December 6, 2010

Barney Frank, MA, Chairman
U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman,

Thank you for your invitation to testify at the hearing, "A Proposal to Increase the Offering Limit under SEC Regulation A" on Wednesday, December 8th.

To facilitate the discussion, I attach the original paper titled "*A Silver Bullet: How to Promote Capital Formation, Job Creation and Technological Innovation – All in One Legislative Shot*", dated May 3, 2010. Additionally, I have also attached several schedules which include data to support our conclusions below, as follows:

- Schedule A – Exchange Listing Requirements
- Schedule B – Average IPO Size Since 2001
- Schedule C – VC Backed Companies – IPO Activity Since 2004
- Schedule D – Leveraging the IPO – Selected Data
- Schedule E – Return on Russell 2000 vs. S&P 500 Since March, 2009 Low
- Schedule F – Relative Price to Book Value – Russell 2000 vs. S&P 500

In addition, I give our response below to your questions outlined in your invitation dated December 2, 2010. I group our responses into three categories:

I. Why Reg A doesn't work in its current format
II. Recommended Changes to the Reg A
III. The Positive Impact of Raising the Reg A Exemption to $30 million

I. Why Reg A doesn't work in its current format

In your letter, you asked the following questions:

(1) Under the current offering limit of $5 million, is Regulation A a useful capital raising vehicle for small issuers? Will increasing the offering limit to $30 million materially enhance its utility as a funding source? Is $30 million an appropriate limit for Regulation A offerings? Please address factors such as inflation and the cost of developing products and technologies.

Our response: The Reg A under its current offering limit of $5 million to the public is not useful for issuers. In order to qualify for a small cap listing on the NYSE Amex and NasdaqCM, there is a requirement for a minimum $50 million market capitalization and a $15 million public float. While there are several other sets of listing standards that a company may qualify under on these exchanges (See Schedule A, "Exchange Listing Requirements", attached hereto), the above standards appear to be the most likely ones to be met by smaller companies, and with a $5 million offering under the current regulation A, there is no chance of that. If a company issues stock to the public and does not have an exchange listing, it will be left with a limited aftermarket (as many institutions cannot buy stocks that are not exchange listed), and would also be required under Blue Sky regulations to conduct a costly and laborious state-by-state registration process. A confluence of the reasons stated above has made Regulation A a poor alternative for small growth-oriented companies seeking to raise development capital and also explains why the offering mechanism has virtually disappeared from the capital raising landscape. According to public records, since 2005 there have only been 153 Reg A filings and of those 153, an astoundingly low number of 13 have actually priced.

(2) Please comment on the availability of alternative funding sources for small issuers, such as offerings under SEC Regulation D and credit facilities. Please provide any views you have on how an increase in the Regulation A offering limit could complement these other funding sources.

Our response: We believe that raising the limit on Reg A, and thereby making it a more actionable funding source for small companies, will serve as an excellent complement to alternative funding sources such as Reg D offerings. Indeed, with Regulation A structured as a realistic potential mechanism for gaining liquidity, we believe that venture capitalists and other early stage investors will be more likely to invest in a private placement under Reg D as they will know that there is a greater likelihood for going public than currently exists via the traditional S-1 route. In short, the possibility of a quicker entry into the public markets will encourage VC's to deploy capital into enterprises at earlier stages of development. While Reg D and Reg A offerings may complement each other in this respect, we do not believe that Reg D alone is an effective replacement for a Reg A public offering for several reasons, as follows: (i) Reg D offerings reach out to a far smaller universe of investors than can be approached via a public offering, (ii) Private markets inherently have lower valuations than public markets, and (iii) Securities offered under Reg D are not free tradable on an exchange post-offering. Alternatively, securing a credit facility, while certainly a viable option, is especially difficult for small technology-focused companies, since intellectual property is not often deemed as acceptable collateral.

II. Recommended Changes to the Reg A

(3) Should Congress simply authorize the SEC to increase the offering limit under Regulation A, or should Congress affirmatively require the SEC to do so? Should Congress give the SEC discretion to establish the terms and conditions under which the increase is implemented, or should Congress stipulate those terms and conditions? What would be the impact if Congress

or the SEC were to require the submission of audited financial statements in connection with Regulation A offerings?

