Ipos And Equity Offerings Securities Institute Global Capital Markets By Ross Geddes Reup

Existing estimates of the long-run abnormal performance after initial public offerings in Germany differ between +1.54 % and -19.85 % for holding periods of 36 months. We discuss the methodological problems of these studies and the peculiarities of the German market. Using a large sample, alternative benchmarks (the equally and the value-weighted market portfolio, size portfolios and matching stocks), and a simulation study we conclude that size portfolios and matching stocks are better benchmarks than market portfolios, mainly because IPO stocks typically have a small or medium market capitalization and a size effect in stock returns exists. The new listing bias, discussed intensively by Barber/Lyon (1997) seems to be of minor importance in the German market. Using buy-and-hold abnormal returns, we estimate that German stocks involved in an IPO or in a SEO, on the average, underperform a portfolio consisting of stocks with a similar market capitalization by 6 % in three years. This is considerably less than the underperformance after IPOs and SEOs in the US market reported by Loughran/Ritter (1995) and the underperformance after IPOs in Germany reported by Ljungqvist (1997). For stocks involved in a SEO the underperformance is statistically significant, for IPO stocks it is not. This is the first estimate of the abnormal performance after SEOs for the German market. We also show that the apparent underperformance of the 1988-1990 IPO cohort discovered by Ljungqvist (1997) disappears when the abnormal performance estimate is based on size portfolios, instead of market portfolios. Since we have a relatively small number of observations per event, the use of matching firms as benchmarks in the calculation of long-run abnormal returns is associated with a much higher variance of the average long-run abnormal performance estimate than the use of size portfolios in both, the actual event studies and the simulations.

Much theoretical and empirical research has been done on the role that investment banks' reputations play in the acquisition of capital. While theoretical work in this area has begun to treat reputation as a dynamic phenomenon, quantitative research has yet to do so. This work bridges the gap between theory and quantitative work by creating a dynamic measure of underwriter quality based on the theoretical treatment of underwriter reputation. Specifically, this work constructs a quantitative measure of underwriter reputation based on an underwriter's long-run performance which captures the idea that investors form opinions as to whether an underwriter is "good" or "bad" based on the performance of the underwriter's prior offerings. The impact of an underwriter's reputation on the market reaction to public security offerings is estimated using the dynamic measure constructed within this work. These offerings take two forms; Initial Public Offerings (IPOs) and Seasoned Equity Offerings (SEOs). In the case of SEOs, this work shows that the market reaction to an offering announcement is increasing in underwriter reputation. This suggests that using a "good" underwriter can help to reduce the impact of asymmetric information on an SEO. In the case of IPOs, the results are mixed. In some cases the price run-up associated with an IPO issuance is increasing in underwriter reputation. In other cases, it is decreasing. These conflicting findings come about as a result of changing the functional form of the underwriter proxy. As a result, one is left asking whether the theoretical literature has properly defined underwriter reputation in the IPO setting.

Initial public offerings (IPOs) play a crucial role in allocating resources in market economies. Because of the enormous importance of IPOs, an understanding of how IPOs work is fundamental to an understanding of financial markets generally. Of particular interest is the puzzling existence of high initial returns to equity IPOs in the United States and other free-market economies. Audience: Designed for use by anyone wishing to perform further academic research in the area of IPOs and by those practitioners interested in IPOs as investment vehicles.

I test the Wall Street claim that investment banks place shares of equity offerings in the hands of "dedicated" shareholders. For IPOs where investment banks have discretion over selecting the shareholder base, I find investment banks do not satisfy long-term shareholders' demand for shares. Investment banks do not influence the IPOs' shareholder composition in a manner that affects long-run returns, volatility nor monitoring of management. I find a significant correlation between shareholder composition and five-year returns following SEOs, but no correlation for IPOs. Evidence suggests these results are due to investor stock selection and not investment banks placement decisions.

Why Include Warrants in New Equity Issues? A Theory of Unit Ipos

Economic Determinants and Consequences of Voluntary Disclosure of Internal Control Effectiveness

A Practice Guide for Asian IPOs

An Overview for Non-U.S. Companies April 2021

Do Firms Time Seasoned Equity Offerings? Evidence from SEOs Issued Shortly after IPOs

Do Underwriters Place IPO Shares in the Best Hands and Does it Matter?

