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# At-The-Market (ATM) Equity Distribution Programs Featured at Most Recent Haskell & White LLP SEC Roundtable Series

An alternative method of raising capital for small and mid-cap issuers was the focus of the latest Haskell & White SEC Roundtable, held earlier this month at the Center Club in Costa Mesa. At-The-Market (ATM) Equity Distribution programs were explained and then discussed by the panel and audience. While ATMs have been in use for some time and their popularity is growing, they are not yet widely used by small and mid-cap public companies.

Leading the conversation were Brad Timon, CFO of Quantum Fuel Systems Technologies Worldwide, Inc., and Kellee Bergendahl, Vice President Investment Banking of Ascendiant Capital Markets, LLC. Rick Smetanka, Partner-in-Charge, Audit and Business Advisory Services, at Irvine-based Haskell & White LLP, moderated the program.

According to the panelists, ATM programs can be an effective, cost-efficient alternative to the more traditional forms of equity financing, such as follow-on underwritten offerings, PIPEs and registered direct offerings. ATMs offer the following advantages over the more traditional forms of financing:

- The timing and number of shares sold at the current trading price of the issuer is at the discretion of the company
- Cost of capital is lower and less dilutive
- Ease of setup (can be set up in a week)
- Lower level of pre-offering due diligence and no "road shows"

Timon provided an in-depth view of his company's recent ATM program. Quantum Fuel Systems Technologies Worldwide, Inc. was able to cost effectively raise equity capital by selling registered shares at current trading prices on the open market at the level and time of its choosing. Yet Timon mentioned one potential downside: some investors may avoid investing in companies with an active ATM arrangement in place because they fear it could put downward pressure on the stock price.

Bergendahl, whose company is a full-service investment banking firm, added "Ascendiant believes every qualified issuer should have an ATM facility. It's a great tool to have available when needed, and doesn't have to be used if not needed. Although some investors may perceive that ATMs place downward pressure on stock prices, my experience has been that this is simply not the case."

"Having worked through a couple of ATM transactions over the summer with our clients, we quickly learned that these programs offer significant benefits to certain small and midsize public companies. When we realized that many public company management teams and boards were not aware of ATMs and how they work, we decided that this topic would be a great fit for our SEC Roundtable Series," Smetanka said.
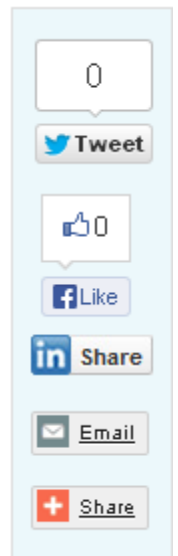
Haskell & White holds quarterly SEC Roundtable discussions to bring cutting-edge public company topics to light. The SEC Roundtables are open to financial executives of public companies. Those interested in future sessions may contact Meagan Hayes at 949-450-6249.

About Haskell & White LLP

Haskell & White LLP is one of the largest independently owned accounting, auditing and tax consulting firms in Southern California, servicing public and private middle-market companies. With locations in Irvine and San Diego, Haskell & White combines the expansive services, knowledge, experience and reach of national and international accounting firms with the personal attention, responsiveness and value of a local organization. Haskell & White works with companies in a broad range of industries including real estate, manufacturing, distribution, life science, technology, and retail. The firm provides solid expertise and services to its clients in the tax and audit disciplines, including advising SEC registrants and consulting on mergers and acquisitions. Further information on Haskell & White can be found on the firm's website, www.hwcpa.com. Connect with Haskell & White at www.facebook.com/haskellandwhite and www.twitter.com/haskellandwhite.