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SharesPost hires big guns to invest in founder shares

By Matt Marshall



SharesPost, the online trading company that lets founders and early executives of start-ups sell their shares early, has brought in some big guns to help them out.

It has announced a deal with Advanced Equities, a private equity firm, to bring that firm's numerous professionals — about 100 brokers in total, once you include its affiliated partners — to buy shares on the SharesPost online marketplace.

SharesPost is just one of a growing number of companies seeking to facilitate the buying and selling of private shares, now that the IPO market is moribund and founders are having a harder time than ever seeing a return on their efforts.

SharesPost says it is helping founders and early employees at companies like Facebook, Twitter and LinkedIn sell their shares. The private shares of those companies have become valuable (SharesPost says Twitter is worth \$589 million, for example), and so can command a high price from wealthy outside investors. Some founders want to get cash for those shares now, instead of slumming it for years. (The image at bottom shows some of the companies currently listing shares on the SharesPost bulletin board, and the research SharesPost is offering about them).

SharePost says it has about 7,000 founders and executives participating on its online platform. Advanced Equities, meanwhile, has substantial experience in helping buy private shares — pumping in \$1.7 billion into private companies over the past four years. It has done deals at Bloom Energy, a startup backed by Kleiner Perkins, RMI, backed by Benchmark, and Infinera, backed by Kleiner Perkins and Benchmark.

SharesPost also announced two other features:

-Company Controls: This lets companies dictate the terms on which posts on its online dashboard for buying and selling can be made. By allowing companies to set parameters on things like who can buy and who can sell and on other aspects of potential transactions, companies can get control the amount of liquidity they want and avoid running into problems associated with secondary sales (things like option pricing complications, or exceeding 500 shareholders, which is the trigger for when a company needs to publicly disclose its earnings)

-Private Placement Marketplace: This lets investment banks or other financial advisors for investors access information about SharesPost members (founders and early employees), so that they can select just those members that fit their preferred investor profile. The market place lets members communicate directly with the manager of the investment offering.

Company	Research Firm	Report Title	Date
 AdMob	VC Experts	VC Experts Valuation Report -- AdMob, Inc.	06/23/09
 Altra Biofuels	VC Experts	VC Experts Valuation Report -- Altra Biofuels	06/01/09
 Bright Source Energy	VC Experts	VC Experts Valuation Report -- Brightsource Energy	06/01/09
 Brightcove	VC Experts	VC Experts Valuation Report -- Brightcove	06/01/09
 Digg	VC Experts	VC Experts Valuation Report -- Digg, Inc	06/01/09
 eHarmony	VC Experts	VC Experts Valuation Report -- eHarmony	07/22/09
 eHarmony	NeXt Up Research	Online Dating: eHarmony	07/31/09
 Etsy	VC Experts	VC Experts Valuation Report -- Etsy	06/01/09
 Eventful	VC Experts	VC Experts Valuation Report -- Eventful	06/01/09
 Facebook	VC Experts	VC Experts Valuation Report -- Facebook	08/01/09
 Facebook	NeXt Up Research	Social Networking: Facebook	06/29/09
 Federated Media	VC Experts	VC Experts Valuation Report -- Federated Media	06/01/09
 GreatPoint Energy	VC Experts	VC Experts Valuation Report -- GreatPoint Energy, Inc.	06/01/09
 Green Dot	VC Experts	VC Experts Valuation Report -- Green Dot	06/01/09
 Huffington Post	VC Experts	VC Experts Valuation Report -- The Huffington Post, Inc.	06/01/09
 LifeLock	VC Experts	VC Experts Valuation Report -- LifeLock, Inc.	06/01/09
 Linden Lab	NeXt Up Research	Virtual Worlds: Linden Labs	06/15/09
 LinkedIn	VC Experts	VC Experts Valuation Report -- LinkedIn	06/01/09