Why do most financial decision-making models fail to factor in basic human nature? This guide to what really influences the decision- making process applies psychological research to stock selection, financial services and corporate financial strategy, using real-world examples.

Judging by the sheer number of papers reviewed in this Handbook, the empirical analysis of firms ' financing and investment decisions—empirical corporate finance—has become a dominant field in financial economics. The growing interest in everything " corporate is fueled by a healthy combination of fundamental theoretical developments and recent widespread access to large transactional data bases. A less scientific—but nevertheless important—source of inspiration is a growing awareness of the important social implications of corporate behavior and governance. This Handbook takes stock of the main empirical findings to date across an unprecedented spectrum of corporate finance issues, ranging from econometric methodology, to raising capital and capital structure choice, and to managerial incentives and corporate investment behavior. The surveys are written by leading empirical researchers that remain active in their respective areas of interest. With few exceptions, the writing style makes the chapters accessible to industry practitioners. For doctoral students and seasoned academics, the surveys offer dense roadmaps into the empirical research landscape and provide suggestions for future work. *The Handbooks in Finance series offers a broad group of outstanding volumes in various areas of finance *Each individual volume in the series should present an accurate self-contained survey of a sub-field of finance *The series is international in scope with contributions from field leaders the world over

The Initial Public Offering (IPO) is one of the most complex financial transactions, as it involves knowledge in finance, national and international laws, marketing trends analysis, macro and microeconomies, financial public relations, and many other aspects of finance. IPOLOGY covers a new field of studying IPOs, created by world-renowned expert in high finance, Marc Rene Deschenaux. This one-of-a-kind book reveals invaluable information on the IPO, kills the myths, and provides real knowledge in every relevant discipline.

This dissertation investigates the economic determinants of firms' decisions to voluntarily disclose internal control weaknesses, and the economic consequences of such disclosures, in the context of companies' initial public offerings (IPOs) of equity securities. I find that IPO firms with greater potential litigation risk and restated pre-IPO financial statements are more likely to disclose internal control weaknesses over pre-IPO financial reporting. In addition, I find that voluntary disclosure of internal control weaknesses and the related remediation procedures is negatively associated with underpricing, indicating that ex ante uncertainty about the new issues' value is reduced. Further, IPO firms benefit from such voluntary disclosure through increased IPO proceeds. The results also suggest that the new internal control disclosure requirements under SOX sections 302 and 404 have induced IPO firms to voluntarily disclose internal control weaknesses, contributing to lower information asymmetry between IPO firms and uninformed investors.

An Empirical Study of Underwriter Reputation

Why Go Public and why Invest in IPOs?

Security Design in Initial Public Offerings

Underwriting Services and the New Issues Market

Equilibrium Rationing in Initial Public Offerings of Equity

Evidence from Secondary Equity Offerings

How to Make Money Investing in Pre-IPO Stocks: An Investors' Guide to Building Wealth in Private Companies Build wealth like billionaire investor Chris Sacca by investing in Pre-IPO shares of private companies. How to Make Money Investing in Pre-IPO Stocks outlines the changing legal landscape that is creating an opportunity for every day investors to invest in private companies and profit. Between 2012 and 2015, Congress passed the JOBS Act and the FAST Act both of which outlined the rules and regulations on crowdfunding, making it easier for every day Americans to invest in private companies. SF Angel Investor of the Year and equity crowdfunding expert Manny Fernandez walks you through his investing strategies and shares how you can take advantage of them as well. Manny has spent the last five years focusing on the emerging opportunities created by equity crowdfunding, Pre-IPO investing, and wealth creation for the everyday investor. In this book you'll learn: * How the legal landscape is changing to allow YOU to invest in Pre-IPO stocks. * Why investing in Pre-IPO stocks both boosts the economy and creates an opportunity for YOUR wealth creation. * How you can access Pre-IPO investment opportunities without being on Wall Street. * What steps you need to consider to get started. How to Make Money Investing in Pre-IPO Stocks: An Investors' Guide to Building Wealth in Private Companies covers the legal, theoretical, and practical sides of investing in Pre-IPO stocks. Buy the book and get started today.

