



June 17, 2009

SharesPost launches online platform for private equity market

By Staff

SharesPost has launched an online platform that aims 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 without charging a commission. The first transaction has already been sent to escrow.

The platform offers independent third-party research from Next Up! Research and VC Experts, escrow services from US Bank and electronic signature from EchoSign.

The SharesPost community has already seen an increasing number of new posts to buy and sell shares of private companies including Facebook, LinkedIn, SolarCity, Tesla Motors and eHarmony.

'Over the past decade, an IPO has become unworkable for most companies with less than a USD500m market cap, leaving a large and growing number of very successful private companies with little hope of liquidity for their shareholders,' says 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 private companies, and interact directly with potential sellers to execute a transaction.

By creating liquidity for shareholders in need of an exit, SharesPost says it reduces the pressure on company management to accept a sub-optimal but immediate 'liquidity event.'

'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,' says Greg Brogger, chief executive 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.'