

## Alternative Finance: Incubator Alchemy

Funding. The popular conception is that there's "too much money chasing too few deals"—that every great idea is quickly rewarded with an evergreen source of capital. But many first-time entrepreneurs argue they receive more personalized attention from their representatives in Congress than from the venture capital community. Where can such entrepreneurs turn for funding when VCs take a collective pass? Periodically, the <alley\_insider> describes alternative sources of finance. Suggestions are always welcome. ☺

Hindsight is 20/20, or so the saying goes. Looking back, the 1990s represented a unique, entrepreneurial window, as demand for Internet applications in nearly every consumer and business market outstripped the rate of production. Consequently, scores of Internet pioneers—many of whom attracted significant media attention for being tech-focused, twenty-somethings—created products for a voracious market, attracting an abundance of human and financial capital and eventually capturing excess returns from the public markets.

Should the recent shakeout in the Nasdaq continue, it will undoubtedly be harder to replicate those extraordinary financial returns, translating into a more selective investment process from venture capitalists. This shift, coupled with the increasing number of experienced, Old Economy managers enlisting in the New Economy, in effect has created a new entrepreneurial window—one for incubators, professional managers who can institutionalize the start-up process.

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## idealab!'s IPO: New Economy or New Math?

On April 20, EDGAR posted one of the most anticipated S-1 filings of the year: "Bill Gross' idealab! Inc." As with any Internet-related venture, valuation of such an offering is a challenge, to say the least. But a peek inside idealab!'s financials raises more questions than usual, with \$3.6 million of revenues supporting much of the company's expected, multi-billion market capitalization.

For the year ended January 31, 2000, idealab! generated \$21.1 million of revenues, a substantial increase over the \$805,000 of revenue generated during the prior year. Given that the public markets typically value Internet companies as a multiple of revenues, \$21.1 million is a healthy base from which to start. But where did that revenue come from? According to idealab!'s S-1, primarily two sources—CarsDirect.com and management fees from idealab!'s affiliated venture funds.

As of January 31, 2000, idealab! held 66% voting control over CarsDirect. Accounting rules dictate that the financial results of 50%+ owned subsidiaries

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## Guest Column: Securities Law on the Web

Each month, the <alley\_insider> opens up its soap box to Silicon Alley entrepreneurs, investors, and service providers. Submissions are encouraged. ☺

### Reed Smith Shaw & McClay

As websites become a more common means for companies to operate, advertise and promote their businesses, management must be mindful to avoid the legal pitfalls that result when these websites come into conflict with applicable securities laws. Although a comprehensive exposition of this topic is beyond the scope of this discussion, compiled below are selected issues which management of public companies should consider in establishing and operating company websites.

#### Internal Policies for Reviewing the Company Website

Akin to traditional company statements such as press releases and annual reports, a company's website enables management to educate the world about company developments. No less care, therefore, must be taken by management in creating a website than it would take in drafting a press release or preparing Securities and Exchange Commission (SEC) disclosure reports. Because of the speed and expanded reach of information disseminated via the Internet, the risks to the company caused by inaccurate information are heightened. Responsible management will follow these two rules:

Rule #1: If you would not otherwise say something in writing, do not post it on your website. Management should analyze electronic statements with the same level of scrutiny as is applied to press releases and SEC disclosure documents.

Rule #2: Implement a screen process for all information the company intends to publish on the

web. This process should mirror the process in place for reviewing press releases and advertising. Operations, marketing, financial, technical, and legal personnel should bear the mantle of responsibility for passing on information prior to its release. For example, a company hyping a new product or development must be mindful to view related statements as would a customer, an investor, an SEC compliance attorney, or a market regulator. Management must also include a "safe harbor" disclaimer with certain marketing postings.