We use the context of a company's IPO of equity securities as a capital-markets setting to empirically study the economic consequences of endogenous disclosure. In particular, we examine the relation between the extent of dollar detail an IPO issuer provides regarding their intended use of proceeds and first-day underpricing. We document substantial variation in the specificity of this disclosure and find that an increase in such specificity is associated with lower IPO underpricing. Overall, our results suggest that IPOs that provide specific use-of-proceeds disclosures have less ex ante uncertainty, in the sense that these disclosures help investors estimate the dispersion of secondary market values. Our paper contributes to the empirical accounting literature by documenting an association between voluntary disclosure and what is arguably the foremost cost of raising initial equity capital (i.e., IPO underpricing).

We employ a sample of 748 environmentally-friendly (or " green ") firms listed on U.S. stock exchanges to extend studies of the effects of socially responsible investment (SRI) on stock investment returns and the performance of initial public offerings (IPOs) and seasoned equity offerings (SEOs). Our empirical tests document positive and statistically significant excess returns for our environmentally-friendly firms and their IPOs and SEOs, in contrast to our control IPO and SEO samples which underperform. In summary, a " green " equity premium is evident in returns calculated from a variety of benchmarks.

An Initial Public Offering (IPO) is the first sale of securities by a company to the general public and is usually followed by the shares being listed for trading on a stock exchange. An IPO allows a company to tap into a wide pool of potential investors to provide itself with capital for future growth and expansion, working capital or the repayment of debt. A company can raise capital by issuing either equity (such as shares) or debt (such as corporate bonds). Through the IPO, a private company transforms itself into a public company whose securities are listed for trading on a stock exchange. This book attempts to answer the following questions: Why companies should go public? and Why investors should invest in IPOs? The first part of the book will give you an overview of what an IPO at a stock exchange means, what the decision triggers are, and what issues should be considered when planning a stock exchange listing of a company to raise capital. It will also describe issues around being a listed company and ongoing compliance with the listing requirements. The second part of the book will give you an overview of what the decision triggers are for investors, and what issues should be considered when deciding whether or not to invest in an IPO. It starts with background and context in terms of an economist's overview of investing.

How to Make Money Investing in Pre-ipo Stocks

Beyond Greed and Fear

evidence from the UK main market

Optimal Disclosure and Litigation Rules Around IPOs and SEOs

Initial Public Offerings

Corporate Finance and the Securities Laws

We examine whether firms take advantage of brief windows of opportunity to time seasoned equity offerings (SEOs) when their equity is substantially overvalued given managers' private information. We find that firms experiencing larger IPO underpricing, larger stock price run-ups after the IPO, and larger IPO offer size tend to return to the market with an SEO earlier than the others. Firms which issue SEOs quickly after an IPO underperform in comparison to their peers. The mean three-day abnormal return of firms issuing SEOs within six months of IPOs is 2.69% lower than that of firms issuing SEOs six months or more following their IPOs. Firms issuing SEOs shortly after their IPOs also exhibit worse long-run stock returns and operating performance. The results are most consistent with the hypothesis that managers with private information time SEOs in ways that benefit existing shareholders.

Underwriting Services and the New Issues Market integrates practice, theory and evidence from the global underwriting industry to present a comprehensive description and analysis of underwriting practices. After covering the regulation and mechanics of the underwriting process, it considers economic topics such as underwriting costs and compensation, the pricing of new issues, the stock price and operating performance of issuing firms, the evaluation of new issue decisions, and an analysis of the many choices issuers face in structuring new issues. Unlike other books, it systematically develops a critical perspective about underwriting practices, both in the U.S. and international markets, and with a level of detail unavailable elsewhere and an approach that reveals how financial institutions deliver underwriting services. Underwriting Services and the New Issues Market delivers an innovative and long overdue look at security issuance. Foreword by Frank Fabozzi Covers underwriting contracts and arrangements on pricing and costs Focuses on the financial consequences of the issuance decision for the firm Describes and evaluates decisions regarding the features and structure of new security offerings.

Going Public investigates why companies routinely underprice themselves as they try to list themselves on the stock exchange. They subsequently underperform over the long-term and, in Going Public, the authors explore these 2 phenomena in plain English.

