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*GPSEG hosts discussion about the economy's effect on mergers and acquisitions*

**PHILADELPHIA**—The Greater Philadelphia Senior Executive Group (GPSEG) hosted a panel discussion about mergers and acquisitions in the technology sector on Wednesday, Jan. 7. The discussion focused on the current economy and how it has impacted private equity investors, attorneys and brokers.

“These meetings are important because they provide participants with in-depth knowledge on specific topics by highly regarded professionals,” said Chris Pavlides, GPSEG Founder and Chairman. “GPSEG has a long history of educating its members about matters that are important to them, and today’s meeting is a prime example.”

The panel consisted of Aliya Khaydarova, an investment professional at Inverness Graham Investments, who represented the financial buyer’s perspective on technology enabled manufacturing investments; Gerald Norton, Ph.D., Esq., manager of the IP (Intellectual Property) practice at Fox Rothschild and co-manger of their Life Sciences practice area, who presented the issues associated with IP due diligence from the strategic buyer’s perspective; Thomas Coffey, a GPSEG member and partner at a leading accounting firm, who has advised on several successful M&A engagements, provided the intermediary’s perspective on technology transactions.

Michael Howe, managing director at Mufson, Howe, Hunter & Company, LLC, served as moderator of the panel. In a tumultuous economy, IPOs (Initial Public Offering) have become rare. “Private equity companies looking for an exit strategy right now are frequently turning to PIPEs (Private Investment in Public Equity). This type of financing offers benefits to both issuers and investors,” said Howe. “Year-to-date 2008, over two-thirds of all equity-oriented capital raised by smaller U.S. public companies have been through PIPEs. PIPEs appear to be growing in their appeal to both private equity and venture capital investors because of their favorable risk-reward profile.”

“GPSEG chose the topic of mergers and acquisitions because of its relevance to the current economy,” Said Viktor Ohnjec, GPSEG technology subgroup chair and president of M2VP. “Right now we are constantly seeing companies merging and being sold in attempts to maintain value.”

Khaydarova stressed that as a very focused fund, there are four areas of diligence that she and her firm look at in their diligence process: technology, such as proprietary offerings, barriers to

entry and know-how; markets undergoing conversion, specifically positive trends in the market; capital efficiency or ease of growing the business going forward and margins.

The dealmaker in the merger and acquisition process is the investment banker. GPSEG's Coffey explained that the investment banker must look at many different things to find a good fit between two companies. "The key to a smooth deal is for sellers to obtain a realistic view of the worth of their company, and to let buyers know of every issue, explained Coffey. "However, issues should be laid out beforehand and positioned in the correct way. Additionally, documenting everything is essential."

GPSEG asked Norton to join the panel because the role of an intellectual property attorney is essential during the merger and acquisition process. "As times get tougher, companies will be protecting their assets a lot stronger with patents," said Norton. "In terms of merger and acquisition and business opportunities in this harsh economic environment the money is out there and people are watching it, they're just being more careful and waiting for the next superstar to invest in."

#### *About GPSEG*

GPSEG is a non-profit professional association of senior-level executives committed to the exchange of business contacts and ideas in a spirit of generous giving, and to the fostering of career fulfillment, business development, and professional and personal growth. Its purpose is to provide meaningful senior-level networking contacts to its members; support its members who are in career transition; share knowledge, best practices, and resources; educate members on topics of interest to their professional and career development; and develop cooperative programs with other professional organizations in the region.

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