

Orange County Business Journal
Smaller Roth Conference Plans To Party On
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The party isn't over for Newport Beach-based investment bank Roth Capital Partners LLC. But it definitely won't be as raucous this year at the company's annual growth stock conference.

The event, held at the Ritz-Carlton, Laguna Niguel hotel in Dana Point Feb. 16 to 18, promises visitors company presentations and nightlife with live entertainment.

But a subdued economic climate is expected to temper the event.

So far about 525 analysts and investors have registered. Roth Capital still expects to see about 700 total — which would be down by about 300 from last year.

Overall, Roth Capital expects to see about 1,500 at the event, including companies giving presentations, which also are down about 30% to 225.

The number of investment funds sending analysts and managers is staying the same, but they're sending fewer people to cut down on costs, according to Byron Roth, chairman and chief executive.

The drop in attendees is worse than after the terrorist attacks of 2001 or the bear market of 2002, he said.

"Funds are suffering from a weak market as well as investors cashing out of them," Roth said. "There's more interest for the less expensive hotels in the area. People are simply wanting to spend less."

Visiting hedge funds, mutual funds, private equity and venture capital firms no doubt still expect a good time from the event that's earned Roth Capital a reputation.

Part of the draw is the entertainment. Roth didn't say who will be performing.

Sources familiar with the conference said it will be rock band Camp Freddy, a part-time project headed by guitarist Dave Navarro of the band Jane's Addiction.

"People come here for an experience," Roth said. "Overall I'm happy about the turnout. It was looking a lot worse a month ago."

Fewer presenting companies were invited to the conference as Roth cut its budget by 40% from last year in anticipation of a smaller turnout.

This year's presenters are larger, with average market values of about \$400 million, compared to \$250 million last year.

There may be less interest in finding new investments as fund managers focus more on understanding what they own, Roth said.

"It's defensiveness," he said. "They have less room to be aggressive."

There will be about a half dozen local companies presenting this year, down from 20 a year ago.

For Irvine-based Epicor Software Corp., the conference marks an opportunity to connect with institutional investors after being away from the event for years.

“It’s one of the few conferences that focuses on smaller caps and it’s right in our backyard,” said Damon Wright, senior director of investor relations.

Epicor, a maker of business software for retailers and manufacturers, has the added incentive of maintaining relations with investors after reintroducing its Chief Executive George Klaus recently.

Klaus replaces Tom Kelly who ran the company for the past year.

Local healthcare companies Lake Forest-based I-Flow Corp., Irvine-based Masimo Corp. and Aliso Viejo-based Valeant Pharmaceuticals International are set to give presentations.

The conference also will feature traffic management product maker Iteris Inc. of Santa Ana and apparel retailer Wet Seal Inc. of Foothill Ranch.