This research considers the strategies on the initial public offering of company equity at the stock exchanges in the imperfect highly volatile global capital markets with the nonlinearities. We provide the IPO definition and compare the initial listing requirements on the various markets. We analyze the IPO techniques: the fixed-price offerings, auctions, book-building. We focus on the IPO initial underpricing, long-run performance and after market liquidity problems. 1. We propose that the information absorption by the investors occurs in the evolving learning process about the company's value, taking to the consideration the fundamental purpose of investing and the responsibilities of investors. 2. We think that the information absorption capacity by the investors on the IPOs impacts the investor's investment decisions and serves as a pre-determinant for the successful IPO deal completion. We propose the Ledenyov theory on the origins of the IPO underpricing and long term underperformance effects, which states that the IPO underpricing and long term underperformance can be explained by the changing information absorption capacity by the investors on the IPO value. 3. We think that the IPO winning virtuous investment strategies can only be selected by the investors with the highest information absorption capacity through the decision making process on the IPO investment choices at the selected stock exchange in the imperfect highly volatile global capital markets with the nonlinearities; applying the econophysical econometrical analysis with the use of the inductive, deductive and abductive logics in the frames of the strategic choice structuring process, that is the winning through the distinctive choices process.

The Initial Public Offerings Law Review

A Practical Guide to Going Public

Cornerstone Investors

Essays on New Equity Offerings in Canada

Accounting and Stock Performance of Initial Public Offerings and Seasoned Equity Offerings

ACCOUNTING & STOCK PERFORMANCE

We analyze the optimality of allowing disclosures of different types of information before equity offerings and of alternative rules for private securities litigation, where courts may penalize unduly optimistic disclosures ex post. In our model, firm insiders, with private information about variables affecting firm performance, may make claims (disclosures) about their future realization prior to new equity offerings. Equity offering prices are affected by firm disclosures; demand from institutional investors, with access to a costly disclosure verification technology; and demand from retail investors. We analyze self-regulation incentives and develop policy implications for disclosure regulation and for private securities litigation reform.

An initial public offering (IPO) is one of the most significant events in corporate life. It follows months, even years of preparation. During the boom years of the late 1990s bull market, IPOs of growth companies captured the imagination and pocketbooks of investors like never before. This book goes behind the scenes to examine the process of an offering from the decision to go public to the procedures of a subsequent equity offering. The book is written from the perspective of an experienced investment banker describing the hows and whys of IPOs and subsequent equity issues. Each aspect of an IPO is illustrated with plenty of international examples pitched alongside relevant academic research to offer a combination of theoretical rigour and practical application. Topics covered are: - the decision to go public - legal and regulatory aspects of an offering; marketing and research - valuation and pricing - allocations of shares to investors - examination of fees and commissions * Global perpective: UK, European and US practices, regulations and examples, and case studies * First hand experience written by an IPO trader with academic rigour * Includes the changes in the market that resulted from 1998-2000 equity boom

We investigate the security design problem in an initial public offering (IPO). In line with Rock~(1986), we consider a situation in which some investors are better informed than others about the prospects of the firm, resulting in a winner's curse problem. To raise capital, the owners of the firm must underprice the securities they issue in order to compensate the less informed investors for their willingness to participate in the issue. In this context, we first show that firms can sometimes lower the cost of going public by using unit IPOs, in which equity and warrants are combined into a non-divisible package. Because warrants are less sensitive to low cash flow realizations, unit IPOs tend to be valuable to firms that face large downside risks or whose uncertainty revolves around the eventual performance of their assets in place. Second, we show that firms may be able to completely eliminate the winner's curse problem by making the warrants callable. Such a first-best scenario is possible when a firm's growth potential is sizeable even in bad states of the world, as the callability feature of the warrant allows the firm to dynamically create payoffs that are insensitive to the investors' private information. Our theory is consistent with the prominent use of unit IPOs and produces empirical implications that differentiates it from existing theories.

IPOs and Equity OfferingsElsevier

IPOs and Equity Offerings

Empirical Corporate Finance

Prospectus Disclosure and the Stock Market Performance of Initial Public Offerings (IPOs)

The Case of Thailand

Initial Public Offerings: A Synthesis of the Literature and Directions for Future Research

Underpricing, Ownership and Control in Initial Public Offerings of Equity Securities in the UK.

The purpose of this monograph on conducting an Initial Public Offering (IPO) is to review the existing evidence and suggest areas where our understanding is less complete of the process and would benefit from further research.

