



THE SOHO LOFT

CAPITAL CREATION EVENTS

PAVING A NEW PATH TO ECONOMIC PROSPERITY

FAMILY OFFICE FORUM

NEW YORK CITY
JANUARY 24, 2012

Reed Smith's Conference Center
599 Lexington Ave., 22nd floor
330pm to 9pm

AGENDA

- 330pm – Registration, Networking and Audience Demos

- 430pm - Opening Remarks and Introduction
 - 440pm - Dara Albright, Founder of NowStreet Journal and Co-Founder of The SoHo Loft Capital Creation Event Series:
 - *“Utilizing Hindsight to Rebuild the Capital Markets Infrastructure”*
 - 5pm - David Weild, Chairman and CEO of Capital Markets Advisory Partners and former Vice Chairman and executive committee member of The NASDAQ Stock Market:
 - *“How regulatory changes have undermined the market of small cap stocks and IPOs and what is being done to improve our capital markets system”*

- 530 to 545pm – Short networking break
 - 545pm - Lou Kerner, Managing Director of the Private Shares Group at LiquidNet:
 - *“The Second Internet”*
 - 615pm – Jason Jones, HighStep Capital:
 - *“Private Company Secondary Markets Overview”*
 - 645pm - Karla D'Alleva Valas, Managing Director, Complex Asset Group at Fidelity Investments:
 - *“Liquidity Alternatives For Illiquid Assets”*

- 715pm – Cocktails, Extensive Networking and Audience Demos

ABOUT THE SOHO LOFT CAPITAL CREATION FAMILY OFFICE FORUM

Because emerging companies are no longer able to successfully IPO as a small cap stock in a public marketplace reserved for matured larger cap companies, the public markets are failing America's greatest growth companies and leaving investors with fewer opportunities for impressive appreciation.

What has historically been NASDAQ's most crucial function, incubating young companies to enormous success, is today being replaced by the private markets. The same principles and innovation that once propelled NASDAQ to unforeseen heights is now fueling the private company marketplace (PCM) as an aggressive new generation of technology companies, able to create value far faster than was ever possible before, remain private longer.

The SoHo Loft Capital Creation event platform is part of an overall effort to help rebuild a damaged capital markets system with the inclusion of a marketplace that facilitates innovation and expansion and provides greater opportunities to generate wealth.

In this remarkable moment in history, the U.S. regulatory environment, its capital markets and the innovation that drives those markets are simultaneously on the threshold of dramatic change. We are currently witnessing the embryonic period of a cutting-edge stock market just as we usher in a new era of mass media. At the same time, new legislation aimed at facilitating capital formation is being introduced to support this modern infrastructure. There has never been a more opportunistic time to capitalize on change.

The SoHo Loft Capital Creation Family Office Forum provides representatives from family offices with key insight into the direction of the U.S. capital markets during this period of regulatory transformation and the rapid progression of the developing ecosystem. It is the ideal forum for family offices to not only get to know the industry leaders who are shaping this promising marketplace but to learn how to successfully transact and maximize returns in this new paradigm.

SPEAKERS

David Weild



David Weild IV is the Chairman and CEO of Capital Markets Advisory Partners, a firm that specializes in equity capital markets advice to issuers. David is a former Vice Chairman and executive committee member of The NASDAQ Stock Market who had line responsibility for the global listings businesses of NASDAQ.

Additionally, David oversees Capital Markets and Institutional Acceptance at Grant Thornton, the 'Global Six' Audit, Tax and Advisory firm. He and co-author Ed Kim are noted for their work that was first to identify how changes in stock market structure are harming capital formation and job growth in the United States. Their studies (Why are IPOs in the ICU?; Market structure is causing the IPO crisis – and more; A wake up call for America) have been cited in over 100 articles including The Economist, The Wall Street Journal, The New York Times and The Financial Times. These studies have also been cited by Congressmen, Senators and the Executive Branch of the U.S. Government, including most recently in the Interim Report of the White House's Job Council led by Jeffrey Immelt, CEO of General Electric, and the IPO Task Force report to the U.S. Treasury led by Kate Mitchell, former Chairman of the National Venture Capital Association.

