

## THE CHALLENGE OF RAISING MONEY

Raising money is always challenging, particularly in an economic environment where capital is not flowing freely. As business advisors, the attorneys at Shulman Rogers are intently focused on finding ways to enable our clients to raise money to build their businesses. However, the right solution for one client will not always make practical sense for another, and sorting through the options can be daunting without solid business and legal advice.

Shulman Rogers took on the task of advising a promising biotechnology firm on its strategies for raising capital to build their business past the startup phase. The company, like many other early stage biotechnology companies, had no record of earnings because its initial years were solely focused on establishing the viability of its technology. As it began exploring the possibilities for raising capital, the management faced many choices relating to the structure of the financing, the terms of the financing, the nature of the financing, and most importantly possible exit strategies. Shulman Rogers presented the company with alternatives for conducting a capital raise, and the company soon realized that they had only considered a fraction of the possibilities.

In the end, with the combined assistance of Shulman Roger's Mergers and Acquisitions, Offerings and Syndication, and Securities practice groups, the company went public through a reverse merger with a publicly traded shell company combined with a "PIPE offering." The unconventional structure of the deal has both generated the working capital necessary to build the business, and also provided the founders with a short term liquidity option and long term exit strategy consistent with their goals.

### PRACTICE AREAS

Business and Financial  
Services