

SDC (Securities Data Co., or Thomson Financial Securities Data) corrections from Jay R. Ritter of the University of Florida

Note: It is possible that Thomson Financial has corrected some of these mistakes since I originally identified them.

April 26, 2002 (last updated on August 24, 2009)

831208 TGI Friday's should have a file price range of \$17.50-\$20.00, not the \$7.50-\$9.00 that is actually for TGIF Texas.

861031 American Credit Card Telephone is actually a follow-on offer. The firm went public in a unit offering on 851015, although it is not listed on CRSP until after the follow-on offer.

870928 ARCO Chemical has sales and assets that should be in billions, not millions.

910731 Genetic Therapy has sales that should be \$1.73 million, not \$173.1 million.

941214 Netcom On-line Communications has sales of \$8.11 million, not \$8.11 billion

951031 Gaylord Companies should have EPS for last fiscal year of -\$0.15, not \$3.00.

960808 United Bank should have LTM EPS of \$1.46, and fiscal year EPS of \$1.35 for fiscal 1995 and \$3.55 for fiscal 1994. The numbers reported are the book values per share.

961112 Miami Computer Supply had a gross spread of 8.0%.

961220 3DX Technologies had sales of \$0.94 million, not \$940 million.

970806 Progenitor should be a unit IPO.

970821 Premium Cigars should have a file price range of \$5.25-\$5.25.

981112 Delicious Brands should have a file price range of \$10.00-\$12.00.

990622 Able Energy should be a unit IPO. Furthermore, its gross spread was 10.0%.

990319 iVillage should have pre- and post-issue book values of \$54.99 and \$134.46 million.

990720 Genentech should have sales of \$1,191,300,000 for the last twelve months (LTM).

990728 American National Can Group should have sales of \$2,447,000,000 and assets of \$3,965,000,000.

990810 Blockbuster should have assets of \$8,300,500,000 instead of \$8,300,000, sales of \$4,065,000,000 instead of \$4,100,000, post-issue book equity of \$6,205,200,000 and pre-issue book equity of \$5,662,200,000.

990825 Bamboo.com should have sales of \$574,100, not \$574,100,000, for the LTM.

991001 Williams Communications should have sales of \$1,932,000,000 for the LTM.

020313 Asbury Automotive Group should have sales of \$4,318.29 million, not \$4.3 million.

Ten IPOs from 2004 are incorrectly classified as common stock IPOs:

040205 Daystar Technologies should be a unit offer
040212 CEA Acquisition Corp. should be a unit offer
040316 Chardan China Acquisition should be a unit offer
040317 Great Wall Acquisition should be a unit offer
040512 Tremesis Energy Acquisition should be a unit offer
040624 Arpeggio Acquisition should be a unit offer
040727 Sand Hill IT Sec Acq should be a unit offer
040824 China Mineral Acquisition Corp should be a unit offer
041210 International Shipping should be a unit offer
041216 Otelco Telecommunications Llc should be a unit offer

SDC misses three U.S. IPOs from 2008, all from foreign firms, and, incredibly, another very important IPO, the \$18 billion March 2008 IPO of Visa (the largest IPO in U.S. history):

080130 Overture Acquisition, a Cayman Islands co. raising \$150 million on the Amex
080211 Asia Time Corp, a Hong Kong co. raising \$3.4 million on the Amex at \$3.50
080319 Visa, a U.S. company raising \$17.824 billion on the NYSE at \$44.00
080617 Britannia Bulk Holdings, a UK co. raising \$125 million on the NYSE

Post-issue shares outstanding

In general, Thomson Financial Securities Data has a high error rate on the post-issue shares outstanding. Thomson sometimes adds the shares issued to the post-issue number of shares outstanding, double-counting the shares issued. CRSP, on the other hand, is more reliable, except when it comes to firms with multiple classes of shares outstanding, where CRSP only reports the shares of the class or classes that are traded. When a company has two classes of common shares outstanding, CRSP will only report the number of shares in each class. Examples include Golden State Vintners (980721, where class B shares were issued) and Hometown Auto Retailers (980728, where class A shares were issued). Elsewhere on my website you can find a listing of dual-class IPOs as used in Loughran and Ritter's 2004 "Why Has IPO Underpricing Changed Over Time?"

For 1996-2000 IPOs, Alexander Ljungqvist of NYU has posted at <http://www.stern.nyu.edu/~aljungqv/research.htm> a summary of the problems with shares outstanding, venture capital backing, and syndicate size.

