



**OCEAN TOMO**<sup>®</sup>  
INTELLECTUAL CAPITAL EQUITY<sup>®</sup>

OCEAN TOMO

# INVESTMENT BANKING SERVICES

Ocean Tomo Investment Banking (OTIB) provides IP-based services and products to corporations rich in intangible assets who are looking for non-traditional ways to approach their structural, capital and strategic issues. As the value of corporations increasingly becomes a function of their IP value, Ocean Tomo's Investment Banking services will remain at the forefront of value extraction, monetization and maximization.

## ADVISORY

OTIB provides advisory services in connection with a wide range of strategic and financial matters. These services are grounded by Ocean Tomo's ability to value IP from a bottom-up qualitative perspective, as well as from top-down quantitative methodologies. OTIB advisory services facilitate strategic IP-driven transactions, mergers and acquisitions, IP portfolio optimization and rationalization, and competitive positioning.

## FINANCING

### IP COLLATERALIZED DEBT

OTIB provides financing for corporations who elect to use their IP to collateralize debt obligations. Ocean Tomo will value the IP and find financing sources that will rely on those valuations to extend credit. Capital comes from Ocean Tomo's network of relationships with commercial banks, private investment vehicles, and other financial sponsors.

### SALE / LICENSE-BACK

OTIB employs a sale/license-back (S/LB) structure to help corporations monetize their IP without any associated business interruption. Through the S/LB, OTIB facilitates the purchase of technology-based patents and related IP held by the client. The purchaser simultaneously enters into a non-exclusive agreement on a field-of-use basis for a fixed term and fixed amount to license-back those rights needed by the original patent owner to continue to operate. In some cases, the selling patent owner can participate in additional licensing revenues developed by the purchaser, further contributing to the seller's revenue.

## CAPITAL MARKETS

### UNIT LICENSE RIGHTS™ CONTRACTS

OTIB, through its affiliation with the Intellectual Property Exchange International (IPXI.com), helps corporations monetize their IP through the sale of Unit License Rights™ contracts (ULRs). ULRs are a capital market's alternative to traditional debt (no interest or principal repayments required) or equity (no earnings or shares outstanding dilution). IP owners raise capital through the sale of ULRs, as they are purchased by what traditionally would have been a license through a negotiated, bilateral agreement. ULRs give the buyer a one-time right to use the associated technology without infringing the IP rights of the issuer. As they are traded on IPXI, ULRs will permit efficient price discovery through the market mechanism.

### SECURITIZATIONS

The number of securitizations using IP as the underlying asset has increased significantly. This is a result of companies leveraging their IP royalty cash flows into collateral to achieve a lower cost of funding. OTIB facilitates IP securitizations by acting as a Special Servicer or Back-Up IP manager capable of understanding, managing and liquidating the IP assets in the case of an issuer default or other event of distress. Acting in this manner, OTIB satisfies the unique concerns of bond holders and rating agencies. OTIB served as the Special Servicer to the largest IP securitization completed to date.

## RESTRUCTURING

OTIB acts as a special IP advisor in corporate restructurings and liquidations. Ocean Tomo, using its quantitative processes applied to its database of global patent owners, finds counterparties for 363 sales of IP rights. OTIB also employs the S/LB structure discussed above as an alternative to debtor in possession DIP loans. S/LBs are superior to DIP loans since they bring cash to the balance sheet without subordinating existing creditors.

## CONTACT

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