

Headlines

On October 1, 2018, FINRA restructured the testing for its securities series licenses (Series 6, 7, 22, 57, 79, 82, 86/87 and 99). The new Securities Industry Essentials (SIE) Exam allows prospective industry professionals to take the introductory level exam without being sponsored by an industry member firm. The multiple-choice exam is 75 questions and 105 minutes in length that is comprised of four sections including knowledge of capital markets, understanding products and their risks, understanding trading, customer accounts and prohibited activities and overview of regulatory framework.

Shareholder Activism

An activist shareholder is a shareholder that uses an equity stake in a corporation to put pressure on its management. Shareholders can use their ownership positions to drive change by issuing formal proposals, which are voted on by all shareholders at a company's annual meeting to alter policies or by gathering shareholder proxy votes in an attempt to replace board members. Institutional investors and hedge funds have the most impact in driving change, while individual shareholders typically lack sufficient capital.

Shareholder activism is booming in 2018. This might be due to the increase in M&A activity this year. Activists are influencing transactions by ensuring the deal process is even handed for both the buyer and seller. According to a Columbia Business School research study M&A deals in 2018 that were challenged by activists only had a completion rate of 54.0% and M&A deals without activists had a completion rate of 91.0%.

Recently, Vintage Capital Management purchased a 14.9% stake in Babcock & Wilcox to push for a proxy battle for control of the board. One of the many consequences is that B&W is moving its HQ from Charlotte, NC to Barberton, OH.

Market Snapshot

As of Oct. 16 th	Oct. 16 th	YTD% Δ	LTM % Δ
S&P 500	\$2,809.92	4.70%	9.88%
Gold	\$1,229.10	(7.00)%	(5.14)%
U.S. Crude Oil	\$71.92	19.03%	37.62%
10 Yr. T-Note	3.16%	73 bps	87 bps

ACG Charlotte Deal Crawl

The 6th annual ACG Deal Crawl Conference was held in the heart of Uptown Charlotte in September. It is a two-day event where private equity firms 'crawl' in our middle market hub investment banking hub looking to produce deals ranging from \$5mm to \$50mm in revenue. In our current seller's market, TOBIN was delighted to market our clients in their various industry groups of business services, consumer products, healthcare software, industrials and IT services. It is a point of pride for Tobin & Company to engage and conduct deals in the center of middle market M&A. Learn more at www.acgdealcrawl.com

Investment Banking Terminology:

IT Services – Information Technology (IT) Services companies help businesses design and implement systems and infrastructure. IT services include application development, technology infrastructure, cloud computing, network services, data storage, artificial intelligence and information security.

EBITDA margin – An assessment of a firm's operating profitability as a percentage of its total revenue. It is equal to earnings before interest, tax, depreciation and amortization divided by total revenue.

Tobin & Company Investment Banking Group is a full service advisory investment bank that provides tailored services to meet the needs of small and middle market businesses. Our subsidiary, Tobin & Company Securities LLC is a licensed broker dealer and a member of the Financial Industry Regulatory Authority, Inc. Learn more at www.tobinandco.com