



Towards Primary Markets

- Securities first offered for sale.
- Start with an entrepreneur creating a product.
- To manufacture you need funds for raw materials.
- Approach friends, family, banks for resources.
- Approach venture capitalists for funds.
- VCs offer incubator services.

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Primary Markets: The Role of the Investment Banker

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- Regulator approval, registration, waiting period.
- Private placements.
- Underwriting versus “best” efforts.
- Syndication, competitive versus negotiated.
- Road shows, marketing.
- Offer prices.
- IPO allocation and dutch auction.
- Cost of IB advice used to be 7%.

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