



VENTURE CAPITAL DATA

TCN Financing Roundtable

January 9, 2007

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VENTURE CAPITAL DATA

*New England Trend Data **

| | Cumulative Dividends | Participation | Weighted Average Antidilution Protection | Pay to Play | Redemption |
|--------------------|-------------------------|---------------|---|-------------|------------|
| Q2 2006 | 51% | 65% | 95% | 21% | 81% |
| Q3 2005 | 46% | 61% | 80% | 26% | 91% |
| Q3 2004 | 37% | 63% | 89% | 21% | 95% |

* The 2004 figures above were reported by VC Experts, Inc. "Multimarket Venture Capital Survey Data: Q3 2004." The 2005 & 2006 figures above were reported by Fish & Richardson, P.C.'s "Multimarket Venture Capital Survey". In each case, the data is based on a review of publicly reported venture capital financings that took place in the New England region during the relevant periods and includes all financing rounds.

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|--------------------------|--|----------------------|----------------------|----------------------|--|------------------------------|--------------------|-------------------|
| 1800Diapers, Inc. | BEV Capital Mentor Technology Ventures Protos LLC | \$4M | 8% Non-cumulative | No | WA | 1 of 5 | No | Yes |
| Amorcyte, Inc. | Colt Investors; PA Early Stage Partners | \$4.2M | 8% Non-cumulative | Yes | WA | 2 of 5 | No | Yes |
| Andrew Technologies Inc. | NJTC Venture Firm | \$400,000 | 8% Cumulative | No | WA | unknown | No | Yes |
| Applied Nanoworks, Inc. | FA Technology Ventures; FreshTracks Capital; High Peaks Venture Partners; New York State Common Retirement Fund; Village Ventures | \$2M | 8% Cumulative | Yes | FR for the period of time up to the 2nd annv. of the issuance of the Series A; WA thereafter | 2 of 5 | No | Yes |

“WA” means weighted average; “FR” means full ratchet.

* The information reported in the above table was obtained from publicly available charter documents and other publicly available resources and has not been confirmed by the relevant companies. Approximately 55 charters covering Q1, Q2 and Q3 of 2006.

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|----------------------------|---|--------------------------|----------------------|----------------------|------------------------------------|--------------------------------------|----------------------------|-------------------|
| Arcadian Networks, Inc. | Clal Industries and Investments; Gilo Ventures; Goldman Sachs & Co.; Twinwood Capital Management | \$60M | No | Yes | WA | 2 of 7 | No | No |
| Arradance, Inc. | Highland Capital Partners; Miramar Venture Partners; US Venture Partners | \$750,000 | 8% Non-cumulative | Yes | WA | 3 of unknown total | No | No |
| Artisan Therapeutics, Inc. | Bio*One Capital, JAFCO American Ventures, New Leaf Venture Partners, NGN Capital, Quintiles Transnational | \$39M | 6% Cumulative | Yes | WA | 5 of 8 | No | Yes |
| Bus Radio, Inc. | Sigma Partners | \$2M | No | No | WA | 2 of unknown total | No | Yes |
| Cirrata, Inc. | Connecticut Innovations; L&L Capital Partners | \$1.5M | 6% Cumulative | No | WA | unknown | No | Yes |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|------------------------------|---|----------------------|-------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| CMWare, Inc. | Udata Partners | [\$6M]* | 8% Cumulative | Yes | WA | 2 of 5 | No | Yes |
| Dataupia Corporation | Polaris Venture Partners; Valhalla Partners | \$15M | No | No | WA | 2 of unknown total | No | Yes |
| Decimmune Therapeutics, Inc. | Amgen Ventures; Healthcare Ventures | \$2M | 8% Cumulative | Yes | FR | 3 of unknown total | No | Yes |
| Endovalve, Inc. | Battelle Ventures | \$2.5M | 8% Cumulative | Yes | WA | Unknown | No | No |
| Eons, Inc. | General Catalyst Partners; Monster Worldwide; Sequoia Capital | \$10M | 5% Cumulative | No | WA | 2 of unknown total | No | Yes |
| G8Wave, Inc. | ITU Ventures | \$7.5M | 8% Non-Cumulative | Yes | WA | unknown | No | Yes |

* Not reported. Speculative number determined by multiplying Series A price per share by total authorized Series A shares.

