

Headlines for December

- On December 17th North Korea's leader, Kim Jong Il died at the age of 69 after ruling the isolated country for 17 years. His third and youngest son, Kim Jong -un, is his successor.
- On December 27th Iran threatened to close down the Strait of Hormuz, through which 40% of the world's oil passes, if the United States returns to the area. This disruption could cause a major short-term spike in oil prices.
- Twitter raised \$200 mm in financing on December 15th, valuing the company at \$3.7 billion, up from the \$1.0 billion valuation it received during their September 2009 raise.

Things to watch for in January

- With growing uncertainty and impatience with Iran's actions, increasing fears about a short term disruption in oil production, potentially causing oil prices to rise.
- Heated discussion regarding the Keystone XL pipeline, led by TransCanada, as well as the impact of its deferral.
- More news to support optimism about job growth with the announcement of 150,000 jobs added during December.
- Increasing pace in the Republican Party nomination contest, with Romney, Gingrich, Paul and Santorum still in the running.

Investment Banking Terminology:

Break-Up (Termination) Fee – A penalty fee that is established after a bid is initially accepted in larger acquisitions. Usually 1% - 3% of the transaction size, the fee is intended to deter other bids as well as cover costs in the event the deal isn't completed.

Market Snapshot for December 2011

As of Dec. 30th	Month End	Dec. % Δ	YTD % Δ
S&P 500	\$1,257.6	0.85%	(0.0)%
Gold	\$1566.8	(10.6)%	9.6%
Oil	\$98.8	(1.8)%	4.7%
10 Yr. T-Note	1.9%	(21)bps	(146)bps

Client Testimonial

"Tobin & Company assisted Charles & Colvard with the extension of its Shareholder Rights Plan. The Firm reacted swiftly and efficiently to our needs, completing the engagement to meet our very tight timeline. Tobin & Co. rendered a thorough and specific recommendation and outcome, allowing the Company's Board of Directors to manage an important and complex matter in an expeditious and responsible fashion. The Firm provided substantial value in these interesting times."

Major Mergers and Acquisitions

- December 19th, after 9 months AT&T's proposed merger with cell phone provider T- Mobile collapsed. AT&T will pay \$4 billion in cash and assets to T-Mobile as required by the merger agreement as a break-up fee.
- On December 9th, SAP AG announced it is to buy Success Factors Inc., a cloud based software company, for \$3.4 billion via cash tender offer. This move comes shortly after competitor Oracle purchased cloud-based RightNow Technologies, Inc.

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"The entrepreneur always searches for change, responds to it, and exploits it as an opportunity" – Peter F. Drucker