

An Interview With...

Adam Gottbetter

This month in *Lawyer Monthly* we have ‘An Interview with...’ Adam Gottbetter, the Managing Partner of Gottbetter & Partners LLP – a leading New York law firm offering corporate, securities and M&A legal services to both public and private companies. Here, Adam discusses with us his work, influences and key issues he deals with on daily basis, as well as the legislative developments he is most interested in and his biggest achievement in his career to date.

Q Please give us a little information about Gottbetter & Partners, and your work within it.

Gottbetter & Partners specialize in SEC compliance, alternative going public structures (APOs), or reverse merger with a financing, and the “GPO” in which a company goes public without an underwriter. Since 1993 I have created a one-stop approach to legal and finance services for public companies and private companies seeking to go public. The organization includes Gottbetter Capital Markets, LLC, a broker-dealer licensed with FINRA, which acts as placement agent for raising capital.

We provide legal services in corporate and securities law, including public and private securities offerings, mergers and acquisitions, securities regulation, reporting and compliance, corporate finance, reorganizations, asset purchases and sales, organizational advice for business entities, and corporate governance. I spend my time evaluating and structuring transactions for clients and then managing, documenting and closing those deals. In addition, I also help resolve the problems and issues that inevitably arise daily as well as meeting with prospective clients.

Q What is your favourite aspect of your work and why?

Since we source, manage and oversee financings and M&A transactions for clients, the closing of those deals gives me the greatest satisfaction because it means all the effort contributed by our team, the client and the third party professionals has paid off. Coming in a close second is when a client is faced with a problem or challenge and we use our knowledge and resources to resolve it. That is also pretty satisfying.

Q What are the key issues you deal with on a regular basis?

Since our deals involve many different parties including other counsels, investment bankers, auditors, accountants, transfer agents as well as the SEC and FINRA, managing their obligations and needs, not to mention their egos, is the greatest challenge. Many of our clients find the unpredictability of the SEC’s position on corporate finance issues, as well as the secrecy of how the Depository Trust Company (“DTC”) processes requests by public companies to enter their system, very frustrating. We would all appreciate having clear guidelines so clients would know if they are following the rules. The good news is that the SEC just hosted a forum on this very issue so we are hopeful they will bring the kind of clarity we all seek.

Q What are the main cases you work on, and within which sectors? What are the key challenges and complexities to arise from this?

We specialize in PIPE financings and going public transactions across many different industries as well as representing public companies for their SEC compliance work. Although we are sector-agnostic and we represent companies in many industries, most of our client transactions have been in energy, mining, bio-technology and internet related businesses over the past five years. Since many professionals are highly specialized, we need to be knowledgeable about these industries so we can provide additional value to our clients. However, I am the first one to tell a client if they should retain someone that has specific expertise that we don’t have. We play very well in the sandbox with others and we appreciate their expertise because we have our own. I know what I know and I know what I don’t know.

partner of Gottbetter & Partners, LLP

Q Are there any recent legislative changes that you are particularly interested in or concerned about?

There have been proposals this year from both NASDAQ and NYSE to require a 'seasoning' period of at least six months before a company that goes public on the OTC Market can up-list to a stock exchange. Like so many regulatory changes over the years, this is another example of a practice we were following long before it was proposed as a rule. Since it takes time for newly public companies to become organized, we think it is prudent to get a company's house in order before making application to an exchange. Requirements for an exchange listing include implementation of certain corporate governance and finding qualified people to serve on committees of the board of directors required by the exchanges. I don't believe the rule proposed to address the recent cases of alleged fraud in Chinese reverse mergers would have prevented the problems associated with those deals. The rule itself is a good idea but it was implemented for the wrong reason.

Q What has been your biggest achievement in your legal career so far?

This is my 19th year practicing law in these areas and I have seen the integrity of the PIPEs and APO markets grow dramatically. When people mention some of the most successful APOs over the past 20 years, I am pleased that our team was involved in a few of them. I believe we played a small, but important part, in helping to bring credibility to these markets. I am asked to speak regularly on the issues facing these practice areas at conferences like the upcoming PIPES Conference in New York, which is evidence that market participants want to hear about the lessons we have learned and the suggestions we have moving forward.

Q Who is your role model and why?

My father, Paul, because he showed me that you could hang your own shingle in New York as a lawyer and build a business. He kept his firm size modest but he offered a high level of service including accessibility, long before clients came to expect it. Similarly, we are a low volume shop with a focus on service and an emphasis on "value-added". We currently rank 20th on the league tables amongst law firms for the number of



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financings completed each year, but we believe we rank much higher on a subjective list ranking practitioners based upon knowing the issues, being proactive in resolving them and having the resources to do so.

Q Is there anything else you would like to mention that you feel our readers might be interested in?

I am and have been an agent, principal, portfolio manager, investor, shareholder and counsel to issuers, placement agents and private investment funds. These various roles helps to give me a broader perspective when structuring a deal or solving a problem and I believe taking into consideration the needs of the various constituents results in a faster and more efficient resolution to the issue. **LM**

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