David was also a member of the NYSE and NVCA's (National Venture Capital Association) Blue Ribbon Panel to restore liquidity in the US venture capital industry and his work was cited in the NVCA's final report. David has testified in Congress and at the CFTC-SEC Joint Panel on Emerging Regulatory Issues.

Prior to NASDAQ, David spent 14 years at Prudential Securities in senior management roles, including President of PrudentialSecurities.com, Head of Corporate Finance, Head of Technology Investment Banking and Head of Global Equity Capital Markets. He oversaw more than 1,000 IPO's, Follow-on offerings and convertible transactions and was an innovator in new issue systems and transaction structures.

David holds an MBA from the Stern School of Business and a BA from Wesleyan University. He studied on exchange at The Sorbonne, Ecole des Haute Etudes Commerciales and The Stockholm School of Economics. 9/11 blew out 350 plate glass windows at NASDAQ's headquarters at Ground Zero in New York. With NASDAQ personnel working from home, David organized the authorization and implementation of hundreds of share repurchase programs that were credited by market insiders as providing needed confidence (buy orders at lower levels) to investors once the markets reopened. David is Chairman of the Board of Tuesday's Children, the pre-eminent charity providing services to 9/11 families and first responders and has served on that board since shortly after 9/11.

Lou Kerner



Lou Kerner is Head of Liquidnet's Private Shares Group. Lou is the foremost Wall Street Social Media analyst and has deep expertise in facilitating transactions in private shares. He is known for coining the term "The Second Internet" which refers to the period post the introduction of Facebook's newsfeed, and those companies born out of the social and mobile revolutions that are best positioned to scale and generate significant shareholder value.

Lou joined Liquidnet in 2011 from Wedbush Securities where he was a Managing Director in Equity Research covering Social Media. For the prior ten years Lou was a serial entrepreneur, with previous ventures including Bolt.com, an early leader in social networking, and The .tv Corporation, which licensed the top-level domain ".tv" from the tiny island nation of Tuvalu.

Lou spent the first seven years of his career as an equity analyst at Goldman Sachs and Merrill Lynch where he followed media companies. He is a frequent guest on CNBC and BloombergTV covering the social media and private shares ecosystem.

Lou has a BS from UCLA in Economics, and an MBA from the Stanford.

SPEAKERS

Jason Jones



Jason Jones is the founder of HighStep Capital, an investment firm that finds and invests in innovation, with a particular focus on the impact of the Internet on business & society. HighStep Capital has two divisions, a public markets team that runs a global Internet focused long/short equity fund and a private markets team, which helps established private companies solve their cap table and liquidity needs by investing in secondary shares offered by employees, ex-employees, angel investors, and VC investors. Prior to founding HighStep, Jason worked as an Internet focused portfolio manager at J. Goldman & Co, a NYC long/short equity hedge fund. Previously, he was an Internet analyst at Goldman Sachs & Co and he was a venture capital analyst at Cambridge Associates. He has also co-founded four venture backed, web-based startups and he has consulted with Connotate Technologies and MasterCard on investment related data mining. Jason received his BS from Babson College and his MBA from the Johnson School at Cornell University.

Karla D'Alleva Valas



Karla D'Alleva Valas is managing director of the Complex Asset Group for Fidelity CharitableSM, an independent public charity with a donor-advised fund program.

In her current role, Ms. Valas manages a team of attorneys that bring deep knowledge and technical expertise to donors who wish to contribute sophisticated assets, such as privately held C-corp or S-corp shares, to charity. Ms. Valas and her team work directly with donors, their advisors, and corporate and business lawyers to facilitate charitable transfers of these assets to achieve the most favorable tax treatment with the greatest charitable impact.

Prior to overseeing the Complex Asset Group for Fidelity CharitableSM and its unique service offering, beginning in 2001, Ms. Valas was Fidelity Charitable's chief compliance officer responsible for providing integrated tax, legal and compliance support for the donor advised fund program.

Ms. Valas joined Fidelity Investments in 1998, serving in various roles before supporting Fidelity Charitable. Previously, Ms. Valas was an appellate court attorney for the New York Supreme Court Appellate Division Third Judicial Department.