#### Information Flow during the Quiet Period

Companies that are in registration with the SEC for the sale of securities must exercise great caution in posting information on a company website. Because the securities laws require that an offer for securities can only be made through a preliminary prospectus during registration, marketing materials

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### Alley Announcements

- Conferences
- Tombstones
- Site Launches
- Strategic Partnerships
- Companies Raising Capital

Beginning in our June edition, the <alley\_insider> will post selected announcements regarding technology-related conferences, closed deals, site launches, strategic partnerships, and investment opportunities—all the timely information necessary to stay abreast of an ever-accelerating market. Accepted announcements will reach more than 1000 VCs, strategic investors, angels, investment bankers, senior executives, reporters, lawyers, CPAs, and consultants focusing on New York's technology community. To be considered, please e-mail us at [alleyinsider@3Cadvisors.com](mailto:alleyinsider@3Cadvisors.com). ☺

## Alternative Finance: Incubator Alchemy

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### Full-Service Incubators

The best known incubators tend to be the pure-plays—idealab!, Internet Capital Group, and CMGI—companies that blend operational experience, a venture fund, and a keiretsu of portfolio companies. By no means does Silicon Alley suffer from a lack of dedicated incubators; page 5 highlights 18 of these companies.

The value to a start-up of sharing a sizeable ownership interest (often 35% or more) with an incubator is relatively simple. As many entrepreneurs will affirm, the cost and time of acquiring basic facilities and human capital interferes with the primary goal of quickly launching a Web site. Just getting a T1 line connected, for example, takes six to eight weeks; finding a CTO and building out the site, three months; and hiring and training technologists to maintain it, anyone's guess.

A full-service incubator will have the resources in-house to build, promote, and maintain a site for three to 12 months, and can transfer its knowledge to dedicated start-up resources as they are brought in. Services may include temporary administrative infrastructure; a platform for leveraging the complementary strengths, resources, technology, and business components of the incubator's portfolio companies; building economies of scale and sharing sales campaign management and marketing strategies; and reducing the technology investment cost by leveraging, as appropriate, common technology platforms, technical resources, and early access to relevant technology innovation.

Theoretically, single-sourcing many of these services will afford a start-up better control of its core business and will minimize the coordination challenges that result from hiring multiple vendors.

Take, for example, IncuLab, which has partnered with swimwear boutique Maila Mills, Inc. "Although my company is not a pure Internet player, IncuLab believed that my business model and industry segment were very appealing," noted Maila Mills, the company's president. Mills continued, "They helped me with office space, hiring and budgeting. IncuLab helped build my company's first web store (currently being redesigned), which now generates 20% of total revenues." Later, IncuLab introduced the company to manufacturers in Hong Kong and Tokyo so Mills could outsource production and locate high quality, low cost materials.

Similarly, incubator Iron Street Labs (ISL) developed a fully functional e-commerce platform for portfolio company Treats4Pets.com in a mind-boggling nine days—thanks in part to a strong CTO (Manuel Martin, formerly of MicroStrategy) and the fact that ISL founder Richard Thompson owns a related brick-and-mortar business with a full distribution center in Kansas City.

Despite such successes, pure-play incubators vary dramatically in quality—much like other services providers and venture investors. A portfolio of successful companies tends to be a reliable indicator of execution skills. But it's early in the development of pure-play Alley incubators, and few have such a portfolio to judge. In such cases, important considerations include the past entrepreneurial experience of the incubator's management (in both the New and Old Economies), the ability to provide in-house venture funding and physical space, and the backgrounds of the in-house technology team.

An entrepreneur should also ask whether the portfolio company must pay a periodic fee for its allocation of overhead expenses (and if so, how the amount is calculated), whether the entrepreneurs are entitled to salaries or only draws against future dividends, whether there's a minimum dollar-value of services to be provided, etc. The answers vary.

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### Agency-Incubators

A less defined group of incubators are those firms for which incubation, per se, is not their core offering; rather, such firms tend to be Internet professional services firms that agree to equity-for-services type arrangements. In particular, many start-ups share equity with interactive agencies that develop front-end designs or technology consulting firms that focus on back-end integration—in either case, the relationship legitimizes the overblown “strategic partner” tag.

One technology consulting firm that has added an incubator offering is Thaumaturgix Inc. (highlighted in last month’s “Company Spotlight”). An Internet and Intranet business solutions provider headquartered in Manhattan, Thaumaturgix has taken a lead role of spotting promising technologies and getting them on their feet.

“From our perspective, incubation is just an added value we offer to our clients,” says Thaumaturgix’s President Peter Dolch. One recent firm that Thaumaturgix incubated was actBIG.com, the group purchasing site that arranges group-purchasing discounts. “It was more than a client-agency relationship,” said Stephen Tsai, the Chief Executive of actBIG.com. “We created a five-person team of experts to define the technical architecture for actBIG.com,” says Thaumaturgix’s Vice President of Professional Services Misa Burnett. “Without our experienced cross-disciplined team, actBIG.com would have spent months evaluating competing technologies and platforms before being able to make an informed decision.”