Our response: We recommend that Congress authorize the SEC to increase the offering limit under Regulation A, and give the SEC discretion to establish the terms and conditions under which the increase is implemented. If this increase is granted, we also agree that the SEC should require audited financial statements in connection with a Regulation A offering. In fact, the overwhelming majority of companies that have raised outside investment capital already produce audited financials. Except for the limit on the amount of capital that can be raised under Regulation A, we believe that there is nothing inherently wrong with the current statutes. A Regulation A offering will be less costly in terms of legal expense and audit expense while allowing a company to test the public markets before filing. That has always been the spirit and underlying purpose of the statute; all that is required is that we update it so that it may be a useful capital raising tool for companies in our markets today. The inability for small businesses to access capital at acceptable terms has had and will continue to have a cascading and negative effect on the health of both our job market and the economy overall.

III. The Positive Impact of Raising the Reg A Exemption to $30 million

(4) What are the benefits of raising the offering limit under Regulation A? Please address factors such as the potential impact on job growth and the development of products and technologies by emerging companies. Please quantify your responses if possible.

Our response: Today, we find ourselves embroiled in one of the most challenging times for the economy in our nation's history. As one of the direct results of the financial crisis, we have seen a tidal wave of consolidation. This trend is nowhere more evident than in the financial services world, where we now find that America's 5 largest banks control approximately 46% of all U.S. deposits, up from only 12% in the early 90's.[1] Alarmingly, two of these are Goldman Sachs and Morgan Stanley, leaders in IPO underwriting. The investment banking business has scaled up in order to meet business model expectations, and average deal sizes have grown accordingly. (See Schedule B, "Average IPO Size Since 2001", attached hereto). This consolidation and subsequent scaling has taken its toll on U.S. public listings. A decade ago, 9,100 companies filed proxy statements with the SEC while more recently in 2010, only 6,450 have done so.[2] This decrease in listings stems from the disappearance of the small cap listing on our exchanges.

Indeed, smaller private companies have especially suffered, as they have seen their ability to access the capital markets dwindle. It is a breakdown in the system, because VC and early stage investors rely upon an exit via a liquidity event four to six years out, and with this exit increasingly difficult to come by via an IPO, the investment cycle, which drives innovation, has ground to a virtual halt. The data appears

[1] "Jamie Dimon, America's Least-Hated Banker," The New York Times, December 1, 2010.
[2] "The Demise of the IPO – and Ideas on How to Revive It," The Wall Street Journal, June 25, 2010.

to support this conclusion, as it shows a consistent increase in the median age of companies before their IPO. (See Schedule C "VC Backed Companies – IPO Activity Since 2004", attached hereto)

The lack of this exit in the form of a public offering in the capital markets has left many companies with few funding options beyond the M&A sector. (Item 1, "M&A Activity vs. IPO Activity – 2007 to 2009", below)

Item 1 - M&A Activity vs. IPO Activity - 2007 to 2009

M&A Activity vs. IPO Activity - Since 2007

	Total M&A Deals	M&A w/ Disclosed Values	Total Disclosed Value $M	Number of IPOs	Total IPO Offer Amt	Average IPO Offer
2007	379	168	29,460.0	86	10,326.3	120.1
2008	351	119	13,775.4	6	470.2	78.4
2009	273	92	13,552.7	12	1,642.1	136.8

Source: Dealogic; excludes ADRs and foreign issuers.

As you can see clearly in the chart above, the total value of only the disclosed M&A deals (such transaction values were not disclosed in many instances, and so it is safe to assume that the total value is in reality much higher) dwarfs the total amount raised under via IPOs over the same period. If this trend continues, there is a very real probability that it would lead to a sharp decrease in jobs, since acquisitions generally lead to contraction of the work forces involved. Indeed, if M&A stands as the only option available for small companies, the job creation machine that was Silicon Valley will consolidate around the larger, more dominant companies, leading to a simultaneous loss of both jobs and innovation. We believe that raising the limit of Regulation A will go a long way in creating jobs, reinvigorating the innovation cycle, and ensuring that US technology and innovation do not fall behind the rest of the world.

