER** want one our clients to be subjected to a rescission due to our licensing

## 2. AMERICAN BAR ASSOCIATION'S REPORT TO THE SEC

- We reasoned that as the legal profession becomes more acquainted with the securities issue, the chances increase that our fees would be successfully challenged without proper licensing.

## 3. NEW OPPORTUNITIES

- M & A
- Corporate Finance
- Capital Formation

# Marketing Considerations of Securities Licensing

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1. Point of differentiation from competition
2. Respected by other professionals
3. Middle market legitimacy
4. Our practice not limited by the scope of our licensing
5. National and international marketplace
6. Opportunity to align with others who have great experience in the investment banking arena

- **SELL SIDE REPRESENTATION**

- Majority Recaps
- Minority Recaps
- Mergers
- Buyouts
- Corporate Divestitures
- Clients can be privately held or publicly traded companies

- **BUY SIDE REPRESENTATION**

- Advisor to private equity funds, hedge funds, corporations, international buyers
- Most clients are serial purchasers (repeat business)

**Note:** Transaction sizes are typically larger than unlicensed transactions

# Opportunities – Corporate Finance

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- **Debt Placement**

- Short-term debt
  - Working capital revolvers
  - Lines of credit
  - Warehouse lines
- Long-term debt
  - Senior/Secured
  - Subordinated Debt
  - Mezzanine Debt
- Hybrid Securities
  - Preferred Stock
- Equity

# Opportunities – Capital Formation

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- Private Placements
- IPOs – U.S. and foreign exchanges
  - American Stock Exchange
  - Toronto Stock Exchange
  - London Stock Exchange's AIM
- Equity Lines
- PIPES
- Public to Private

## Other Considerations

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- Existing Entity
  - Approval of B/D required (no selling away)
  - Branding
  - Documents
  - Personnel
- Should you become a B/D?

## Final Thoughts – Our Experience

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- Improved documents with greater acceptance by knowledgeable investors
  - Elimination of puffing
  - Inclusion of risk statements
  - Transactional transparency
- Compliance improves processes
- Compliance has not been a burden
- Securities licensing alone will not make you a better professional, but aligning with the right team will

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