Some mistakes:

860611 Andover Togs should have post-issue shares outstanding (PI) of 3,300,000
861113 Huffman Koos should have PI of 4,000,000
861212 Brown Transport should have PI of 6,500,000

870515 Easco Hand Tools should have PI of 14,000,000
871008 Communications Transmission should have PI of 11,613,440

940510 Boyd Brothers Transportation should have PI of 3,750,000

951212 Physio-Control Interntl should have PI of 17,934,734.

951214 Tollgrade Communications should have PI of 5,443,830.

960311 Vanstar should have PI of 39,260,000

960809 Midcoast Energy Resources should have PI of 2,500,000

960924 American Residential Services should have PI of 8,449,652

970227 Vistana should have PI of 18,800,000

970321 Cell Therapeutics should have PI of 12,847,000

970409 Meade Instruments Corp should have PI of 7,500,000

970618 New Era of Networks should have PI of 8,600,461

970701 Cal Dive International should have PI of 14,128,000

970930 Ivex Packaging should have post-issue shares outstanding (PI) of 19,166,666.

971001 OSI Systems should have PI of 9,564,000

971107 Bright Horizons Holdings should have PI of 5,444,436.

971113 Hypercom should have PI of 33,510,000.

971118 International Home Foods Inc should have PI of 75,577,000

971121 Applied Films Corp should have PI of 3,300,000

971124 Benckiser NV has an incorrect number of post-issue shares. 39,064,630 is a more realistic number, although class A and class B shares for this Dutch company, and the lack of a prospectus on Edgar, make it difficult to be certain.

980123 Tag it Pacific should have PI of 4,069,935 instead of 5,670,011

980204 BMJ Medical Management should have PI of 16,163,000

980210 Crusader Holding Corp should have PI of 3,500,000 instead of 4,500,000

980210 Dunae reade should have PI of 16,958,000

980210 Province Healthcare should have PI of 12,481,013 instead of 11,030,614.

980211 Birner Dental Management should have PI of 6,362,535 instead of 5,029,851.

980212 Advanced Communications Group should have PI of 19,625,000 instead of 27,624,920.

980212 Astropower should have PI of 8,052,345 instead of 6,407,156.

980212 Balanced Care Corp. should have PI of 15,645,017 instead of 11,024,812

980403 Cavanaughs Hospitality Corp should have PI of 12,270,000

980408 Schein Pharmaceutical should have PI of 31,692,720 instead of 3,028,693.

980730 Northeast Optic Network should have PI of 16,062,735

980806 Information Holdings should have PI of 16,470,000

980810 Geocities should have PI of 30,660,574 instead of 8,415,000.

980811 Digital River should have PI of 16,733,975 instead of 21,703,230.

980818 Terayon Communications Systems should have PI of 16,220,460 instead of 7,850,098.

990210 Korn/Ferry International should have PI of 35,770,547

991014 NetRadio should have PI of 9,828,000

991028 Allied Riser Communications should have PI of 61,974,707

991029 Akamai Technologies should have post-issue shares of 91,441,851, with the fraction of the company offered as 9.84% of the post-issue number of shares. 12-month revenue in the year before issuing is \$1.29 million.

991111 Sage Inc. should have PI of 9,805,795 instead of 98,076,000

991117 Agilent should have PI of 452,000,000

000630 Mobility Electronics should have PI of 12,831,000

000713 Pain Therapeutics should have PI of 12,831,000

000809 Millennium Cell Inc should have PI of 26,816,000

000809 Pharsight Corp should have PI of 17,742,000

000921 Curon Medical should have PI of 18,661,000

The number of overallotment shares exercised is frequently wrong. Many IPOs are listed as having 0 shares exercised, when in fact some or all of the overallotment option was exercised.

Number of managing underwriters:

SDC has some mistakes in the number of managing underwriters (lead or co-leads + co-managers). In a few cases they list the total number of underwriters in the syndicate rather than the number of managers. Some of these mistakes were first identified by Alexander Ljungqvist.

Lincoln Heritage Corp. on 10/27/98 should have 1 manager rather than 10.

Delicious Brands on 11/12/98 should have 1 manager rather than 7.

DrKoop.com on 6/8/99 should have 3 managers rather than 2.

ID Systems on 6/30/99 should have 1 rather than 17 managing underwriters.

Perficient on 7/29/99 should have 1 rather than 7 managing underwriters.

