

# Incapital seeks to expand reach with Sandler O'Neill founder

By Joe Mantone

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Incapital LLC hopes the hire of Sandler O'Neill & Partners LP founder Tom O'Neill can help the company gain more wallet share from clients.

Historically, the core business of Incapital has been distributing corporate bonds to retail investors. The company has worked with some large issuers in that business, including The Dow Chemical Co., Goldman Sachs Group Inc. and GE Capital Global Holdings LLC. But in recent years Incapital has also built a capital markets team that works on a greater array of offerings aside from retail notes.

Chris O'Connor, managing director of Incapital's fixed-income division, said the capital markets team is part of an effort to provide more services to clients. "Rather than have just one thing that we are trying to hammer on, we really want to be able to go to a client with a full suite of offerings so we can provide them with a solution for their financing needs," he said in an interview.

The capital markets team has focused on a broad range of clients in the financial space, including banks, specialty finance companies, REITs and insurance companies. O'Connor said Incapital wanted to add more expertise in the areas of specialty finance and structured products, and that was part of the reason for some recent additions, including the hire of O'Neill as vice chairman of the capital markets team.

O'Connor said the Sandler founder's experience offering capital markets advisory services to clients can augment some of Incapital's capital raising business.

"Tom brings a lot of very interesting relationships and a long history of doing innovating financing in the FIG space, which is very interesting to us," O'Connor said.

Most recently, O'Neill was CEO of Kimberlite Group LLC, a company he co-founded in 2013. Incapital also recently added former Kimberlite President David Connelly, who previously worked at Sandler. Both hires were announced in February, along with the additions of Sean McKenna and Paul Steinborn. McKenna and Steinborn were previously with Great Curve Merchant Partners LLC, which focused on investments in financial institutions and financial technology, and are now part of the Incapital capital markets team.

O'Neill said the capital markets team aims to help clients analyze an issue and find the best way to address it. "If the solution is securitization or if the solution is balance sheet restructuring, we have the capability to do it," he said in an interview.

While O'Neill has worked with nondepository clients, his time with Sandler helped him develop a reputation for working with bank clients. O'Neill noted that issuance activity by banks has changed, as they are becoming greater users of sub-debt and preferred stock.

O'Connor said Incapital has the ability to work on a variety of deals throughout the capital structure. He added that Incapital is licensed to issue equities, but for now, the company isn't really participating in that market.

"The firm's core focus has been and, probably into the near future, will continue to be fixed income," he said.