With regard to IPOs in the United States in general, regardless of their original sources of funding, we find that offerings under $50 million are virtually nonexistent in comparison with offerings above that threshold, indicating the under servicing of that sector by our capital markets (again, see Schedule B attached hereto).

The research department at the National Venture Capital Association estimates the total number of companies that have sought late stage financing, but would have been able to go public given more favorable regulatory/economic conditions to be over 2,000. What makes this number even more astounding is that it does not take into account private companies that are not backed by venture capital. Many estimate that the number of non-venture capital backed companies is at least as large as the VC-backed universe. If even just 500 of these 4,000 companies took advantage of a Regulation A offering of $30 million, a total of $15 billion would be raised. Assuming that half of that amount flows back into company payrolls, it could be utilized to create 750,000 jobs at $100,000 in annual salary per job. If we then assume that a portion of this capital will be reinvested by these new hires via retail

and/or securities purchases, we will see a significant multiplier effect in which this new capital will across the economy.

In addition to the data summarized above, there is ample data to establish the correlation between the growth of small companies and the creation of jobs/growth of the overall economy. Over the last 40 years, over 90% of the jobs created by venture capital backed companies occurred AFTER their initial public offering.[3] (See Schedule D, "Leveraging the IPO – Selected Data", attached hereto) Schedule E illustrates how Adobe, Salesforce.com, and Google's number of employees, total revenues, and net income have increased dramatically since their respective IPOs. These constitute only a small sampling of the vast universe of companies that have been able to make the transformation from innovative start up to large diversified corporate entity with strong, consistent cash flows. As these companies expand their business horizons, new jobs are created and capital flows back through the economy. If not for the opportunity to access the public capital markets, it is very unlikely that these companies would have ever realized their true potential.

We believe that a preponderance of the data above point to the absolutely vital importance of our nation's small growth-oriented companies to the health of the job market and overall economy. Raising the limit on Regulation A will allow smaller companies to gain liquidity, and allow them to aggressively pursue growth opportunities. Moreover, this will free up investment capital to be redeployed towards the next cycle of innovation, producing an environment in which we can be confident that our technology companies will be in a position to compete and win on a global scale well into the future.

"Beyond the statistics, small businesses are important because they often produce new technology and innovations – like computers, robotics, and pharmaceuticals – that enable us to make strides in our standard of living, as well as compete in a global economy that rewards new ideas with new jobs. For all these reasons, historically, U.S. federal policy makers have been committed to ensuring the vitality of small business." These are not our words, but rather are the words of then SEC Commissioner Mary L. Schapiro (currently SEC Chairwoman) in a release entitled, "Promoting Small Business Capital Formation: The Role of the SEC", dated November 13, 1992. The truth and import of these words are as undeniable now as they were in 1992, and we ask that today's policy makers re-affirm their commitment to innovation and the growth and well being of small businesses.

(5) Are there any drawbacks to raising the offering limit under Regulation A? Will raising the limit increase risks to investors? What safeguards might be necessary to mitigate those risks? Would requiring audited financial statements in connection with Regulation A offerings be sufficient to address any increased risk to investors?

Our response: While we do not deny that small cap capital markets are inherently more volatile than the larger cap universe, we firmly believe that the returns for such an early stage investment far outweigh the risks. (See Schedule E, "Return on Russell 2000 vs. S&P 500 Since March, 2009 Low", attached hereto) Further, we believe that the fact that absolute valuations for small cap companies

[3] Concept Release on Equity Market Structure, Re: File Number S7-02-10.

appear to be fairly valued in relation to large-cap stocks demonstrates that the market has the capabilities and rationality to accurately judge the merits of a potential investment in a small company with a potentially more speculative future. (See Schedule F, "Relative Price to Book Value – Russell 2000 vs. S&P 500", attached hereto) Indeed, a multitude of companies that currently populate the space of "large cap" did not start off as such, and relied upon the forward thinking and risk taking of a myriad of investors in order to get there. It is our hope that with the amendment of Regulation A, it will be possible for so many more of those companies to make that transformation.