We develop a theory of unit IPOs, in which the firm going public issues a package of equity with warrants. We model an equity market where insiders have private information about the riskiness as well as the expected value of their firm's future cash flows. We demonstrate that, in equilibrium, high risk firms issue underpriced quot;unitsquot; of equity and warrants; lower risk firms, on the other hand, issue underpriced equity alone. In contrast to the existing literature, underpricing arises as a signal in our model in the context of a one-shot equity offering. Though developed in the context of IPOs, our model can also explain the issuance of seasoned equity offerings packaged with warrants. Further, the intuition behind the model generalizes readily to provide a new rationale for packaging call option like claims with risky securities other than equity (e.g., convertible debt, debt with warrants) as well.

The use of exempt and hybrid securities offerings has become increasingly popular in the past decade. This title provides you with comprehensive guidance on how to structure them. Packed with checklists, transactional timelines, SEC guidance, and a wealth of labor-saving sample documents, the second edition of Exempt and Hybrid Securities Offerings shows you the relative advantages and drawbacks of the most commonly used forms of exempt and hybrid offerings, while clearly explaining the mechanics of conducting venture private placements traditional PIPE transactions structured PIPE transactions institutional (debt) private placements Rule 144A offerings Regulation S offerings expedited shelf takedowns registered directs at-the-market offerings confidentially marketed public offerings and continuous issuance programs, including MTN and CP programs. This comprehensive three-volume treatise is completely updated to integrate the impact of the Dodd-Frank Act and other regulatory changes resulting from the recent financial downturn."

The issuance activity of IPOs and rights issues has shown substantial time-varying fluctuations. These fluctuations are conceptually related to the so-called 'timing, and 'hot issues' markets. This thesis conducts a comprehensive examination of the determinants of timing of IPOs and rights issues in the UK, seeking to inspect and compare the main factors that drive these fluctuations. Specifically, I compare the extent to which the favourable business and economic conditions, bull market timing, investor sentiment, and decreasing adverse selection costs can explain these fluctuations. For IPOs, the overall findings show a strongly and robustly significant evidence in support of adverse selection costs hypothesis. Economic conditions, bull market timing and investor sentiment hypotheses are also important determinants of IPOs timing, but of less significance and robustness. For rights issues, the timing story appears different. The empirical evidence is mostly consistent with the bull market timing hypothesis. Investor sentiment proxy is supported but not robustly consistent across various tests. By contrast, the economic conditions and information asymmetry proxies generally exhibited inconsistent findings. It has been recently posited that equity-issuing firms behaviourally time their offerings to exploit stock mis-valuations and investor over-optimism. If so, this behavioural timing is expected to be reflected in a direct relation between mis-valuation of IPOs and right issues and poor post-issue stock returns. This mis-valuation is examined (i) directly via calculating a ratio of the price to an intrinsic value of the firm (as a proxy for relative overvaluation) and (ii) indirectly via looking at the intensity of equity issuance activity since investor over-optimistism and stock over-valuations are expected to substantially differ between hot and cold issues markets. The findings suggest that both IPOs and rights issues are significantly over-valued compared to other non-issuing firms. More importantly, the post-issue stock returns are found to be significantly and robustly different between IPOs and rights issues launched during hot issues markets compared to those launched during cold and normal issues markets, which strongly supports the behavioural timing hypothesis. However, the overall findings derived based on the post-issue stock returns conditional on relative overvaluation are less consistent with the behavioural timing hypothesis.

Investment Performance of 'Environmentally-Friendly' Firms and Their Initial Public Offers and Seasoned Equity Offers

Going Public

Control Your Cash

Evidence in China

Timing, Valuation and Post-Issue Stock Performance of the Initial Public Offerings (IPOs) and Rights Issues in the UK.