VENTURE CAPITAL DATA

Series A Rounds *New England/NY/NJ*

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|-------------------------------|---|----------------------|------------------|----------------------|---|------------------------------|--------------------|-------------------|
| Global Resource Options, Inc. | Allco Financial Group, Calvert Group, SJF Ventures II, LP | \$2.25M | 8% Cumulative | | WA | 2 of 5 | No | Yes |
| Histogenics Corporation | Boston Millennia Partners, Foundation Medical Partners, Howmedica Osteonics | \$13.1M | 8% Cumulative | No | WA | 4 of unknown total | No | Yes |
| iCardiac Technologies, Inc. | Trillium Group | \$2M | 3% Cumulative | Yes | WA | 7 of unknown total | No | Yes |
| IGA Worldwide, Inc. | DN Capital; Easton Capital Investment Group; Intel Capital; Morganthaler | \$17M | No | Yes | FR up to 1st anniversary; WA thereafter | 3 of unknown total | No | No |
| Innocentive, Inc. | Lilly Ventures; Omidyar Network; Spencer Trask Ventures | \$9M | No | No | WA | Unknown | No | No |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

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|------------------------------|--|----------------------|-------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| Innovation Engineering, Inc. | NJTC Venture Fund | \$1M | 8% Cumulative | Yes | WA | 2 of 5 | No | Yes |
| IntegriChain, Inc. | NJTC Venture Fund | \$2M | 8% Cumulative | Yes | WA | 2 of unknown total | No | Yes |
| KickApps Corporation | Prism Venture Partners; Spark Capital | \$6M | 8% Non-cumulative | No | WA | 2 of unknown total | No | Yes |
| Logical Images, Inc. | Ticonderoga Capital | \$2.7M | 8% Cumulative | No | WA | 1 of unknown total | No | Yes |
| Longwatch, Inc. | Inflection Point Ventures; Venture Capital Fund of NE | \$4.1M | 8% Cumulative | Yes | WA | 3 of unknown total | No | No |
| Lux Biosciences, Inc. | HBM Partners; International Biotechnology Trust; Novo; Prospect Venture Partners; SV Life Sciences | \$49M | 8% Non-cumulative | Yes | WA | 4 of unknown total | Yes | No |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|---------------------------------------|---|----------------------|-------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| M5 Networks, Inc. | Edison Venture Fund; Greycroft; Milestone Venture Partners | \$7.75M | No | No | WA | Unknown | No | Yes |
| MedVentive Inc. | HLM Venture Partners, Long River Ventures, Village Ventures | \$4M | 6% Cumulative | No | WA | 2 of 5 | No | Yes |
| Motionbox, Inc. | Canaan Partners, ITOCHU Corporation, SAS Investors | 4.2M | 8% Non-cumulative | No | WA | 3 of 7 | No | Yes |
| MyoScience, Inc. | Accuitive Medical Ventures, De Novo Ventures | \$3.2M | 8% Non-cumulative | No | WA | 2 of unknown total | No | No |
| Noble Device Technologies Corporation | Matrix Partners, North Bridge Venture Partners | \$8M | No | Yes | WA | 2 of 5 | No | Yes |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|------------------------------|---|----------------------|-------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| nTAG Interactive Corporation | Pilot House Ventures Group, Sevin Rosen Funds | \$12.7M | 8% Non-cumulative | Yes | WA | 2 of unknown total | Yes | No |
| On Deck Capital | Contour Venture Partners, First Round Capital, Village Ventures | \$2M | 3% Cumulative | Yes | WA | 3 | No | Yes |
| Orthocon, Inc. | BB Biotech Ventures, Canaan Partners, Rockport Venture Partners | \$10M | 8% Cumulative | Yes | WA | 2 of unknown total | No | Yes |
| Panther Express | Greylock | \$6M | No | Yes | WA | 1 of 5 | No | No |
| Phreesia, Inc. | HLM Venture Partners | \$2.1M | 8% Cumulative | No | WA | 3 of unknown total | No | Yes |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Investor</i> | <i>Amount Raised</i> | <i>Dividends</i> | <i>Participation</i> | <i>Antidilution Protection</i> | <i>Preferred Board Seats</i> | <i>Pay to Play</i> | <i>Redemption</i> |
|------------------------|--|----------------------|----------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| Pump Audio, Inc. | Greycroft, High Peaks Venture Partners, Village Ventures | [\$1.86M]* | 8% Cumulative | Yes | WA | 2 of 6 | No | Yes |
| Reflexis Systems, Inc. | Pequot Ventures | \$10M | 7.87% Non-cumulative | No | WA | 1 of unknown total | No | Yes |
| Sermo, Inc. | Longworth Venture Partners | \$3M | 6% Cumulative | Yes | WA | 1 of unknown total | No | Yes |
| Synovex Corporation | HealthCare Ventures; MedImmune | \$1.6M | 8% Cumulative | Yes | WA | 4 of 7 | No | Yes |
| TripConnect, Inc. | Masthead | NA | 6% Cumulative | Yes | WA | 2 of 5 | No | Yes |
| Veracode, Inc. | Atlas Ventures Polaris Venture Partners | \$7M | No | Yes | WA | 2 of 3 | Yes | Yes |