(6) What would be the impact of establishing an exchange trading platform for Regulation A offerings? Would exchange trading enhance the value of Regulation A as a capital raising device? What benefits or risks would it pose to investors? How would exchange trading affect the applicability of state law to Regulation A offerings?

Our response: Without doubt, it is essential for the securities of offerings made under Regulation A to be freely tradable on an exchange. Such liquidity enables a company to remain visible in the marketplace and drives future financings by allowing the market itself, rather than a few select private investors, to assign a valuation. More importantly, the realistic prospect of exchange trading gives initial investors more confidence that they will have the freedom to exit their position post-offering should they elect to do so. As to state law, under present requirements, companies that are exchange-traded are exempt from blue sky regulation, which would allow issuers to take full advantage of the Regulation's exemptions regardless of the level of capital raised without fear of costly registrations on a state by state basis. Our recommendation is to maintain the same regulations regarding transparency and liquidity that were recently put into effect concerning Reg FD, free writing, and other investor protections.

Respectfully submitted,

William R. Hambrecht
Chairman and CEO
WR Hambrecht + Co

May 3, 2010

A Silver Bullet: How to Promote Capital Formation, Job Creation and Technological Innovation – All in One Legislative Shot

There is a general consensus that the credit crunch and ensuing recession were caused by a meltdown of systemic trust at the highest echelons of the United States financial system. When big banks and other large financial institutions lost confidence in the viability of their counter-parties, the system froze, credit dried up, asset valuations plummeted and millions of workers lost their jobs. As Congress, the Administration and their European counterparts struggle to agree on a plan to reform the financial regulatory system, and as the unemployment rate stays persistently high, a simple legislative solution to at least part of the problem can be found by fixing a relatively obscure provision of the federal securities laws and thereby invigorating the jobs-creation machine at the other end of the financial spectrum. This provision, which was enacted during the Great Depression to facilitate the flow of capital into small businesses, is called Regulation A.

Regulation A

The Securities Act of 1933 gives the SEC the authority to exempt small businesses from the general requirement that a company must register a securities offering with the SEC before offering and selling it to the public. Congress enacted this provision because the registration process is so complex, time-consuming and expensive that small issuers are otherwise effectively cut off from the public capital markets. Between 1933 and 1945, the maximum issuance allowed under this exemption was $100,000; more recently, Congress increased the statutory ceiling to $5 million.

The SEC used this authority to promulgate Reg. A, which offers an economical process for raising capital from the investing public without the burdens of the registration process. Instead of filing a registration statement, companies eligible for the exemption can file a much simpler offering circular for the SEC's review. Audited financial statements are not required. In contrast to the usual prohibitions against pre-filing offers, Reg. A issuers may "test the waters" to solicit potential investors to gauge their receptivity before incurring the legal, accounting and other costs of filing a registration statement with the SEC.

Unlike securities offered and sold under the exemption that covers private placements, securities issued under the Reg. A exemption are not subject to resale restrictions. They are freely tradable, as though they had gone through the registration process. Reg. A is available to issuers who have not been subject to the periodic reporting provisions of the Securities Exchange Act of 1934 (which apply to companies with over $10 million in total assets and more than 500 shareholders), and they are not required to be reporting companies after the offering if they do not meet those criteria. Financings under Reg. A are capped at $5 million within any 12-month period, including no more than $1.5 million by selling shareholders. While exempt from the normal registration process, Reg. A transactions are

nevertheless subject to the anti-fraud provisions of the federal securities laws, and they are also subject to state "blue sky" registration unless the issuer's securities trade on a national securities exchange immediately after the offering. So-called "bad boy" provisions exclude companies, affiliates or underwriters with criminal or disciplinary records from using the exemption.

The main problem with Reg. A is that hardly anybody uses it. Between 1995 and 2004, the number of Reg. A filings averaged only eight per year. In contrast, in 2004 alone, there were 94 venture-backed IPOs in the U.S., with an average size of $111.5 million per offering. Apparently, the costs of the Reg. A process are perceived to outweigh the potential benefits. The $5 million cap makes the exemption too small to interest most venture-backed companies. Furthermore, if an issuer keeps its assets and shareholder base small enough to avoid the Scylla of the post-Enron Sarbanes-Oxley accounting regime, it will face the Charybdis of the blue-sky registration maze. Reg. A is well-intentioned, but its flaws prevent it from doing any good.

