
Ironridge in at NewLead

California investment firm Ironridge Global Partners has emerged as the name behind a \$25m investment in New York-listed NewLead Holdings.



NewLead, the Michael Zolotas-led shipowner and mining upstart, revealed the identity of the investor in a filing with the US Securities and Exchange Commission (SEC).

The outfit announced earlier today that it was issuing \$25m in convertible preferred shares to an institutional investor but did not initially name the firm.

Ironridge identifies itself as a long-only investor that helps public companies fund operations and expansion in an effort to "unlock the full potential of cash-constrained businesses".

The firm is paying for the shares in a mix of cash and promissory notes. The promissory notes, which bear a 1% interest rate, start to pay 90 days after the deal closes in nine monthly instalments, according to the SEC filings.

The financial firm also receives \$2.5m worth of preferred shares as a fee for the deal.

The shares pay dividends of nearly 10.8% per year and are convertible to common shares at a price of \$10 per share once the promissory note is fully paid.

Ironridge's other investments have included Malaysian factory automation equipment maker Genetec Technology, California niche vehicle maker Green Automotive and Virginia pharmaceutical supply chain specialist Scrips America.

Piraeus-based NewLead said it plans to use Ironridge's cash to help fund expansion, including the acquisition of two eco-type 31,800-dwt bulkers built in 2012, which are set to cost \$37m.

NewLead controls a fleet of three bulkers, including one newbuilding, and two small tankers. It has also entered the US coal mining business.