Ms. Valas earned her bachelor of arts degree in chemistry and sociology from Mount Holyoke College and a juris doctorate from the New England School of Law. She also earned a master of laws degree in taxation from Boston University School of Law. She is admitted to practice law in the Commonwealth of Massachusetts and the State of New York. Ms. Valas is an active member of the Junior League of Worcester, Inc., where she is a past president and also served as vice president of finance and treasurer.

SPEAKERS

Dara Albright



Dara Albright is the co-founder of TSL Capital Creation Event Series and founder of NowStreet Media, voice for the rapidly emerging private company marketplace. Through its media, event production and consulting divisions, NowStreet Media is pioneering a number of innovative products and services designed to augment the growth of this young vibrant marketplace as well as enhance overall capital formation.

NowStreet Journal provides valuable information, including news, analysis, and insight into the private company marketplace and the companies driving it. Based on an original hypothesis that directly correlates innovation in mass media with stock market growth, NowStreet Journal highlights the dynamic economic impact of a purely growth marketplace emerging during the most remarkable period of innovation in mass media.

Our mission is to bring awareness and drive capital to the private company marketplace (PCM) as well as to help develop its infrastructure so that it can mature into a viable and functional institutional marketplace that facilitates capital formation, innovation, expansion and job creation.

Prior to founding the NowStreet properties, Dara has held a distinguished 20 year career in investment banking, investor relations and institutional sales. She has organized and managed hundreds of road shows and conferences for Wall Street's elite. She has worked closely with a number of institutional and accredited investors providing investment and trading strategies as well as restricted transaction services. Dara has helped raise financing for companies across the globe in a variety of industries at various phases and rollouts. Her work has included extensive IPO road show execution and counseling newly public companies in the after-market. Prior firms she worked for include: Unterberg Towbin, Morgan Stanley Dean Witter, Divine Capital and Citigate Dewe Rogerson.

Dara is a graduate of the George Washington University. Dara holds securities industry Series 7, 24, and 63 licenses.

David Drake



David Drake, co-founder of the TSL Capital Creation Event Series and founder and Chairman of LDJ Capital in New York City, has been involved in technology media and telecom (TMT), traditional and renewable energy, project finance, real estate, infrastructure and equity and debt financing for over 20 years.

Mr. Drake's proclivity into Energy, Efficiency and Real Estate intercorrolate directly with the technology segments of TMT investment strategies and clients of LDJ Capital. His network of accessing financing extends all continents from hedge funds, high net-worth investors, Sovereign Wealth Funds, private equity firms, family offices to institutional pension funds, fund of funds and fund of hedge funds. The geographical capital market access is in, but not limited to, US markets and London with exceptional relationships and focus through regular road shows to Amsterdam, Abu Dhabi, Dubai, Bahrain, Doha, Zurich, Geneva, Frankfurt, Hamburg & Hong Kong. Partner offices are located in Zurich, New York, and Singapore.

For charity, Mr. Drake hosted the Harvard Club and Boston Symphony performances at his house and sat on the advisory board of Best Buddies Charity for autistic kids. Mr. Drake has been behind raising \$250,000 in charity donations through his produced Carnegie Hall concert series.

Mr. Drake speaks 6 languages and holds Bachelor's Degrees in both Chemistry and Marketing from the American University in Washington, D.C. Mr. Drake holds an MBA in Finance and an MA in International Law and Economics from George Washington University where he was awarded the Wallenberg Scholarship for academic merit.

Farewell, NASDAQ. The Next Wealth Generator Has Been Unleashed

NowStreet Journal

August 30, 2011

By Dara Albright

So far this year, there has been a great deal of media attention surrounding the private company marketplace (PCM) or what is commonly called, the secondary marketplace due to the nature of shares it currently trades. While there are some who feel that this marketplace is nothing more than a thorn in the SEC's side or a means for dead grandmothers to acquire shares of hot social media companies, many, like myself, believe that we are witnessing the embryonic period of the next big stock market.

