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JMP Group Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

We'll take our first question from Devin Ryan with Sandler O'Neill, go ahead please.

Devin Ryan - Sandler O'Neill

Good morning, guys.

Joseph Jolson

Hi, Devin.

Thomas Kilian

Hi, Devin.

Devin Ryan - Sandler O'Neill

It looks like there are eight deals in the public equity underwriting pipeline, but obviously not much has gotten done, since the end of January. I just want to get your view on what it will take to get these deals done, do equity market valuations maybe increase significantly from here? Do we need to see some large deals get completed? And then also are there any sectors that are looking more optimistic than others?

Joseph Jolson

We are happy to have Carter Mack who runs investment banking, he can maybe give you some more details, Devin. But basically you guys see the numbers and there haven't been a lot of offerings done in the first quarter, so that's obviously going to impact us like it will everyone else. I think that we're a little bit more diversified maybe than a lot of our public peers. Carter, do you want to give him some details on that?

Carter Mack

Yeah, I mean we have, I think you said eight deals filed and a number of other deals that were mandated on, that were in different process of drafting or getting close to filings, and I think it's difficult to say when the IPO market opens back up, there is obviously large transaction next week with VISA

that is a pretty bellwether transaction, but I'm not sure that's the catalyst to open the IPO market backup.

We have a number of deals on the life sciences and technology side in the pipeline, and I think we just need to see an improved equity market environment overall for some period of time for the investors start to care again on the IPO front.

Joseph Jolson

I mean I think that it's safe because it's the middle of March and if any of those deals aren't currently starting a Road Show it's not going to happen in the first quarter and not just for JMP but for everybody. So I think you know that at this point that's pretty sure.

Devin Ryan - Sandler O'Neill

Okay

Thomas Kilian

Most of our activity are in the equity underwriting front in the first quarter. Almost all of our activity has been in follow-on equity offerings for existing clients.

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