Similarly, the founders of Web-audience measurement company Relevant Knowledge approached Dolch three years ago with a great

business plan and a core management team, but little cash. Thaumaturgix took an equity stake in the company and spent three months providing database support that positioned Relevant Knowledge as a player in Internet demographics. When Media Metrix acquired Relevant Knowledge in November, 1998 (followed by Media Metrix’s IPO in June, 1999), it is likely that Thaumaturgix’s equity position easily surpassed any foregone cash fees.

While consulting and design firms lack certain offerings of full-service incubators (especially in-house capital or even assistance in fundraising), the arrangement can dramatically shorten the time-to-market. However, many start-ups are understandably concerned about outsourcing all systems development and would rather staff their technology departments with their own people, viewing a consulting shop as a temporary step.

“The reality of the market is different, however,” says Rick Mangi, a Director of Software Solutions at Thaumaturgix. “It is very difficult to staff a start-up with developers in such a competitive market environment.” He adds, “Even if they do build a development team, once the site is complete they are left with an enormous staff of programmers doing maintenance work. When the staff gets bored and leaves, the knowledge goes with them.”

Partnering with a consulting firm thus allows the start-up to adjust the size of the development team depending on the needs of the project. The knowledge base then stays with a responsible partner, not with a few individuals.

As with all things Internet, time will reveal whether incubators live up to their hype, and whether the full-service or agency model prevails. Of course, once we know the answers for certain, those that chose correctly will likely have absorbed any excess market returns. If you ask us, the Internet’s real killer app would be some 2003 hindsight. ☺



Selected Incubators of Silicon Alley

	Name & Location	New Business Contact	Fund Information	Philosophy/Strategy	Porfolio
1	<p><b>Business Incubation Group</b> 99 Hudson Street, Suite 12R New York, NY 10013</p> <p>Phone: 212.966.2500 Fax: 212.219.8075 www.bizincub.com</p>	<p>Steven J. Massarsky President smassarsky@bizincub.com</p>	<p><u>Size of fund:</u> N/A</p> <p><u>Investments/year:</u> Two to four</p>	<p>B.I.G. envisions incubating companies in the consumer market that produce products and services that contribute to consumers' quality of life in a unique way. Invested between \$300,000 and \$1.5 million.</p>	N/A
2	<p><b>Doublespace</b> 601 West 26th Street (as of 5/5/00) New York, NY 10001</p> <p>Phone: 212.366.1919 Fax: 212.366.4645 www.doublespace.com</p>	<p>Scott Osman Co-President sosman@doublespace.com</p>	<p><u>Size of fund:</u> \$6.0 million today, raising \$30 million second round here and in Europe</p> <p><u>Investments/year:</u> 30 per year—12 in the U.S., 12 in Europe and 6 shared</p>	<p>To build digital businesses of exceptional value in 3 concentrations: (i) hybrids (existing brick and mortar models combined with the Internet), (ii) platforms (brand-centric technology solutions that enable companies to communicate with their customers), and (iii) clusters (niche digital businesses targeted to market space foundation businesses (i.e. sports/fashion)).</p>	<p>Smartcasual Pureadvice public sector zone wink gradio netpliance 360finance secretadmirer askcoachmike online62 boxatwork medpro</p>
3	<p><b>eColony</b> Coming Soon! Affiliated with ICG</p> <p>www.ecolony.com</p>	<p>Craig Danuloff President</p>	<p><u>Size of fund:</u> N/A</p> <p><u>Investments/year:</u> N/A</p>	N/A	N/A
4	<p><b>GasPedal Ventures</b> 350 Third Avenue, #500 New York, NY 10010</p> <p>Phone: 212.447.5700 Fax: 212.202.4108 www.gaspedal.net</p>	<p>Andy Servnovitz andy@gaspedal.net</p>	<p><u>Size of fund:</u> N/A (provides business development services for equity)</p> <p><u>Investments/year:</u> 12</p>	<p>Increases the value of Internet companies using its "startup system" that strives to grow critical assets and market share in an accelerated burst. The system uses a 100-day parallel process to build critical operations, strategic alliances, and market presence simultaneously in 11 operational areas and combines it with the firm's network of industry contacts.</p>	N/A
5	<p><b>Ground Floor Ventures</b> 720 Monroe Street Hoboken, NJ 07030</p> <p>Phone: 201.420.4446 Fax: 201.420.9176 www.groundfloorventures.com</p>	<p>Shannah Whithaus Partner smw@groundfloorventures.com</p>	<p><u>Size of fund:</u> N/A</p> <p><u>Investments/year:</u> N/A</p>	<p>Women-owned, managed, controlled businesses.</p>	N/A