Initial Public Offerings: Findings and Theories

This dissertation, "Accounting and Stock Performance of Initial Public Offerings and Seasoned Equity Offerings: Evidence in China" by Liangyi, Ouyang, □□□□, was obtained from The University of Hong Kong (Pokfulam, Hong Kong) and is being sold pursuant to Creative Commons: Attribution 3.0 Hong Kong License. The content of this dissertation has not been altered in any way. We have altered the formatting in order to facilitate the ease of printing and reading of the dissertation. All rights not granted by the above license are retained by the author. Abstract: Abstract of the thesis entitled Accounting and Stock Performance of Initial Public Offerings and Seasoned Equity Offerings: Evidence in China Submitted By OUYANG Liangyi For the Degree of Doctor of Philosophy at the University of Hong Kong in August 2004 Although it has a short history, the China stock market developed very fast in the past decade. Stock is now a primary investment instrument for Chinese. This research studies the long-term accounting and stock performance of initial public offerings and seasoned equity offerings in China. We find that operating performance of initial public offerings and seasoned equity offerings in China experience substantial deterioration in the post-issue period. Issuers typically have significant higher earnings and sales revenue than their industry peers before year 0. However, their advantages shrink to nothing in a short period. Extraordinarily high current accruals are reported in year 0, which consist of a large discretionary component after broken down by a Jones (1991) model. We attribute the unusual changes in accruals and operating performance to be a result of earnings management. Moreover, we find that both absolute and discretionary current accruals in year 0 are powerful in predicting changes of income and cash flow in the following three years. This finding further strengthens the hypothesis that managers dress up their earnings to meet the earnings threshold by recording aggressive accruals, which cause earnings reverse in the aftermarket period. Investors are surprised at the poor earnings. Earnings announcement effects, measured by 3-, 9- and 21-day market-adjusted abnormal returns are significantly negative in post-issue period. We also find stock offerings have negative buy-and-hold abnormal ii returns in a three-year window. Both IPOs and SEOs have around 30% less returns than size-matched non-issuers. However, when the matching standard changes to be size and book-to-market ratio, the abnormal returns are reduced by half and not significant for SEOs. We also apply the Fama and French (1993) model to monthly trading data of issuers. The result shows that the time-weighted abnormal return is not significant. We consider this difference to be a result of the time-clustering and cyclical pattern of stock issues in China. Due to high volumes of stock issues in periods of high past returns and low volumes in periods of low past returns, a time-weighted method may not find underperformance while an equal-weighted method may. We explain the negative cross-sectional abnormal returns as results of investor overoptimism and information asymmetry. Investors have insufficient information about issuers and overestimate issuers' future earnings. Along with new information released in earnings reports, they gradually downgrade their valuation, thus contributing to the negative cross-sectional returns. We find that the three-year buy-and-hold abnormal returns on issuers are significantly correlated with changes in net income during the same period, which is also supportive of the investor overoptimism hypothesis. This research contributes to the literature by providing new evidence from China, a major emerging economy with high growth. We suggest that earnings management could be stimulated by explicit earnings requirement and exacerbated by inve

This paper uses market-to-book ratio decomposition to examine whether firms that issue equity through initial public offerings or seasoned equity offerings exploit mispricing because of investor enthusiasm or to finance growth opportunities. We find strong evidence that, on average, firms do not issue mispriced stocks to exploit investors but, rather, to finance their investment opportunities in the form of real assets, inventory, and capital expenses. Firms that issue overvalued stocks with the view to increase their cash holdings experience poor long-run performance. Overall, our results show that stock mispricing drives equity offerings through IPOs and SEOs. Nonetheless, high transparency and balanced regulation in the marketplace deter issuing firms from investing their proceeds in non-value-creating activities. This evidence is robust to alternative measures of valuation and long-run performance.

This dissertation provides an analysis of the effects of public secondary equity offerings by private equity sponsors at portfolio firms that have become publicly traded entities via initial public offerings. Such secondary offerings were rare prior to 2000, but in recent years have become an increasingly common form of financial activity. A large sample of these offerings is analyzed within the framework of corporate finance theory, taking into account that they allow a private equity sponsor to sell off a large, controlling block of common stock to dispersed investors. This work provides a basis to draw conclusions about the effects of these secondary offerings on shareholder wealth and the implications for the firm's subsequent operating performance (profitability). The results show that that there is a significant decline in portfolio firm value at announcements of secondary offerings by private equity, and that such offerings are not a precursor of future underperformance. Instead, there is greater share liquidity and higher industry-adjusted performance after these secondary offerings. Moreover, the proportion of portfolio firms that subsequently become bankrupt is significantly less than that of benchmark firms. There is no evidence of an effect of the size of the secondary offering on the magnitude of the change in share price, but the reputation of private equity sponsors has a significant effect on the share price reaction. Overall, the evidence from these secondary equity offerings suggests that private equity successfully prepares portfolio firms for exit from private equity control, implying that the market can expect that the stand-alone public firm will operate effectively after the change in ownership structure associated with the exit of private equity.