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Series A Rounds New England/NY/NJ

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|----------------|---|----------------------|----------------------|----------------------|--------------------------------|------------------------------|--------------------|-------------------|
| Vivadee, Inc. | Trident Capital | [\$6.3M]* | 8% Non-cumulative | Yes | WA | 2 of 5 | No | Yes |
| Wavemark, Inc. | Loeb Partners Corp. and SRK Management Co. | \$9.5M | 8% Cumulative | No | FR | 2 of 5 | No | No |
| Xceedium | ArrowPath Venture Capital; Nationwide Mutual Capital | 5M | No | Yes | WA | 2 of unknown total | No | Yes |
| Zingku, Inc. | Flagship Ventures | \$1M | 8% Cumulative | No | WA | 1 of unknown total | No | No |

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VENTURE CAPITAL DATA

*2006 Series A Rounds
New England/NY/NJ*

| Cumulative Dividends | Participation | Weighted Average Antidilution Protection | Pay to Play | Redemption |
|---------------------------------|----------------------|---|--------------------|-------------------|
| 54% | 60% | 92% | 6% | 76% |

* The information reported in the above table was obtained from publicly available charter documents. Approximately 55 charters covering Q1, Q2 and Q3 of 2006.

VENTURE CAPITAL DATA

Trend Data

| | Cumulative Dividends | Participation | Weighted Average Antidilution Protection | Pay to Play | Redemption |
|--------------------------------------|-------------------------|---------------|---|----------------|------------|
| 2006 Series A Rounds* | 54% | 60% | 92% | 6% | 76% |
| All Rounds Q2 2006** | 51% | 65% | 95% | 21% | 81% |
| All Rounds Q3 2005** | 46% | 61% | 80% | 26% | 91% |
| All Rounds Q3 2004** | 37% | 63% | 89% | 21% | 95% |