Selected Incubators of Silicon Alley

	Name & Location	New Business Contact	Fund Information	Philosophy/Strategy	Porfolio
6	<b>Grove Street Ventures, Inc.</b> 116 Neward Avenue Jersey City, NJ 07302  Phone: 201.234.5000 Fax: 201.234.5099 www.gsv.com	Kevin S. Miller President contact@gsv.com	<u>Size of fund:</u> N/A  <u>Investments/year:</u> N/A	Seeks investments in the following areas: (1) Internet technology for B2B companies and marketplaces; (2) tools and technology that help shift communications from the desktop to wireless platforms; (3) digital information aggregation and dissemination; and (4) technologies that improve speed and usefulness of the Internet and wireless usage.	e-Commerce Solutions, LLC
7	<b>idealab! New York</b> Coming Soon!  www.idealab.com	Andrew Zimmerman Managing Director	<u>Size of fund:</u> N/A  <u>Investments/year:</u> N/A	N/A	N/A
8	<b>i-Hatch Ventures</b> 200 Park Avenue, 17th Floor New York, NY 10166  Phone: 212.208.4590 www.i-Hatch.com	Chip Austin Managing Principal plans@i-hatch.com	<u>Size of fund:</u> \$150 million  <u>Investments/year:</u> N/A	Focus on early-stage Internet ventures in the Northeastern U.S. doing business in any one of five industry categories: e-commerce, new media content, web-enabling technology, network infrastructure and Internet services.	@hoc APBnews.com AsiaNet Asimba.com ClickRadio Concrete Media Deal Pilot DotCast EPod
9	<b>IncuLab</b> 40 Wall Street New York, NY 10005  Phone: 212.584.9110 Fax: 212.584.9109 www.inculab.com	Tim Gernitis tgernitis@inculab.com	<u>Size of fund:</u> Undisclosed  <u>Investments/year:</u> No target number, but 15 companies in current porfolio.	IncuLab is a zero-stage internet incubator. The company seeks to help entrepreneurs with good ideas build exceptional businesses.	Transfer Online ECX Media Peak.com Malia Mills AppOnline
10	<b>Iron Street Labs</b> 648 Broadway New York, NY 10012  Phone: 212.871.0864 Fax: 212.871.0747 www.ironstreetlabs.com	Jed Freifeld Managing Director info@istreetlabs.com	<u>Size of fund:</u> Undisclosed  <u>Investments/year:</u> Four to eight	Iron Street Labs incubates new economy businesses including B2B, B2C and Broadband.	Treats4Pets.Com Dealsmith.com Iron Technologies
11	<b>LatinForce.net</b> 30 Rockefeller Center, Suite 4250 New York, NY 10022  Phone: 212.332.6220 www.latinforce.net	Peter Davidson CEO peter@latinforce.net	<u>Size of fund:</u> \$18 million  <u>Investments/year:</u> N/A	Internet companies that deliver services, content, and commerce to Hispanic business-to-business and consumer markets.	Soloella.com El Puente Latino.com Lumina LLC