The highly anticipated Third Edition of Corporate Finance & the Securities Laws is a fully updated version of this classic work by two premier experts in the world of corporate finance. The book explains the legal environment in which capital markets transactions take place as well as explaining the transactions themselves and how professionals can manage the transaction and get it done. Some highlights in the Third Edition are: Underwriting practices the registration and distribution process Private placements Shelf registrations International finance Commercial paper Innovative financial products and asset-backed securities the Third Edition also includes updates on many important developments in corporate finance, including: New standards for IPO allocations the reduced role of analysts in securities offerings driven by reforms separating the interaction of research analysts And The investment bankers who bring in new business an updated look at MD&A (Management Discussion & Analysis) A new chapter focusing on asset-backed securities Sarbanes-Oxley's effects on disclosure requirements and due diligence the growing trend of On-line offerings Dealing with 'gun-jumping' problems Electronic delivery of offering documents New emphasis on financial statement due diligence New NASD corporate financing rule New NASD rule on retention of new issues (formerly the 'hot issue' rule) Exiting the SEC reporting system Innovative financing techniques And The Commodity Futures Modernization Act of 2000 Short sales and equity derivatives Innovations in convertible, exchangeable and equity-linked securities Amended Rule 10b-18 and more

IPO valuation and performance

Disclosure of Intended Use of Proceeds and Underpricing in Initial Public Offerings

Strategies on Initial Public Offering of Company Equity at Stock Exchanges in Imperfect Highly Volatile Global Capital Markets with Induced Nonlinearities

The Science of the Initial Public Offering

Ipology

Understanding Behavioral Finance and the Psychology of Investing

In this groundbreaking guide, former investment banker Philippe Espinasse explains the process of gathering cornerstone investors in connection with IPOs and other equity offerings. Using his trademark simple and jargon-free language, he details the targeting strategies, documentation, marketing, and allocation of shares and other securities to these reference shareholders, and analyses why and how they make or break today's new listings across Asia's key markets. This essential guide—and the first of its kind—contains key information on the legal framework for cornerstone investors in Hong Kong, Malaysia, and Singapore, and offers practical advice on how best to structure and conduct a cornerstone investor offering. It also discusses some of the more controversial issues associated with the practice of cornerstone investment and includes many real-life examples of cornerstone deals, sample documents, cornerstone investor profiles, an investor target list, and a comprehensive glossary. 'There is no better person to shed light on the opaque world of cornerstone investing in Asian IPOs. Philippe Espinasse writes clearly, substantively, and expertly.' —Jasper Moiseiwitsch, Asia companies and markets news editor, Financial Times 'As engaging as it is informative. Espinasse has cut through legalese and jargon to create a pragmatic overview of this widely misunderstood, and distinctly Asian, investment banking concept. Packed with recent examples, this book doesn't just teach you about cornerstones; it also provides an insider's take of the region's capital markets hubs.' —Danielle Myles, capital markets editor, The Banker 'Cornerstone investors have taken centre stage in Hong Kong's IPO market. This book is needed now more than ever.' —Matthew Thomas, Asia bureau chief, Euromoney Institutional Investor

Underpricing and rationing may occur in many markets, but nowhere is the debate about its cause more vigorous than in the market for initial public offerings (IPOs) of equity. This analysis contributes to the debate by showing that under-pricing is related to profits from after-market trading. Specifically, underwriters create after-market trading by pricing the issue below its market-clearing price to attract low-valuation investors, who flip shares to higher-valuation investors that are rationed during primary allocations. As the dominant market maker in the IPO, the underwriter gains trading profits and brokerage commissions from this arrangement. This theory provides a common explanation for underpricing across countries and time periods. This theory is tested using data on actual stock flipping and returns for 110 IPOs issued between May 1997 and June 1998, and time series data on U.S. IPOs during 1962-2000. These tests support the view that after-market trading affects underpricing in IPOs.

