

DECEMBER 2017

THE RUNDOWN

**OBERON
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Q4 Networking Breakfast (12/18/2017)

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SECTOR REVIEW

Financial Services: Decrypting Cryptocurrency

by Desi Duncker

Digital Lending

The Specialty Finance segment is far from the halcyon, pre-crisis days when any non-bank lender was able to raise capital. However, digital lending, reflecting the convergence of Specialty Finance and Financial Technology (FinTech), continues to take market share from traditional lending channels. According to Morgan Stanley Research, there are over 200 digital lenders and global volume is expected to reach \$290 billion by 2020. According to CB Insights, three of the top five Q3'17 U.S. FinTech investments were in digital lenders or technology serving digital lenders, for a total of \$476 million (including capital raises of \$250 million for Kabbage and \$126 million for Bread). Risk management and compliance functions need to keep pace, as events at LendingClub and SoFi have demonstrated.

Digital Wealth Management

Another key aspect of FinTech is digital wealth management (DWM), i.e., “robo-advisors”. As tech-dependent millennials age and generate investable assets, and as the passive management movement continues to gain steam within asset management, the DWM space is attractive and growing rapidly. KPMG estimates that DWM assets under management will grow at a compound annual growth rate of 68%, reaching \$2 trillion by year-end 2020.

Bitcoin/Blockchain

Finally, we would be remiss if we didn't mention the hype-generating phenomenon of bitcoin. On one hand, you have Jamie Dimon, who labeled bitcoin as a fraud.

On the other hand, you have Goldman Sachs, which is considering a new trading operation focused on bitcoin, as well as the CME, which plans to launch bitcoin futures.

And what about initial coin offerings (ICOs)? With hype often comes regulatory scrutiny. SEC Chairman Jay Clayton recently stated that ICOs in many cases looked like securities, raising the prospect that the SEC will take a more aggressive stance. This echoes the recent pronouncements of regulators around the world, as Chinese authorities declared coin offerings illegal, Hong Kong regulators warned that offerings are likely to be regulated and the U.K.'s Financial Conduct Authority said that token offerings have parallels with IPOs and may fall into its “regulatory perimeter”. Regulators are clearly sharpening their pencils on this matter, so be prepared for further oversight.

We'll refrain from opining on bitcoin, or other cryptocurrencies such as ethereum and litecoin, as an investment. But note that we are seeing opportunities with blockchain, the distributed ledger technology underlying bitcoin. Blockchain is legitimate and has the potential to usher in a behind-the-scenes revolution (or, at least, a rapid evolution) in applications including transaction processing, cloud storage, identity verification, voting, and agricultural contracts—and in many cases, it's already doing so.

COMPANY NEWS

New Hires



JONATHAN BURKLUND

Jonathan joined Oberon Securities as a Managing Director, bringing expertise in M&A and public and private placements of equity and debt securities to Oberon. Jonathan is also the Managing Partner of River Corporate Advisors. Jonathan started his investment banking career in the healthcare investment banking practice of Lehman Brothers and went on to hold a number of senior investment banking positions at notable middle-market and major Wall Street firms. Jonathan has completed over 200 transactions throughout his career. He earned his B.S. in Finance and Management with honors from Northeastern University.



ROBERTA HURST

Roberta joined as a Managing Director, bringing more than 18 years of investment banking experience to Oberon. Roberta is also a managing director at River Corporate Advisors, where she leads the firm's healthcare technology and technology-enabled services, and related healthcare verticals. Roberta started her career in New York as a founding member of the Healthcare Investment Banking Team at Dean Witter and later led the Healthcare Technology effort for Morgan Stanley Dean Witter, advising some of the firm's fastest growing clients. Roberta earned her degrees in Finance and Chinese Language from Indiana University, and she also attended Peking University and the National University of Singapore.



DAVID KRATOCHVIL


David joined as a Managing Director focusing on Healthcare. Prior to joining Oberon, David was Chief Financial Officer and Treasurer at VolitionRx, a multi-national medical diagnostics company developing simple blood-based tests to accurately diagnose a range of cancers. Previously, at Euro Pacific Capital, Mr. Kratochvil was a Managing Director in the Corporate Finance department overseeing the firm's investment banking efforts across a variety of sectors including energy, mining, and transportation. Mr. Kratochvil holds an MBA in finance from the University of Chicago's Booth School of Business and a B.S. in Economics from The Wharton School at the University of Pennsylvania.

Oberon Securities Representative Transactions 2017

HEALTHCARE

HEALTHCARE December 2017

MediSens Wireless




Follow-On Private Placement

OBERON
SECURITIES, LLC

BUSINESS SERVICES

BUSINESS SERVICES / ENERGY November 2017

NuEnergy, LLC



Sale to




OBERON
SECURITIES, LLC

REAL ESTATE

REAL ESTATE October 2017

Plymouth Industrial REIT, Inc.



\$45,000,000

Preferred Stock Offering


OBERON
SECURITIES, LLC

The undersigned acted as advisor to Plymouth Industrial REIT, Inc. in connection with this transaction


CONSUMER/RETAIL

CONSUMER / RETAIL October 2017

Scruples Professional Salon Products, Inc.



Has Merged with




OBERON
SECURITIES, LLC


CONSUMER/RETAIL

CONSUMER / RETAIL September 2017

Gamma Enterprises, LLC



Strategic Advisory & Due Diligence Support for Equity Investment by



OBERON
SECURITIES, LLC

HEALTHCARE

HEALTHCARE July 2017

Novation Companies



Turn it on.

\$89,000,000

Restructuring Advisory

OBERON
SECURITIES, LLC

HEALTHCARE

HEALTHCARE July 2017

Novation Companies



Turn it on.

Has Acquired




\$25,000,000

OBERON
SECURITIES, LLC

BUSINESS SERVICES

BUSINESS SERVICES July 2017

Serendipity Labs Inc.




Preferred Equity Financing

OBERON
SECURITIES, LLC

HEALTHCARE

HEALTHCARE June 2017

Oxford BioMedica



\$55,000,000

Credit Facility

OBERON
SECURITIES, LLC

REAL ESTATE

REAL ESTATE June 2017

Plymouth Industrial REIT, Inc.



\$55,100,000

Initial Public Offering


OBERON
SECURITIES, LLC

The undersigned acted as pre-IPO advisor to Plymouth Industrial REIT, Inc. in connection with this transaction

TMT

TMT March 2017

ACN Technologies, Inc.



Revolving Line of Credit

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Simplicity, Creativity and Speed.