

New Preferred Stock IPOs, September 2021

Sep. 30, 2021 1:59 PM ET | CHRA, RILY, ADC... | 1 Comment | 6 Likes

Summary

- As September 2021 comes to a close, we look back at the new preferred stocks and ETDs introduced during the month, offering annual yields ranging from 4.25% to 8.5%.
- Here is a comparison against highest quality preferred stocks in our coverage universe, as ranked by our internal "CDx3 Compliance Score" metric:
- CDx3 preferreds ranked 10 out of 10 are meanwhile selling for an average premium to par of 6.7% and offer an average current yield of 5.21%.
- Past preferred stock IPOs now trading below par: a look at recent par crosses.



Olivier Le Moal/iStock via Getty Images

New Preferred Stocks, September 2021

NINE NEW ISSUES

| Symbol | Div Rate | Last Price | Yield CY YTC EAR | Moody's | Exchange | Status |
|-------------------|----------|------------|-------------------------|---------|----------|--------|
| IMBIL | 8.500% | \$24.40 | 8.71% | NR | NGM | |
| ROLLP MandConv | 5.000% | \$111.69 | 4.48% | NR | NGS | QDI |
| ICR-A | 6.750% | \$24.85 | 6.79% | NR | NYSE | |
| MDVA | 7.375% | \$25.82 | 7.14% | NR | NYSE | |
| WAL-A | 4.250% | \$25.72 | 4.13% | Ba1 | NYSE | QDI |
| NRZ-D | 7.000% | \$25.10 | 6.97% | NR | NYSE | |
| VNO-O | 4.450% | \$24.58 | 4.53% | Baa3 | NYSE | |
| ADC-A | 4.250% | \$25.23 | 4.21% | NR | NYSE | |
| CHRB | 8.500% | \$24.91 | 8.53% | NR | NYSE | |

Source: CDx3 Notification Service database, PreferredStockInvesting.com

Green text indicates Exchange Traded Debt securities

NF, NR mean Not Found, Not Rated

Data date: September 30, 2021

About the new issues

Charah Solutions (NYSE: [CHRA](#)), a provider of environmental services and byproduct sales to the power generation industry, completed an offering of \$135 million of new exchange traded senior notes due 2026, offering a coupon of 8.5%. The company indicated that the proceeds, together with proceeds from the sale of new equity to B. Riley Securities [the investment banking and corporate finance arm of B. Riley Financial (NASDAQ: [RILY](#))], will be used to fully repay and terminate the Company's credit facility. The new notes were given a B rating by Egan-Jones Ratings, and trade on the New York Stock Exchange under symbol CHRB.

Agree Realty (NYSE: [ADC](#)) priced an offering of \$175 million worth of new Series A cumulative preferred shares, offering a fixed dividend rate of 4.25%. The company indicated that proceeds will be used to fund new property acquisitions and developments. The new shares are unrated and will trade temporarily on the OTC under symbol ADCDV before moving to permanent symbol ADC-A on the New York Stock Exchange.

Vornado Realty Trust (NYSE: [VNO](#)) priced an offering of \$300 million worth of new Series O cumulative preferred shares and simultaneously called its previously-issued Series K shares for redemption. While the prior shares carried a dividend rate of 5.7%, the new shares offer 4.45% - a savings for Vornado of 1.25%. The new shares will trade temporarily on the OTC under symbol VNNOOV before moving to permanent symbol VNO-O on the New York Stock Exchange.

New Residential Investment Corp. (NYSE: [NRZ](#)) priced an offering of \$425 million of new Series D “fixed-rate reset” cumulative preferred shares, saying that proceeds would be used towards new investments. The new shares initially offer a 7% dividend until November 15, 2026, after which the rate resets to the then-current five-year treasury rate plus 6.223% - with resets occurring thereafter on the fifth anniversary of the last reset. The new shares join three previously-issued preferred series which we highlighted in our April [article](#). Trading will take place temporarily on the OTC under symbol NRZDV, before moving to permanent symbol NRZ-D on the New York Stock Exchange.

Western Alliance Bancorporation (NYSE: [WAL](#)) priced an offering of \$300 million of new non-cumulative Series A preferred stock. The new shares have been rated by both Moody's and Kroll, at Ba1 and BBB respectively. The dividend rate will initially be set at 4.25% until September 30, 2026, after which the rate will reset to the then-current five-year treasury rate plus 3.452%. Subsequent resets will take place on the fifth anniversary of the preceding reset date. The new shares will trade temporarily on the OTC exchange under symbol WALPV, before eventually moving to permanent symbol WAL-A on the New York Stock Exchange.

“Crowdfunded” non-traded Real Estate Investment Trust ([REIT](#)), Modiv Inc., priced an offering of \$45 million of new Series A cumulative preferred stock, offering a fixed dividend rate of 7.375%. While the common shares are untraded, the new preferred shares will eventually trade on the New York Stock Exchange under symbol MDVA, following a temporary trading period on the OTC under symbol MOIVP. On June 30th, Modiv reported assets of approximately \$389.5 million, and liabilities of approximately \$211.1 million; approximately \$10.4 million of the company’s common shares are classified as “redeemable” and total shareholder equity is reported at approximately \$168 million. The new preferred shares have received an investment-grade rating of BBB- from Egan-Jones Ratings.