"A 14% credit card rate! What a deal!" "Where it says 'adjustable' here on my mortgage - that means 'fixed', right?" "Work until I retire, then collect Social Security. That's my wealth plan." If you've ever wondered how your money works, where it goes or how it grows, stop wondering. "Control Your Cash: Making Money Make Sense" deconstructs personal finance so that everyone but the hopelessly inept can understand it. Inside the book, you'll learn: [how to get your bank accounts, credit cards and other financial instruments to work for you, and not the other way around [the right way to buy a car (i.e. with the salesman cursing your name as you drive away) [where and how to invest, and what all those symbols, charts and graphs mean [how to turn expenses into income, and stop living paycheck-to-paycheck [whom the tax system is stacked against (hint: it's most of us) and how to use that to your advantage [the very key to wealth itself. In fact, the authors thought it was so important they put it on the cover so you can read it even if you're too cheap to buy the book: Buy assets, sell liabilities. Finally, a book that explains personal finance not only in layman's terms, but in detail. If you can read, and have any capacity for self-discipline, invest a few bucks in "Control Your Cash" now and reap big financial rewards for the rest of your life.

A timely guide to making the best investment strategies even better A wide variety of strategies have been identified over the years, which purportedly outperform the stock market. Some of these include buying undervalued stocks while others rely on technical analysis techniques. It's fair to say no one method is fool proof and most go through both up and down periods. The challenge for an investor is picking the right method at the right time. The Little Book of Stock Market Profits shows you how to achieve this elusive goal and make the most of your time in today's markets. Written by Mitch Zacks, Senior Portfolio Manager of Zacks Investment Management, this latest title in the Little Book series reveals stock market strategies that really work and then shows you how they can be made even better. It skillfully highlights earnings-based investing strategies, the hallmark of the Zacks process, but it also identifies strategies based on valuations, seasonal patterns and price momentum. Specifically, the book: Identifies stock market investment strategies that work, those that don't, and what it takes for an individual investor to truly succeed in today's dynamic market Discusses how the performance of each strategy examined can be improved by combining into them into a multifactor approach Gives investors a clear path to integrating the best investment strategies of all time into their own personal portfolio Investing can be difficult, but with the right strategies you can improve your overall performance. The Little book of Stock Market Profits will show you how.

IPOs and SEOs, Real Investments, and Market Timing

The Banking Industry Guide: Key Insights for Investment Professionals

Emerging Market Evidence

The Best Strategies of All Time Made Even Better

U.S. Capital Markets Regulation and Practices

This study examines if the prospectus disclosure of the motives for an initial public offering (IPO) explains the longrun performance of equity issuers. It uses hand-collected data for 245 IPOs from the Stock Exchange of Thailand (SET), and also the Market for Alternative Investments (MAI), taken from the 12-year period between 2001 and 2012. The stock returns of the IPOs were investigated using cumulative abnormal return (CAR) and buy-and-hold abnormal return (BHAR). The authors find a significant impact for the level of use-of-proceeds disclosure on IPO underpricing, and further that the ex-ante uncertainty and signalling hypotheses explain the IPO underpricing phenomenon in the Thai IPO market. Furthermore, Thai firms citing investment needs show significant positive abnormal returns after the offering, but issuers that state general corporate purposes and debt payments motives underperform. The authors provide evidence that the offering size and bull-market conditions significantly affect both the IPO pricing and also the strategic disclosure of information in the prospectus. Our results are robust, having been subjected to a wide range of sensitivity checks.

In this paper we examine how separation of ownership and control evolves as a result of an IPO and how the underpricing of the issue can be used by insiders to retain control. Using data from a sample of 69 IPOs in the UK, we argue that IPO underpricing is used to ensure oversubscription and rationing in the share allocation process so as to allow owners to discriminate between applicants for shares and reduce the block size of new shareholdings. We find that of the pre-IPO shareholders in a firm, directors sell only a small fraction of their shares at the time of the offering and in the seven subsequent years: in contrast, holdings of nondirectors are virtually eliminated during the same period. As a result, in less than seven years almost two-thirds of the offering company's shares have been sold to outside shareholders, thereby substantially advancing the process of separation of ownership and control. Additional evidence in the paper suggests that rationing in the IPO discriminates against applicants who apply for large blocks, and that the greater the underpricing, the smaller the size of new blocks assembled after the IPO.

An Investors' Guide to Building Wealth in Private Companies

Long-Run Stock Performance of German Initial Public Offerings and Seasoned Equity

The Little Book of Stock Market Profits

Evidence from Initial Public Offerings

Making Money Make Sense

Handbook of Corporate Finance