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	Name & Location	New Business Contact	Fund Information	Philosophy/Strategy	Portfolio
12	<p><b>Launch Center 39</b> 609 Greenwich Street, 5th Floor New York, NY 10014</p> <p>Phone: 212.905.1639 Fax: 212.905.1539 www.lc39.com</p>	<p>Kristen Brown Vice President, Business Development info@lc39.com</p>	<p><u>Size of fund:</u> N/A</p> <p><u>Investments/year:</u> N/A</p>	<p>Focuses on those ideas that create new structures, new products and/or new relationships that specifically take advantage of the highly efficient network infrastructure and growing reach and capacity of the Internet. Company calls these ideas Second Order Change opportunities because they promise to move beyond the mere selling of traditional products to traditional customers over the Internet.</p>	<p>dashBar Investorama LetsPlay Obongo FlexTrader SureFoods.com</p>
13	<p><b>NewBizIncubator.com</b> 242 West 30 Street, 9th Floor New York, NY 10001</p> <p>Phone: 212.736.9224 Fax: 212.736.9008 www.newbizincubator.com</p>	<p>Jerry Cahn Partner jc@newbizincubator.com</p>	<p><u>Size of fund:</u> N/A</p> <p><u>Investments/year:</u> N/A</p>	<p>To provide innovative, service oriented Web-related ventures with needed management-related services to become self-sustaining and profitable enterprises.</p>	<p>e-Sitings AchieversOnLine EventChampions.com TrophyWinners.com GetMore4Less.com</p>
14	<p><b>Orbit Capital</b> 410 Park Avenue, Suite 830 New York, NY 10022</p> <p>Phone: 212.616.7988 Fax: 212.616.7990 www.orbitcapital.com</p>	<p>James L. Nelson CEO jnelson@orbitcapital.com</p>	<p><u>Size of fund:</u> Undisclosed, but has one in-house</p> <p><u>Investments/year:</u> Eight to ten</p>	<p>Three primary criteria: (1) the potential for reaching substantial revenues and sustainable margins in growing markets; (2) management that is both capable and visionary, and backed by a realistic business plan; and (3) a differentiated business strategy.</p>	<p><u>Incubator companies:</u> Zaphealth.com Project "Raven"</p> <p><u>Venture Investments:</u> License Online.com Workseek.com Stockback.com Symposium Corporation Spheresoft.com</p>
15	<p><b>Rare Medium</b> 565 Fifth Avenue New York, NY 10017</p> <p>Phone: 212.883.6940 Fax: 212.856.9081 www.raremediumgroup.com</p>	<p>Josh Glantz Director, Corporate Development Joshg@raremedium.com</p>	<p><u>Size of fund:</u> \$250 million</p> <p><u>Investments/year:</u> 29 since June 1998</p>	<p>Pursuing strategic equity positions in a portfolio of like-minded companies, complementary in scope, vision and impact on the Internet marketplace. Extends its marketing, production and technological expertise to help these companies grow and succeed. Current investment partners include Apollo Management, Bear Stearns and other high-profile investors.</p>	<p><u>Incubator companies:</u> iFace.com LiveUniverse.com ChangeMusic.com Regards.com ePrize.net NoticeNow.com Speak4Free.com</p> <p><u>Venture Investments:</u> Archive.com RecoveryCare.com ActiveLeisure.com Essential.com Deltathree.com Like.com L90.com iParty.com Speakout.com</p>

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	Name & Location	New Business Contact	Fund Information	Philosophy/Strategy	Porfolio
16	<b>SiliconFish</b> 71 Broadway, Suite 5F New York, NY 10006  Phone: 212.863.2363 Fax: 212.863.2377 www.siliconfish.com	Lee Polydor contact@siliconfish.com	<u>Size of fund:</u> N/A  <u>Investments/year:</u> N/A	To create a portfolio of complementary businesses.	harmone.com eRubbers.com OpenMaritime.com SonicFilms.com BlueSilicon.com SportaStar.com ePunch.com Phota.com
17	<b>Telemedia Accelerator</b> 30 West Broadway, Suite F1500 New York, NY 10007  Phone: 212.571.7272 www.theaccelerator.com	Jaclynn Fischman President E-mail not available	<u>Size of fund:</u> N/A  <u>Investments/year:</u> Two to six	Principal focus on the digital broadcasting market.	N/A
18	<b>US Technologies/e2eNet</b> 25 Broad Street, Tower Suite B New York, NY 10004  2001 Pennsylvania Ave., NW; #675 Washington, DC 20006 Phone: 202.461.3100 www.usxx.com	Gregory Earls Gears@aol.com	<u>Size of fund:</u> \$75 million  <u>Investments/year:</u> No set number.	Investment in business-to-business and other internet e-commerce and technology ventures.	Buyline VIPRO OneMade.com Urban Box Office bluemercury

### Guest Column: Securities Law on the Web

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that are not included in the preliminary prospectus should not be made available to the public. Although some companies in registration will post the preliminary prospectus on their website along with other company postings, such a practice is risky since viewers may interpret non-prospectus postings as constituting part of the preliminary prospectus. The good news is that the SEC has taken the position that making the preliminary prospectus available through the company website or identifying the website address in the prospectus will not, by itself, incorporate other information into the registration statement. However, the SEC's position may not deter state regulators or litigants from challenging a company for blurring the lines between its prospectus and its website content. If a company must post its prospectus on the Internet, one solution is to post the document on a separate and distinct website. The site containing the prospects should not be

hotlinked with the company's primary website.