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VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Series A Price Per Share</i> | <i>Total Common Authorized</i> | <i>Total Preferred Authorized</i> | <i>Option Pool After Sale of Series A</i> |
|----------------------------|---------------------------------|--------------------------------|-----------------------------------|---|
| 1800Diapers, Inc. | \$1.550 | 10,000,000 | 2,750,000 | |
| Amorcyte, Inc. | \$798.65 | 30,000 | 6,150 | |
| Andrew Technologies Inc. | \$1.00 | 1,500,000 | 600,000 | |
| Applied Nanoworks, Inc. | \$1.00 | 4,700,000 | 2,000,000 | 480,522 |
| Arcadian Networks, Inc. | \$1.00 | 198,148,556 | 75,000,000 | 15,663,918 |
| Arradiance, Inc. | \$0.40 | 12,000,000 | 5,626,000 | 2,000,000 |
| Artisan Therapeutics, Inc. | \$2.00 | 37,300,000 | 22,000,000 | 4,161,659 |
| Bus Radio, Inc. | \$1.00 | 10,100,000 | 4,200,200 | 1,365,000 |
| Cirrata, Inc. | \$271.20 | 25,000 | 5,716 | |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| Name | Series A Price Per Share | Total Common Authorized | Total Preferred Authorized | Option Pool After Sale of Series A |
|-------------------------------|---------------------------------|--------------------------------|-----------------------------------|---|
| CMWare, Inc. | \$0.35 | 35,000,000 | 16,920,473 | 3,410,982 |
| Dataupia Corporation | \$0.80 | 30,000,000 | 16,218,750 | 5,090,000 |
| Decimmune Therapeutics, Inc. | \$0.60 | 7,700,000 | 3,500,000 | 567,000 |
| Endo valve, Inc. | \$0.314 | 11,452,002 | 7,974,482 | 2,477,520 |
| Eons, Inc. | \$1.14783 | 26,304,990 | 8,722,984 | |
| G8Wave, Inc. | \$1.05 | 25,000,000 | 7,172,500 | |
| Global Resource Options, Inc. | \$1.00 | 20,000,000 | 5,000,000 | |
| Histogenics Corporation | \$1.33 | 70,000,000 | 51,403,368 | |
| iCardiac Technologies, Inc. | \$1.293 | 10,00,000 | 3,093,581 | 1,614,756 |

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Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Series A Price Per Share</i> | <i>Total Common Authorized</i> | <i>Total Preferred Authorized</i> | <i>Option Pool After Sale of Series A</i> |
|------------------------------|---------------------------------|--------------------------------|-----------------------------------|---|
| IGA Worldwide, Inc. | \$1.00 | 31,510,013 | 16,836,845 | 3,000,00 |
| Innocentive, Inc. | \$1.00 | 45,000,000 | 15,000,000 | |
| Innovation Engineering, Inc. | \$51.965 | 2,000,000 | 200,000 | |
| IntegriChain, Inc. | \$0.87437 | 7,712,642 | 2,287,358 | 821,309 |
| KickApps Corporation | \$0.60 | 21,666,667 | 11,666,667 | |
| Logical Images, Inc. | \$1.57 | 20,000,000 | 1,719,745 | |
| Longwatch, Inc. | \$4.00 | 4,000,000 | 3,500,000 | 175,000 |
| Lux Biosciences, Inc. | \$1.00 | 63,998,168 | 50,000,000 | |
| M5 Networks, Inc. | \$6.506 | 10,000,000 | 5,000,000 | 1,048,936 |
| MedVentive Inc. | \$1.00 | 4,000,000 | 4,000,000 | 1,747,500 |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Series A Price Per Share</i> | <i>Total Common Authorized</i> | <i>Total Preferred Authorized</i> | <i>Option Pool After Sale of Series A</i> |
|---------------------------------------|---------------------------------|------------------------------------|---------------------------------------|---|
| Motionbox, Inc. | \$0.4341 | 41,750,000 | 11,750,000 | 4,000,000 |
| MyoScience, Inc. | \$0.80 | 10,000,000 | 4k200k000 | |
| Noble Device Technologies Corporation | \$1.00 | 15,210,000 | 8,210,000 | 3,375,000 |
| nTAG Interactive Corporation | \$1.00 | 21,000,000 | 15,250,000 | |
| On Deck Capital | \$0.72 | 6,173,484 | 2,743,484 | 432,500 |
| Orthocon, Inc. | \$0.891 | 25,456,818 | 11,228,409 | 1,253,841 |
| Panther Express | \$1.00 | 65,000,000 | 6,200,000 | 3,300,329 |
| Phreesia, Inc. | \$1.00 | 10,000,000 | 2,500,000 | |
| Pump Audio, Inc. | \$4.67 | 2,000,000 | 400,000 | 183,000 |
| Reflexis Systems, Inc. | \$1.27 | 26,900,000 | 8,274,016 | |