And another non-traded REIT, InPoint Commercial Real Estate Income, Inc., priced an offering of \$87.5 million worth of new Series A cumulative preferred stock, offering a fixed dividend rate of 6.75%, with potential adjustments to the rate depending upon ratings agency upgrades/downgrades; additionally, the prospectus indicates that the dividend rate will increase after September 22, 2026 if the company has not yet redeemed the shares. The company indicated that proceeds would go towards new investments. The new shares will trade temporarily on the OTC under symbol IPCRP, before moving to permanent symbol ICR-A on the New York Stock Exchange.

Maker of engineered precision bearings, RBC Bearings (NASDAQ: [ROLL](#)), priced an offering of mandatory convertible preferred stock at an offering price of \$100 per share. The new preferred shares will automatically convert to common stock on or about October 15, 2024 at a ratio of between 0.4413 and 0.5405 shares of common for each share of preferred, subject to anti-dilution adjustments. Until that date, the new preferred shares will pay a fixed dividend rate of 5%. The company indicated that proceeds will go towards its pending acquisition of Dodge Mechanical Power Transmission. The new preferred will trade temporarily on the OTC under symbol RBCBP before moving to permanent symbol ROLLP on the Nasdaq.

Media company iMedia Brands (NASDAQ: [IMBI](#)) priced an offering of \$75 million worth of new exchange-traded senior notes, offering a fixed coupon of 8.5%. The company said the proceeds will fund its acquisition of 1-2-3.tv Group. The notes received a rating of BB from Egan-Jones Ratings, and trade on the Nasdaq under symbol IMBIL.

Sources: Preferred stock table: [CDx3 Notification Service database](#).

SEC filings: [CHRB](#), [ADC-A](#), [VNO-O](#), [NRZ-D](#), [MDVA](#), [WAL-A](#), [ICR-A](#), [ROLLP](#), [IMBIL](#)

Buying new shares for wholesale

Preferred stock IPOs often involve a temporary period during which OTC trading symbols are assigned until these securities move to their retail exchange, at which time they will receive their permanent symbols.

But there is no need to wait. Individual investors, armed with a web browser and an online trading account, can often purchase newly introduced preferred stock shares at wholesale prices just like the big guys (see "[Preferred Stock Buyers Change Tactics For Double-Digit Returns](#)" for an explanation of how the OTC can be used to purchase shares for discounted prices).

Those who have been following this strategy of using the wholesale OTC exchange to buy newly introduced shares for less than \$25 are more able to avoid a capital loss if prices drop (if they choose to sell).

Your broker will automatically update the trading symbols of any shares you purchase on the OTC, once they move to their permanent symbols. A special note regarding preferred stock trading symbols: Annoyingly, unlike common stock trading symbols, the format used by exchanges, brokers and other online quoting services for preferred stock symbols is not standardized.

For example, a given Series A preferred stock might have a symbol ending in "-A" at TD Ameritrade, Google Finance and several others but this same security may end in "PR.A" at E*Trade and ".PA" at Seeking Alpha. For a cross-reference table of how preferred stock symbols are denoted by sixteen popular brokers and other online quoting services, see "[Preferred Stock Trading Symbol Cross-Reference Table](#)."

Past preferred stock IPOs below par

While most of our subscribers focus on preferred stocks that score 10 out of 10 for their CDx3 Compliance Score, others keep room in their portfolios for more speculative situations and are willing to take a look at preferreds with a lower score. Often, the return on offer for lower-ranked preferreds can be dramatically higher (and in turn, much higher risk).

Here are some of the recent dips/crosses below par that our CDx3 Notification Service subscribers received email notifications about during the month of September (while the primary thrust of our subscription service is alerting about new IPOs and ranking them with a CDx3 Compliance Score, we *also* monitor past IPOs and offer email alert options when high-ranking past IPOs make crosses below par value – [learn more here](#)):

