

# MEET JAMES MASTERS

**L**ong before James Masters joined the industry, his family name had become legendary. His father, John Masters, made several groundbreaking discoveries, including Elmworth Field in Alberta, the largest gas field in North America at the time.

James Masters was born in Calgary and eventually moved to Denver with his family. Despite his family's energy background, Masters initially wasn't interested in the E&P industry. He attended Pepperdine University in Malibu, California, acquiring a degree in political science. He then did some postgraduate work at Bard College in the fields of globalization and international affairs before his father steered him toward his big break, a meeting with Cameron Smith.

Smith, founder and senior managing director of COSCO Capital Management LLC, told Masters that he would be a perfect fit for the company because "you don't know anything. I won't need to un-teach you and you won't be stubborn about what you already know." Masters took Smith up on his offer and joined the firm as an analyst in 2007.

Rodman & Renshaw LLC recently acquired COSCO, and Masters has assumed the new position of associate, investment banking, of The Rodman Energy Group. He works on putting together lines of equity of at least \$30 million and typically from \$75- to \$100 million.

Masters spoke with Oil and Gas Investor about working with Smith, the transition to Rodman and why he enjoys the energy-capital business.

**Investor** How has Rodman been different from COSCO?

**Masters** Instead of seven people in a small firm, we're 150. Rodman has a well-established public side, focused on public stocks and private investment in those stocks. It's broadened our horizons to be able to handle things that we otherwise wouldn't. We were previously almost solely dedicated to private companies. It's been a good step in my education to learn the two different sides of the market.

**Investor** What are some current Rodman projects?

**Masters** One deal we just received a term sheet on is an E&P company focused on underbalanced drilling. It will target reservoirs with historically very poor completion rates, and, using technology, will drill underbalanced horizontal wells to potentially increase production rates between 30% and 40%.

We're also raising a \$60-million line of equity for a traditional E&P company out of Oklahoma. It's a true made-in-America success story. The owner took an initial \$10,000 investment in 1982 and now has a company worth \$30 million, all through small working-interest plays and being extraordinarily frugal and financially conscientious. Unfortunately, he has

seen the fruit of his efforts instead get realized by Devon, Chesapeake and a lot of the other players in the area, because he hasn't had the capital to exploit them. So, we're in the happy position to help.

**Investor** What role do you play in these investments?

**Masters** I feel like I'm the "everything guy" on the back end in relation to Cameron. We've got our other bankers in Houston and Connecticut and a couple here in New York who largely do their own deals. When it comes to Cameron—who is the best in the industry as an advisor to these companies—he and I work very closely in putting together the marketing effort from Step One. We'll take companies that are venture-capital status and help them put together a business plan and marketing documents, introduce them to funds and help close the best possible deal for them.

**Investor** How has joining Rodman been so far?

**Masters** It's been great. I initially had mixed feelings, but it's really exceeded all of my expectations and hopes. We've retained everything that made COSCO great and yet added so much more capability and exposure. We've been busier than we've ever been. Now, we're the energy experts at Rodman, so there is always somebody knocking on the door.

**Investor** What do you like best about your job?

**Masters** This opportunity has been so key for me because I get to work under Cameron. He is one of the most distinguished people in this industry. Anywhere you go, if you say you work for Cameron Smith, people say, "That's fantastic!" Being more or less his right-hand man has been a better start to a career than I could have imagined.

I do enjoy getting into an industry in which I've been immersed my whole life, but had never taken an active interest in. Getting to carry on the family tradition in the energy industry has been a lot of fun.

**Investor** Where do you see yourself in five years?

**Masters** My wife's been asking me that same question. I'm taking it one day at a time. I'm having a great time where I'm at, and I don't see that ending any time soon.

**Investor** Who has been the biggest influence on you professionally?

**Masters** Cameron and my dad. On Cameron's part, the ability to discern what is a good deal and what isn't, and what are the keys to deciding if something is worth investing in.

From my dad, it is thinking big, and never giving up. He's never hit singles or doubles, only home runs. But he says people are always suspicious of new ideas, and it's not until you succeed that people jump on the bandwagon. He is an extraordinary example of persistence and dogged determination in the face of tremendous odds, and I really respect that.

—Stephen Payne