To substantiate this theory, I spent the last few months delving into stock market history. I discovered that once upon a time, not long after my old college friend, Jill, used her first protractor, there was a little-known marketplace about to blossom into one of the world's most recognizable brands. If I would have stated back then that this marketplace, once branded a "moribund backwater of the security industry",^[i] would go on to exceed the New York Stock Exchange in global dominance and even make an offer to purchase it outright, you would have presumed I was dipping into Charlie Sheen's premium stash. But, as history has revealed, the marketplace we all know as NASDAQ, had emerged from relative obscurity and became the most powerful stock market in the world.

Unbeknownst to most, NASDAQ's road to iconic status is strikingly similar to the one presently being paved by today's private company marketplace. Its ancestry dates back to the earlier part of the last century when regulators searched for a way to oversee over-the-counter (OTC) trading of smaller companies whose shares were not welcomed on the New York Stock Exchange (NYSE). Analogous to today's nascent marketplace for private company stock, the marketplace for OTC stocks was, for much of its existence, a fragmented one residing in a completely alternative regulatory universe. In the pre-NASDAQ years, when listing requirements and real-time quotes were essentially non-existent, most firms that made markets in OTC stocks did so without the knowledge of an issuer's financial condition or even an accurate bid-ask spread.

In fact, according to The SEC's Special Study of the Securities Markets in 1963, 25% of OTC issuers did not furnish any financial information whatsoever, and that the data supplied by the remaining 75% was appallingly deficient. Without privity to even the most basic fundamentals, share prices were quoted purely in response to order flow. The 1964 Securities Acts Amendments, following the Special Study, unexpectedly led to a boost in share prices of OTC securities as a heightened level of integrity and investor confidence penetrated the marketplace. Most notably, though, this legislation unwittingly laid the groundwork for NASDAQ to emerge and forever revolutionize the way securities are traded and capital is created across the globe.

NASDAQ was officially born on February 8, 1971. By 1982, it had grown to encompass 25 percent of all market trading. From 1983 to 1993 NASDAQ grew from \$153 billion in annual trading volume to \$1.3 trillion, and in 1994 it had surpassed the trading volume of the NYSE. By mid-1995 the market capitalization of listed NASDAQ companies exceeded \$1 trillion. Today NASDAQ lists 3,600 companies from 46 countries worth \$5.4 trillion in market capitalization and has more trading volume than any other electronic stock market in the world.

While the regulators may have furnished the fuel, it was technology that ignited the NASDAQ rocket. Computers made it possible for a diffused network of dealers to obtain price and volume data on a real-time basis; setting the stage for NASDAQ to transform the OTC marketplace into the first fully automated stock exchange operating without a trading floor. Interestingly, the same technological ingenuity that made it possible to build NASDAQ's trading platform is ingrained in the companies that went on to embody its composite. And just like the NASDAQ itself, its listed companies came to epitomize both innovation and growth.

It was NASDAQ, not the long established NYSE, that unveiled behemoth's like Microsoft, Intel, Dell, Adobe, Cisco and Amazon. More importantly, NASDAQ introduced us to these darlings of Wall Street,

not when they were billions of dollars in market capitalization, but when they were promising young companies about to make their mark on the world. Fortunes were made because NASDAQ presented investors with the opportunity to invest in a company *prior* to its greatest growth spurt – not after it had already passed. While the brick-and-mortar exchanges traditionally barred these smaller companies from listing, thereby obstructing their access to capital, NASDAQ would enthusiastically seek them out. Embracing our most innovational during their most crucial expansionary phase not only distinguished NASDAQ from the other exchanges, but enabled it to become the greatest wealth producing engine the world had ever seen. As a result, it did not take long for that "moribund backwater of the securities industry" to morph into, "the crown jewel of American capitalism".^[ii]

In the beginning, the issuers listing on NASDAQ viewed it as a stepping stone to the conventional exchanges. Then, as time went on and the multi-market-maker approach proved to be a more favorable liquidity system, most of the higher profile companies such as Apple, Intel and Microsoft chose to remain with NASDAQ, despite strong persuasion from NYSE. As NASDAQ aged, it became evident that pandering to larger caps, even at the expense of America's smaller cap, was its new mantra. With more stringent listing requirements, NASDAQ started looking less like NASDAQ and more like the traditional exchanges. Not surprisingly, its role evolved from an intermediary platform to a more competitive one. The marketplace that once incubated young companies to large cap stardom, today, idly awaits their maturation alongside the other major exchanges. By deserting small caps, NASDAQ left the financial markets with a gaping void in capital formation.

