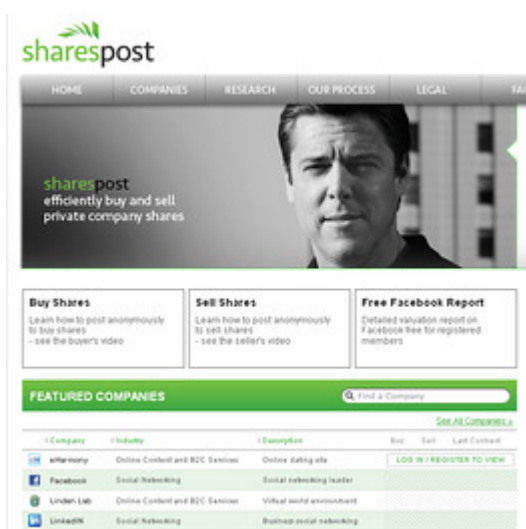




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SharesPost Ramps Up By Pui-Wing Tam



The race to become a top marketplace for private-company shares is heating up.

SharesPost, an online marketplace for private stock that launched in June, said it will collaborate with Chicago-based financial firm Advanced Equities Financial so that buyers and sellers of private stock can have access to Advanced Equities' crew of brokers. SharesPost, Santa Monica, Calif., has been working to connect buyers and sellers of private company stock through its online platform. Having access to brokers helps reduce the amount of work that buyers and sellers of those assets have to do to find one

another and work out a price for a transaction since a broker can take those duties on, says SharesPost CEO Greg Brogger.

In addition, Brogger says SharesPost is launching a new feature on its site that allows privately held companies to better control sales of their stock on the marketplace. He says SharesPost is also working to give companies the ability to do private stock placements through the site.

The moves are the latest in the burgeoning area of private company marketplaces. SecondMarket, a New York-based firm, also launched a private company marketplace earlier this year and recently said it has signed up 15 privately held companies to use it.

These marketplaces have sprung up amid a dearth of liquidity for private companies. Earlier this decade, many startups were able to go public or get sold to strategic buyers, giving private company stock plenty of currency. But these days, a lack of IPO and M&A means many holders of private company shares are stuck holding the assets and unable to cash them in. That's a gap these online marketplaces are aiming to fill.

Brogger says SharesPost now has 7,000 registered users. Overall, the site has done more than \$1 million in private company share transactions this year that he knows of, he says.

Dwight Badger, CEO of Advanced Equities, says collaborating with SharesPost provides a “significant” opportunity because it also gives Advanced Equities’ customers a way to access sales of private company stock. (Advanced Equities, which helps raise money for later-stage venture-backed startups, has attracted some controversy for that strategy. Badger says that criticism is “old” and “wrong” and adds his company has so far had a record year.)