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SharesPost Launches to Bring Private Company Stock Liquidity to Early Stage Investors

SharesPost unveils platform to match buyers and sellers of private equity and automate transactions; new community becoming hub for private company data and analyst research

Santa Monica, Calif.—June 16, 2009—[SharesPost](#) today launched the first online platform to bring true liquidity to the private equity market. SharesPost connects buyers and sellers of private equity directly and automates the sale of private company stock—all without charging a commission. The first transaction has already been sent to escrow.

Available today in public beta, SharesPost is poised to become the largest community for private equity transactions and the central hub for private company research and valuation data. By offering independent third-party research from Next Up! Research and VC Experts; escrow services from U.S. Bank; and electronic signature from EchoSign, SharesPost is providing the transparency and low-cost execution required to drive market liquidity. The SharesPost community has already seen an increasing number of new posts to buy and sell shares of some of today's most exciting private companies, including Facebook, LinkedIn, SolarCity, Tesla Motors, eHarmony and more.

“Over the past decade, an IPO has become unworkable for most companies with less than a \$500 million market cap, leaving a large and growing number of very successful private companies with little hope of liquidity for their shareholders,” said Michael Moe, co-founder of Next Advisors and SharesPost board member. “Additionally, buyers have had limited access to the most significant growth companies of tomorrow. By bringing buyers and sellers together in an open forum and providing them with the information they need to agree on price, SharesPost is addressing this problem. Having taken many companies through IPO, I understand the issues that must be addressed to build a viable market for private equity. Incorporating the necessary steps in their automated online process, SharesPost is well positioned to capture the leading companies and those who want to invest in them.”

SharesPost members seeking to sell can post indications of interest anonymously and have their posts simultaneously seen by multiple potential buyers. SharesPost buyers have the ability to find and evaluate shares in some of today's most exciting private companies, and interact directly with potential sellers to more easily execute a commission-free transaction. By creating liquidity for shareholders in need of an exit, SharesPost reduces the pressure on company management to accept a sub-optimal but immediate “liquidity event.” As a result, SharesPost is the secondary market solution that serves the needs of all stakeholders of a private company.

“The way in which private equity assets are bought and sold hasn’t changed in more than 70 years—at its core, it was always brokers matching up buyers and sellers over the phone,” said Greg Brogger, CEO and founder of SharesPost. “Given the enormous and continuing growth of private equity, we saw that the broker model wasn’t scalable enough to meet the industry’s needs, so we combined an open Web 2.0 information and communications platform with an automated transaction process to finally create an efficient market. By connecting a community of qualified buyers and sellers, improving the amount of data available on private companies, providing an automated contract process and integrating escrow services, SharesPost is the first company to bring true liquidity to the private equity market.”

SharesPost offers its members a library of standardized agreements to contract and handle transaction restrictions such as rights of first refusal. A financial institution can then provide escrow services for the transaction. By eliminating the need for brokers and lawyers, sophisticated buyers and sellers find that transactions can be closed for a fraction of the cost, time and hassle of traditional secondary transactions.

SharesPost was designed to work for all private equity industry participants—buyers, sellers and companies. SharesPost offers the following key benefits:

- *Democratizing Secondary Transactions*—SharesPost’s low-cost solution works for smaller transactions (as small as \$25,000) that traditional brokers may not consider worth their time. Members also get access to critical valuation information and research reports about private companies that were previously unavailable. Reports on Tesla Motors, SugarCRM, XDX and Linden Labs can be downloaded for free now. Other reports will be available soon.
- *Win-Win for Company and Shareholders*—SharesPost enables companies to easily facilitate sales for shareholders demanding an immediate exit and so aligns the company’s shareholder base around a long-term plan for value creation. Management can also use SharesPost to sell some portion of its shares. This frequently results in a team able to focus on building the business instead of its need for short term liquidity.
- *Securities Laws Protections* — SharesPost’s system was designed to comply with existing securities laws governing transfers of private company securities. For example, SharesPost limits access to posts expressing interest in buying shares to qualified institutional buyers and other accredited, sophisticated investors. Similarly, posts expressing an interest in selling shares can only be made with respect to shares held for more than a year (inclusive of option holding periods). SharesPost also makes referrals to securities law practitioners, broker-dealers and investment advisors available to its members. (For more information on the securities laws issues associated with the SharesPost system, please visit the SharesPost website.)

SharesPost Pricing & Terms of Membership

Basic membership on SharesPost is free. Basic membership enables users to:

- Download research reports
- View member prices and lot sizes for posts to buy or sell shares
- View the sales prices agreed to by other members
- Nominate new companies to be added to the site
- See company news and blog posts
- Access financial information and company documents
- Participate in and view member message boards
- Get automated updates on all of the above

Premium membership is available for \$34 per month and allows members to:

- View posted member contracts
- Post contracts to buy or sell anonymously
- E-sign other members' contracts
- Email privately with other buyers and sellers

For more information on joining the SharesPost community, please visit <http://www.sharespost.com>.

About SharesPost

[SharesPost](http://www.sharespost.com) makes private equity liquid by connecting buyers and sellers directly and facilitating easy, automated and safe transactions. SharesPost is the first web-based platform to greatly reduce the cost, time and complexity of private equity transactions. SharesPost combines pricing and valuation data, and analysis with automated contracting to bring transparency to private equity and encourage a new era of liquidity. Funded by BrightHouse, an early-stage incubator based in Santa Monica, Calif., SharesPost was developed by those it was designed to serve—entrepreneurs, angel investors and venture capitalists. For more information, please visit www.sharespost.com.

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