

Wednesday, February 12, 2014  
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**Main document changes and comments**

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Last Friday, CytRx Corp (CYTR) raised \$75 million in an offering priced at \$6.50 per share. The offering was priced at roughly 25% below the closing price of the previous trading day, leading some less sophisticated investors [to gripe](#) that they somehow had the rug pulled out from under them.

The reality is that in early December, CytRx was just barely a \$2 stock. The entire company was worth just over \$80 million. The fact that the company is in a position to raise \$75 million in a 1 day offering at \$6.50 per share should be a delight for those who have a holding period of longer than one day.

Wall St. has one simple rule: take the money when you can get it (don't wait until you need it). And CytRx now finds itself incredibly well financed, having an extra \$75 million in the bank. The high share price of \$6.50 in the offering helped to ensure that overall dilution to shareholders was minimized, despite the fact that the company was able to pull in a large nominal amount of cash.

Those with a longer term interest in CytRx are immediately aware that when a stock has run up substantially, investors in the deal will always require a bigger discount. In the case of CytRx, the stock had nearly quadrupled since early January. The other factor which necessitates a decent sized discount is the fact that CytRx was offering an amount of nearly 25% of its market cap at the time. The compares to average deal sizes which seldom exceed 10

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%. As a result, the discount was certainly within market guidelines.

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