Private Placement Memoranda on Lexis® Securities Mosaic®

As of August 2014, Lexis® Securities Mosaic® boasts over 11,000 Private Placement Memoranda for debt and equity securities offered under Regulation D, Regulation S, and Rule 144A. These offerings, most of which are from the last few years, include issuances on over 100 exchanges (domestic and international), made by companies domiciled in over 200 countries around the world.

The documents are fully text searchable, with additional search filters for issuer name and location, additional parties (legal advisor, bookrunner, auditor, trustee), security type, and exemption type (e.g., 144A) and amount.

What are these documents and why are they important?

In general, companies hoping to raise money on capital markets can offer to sell securities publicly or privately. As distinct from public offerings, which are closely regulated by the Securities & Exchange Commission and open to any investor, private placements (or private offerings) are comparatively unfettered by securities rules, but are restricted to particular (often institutional) investors. Many such offerings are exempt from SEC registration under specific rules, notably Regulation D and Rule 144A.

Various changes in the regulatory landscape over the last ten years have made private placements a more attractive option than ever for issuers trying to raise capital. While IPOs tend to grab the headlines, more money is raised today in private markets than in the public market.

The Offering Memorandum (or Private Placement Memorandum – “PPM”) is the foundational document of a private placement. It provides information about the securities being offered—type, amount, and so on – and about the issuer. These documents are elusive precisely because these deals are not public, with no required public disclosure of the offering documents.

Who might need a database of Private Placement Memoranda?

Those most likely interested in having access to PPMs include:

- Law firms with high-profile Securities practice areas. These firms may represent the issuer, or they may counsel other parties involved in the offering, such as the book runner or trustee.
- Investment banks, who may underwrite the offering or otherwise play a role in the deal.
- Companies (public or private) that may be contemplating raising capital through a private offering.

Why do these users want Private Placement Memoranda?

- To refer to as precedent. In the course of drafting a deal document, users may want a few recent documents or provisions similar to the one they’re drafting, to serve as a template or guide.
- In the course of drafting or negotiating the terms of an offering, users may want to retrieve language or provisions drafted previously by opposing counsel or entered into by the other party, to see what those parties have agreed to in the past.
- In the context of researching a topic, users may want to look at and analyze transaction trends over time.
- From a due diligence perspective, in the course of researching the target of a prospective acquisition, preparing for a court case, learning more about a particular issuer or offering, or in any other due diligence context, users may want to retrieve a specific PPM.

Contact us to learn more.
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