With NASDAQ's motor at a grinding halt, the birth of a new capital creation machine was not only inevitable but critical to the entire capital markets ecosystem. Today, NASDAQ's most important function, grooming young innovational companies, is being replaced by cutting-edge private company platforms such as Gate Technologies, SecondMarket, Sharespost and Xpert Financial. The same principles and innovation that once propelled NASDAQ to unforeseen heights is now energizing the private company marketplace as an aggressive new generation of technology companies, able to create value far faster than was ever possible before, remain private longer.

As we embark upon this next evolution of our capital markets, it is worthy to note a few significant distinctions. Because there is no way of shorting or margining private company shares, the PCM, unlike NASDAQ, is not conducive to leverage, derivatives or manipulation. Instead, it is a marketplace that encourages shareholders not traders; growth not speculation. Whereas the public markets breed volatility, the private marketplace upholds stability. Although what NASDAQ accomplished during the last technological revolution was unarguably momentous, it was not without its flaws. This next iteration of the OTC markets is not only given a clean slate, but the gift of hindsight. By preserving NASDAQ's greatest attributes and improving upon its shortcomings, we have an unprecedented opportunity to unleash the most superior wealth generator the world has ever encountered. Imagine the economic impact of an untarnished, less volatile, pro-small-cap marketplace, rising today, during the most remarkable era of technological achievement. With this alignment, the possibilities are limitless.

[i] NASD's President Gordon S. Macklin

[ii] Chinese premier, Zhu Rongji

Bipartisanship Prevails for Job Creation

NowStreet Journal

October 30, 2011

By Dara Albright

Long before Wall Street turned into a campground it was like a dependable machine that kept capital flowing to our greatest job creators – America’s small businesses. At the heart of the system was the Nasdaq engine that transformed sheer innovation into economic prosperity for an entire nation. Regrettably, a combination of over-regulation and greed shattered that foundation and led to the devastation of a once dynamic framework. What remained was a broken capital markets system impeding job creation and obstructing economic growth.

How magical life would be if only sleeping in tents, carrying disparaging picket signs and wearing funky t-shirts could miraculously repair a damaged Wall Street. With the exception of an occasional forest ranger, I have yet to see one job derive from pitching tents. On the other hand, framing a new capital markets infrastructure, championing innovative young companies, will indisputably produce jobs. In these remarkable times of technological achievement, there has never been a more opportune moment for early stage companies to capitalize on innovation. Today’s ingenuity in conjunction with a supportive capital markets structure can be the impetus for renewed economic prosperity.

For more than a decade, our capital markets have been in dire need of a Nasdaq replacement. But one that differentiates itself by encouraging growth not speculation, thus attracting shareholders not traders. During the past two years, we have been witnessing the rapid evolution of such a market, the Private Company Marketplace (PCM), also known as the secondary markets, where our fastest growing private companies are currently traded. By furnishing a fair and more liquid market for emerging private companies to thrive, the PCM has become an integral part of the capital formation process. It is creating a more efficient path to growth capital for young companies and enabling them to once again innovate, expand, compete and most importantly, hire.

Lawmakers are finally beginning to realize the immense potential of this nascent marketplace. Last week, in a rare but refreshing show of bipartisanship, the House Financial Services Committee approved three bills that would facilitate capital raising for small businesses, giving them new resources and ample time to flourish as a private company. All three bills were approved by a voice vote, with two (H.R. 2940 and H.R. 1965) passing through without a single amendment. And all three will undoubtedly foster the growth of the PCM. The House is likely to approve the bundled bills by unanimous consent later this week.

I had the privilege of interviewing Vincent Molinari, the Founder and CEO of Gate Technologies, one of the leading trading platforms in the PCM. As one of the expert witnesses during the congressional hearings that led to the creation of this proposed legislation, Vince has agreed to discuss these bills and provide key insight into how these regulatory changes could impact the entire capital markets landscape.