A Modest Proposal

A few simple modifications could make Reg. A an engine for capital formation and economic growth. First, a higher financing ceiling is required. If the annual cap were increased from $5 million to, say, $30 million, Reg. A could provide a meaningful route to liquidity for venture-backed companies. This would require an act of Congress to amend Section 3(b) of the Securities Act, which currently caps the SEC's exemptive authority at $5 million per issuer per year.

Second, Congress should amend Sarbanes-Oxley to provide an exemption from the more onerous accounting requirements for Reg. A issuers for a period of at least two years. Otherwise, the cost savings of avoiding the Securities Act registration process are illusory because of the immediate costs of complying with the requirements applicable to reporting companies.

Third, Congress should amend the National Securities Markets Improvements Act of 1996 to preempt blue sky regulation of Reg. A offerings. This relief will enhance the feasibility of Reg. A for smaller issuers.

Taken together, these changes could substantially increase access to the public capital markets by venture-backed issuers. These are precisely the kind of companies that create jobs and innovation, particularly in the information technology, life sciences and clean tech sectors – areas in which the U.S. needs continue to invest to maintain its world leadership. These are the sectors that can help our country avoid economic stagnation and at the same time drive the innovations we need to achieve energy independence and solutions to our carbon-based energy/environment conundrums.

An example of a robust small-issuer regulatory program is the Alternative Investment Market ("AIM") of the London Stock Exchange. Launched in 1995, AIM has raised almost 24 billion pounds for more than 2,200 companies, of which almost 1,600 are currently listed and trading. AIM's flexible regulatory approach has resulted in a thriving market and enhanced opportunities for companies and investors alike.

Do the potential risks to investor protection outweigh the potential benefits associated with making Reg. A a meaningful capital conduit as was originally intended? Not if the SEC uses its recently reinvigorated enforcement program to prevent abuses. The need is too great and potential benefits are too real not to give it a shot.

William R. Hambrecht
Chairman and CEO
WR Hambrecht + Co

Steven N. Machtinger
General Counsel
Code Advisors LLC

See Schedule A: Venture Capital Backed Companies: Financial Highlights

Schedule A

Venture Capital Backed Companies:
Financial Highlights

- Since 1970, venture capitalists have invested $456 billion into more than 27,000 companies *(Source: National Venture Capital Association)*

- Companies founded with venture capital include such great and innovative success stories as FedEx, Starbucks, Google, Microsoft, eBay, Genentech, Intel, Apple and Facebook, among a multitude of others *(Source: National Venture Capital Association)*

- 13,314 jobs were posted by venture capital backed companies during Q1 2010, an average of more than 4,400 new positions each month, which represents a 16 percent increase since the end of 2009 *(Source: StartUpHire.com)*

- Public companies founded with venture capital today employ more than 12.1 million Americans *(Source: IHS Global Insight)*

- Current private venture capital backed companies such as Facebook, Twitter, and Fisker Automotive employ approximately half a million people *(Source: Dow Jones Venture Source)*

- Venture capital backed companies account for 21% of U.S. GDP *(Source: IHS Global Insight)*

- Over the last 40 years, over 90% of the jobs created by venture capital backed companies occur AFTER their initial public offering *(Source: Concept Release on Equity Market Structure, Re: File Number S7-02-10)*

- The venture capital industry is constructed on 10-year limited partnerships whose investors expect returns of capital from liquidity events 4 to 6 years from the inception of any given partnership so that they can re-invest in the next cycle of innovation *(Source: Concept Release on Equity Market Structure, Re: File Number S7-02-10)*

- Lack of IPO's in the U.S. also leads to inferior merger and acquisition exit prices for venture-backed companies. You need a healthy IPO market to keep the M&A market honest *(Source: Concept Release on Equity Market Structure, Re: File Number S7-02-10)*

Schedule A – Exchange Listing Requirements

NYSE AMEX

Quantitative Standards

Criteria	Listing Standards			
	Standard 1	Standard 2	Standard 3	Standard 4
Pre-tax income[1]	$750,000	N/A	N/A	N/A
Market capitalization	N/A	N/A	$50 million	$75 million **OR** At least $75 million in total assets and $75 million in revenues
Market value of public float	$3 million	$15 million	$15 million	$20 million
Minimum price	$3	$3	$2	$3
Operating history	N/A	2 years	N/A	N/A
Shareholders' equity	$4 million	$4 million	$4 million	N/A
Public shareholders/Public float (shares)[2]	Option 1: 800/500,000 Option 2: 400/1,000,000 Option 3: 400/500,000[3]			

[1] Required in the latest fiscal year, or two of the three most recent fiscal years.