VENTURE CAPITAL DATA

Series A Rounds New England/NY/NJ

| <i>Name</i> | <i>Series A Price Per Share</i> | <i>Total Common Authorized</i> | <i>Total Preferred Authorized</i> | <i>Option Pool After Sale of Series A</i> |
|---------------------|---------------------------------|------------------------------------|---------------------------------------|---|
| Sermo, Inc. | \$1.00 | 5,025,000 | 2,026,250 | 1,025,000 |
| Synovex Corporation | \$1.00 | 13,400,000 | 6,600,000 | |
| TripConnect, Inc. | \$0.50 | 10,000,000 | 2,048,000 | 744,681 |
| Veracode, Inc. | \$1.00 | 13,500,000 | 8,047,778 | 3,022,222 |
| Vivadee, Inc. | \$1.00 | 12,900,000 | 6,300,000 | 2,400,000 |
| Wavemark, Inc. | \$0.94 | 14,500,000 | 10,377,789 | 1,968,650 |
| Xceedium | \$1.00 | 9,500,000 | 6,350,000 | 2,562,734 |
| Zingku, Inc. | \$1.00 | 5,000,000 | 1,000,000 | |

NEWCO, INC.

Summary of Terms for Series A Convertible Preferred Stock Investment

| | | | |
|--|---|---------------------|-------------------|
| Type of Security: | Series A Convertible Preferred Stock of the Company ("Series A Preferred") | | |
| Pre-Money Valuation: | \$5,500,000 | | |
| Number of Shares/Purchase Price: | 7,000,000 shares of Series A Preferred at \$1.00 per share (the "Purchase Price"). | | |
| Aggregate Purchase Price: | The aggregate purchase price will be \$7.0 million (representing 50% of the Company on a fully-diluted basis post-financing including an available option pool of 14%). | | |
| Post-Financing Ownership: (Fully Diluted Basis) | <u>Class</u> | <u>Shares Owned</u> | <u>Percentage</u> |
| | Founders Stock | 13,586,670 shares | 52% |
| | Option Pool | 3,999,336 shares | 15% |
| | Series A Preferred | 8,722,984 shares | 33% |
| Rights, Preferences, Privileges and Restrictions of Series A Preferred: | (1) <u>Dividend Provisions.</u> 5% cumulative dividend. | | |
| | (2) <u>Liquidation Preference.</u> Non-participating. | | |
| | (3) <u>Optional Conversion.</u> Convertible any time at the option of the holders of Series A. | | |
| | (4) <u>Automatic Conversion.</u> IPO of \$25M or more at a price per share of 5X original purchase price or the consent of the holders of 2/3 of Series A. | | |
| | (5) <u>Antidilution Provisions.</u> Broad based weighted average. | | |
| | (6) <u>Redemption Provisions.</u> 5 years out by consent of the holders of 2/3 of Series A. | | |
| | (7) <u>Voting Rights.</u> Series A and common stock vote together on an as-converted basis except for protective provisions. | | |
| | (8) <u>Board of Directors.</u> Series A elect 2 of 5. | | |
| | (9) <u>Protective Provisions.</u> Blocking rights over fundamental transactions so long as 15% of the Series A originally issued remains outstanding. | | |

NEWCO, INC.

Option Pool Sensitivity Analysis

Actual at \$7M Pre-\$7M In-14% Pool

| <u>Class</u> | <u>Shares Owned</u> | <u>Percentage</u> |
|--------------|-------------------------|-------------------|
| Founders | 5,000,000 | 36% |
| Option Pool | 2,000,000 | 14% |
| Series A | 7,000,000 | 50% |

Hypothetical at \$14M Pre-\$7M In-31% Pool

| <u>Class</u> | <u>Shares Owned</u> | <u>Percentage</u> |
|--------------|-------------------------|-------------------|
| Founders | 7,636,364 | 36% |
| Option Pool | 6,575,757 | 31% |
| Series A | 7,000,000 | 33% |