

## Publicly Traded Life Sciences IR VP Says the Strengthened Negotiating Position Delivered by Brinson Patrick's DOCS® ATM Makes it a Strategic Tool in the Financing Toolkit

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*VP of Investor Relations, public Life Sciences firm*

### The Challenge

When a publicly traded life sciences firm needed to raise money to build up working capital and to fund R&D, they looked at different fundraising instruments. They soon found many of the traditional vehicles had a downside for them. “If you do a large financing, you signal to the market that you need financing,” said the company's VP of Investor Relations. “There are ramifications to that.” Since the company didn't need a large influx of cash at once, they began looking at ATMs, or “at the market” financing programs. With an ATM, an exchange listed company incrementally sells newly issued shares into the trading market through a designated broker-dealer at prevailing market prices, rather than via a traditional underwritten offering of a fixed number of shares at a fixed price all at once.

But the VP of Investor Relations found conflicting information in the market as to exactly what an ATM was. “The majority of ATMs we were pitched were really equity lines,” he said. “In the long term, those equity lines could be pretty detrimental to the company.”

### The Solution

The public life sciences firm brought in Brinson Patrick Securities Corporation, who not only brought a unique financing instrument to the table, but also had a focus on publicly traded life science companies. Brinson Patrick's DOCS® (Dynamic Offering of Common Stock) ATM financing facility is a low-profile, capital raising method which is typically less expensive and more flexible than other types of offerings, and would likely cause less dilution to existing shareholders than other financing options.

“Brinson Patrick's DOCS® ATM was very different from the other financing instruments that were brought to us,” the VP of Investor Relations says. “One major difference was the fact that Brinson Patrick acts as a facilitator to sell the shares. We set the price so the program was as customizable as we wanted. It quickly became evident that Brinson Patrick's interest was closely aligned with ours.”

The VP of IR saw Brinson Patrick's DOCS® at-the-market offering as a very useful tool in their financing toolkit. “If you just need a little bit of capital, a DOCS® ATM allows you to do that without implying that it's more than it is to

the market,” he says. Initially, the VP’s main concern was the capital raise’s potentially negative impact on the stock price. But the stock never went down on the days Brinson Patrick was selling. “If everyone agrees you need capital this is one of the least onerous ways to do it....Institutional holders will be in favor of this.”

The VP of Investor Relations says the DOCS® equity offering can also put you in a better position to raise large amounts of capital in the future. “Brinson Patrick’s DOCS® ATM is a great way to raise a small amount of money so you can have more than a year’s cash in your coffers when you want to do a bigger financing push,” he says. “It’s easier to get money when you have money. And, when you have the ability to raise money outside the large finance institutions, it gives you more flexibility and more bargaining power when you do want to do a big offering.”

### **The Results**

The DOCS® ATM offering was so effective that the life science firm continued to use it to raise capital beyond their initial needs. “With the DOCS® ATM, Brinson Patrick allows you to sell your shares into the market when you want to,” the VP of Investor Relations says. “It’s universally flexible and it’s hard to beat that.”

The VP goes on to say that their firm was very satisfied with the flexibility of the DOCS® at-the-market financing and the autonomy it provided from the bigger banks. “The DOCS® ATM puts the power into the company’s hands and away from the financiers,” he says. “It gives power to the management team to get financing on the best terms possible.” The life science firm also quickly saw the difference between Brinson Patrick as a service provider as opposed to a financier. “Brinson Patrick is paid to follow your instructions. They are not the ones buying your stock, they don’t invest in you,” the VP of Investor Relations says. “If your stock is below the price you have set, Brinson Patrick will...do nothing.”

The VP of Investor Relations was very impressed with the customer service at Brinson Patrick and the fact that Brinson Patrick’s interests were closely aligned with theirs. “The professionals at Brinson Patrick are incredibly competent and do not have their own agenda....They couldn’t be better at what they do and they couldn’t be more honest. That’s exactly what you want in a service provider.”

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### **Brinson Patrick Securities Corporation is a boutique investment bank**

that employs a single financing tool – DOCS® (Dynamic Offering of Common Stock) at-the-market (ATM) financing facility – to raise the capital for clients as they need it.

The DOCS® ATM is a low-profile equity offering appropriate for publicly traded companies across multiple industries and market capitalizations. It has been successfully utilized by companies in the energy, life science, technology, real estate, financial services and hospitality industries with market capitalizations that range from \$50 million to over \$1 billion.

Brinson Patrick is a FINRA member broker-dealer.



**Brinson Patrick  
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