[2] Public shareholders and public float do not include shareholders or shares held directly or indirectly by any officer, director, controlling shareholder or other concentrated (i.e. 10 percent or greater), affiliated or family holdings.

[3] Option 3 requires a daily trading volume of 2,000 shares during the six months prior to listing.

Schedule A – Exchange Listing Requirements (cont.)

NasdaqCM

NASDAQ Capital Market Initial Listing Requirements[1]

Requirements	Equity Standard Listing Rules 5505(a) and 5505(b)(1)	Market Value of Listed Securities Standard Listing Rules 5505(a) and 5505(b)(2)[2]	Net Income Standard Listing Rules 5505(a) and 5505(b)(3)
Stockholders' equity	$5 million	$4 million	$4 million
Market value of publicly held shares	$15 million	$15 million	$5 million
Operating history	2 years	N/A	N/A
Market value of listed securities[3]	N/A	$50 million	N/A
Net income from continuing operations (in the latest fiscal year or in two of the last three fiscal years)	N/A	N/A	$750,000
Bid price	$4	$4	$4
Publicly held shares[4]	1 million	1 million	1 million
Shareholders (round lot holders)[5]	300	300	300
Market makers[6]	3	3	3
Corporate governance[7]	Yes	Yes	Yes

[1] Companies must meet the bid price, publicly held shares, round lot holders, and market makers requirements as set forth in Rule 5505(a) and at least one of the Standards in Rule 5505(b).

[2] Seasoned companies (those companies already listed or quoted on another marketplace) qualifying only under the Market Value of Listed Securities Standard must meet the market value of listed securities and the bid price requirements for 90 consecutive trading days prior to applying for listing.

[3] The term, "listed securities", is defined as "securities listed on NASDAQ or another national securities exchange."

[4] Publicly held shares is defined as total shares outstanding, less any shares held directly or indirectly by officers, directors or any person who is the beneficial owner of more than 10% of the total shares outstanding of the company. In the case of ADRs, at least 400,000 shall be issued.

[5] Round lot holders are shareholders of 100 shares or more. The number of beneficial holders is considered in addition to holders of record.

[6] An electronic communications network (ECN) is not considered a market maker for the purpose of these rules.

[7] In addition to the above quantitative requirements, companies must comply with all corporate governance requirements as set forth in the Rule 5600 Series.

Schedule B - Average IPO Size Since 2001

IPO's in the United States by Size - Number of Deals										
Deal Size	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
0-$25 million	9	10	6	7	19	12	9	2	1	2
$25-$50 million	8	7	4	33	19	22	12	1	0	3
$50-$100 million	20	16	20	52	44	38	44	7	7	25
$100+ million	43	35	38	82	79	78	91	13	31	43
Total	**80**	**68**	**68**	**174**	**161**	**150**	**156**	**23**	**39**	**73**

IPO's in the United States by Size - Related Percentage of Total Number of Deals										
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
0-$25 million	11%	15%	9%	4%	12%	8%	6%	9%	3%	3%
$25-$50 million	10%	10%	6%	19%	12%	15%	8%	4%	0%	4%
$50-$100 million	25%	24%	29%	30%	27%	25%	28%	30%	18%	34%
$100+ million	54%	51%	56%	47%	49%	52%	58%	57%	79%	59%