Aironet Wireless on 7/29/99 should have 3 rather than 11 managing underwriters.

Quest Software on 8/12/99 should have 4 rather than 7 managing underwriters.

Freeshop.com on 9/27/99 should have 4 rather than 19 managing underwriters.

b2bstores.com on 2/15/00 should have 2 rather than 7 managing underwriters.

eSafetyworld on 2/18/00 should have 1 manager rather than 4.

Pacific Mercantile Bancorp on 6/14/00 should have 1 manager rather than 5.

There are also mistakes in the number of bookrunners. The following IPOs have two, not three, bookrunners. All of these have a total of three co-leads, except for Aspen Insurance, which has two.

Williams Communications Group on 19991001

Dobson Communications Corp on 20000203

Mediacom Communications Corp on 20000203

Tycom Ltd on 20000726

AMIS Holdings on 20030923

Overnite Corporation on 20031030

Aspen Insurance Holdings Ltd on 20031203

Kinetic Concepts on 20040223

Build A Bear Workshop Inc on 20041027

Helicos Biosciences Corp on 20070523 had a sole lead underwriter, UBS, with JP Morgan as a co-manager, not a co-lead.

Lazard Ltd on 20050504 had one bookrunner (Goldman Sachs) and four other co-leads (Citigroup, Lazard, Merrill, and Morgan Stanley).

Allied World Assurance on 20060711 had one bookrunner and two other co-leads (Citigroup and JPMorgan)

Universal Power Group on 20061221 had one bookrunner (Ladenburg) and one other co-lead (Wunderlich)

OpNext on 20070214 had one bookrunner and two co-leads (CIBC and JPMorgan)

Offer Prices:

Brad Jordan of the University of Kentucky has caught four mistakes in the SDC offer prices:

SPI Pharmaceuticals on 19831005 should be \$12.00, not \$15.00.

This Can't Be Yogurt on 19840328 should be \$7.75, not \$7.25.

Atlantic Bank & Trust on 19960416 should be \$6.75, not \$15.25.

Innotrac Corp on 19980506 should be \$12.00, not \$17.00.

Other:

Aztec Technology Partners on 19980610 did not go public. It was withdrawn.

DEVX on 20001026 should not be an IPO.

Tidelands Bancshares on 20061003 had been traded on the Nasdaq bulletin board, and hence is a follow-on offer rather than an IPO. Following the offer, it listed on Nasdaq Global Market.

ADRs:

Thomson Financial lists a number of foreign companies that issued ADRs (American Depositary Receipts or American Depositary Shares) and listed on the NYSE or NASDAQ as IPOs when in fact they were follow-on offerings (SEOs), with the company having already been traded in its home market. (Thanks to Gustavo Maturana for assistance on the Chilean companies.) Part of the problem is that the NYSE in many years defines a foreign IPO as an NYSE offering that has not previously traded in the U.S. Examples of misclassified IPOs are

19920511 Telmex from Mexico

19930518 Petroleum Geo-Services from Norway

19931125 Rhone-Poulenc SA of France

19940201 Benetton Group SpA from Italy

19940214 Soc Nationale Elf Aquitaine from France

19940616 Pharmacia AB from Sweden

19940628 Laboratorio Chile from Chile

19940701 Nokia from Finland

19940705 Embotelladora Andina from Chile

19940717 Chilgener from Chile
19941026 ISS from Denmark
19950306 National Power PLC from the UK
19950627 Nera ASA from Norway
19950726 Santa Isabel from Chile
19951102 Banco de a Edwards from Chile
19951122 MAID PLC from the UK
19960604 SGL Carbon AG from Germany
19960627 KMT from South Korea
19961009 SCOR from France
19970520 ABN-Amro Holding from the Netherlands
19970521 Uniao de bancos Brasileiros SA from Brazil
19970612 ING Groep NV from the Netherlands
19971119 Groupe Danone SA from France

Thomson Financial lists other foreign issues as IPOs that were actually follow-on offerings.
Among these are:

19960213 SoftQuad International from Canada
19960313 Cameco from Canada
19960530 Valmet Oy from Finland
20000601 Nelvana Ltd from Canada
20010301 Hemosol from Canada
20030917 Neurochem from Canada
20050927 Ituran Location & Control from Israel
20060622 Systems Xcellence from Canada
20070424 Ocean Power Technologies from the U.S. had been listed on London's AIM