According to Vince’s summary, H.R. 2940, sponsored by Rep. Kevin McCarthy (R-Calif.), consists of a unilateral removal of the general solicitation and advertising ban for unregistered securities so long as all purchasers of the securities are accredited investors. Under the current law, companies issuing unregistered securities are limited to only marketing to investors they already know. By allowing a company to broaden its marketing efforts, it increases its likelihood of raising capital by reaching new potential investors.

What’s more, had McCarthy’s bill been implemented earlier this year, Goldman Sachs would not have been compelled to place Facebook stock internationally, resulting in U.S. investors relinquishing \$20+ billion thus far in appreciation. To put it into perspective, what might have been a sizeable capital gains revenue opportunity resulting from a Facebook IPO, will instead most likely end up being a tax increase, spending cut or additional debt to China.

Rep. Patrick McHenry (R-N.C.) sponsored another bill that would allow companies to raise capital via “crowd funding,” a method that allows smaller investors to collectively pool money together, usually via the Internet. Under the bill, an investor would be able to invest the lesser of \$10,000 or 10% of his annual income in a company. Companies would be able to raise up to \$1 million in this manner or up to \$2 million if they provide audited financial statements. Not only would this bill provide the much needed funding for start-ups, it would also give smaller investors an opportunity to invest long before a company’s growth has peaked.

“People are frustrated with Wall Street largely because they perceive it as an exclusive club where the rich get richer and where smaller investors are not afforded similar opportunities to create wealth,” said Molinari. “McHenry’s bill levels the playing field by giving smaller investors a chance to invest in a company at the same stage as a VC or Angel would.”

Another bill, sponsored by, Rep. Jim Himes (D-Conn.), would increase the limit to 2,000 shareholders from 500 for banks, helping community banks raise the capital needed to lend to local small businesses.

“Our public markets have experienced far too much volatility and uncertainty in recent times. Small companies simply cannot thrive in this environment. By increasing the opportunities for private companies to access capital, they can “buy” the time needed to properly cultivate their business and prepare for a public exit. This legislation, coupled with the new liquidity alternatives made possible by the PCM, will empower our entire capital markets. It will result once again in the flow of capital to small businesses, fueling America’s most vigorous job-creation machine,” concluded Molinari.

In a bleak environment where small IPOs are effectively non-existent and banks are refusing to lend, the passage of these bipartisan bills will render newfound hope for entrepreneurs as well as smaller investors. While this is a promising start, there is so much more we could emend such as H.R. 2167: Private Company Flexibility and Growth Act sponsored by Rep. David Schweikert [R-AZ] which unfortunately will not make it to the floor this week. This bill, increasing the shareholder threshold to 1,000 from 500 without triggering an SEC filing, is another important piece of legislation that will enable private companies to capitalize from longer gestation periods.

Furthermore, in the current ecosystem, even small Broker/Dealers and investment banks have been virtually forced out of the seed raising process. Regulatory burdens have made it nearly impossible for them assist earlier stage companies. The American entrepreneur is in desperate need of help and cannot afford to leave even one stone unturned. If appropriately incentivized, B/Ds could once again become an invaluable resource, particularly in unity with a fresh marketplace comprised of exciting growth companies and long-term investment philosophies.

In the meantime, I commend these lawmakers for putting the people before party and for supplying us with the necessary tools to begin reconstructing the system. Now, isn’t rebuilding is a lot more productive than revolting?

*The SoHo Loft Capital Creation Events
Upcoming Event Schedule:*

- *New York City – “ACG Private Company Secondaries Luncheon” – February 9, 2012*
- *Los Angeles – TSLCC and Crowdfunding Conference – March , 2012 – DATE TBA*
 - *Atlanta – TSLCC – March 6, 2012- DATE TBA*
 - *London TSLCC – April 2012 – DATE TBA*
- *San Francisco – TSLCC and Crowdfunding Conference – April 18, 2012*
 - *San Francisco – TSLCC Family Office Forum – April 19, 2012*
 - *Chicago – TSLCC – April 2012 – DATE TBA*

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