Source: Dealogic, excludes ADRs and foreign issuers

Schedule C - VC Backed Companies - IPO Activity Since 2004

VC Backed Companies - IPO Activity						
Year	# IPOs	Total Deal Value	Average Deal Value	Median Deal Value	Average Age @ IPO	Median Age @ IPO
2004	43	$4,827.1	$112.3	$66.0	9.2	8.0
2005	50	4,511.8	90.2	63.4	10.3	8.0
2006	61	5,586.4	91.6	82.8	12.3	8.0
2007	52	6,626.4	127.4	97.8	9.1	7.0
2008	7	896.1	128.0	94.5	9.7	9.0
2009	11	1,696.8	154.3	101.4	11.3	10.0

(Deal values in $M)

Source: Dealogic and CapitalIQ

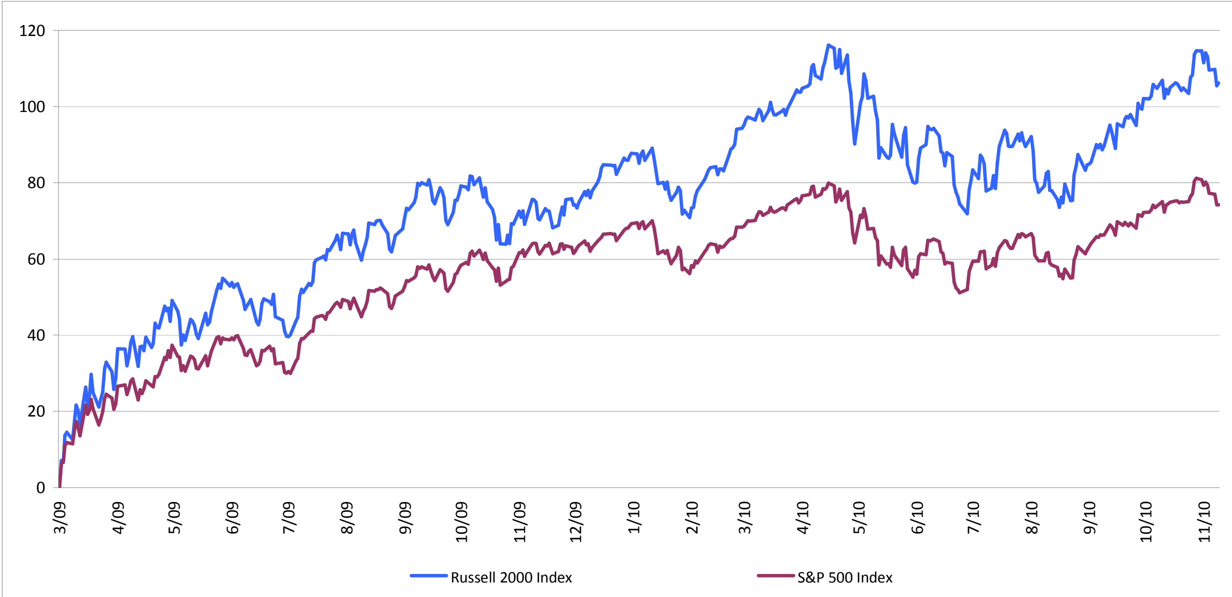
Schedule D - Leveraging the IPO - Selected Data

Leveraging the IPO - Selected Data

	Exchange: Ticker	Pricing Date	IPO Size	# of Employees at IPO	Current # of Employees	Total Revenue at IPO	Current Total Revenue	Net Income at IPO	Current Net Income
Adobe Systems Inc.	NasdaqGS: ADBE	8/20/1986	$5.5	49	8,660	$4.6	$2,945.9	$0.5	$386.5
Salesforce.com	NYSE: CRM	6/22/2004	126.5	518	3,969	96.0	1,305.6	3.5	80.7
Google Inc.	NasdaqGS: GOOG	8/18/2004	1,916.4	1,628	19,835	1,465.9	23,650.6	105.6	6,520.4

Source: Public filings. Historical data is for the last completed fiscal year before the IPO, while current data is as of the most recently completed fiscal year. Dollar values are in millions of USD.

Schedule E - Return on Russell 2000 vs. S&P 500 Since March, 2009 Low



Source: CapitalIQ

Schedule F - Relative Price to Book Value - Russell 2000 vs. S&P 500

Source: CapitalIQ. Russell 2000 Index - P/BV was calculated using Market Cap-weighted current constituents.

For press inquiries, please contact:

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