



PRIVATE CAPITAL MARKETS

Opportunities in Challenging Economic Climates

Stifel's Capital Markets group continues to leverage private capital to meet the financing needs of clients. In past downturns, capital formation has been dominated by the private markets, and our Private Capital Markets team has executed numerous capital raises in challenging markets to allow our clients to take advantage of unique opportunities presented by the disruption. Over 20 years of experience, and a combination of attractive features related to the financing facilities, have contributed to our ability to consistently execute on behalf of our clients.

SPEED

Getting Capital to the Company as Efficiently as Possible

An experienced Private Capital Markets team, with the necessary established infrastructure and processes in place, can execute an equity raise swiftly and provide companies with needed liquidity. Without the need for SEC or other regulatory approval, a 144A private placement process can be executed in nearly six weeks, and a Regulation D offering can be completed even more quickly.

FLEXIBILITY

Unique Structures for Every Need

Beyond 144A private placements, private capital markets allow for a variety of other equity-raising options like Regulation D offerings, preferred stock, and convertible bond offerings. Customized structures can be optimized to meet every clients' unique needs and to maximize the likelihood of execution.

BROADLY MARKETED

Access Buyer Groups From All Major Channels

Buyers can be scarce in challenging economic climates, but there are almost always opportunistic investors looking to deploy capital in stressed environments. With our traditional sales to hedge and mutual funds, a dedicated sponsor banking team covering all major private equity groups globally, our European and Canadian counterparts with deep connections in their local markets, our robust private client business, and our placement agent division, Eaton Partners, Stifel's diverse platform and global footprint allows companies access to a vast buyer pool.

CRACKING THE CODE

Deep Expertise and Years of Experience

Executing the first deal in any market is the most challenging, but once completed, all market participants facing similar dynamics stand to benefit from the initial legwork. Over the last 20 years, our dedicated team of bankers have experience executing hundreds of transaction across numerous industries. Clients trust Stifel's Private Capital Markets team for equity capital raising because of the wealth of knowledge and experience they bring to every transaction and the access afforded by Stifel's diverse investment banking platform.

WHAT TO LOOK FOR: *Opportunities in Challenging Economic Climates*

Every market disruption is different, but our team has identified three general themes to help you think about opportunities.

	Theme 1	Theme 2	Theme 3
	Buying assets or distressed companies with a proven management team near the bottom of historical valuations	A parent company with securities trading at distressed levels is able to source vital liquidity by spinning out a valuable subsidiary at a higher multiple	Using growth capital to position a company for better equity markets
	 <p>\$530,413,470 Private Placement</p>	 <p>\$800,000,000 Private Placement</p>	 <p>\$218,500,000 Private Placement</p>
Client Overview:	<p>Company needed additional capital to further take advantage of market dislocation</p> <p>Partnered with Alaska Permanent Fund for \$500 million in initial capital prior to 144A offering but needed to hit key operating leverage metrics ahead of IPO</p>	<p>Rosetta Resources, formerly Calpine Natural Gas, was a wholly owned subsidiary of Calpine Corporation</p> <p>Calpine, faced with tremendous liquidity concerns, decided to monetize its investment in its E&P subsidiary</p>	<p>Provided capital for Pacific DataVision, Inc. to acquire nationwide 900 MHz spectrum from Sprint and deploy its premier Push-to-Talk network</p> <p>Push-to-Talk network deployment in 20 of the top metropolitan statistical areas nationwide</p>
Transaction Points:	<p>The team spent a significant amount of time structuring the terms of the offering and related agreements</p> <p>AH4R's goal is to be the first nationwide single-family rental REIT</p> <p>Taking advantage of the housing crisis by buying homes at discount to replacement cost</p> <p>Marketing Difficulties:</p> <ul style="list-style-type: none"> • Aftermath of Hurricane Sandy mid-roadshow; NYSE closed for two days • Marketed through sell-off related to election results; four IPOs pulled the week of pricing • External management structure; effectively a blind pool 	<p>In late Spring of 2005, Calpine gave the Private Capital Markets team approximately 60 days in which to form a stand-alone company (Rosetta), draft and execute all critical services agreements, and secure \$1.1 billion of proceeds</p> <p>Along with the proceeds from a \$325 million debt facility, Calpine received roughly \$1.0 billion of net proceeds for its 100% equity interest in Rosetta Resources</p> <p>Standalone Rosetta was well capitalized to execute its business plan and provided much needed liquidity to the parent company</p>	<p>Successful 144A execution despite market headwinds</p> <p>May 2014 IPOs priced at average discount of ~12% to their filing midpoint</p> <p>Growth company IPOs (tech and healthcare) generally performed worse</p> <p>Three Tech IPOs priced in late May</p> <ul style="list-style-type: none"> • One at midpoint, • Two below midpoint
Results:	<p>Strong order book exceeding base deal of \$510 million (priced \$519 million plus \$11 million in over-allotment)</p> <p>Diverse investor list including leading mutual funds, hedge funds, and real estate focused funds</p> <p>42 total institutional/accredited investors</p>	<p>After a three-week road show consisting of 84 one-on-ones with a 33% hit rate, Private Capital Markets team placed \$800 million of equity with 80 institutional investors</p>	<p>Pre-IPO priced at \$20.00; follow-on priced at \$40.00</p> <p>Oversubscribed transaction that raised \$218.5 million in primary capital</p> <p>The transaction allowed PDV to raise strategic growth capital during choppy public equity markets to further gain scale prior to becoming a public company</p>

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