| Trigger Date | Symbol | CDx3 Score | Type | Volume | Low | Last | Par | Div Rate | Ex-Date |
|--------------|--------|------------|-------|--------|-----------|-----------|------|----------|------------|
| 09/29/2021 | FPI-B | 8 | dip | 386595 | \$24.9 | \$25.00 | \$25 | 6.000% | 09/14/2021 |
| 09/29/2021 | GECCM | 8 | dip | 5885 | \$24.97 | \$25.01 | \$25 | 6.750% | 12/14/2021 |
| 09/29/2021 | JSM | 9 | dip | 25767 | \$24.74 | \$25.07 | \$25 | 6.000% | 09/13/2021 |
| 09/29/2021 | MS-A | 7 | dip | 61964 | \$24.24 | \$25.12 | \$25 | Variable | 09/29/2021 |
| 09/29/2021 | PEB-E | 9 | cross | 13890 | \$24.7196 | \$24.7385 | \$25 | 6.375% | 09/29/2021 |
| 09/29/2021 | PEB-H | 9 | cross | 20062 | \$24.765 | \$24.90 | \$25 | 5.700% | 09/29/2021 |
| 09/29/2021 | SCE-K | 8 | dip | 14926 | \$24.91 | \$25.28 | \$25 | 5.450% | 09/13/2021 |
| Trigger Date | Symbol | CDx3 Score | Type | Volume | Low | Close | Par | Div Rate | Ex-Date |
| 09/28/2021 | AHT-H | 8 | dip | 5581 | \$24.9602 | \$26.5815 | \$25 | 7.500% | 03/30/2020 |
| 09/28/2021 | AIRTP | 9 | cross | 8715 | \$24.7 | \$24.954 | \$25 | 8.000% | 11/10/2021 |
| 09/28/2021 | ASRVP | 9 | dip | 3689 | \$24.95 | \$25.04 | \$25 | 8.450% | 09/28/2021 |
| 09/28/2021 | BAMI | 8 | cross | 83734 | \$24.845 | \$24.8589 | \$25 | 4.500% | 08/06/2021 |
| 09/28/2021 | BIP-B | 9 | dip | 50320 | \$24.9773 | \$25.035 | \$25 | 5.000% | 08/30/2021 |
| 09/28/2021 | GMS-C | 8 | dip | 51941 | \$24.94 | \$25.02 | \$25 | 4.200% | 09/30/2021 |
| 09/28/2021 | COF-N | 8 | cross | 165561 | \$24.76 | \$24.88 | \$25 | 4.250% | NA |
| 09/28/2021 | EQH-C | 7 | cross | 40880 | \$24.75 | \$24.94 | \$25 | 4.300% | 09/02/2021 |
| 09/28/2021 | FRC-K | 8 | cross | 105478 | \$24.8 | \$24.9275 | \$25 | 4.125% | 07/15/2021 |
| 09/28/2021 | GECCM | 8 | dip | 1646 | \$24.97 | \$25.00 | \$25 | 6.750% | 12/14/2021 |
| 09/28/2021 | GS-C | 7 | dip | 14052 | \$24.8 | \$25.07 | \$25 | Variable | 07/23/2021 |
| 09/28/2021 | GS-D | 7 | dip | 147591 | \$24.78 | \$25.00 | \$25 | Variable | 07/23/2021 |
| 09/28/2021 | MET-A | 8 | dip | 56429 | \$24.95 | \$25.06 | \$25 | Variable | 08/30/2021 |
| 09/28/2021 | MGRD | 9 | cross | 68461 | \$24.5279 | \$24.57 | \$25 | 4.200% | 09/28/2021 |
| 09/28/2021 | MITT-C | 9 | cross | 33080 | \$24.97 | \$24.97 | \$25 | 8.000% | 08/30/2021 |
| 09/28/2021 | NRZ-B | 9 | dip | 25427 | \$24.9 | \$25.00 | \$25 | 7.125% | 10/14/2021 |
| 09/28/2021 | PEB-E | 9 | dip | 6234 | \$24.835 | \$25.01 | \$25 | 6.375% | 09/29/2021 |
| 09/28/2021 | PEB-F | 9 | cross | 33123 | \$24.86 | \$24.92 | \$25 | 6.300% | 09/29/2021 |
| 09/28/2021 | RILYZ | 9 | dip | 69332 | \$24.98 | \$25.00 | \$25 | 5.250% | 01/14/2021 |
| 09/28/2021 | RNR-G | 7 | cross | 104033 | \$24.85 | \$24.87 | \$25 | 4.200% | 08/30/2021 |
| 09/28/2021 | SCE-J | 8 | cross | 59561 | \$24.85 | \$24.89 | \$25 | 5.375% | 09/13/2021 |
| 09/28/2021 | SF-D | 7 | dip | 62187 | \$24.8 | \$25.03 | \$25 | 4.500% | 08/31/2021 |
| 09/28/2021 | TGH-B | 9 | dip | 88777 | \$24.8 | \$25.00 | \$25 | 6.250% | NA |
| 09/28/2021 | VLYPO | 8 | dip | 15202 | \$24.91 | \$25.06 | \$25 | 5.500% | 09/14/2021 |
| 09/28/2021 | ZIONP | 7 | dip | 9719 | \$24.9 | \$25.09 | \$25 | Variable | 08/31/2021 |

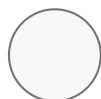
Source: CDx3 Free Weekly Newsletters, September 2021, <https://www.preferredstockinvesting.com/newsletter/>

Until Next Time...

Here at CDx3, our typical articles will provide month-end preferred stock (and ETD) IPO summaries, plus a look at selected past preferred stock IPOs that are now trading below par - often the reward on offer for "imperfect" preferred stocks is very high relative to the fully CDx3-compliant professionally rated securities.

Whether you are the kind of investor who sticks with preferred stocks with a **CDx3 Compliance Score** rated 10 out of 10, or whether your portfolio has room for 9-score-and-lower securities, stay tuned for future articles recapping new IPOs and interesting preferred stock activity that we notice here at the **CDx3 Notification Service**. Thanks for reading!

This article was written by



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Disclosure: I/we have a beneficial long position in the shares of VNO either through stock ownership, options, or other derivatives. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

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