Next month's column will examine forward-looking statements on the web and hyperlinking to analysts reports. ☺

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Reed Smith Shaw & McClay LLP has approximately 600 lawyers located in 11 major metropolitan areas from Virginia to New York. For more information, visit [www.rssm.com](http://www.rssm.com).

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### Next Month: Pre-IPO Spotlight

The spirit of the technology industry is that companies with the best ideas, coupled with extraordinary execution, tend to capture the greatest mindshare. But in a time where marketing expenditures can exceed R&D investment, a disconnect emerges. This new feature of the <alley\_insider> will highlight pre-IPO companies here in Silicon Alley that are succeeding the old-fashioned way—by building compelling companies. Suggestions are welcome. ☺

## idealab!'s IPO: New Economy or New Math?

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must be consolidated into the financial results of the parent. Consequently, all of CarsDirect.com's revenues are treated as revenues of idealab!.

Easy enough. So what portion of the \$21.1 million is attributable to CarsDirect? A cool \$15.2 million, deconstructed as follows: (i) \$17.9 million from consumers' purchasing automobiles over the site where CarsDirect served as a dealer and took the inventory risk, (ii) a \$4.3 million (gross margin) loss from brokering purchases, and (iii) \$1.6 million from other revenues.

Therefore, 70% of idealab!'s revenues for fiscal 2000 were CarsDirect's, derived largely from (i) the historically low-margin business of selling automobiles, for which a terrestrial dealer can expect cash flow margins of 5%, and (ii) agreeing to sell cars for less money than the company buys them. Considering that auto infomediaries Autoweb and Autobytel (admittedly, different models than CarsDirect) trade at 2.5x revenues, a back-of-the-envelope valuation of CarsDirect is \$38 million. (Autobytel's current market cap is \$124 million, while Autoweb's is a mere \$90 million.)

Also in fiscal 2000, idealab! reported revenues of \$2.5 million from management fees from its affiliated venture funds. In the M&A world, a continuing management fee could reasonably be valued at 4x revenues (putting aside the value of the carried interest), implying a valuation of \$10 million for this stream.

More importantly, exclude CarsDirect and management fees from its revenues, and idealab! reports revenues of \$3.6 million for fiscal 2000.

Understandably, the market will not value idealab! by determining the carrying value of its individual

investments; rather, the company's market cap will be tied to the public's expectations regarding the Bill Gross hit machine. But consider this—simultaneous with its IPO, idealab! will reincorporate in Nevada. Even New Economy proponents must wonder if the change somehow symbolizes the offering. ☺

### About 3C and <alley\_insider>

Columbus Capital Co., LLC (3C) is an investment bank and venture services network specializing in technology. 3C advises on mergers and acquisitions, strategic planning, joint ventures, recapitalizations, minority investments, valuations, and fairness opinions. Large and small transactions alike receive the personal attention of one of the firm's partners or senior advisors. Moreover, 3C highlights potential risks and rewards of different strategic alternatives, working closely with management to select the optimal path. To learn more about 3C, visit [www.3Cadvisors.com](http://www.3Cadvisors.com).

3C publishes the <alley\_insider> as a courtesy to the Silicon Alley community. The sole purpose of the <alley\_insider>, which is distributed monthly via e-mail, is to regularly update executives within New York's burgeoning Internet community of constantly evolving liquidity strategies. The <alley\_insider> also tracks initial public offerings, mergers, acquisitions, strategic investments, and venture financing throughout the Alley, and offers such research to its subscribers. If you did not receive our 1999 Year-in-Review, you may download a zipped, PDF copy at [www.AlleyInsider.com](http://www.AlleyInsider.com). The download is provided courtesy of Gigex.com.

New business prospects of 3C should contact Peter Nesvold, Principal, at [peter@3Cadvisors.com](mailto:peter@3Cadvisors.com) or (212) 207-1042. The firm is located at 535 Madison Avenue, 19th Floor, New York, NY 10022. ☺

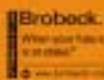


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