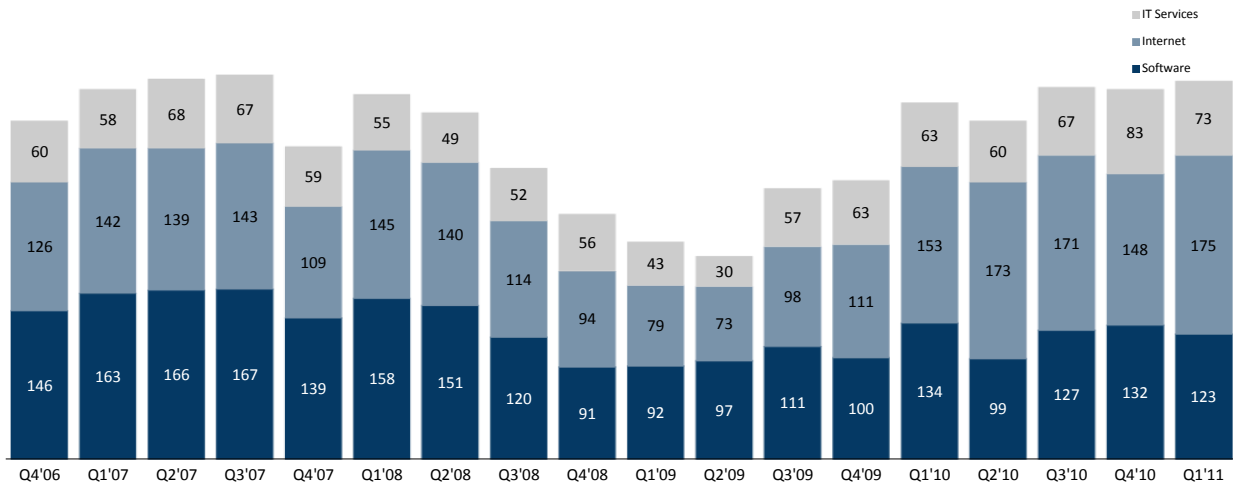


Q1 2011

Technology M&A Momentum Continues

Technology M&A continued its upward trend in the first quarter of 2011 with the total number of technology transactions increasing 2.2% to 371 from 363 transactions in Q4 2010. April activity shows signs of continuing momentum into Q2 2011. During Q1, announced transactions in St. Charles' covered sectors represented a 6.0% increase over Q1 2010, driven primarily by a surge of transactions in the internet space.



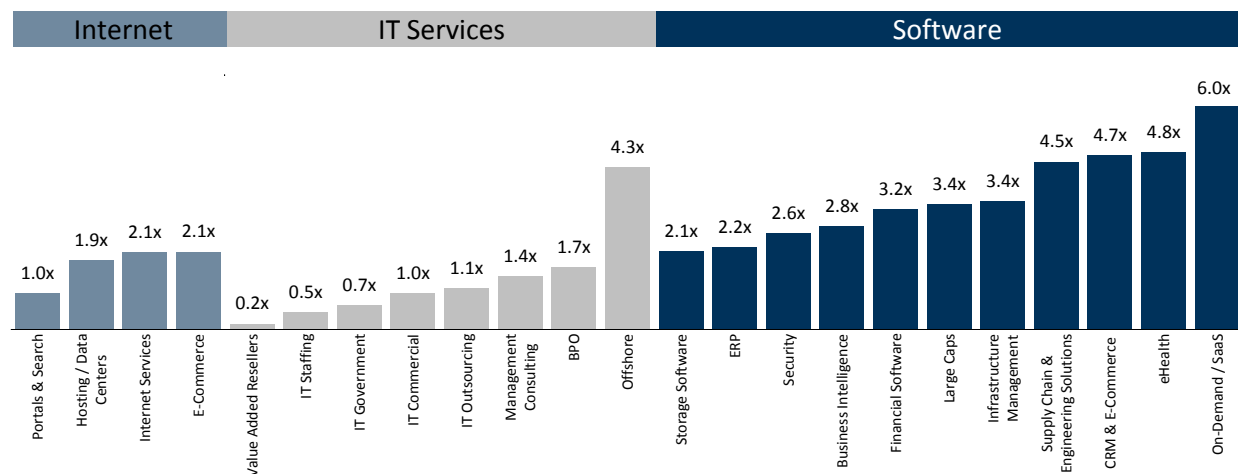
Q1 2011 Technology Market Review and Outlook

The year got off to a strong start with increased transaction activity in almost all of the sectors we cover. The themes we noted in our Q4 report continue: 1) strategic buyers, fueled by strong balance sheets and looking to fill product gaps and buy growth, are becoming very active, and 2) financial buyers, supported by resurging credit markets, are under pressure to invest funds raised in 2006 and 2007. Web 2.0 continues to drive acquisition activity with SaaS, mobile, and social networking driving growth across all of our sectors. The promise of cloud-based solutions, both from a revenue enhancement and cost reduction stand point, is a key theme in the market. Valuation levels are also on the rise. While we note (see next page) that valuations are up in the quarter for only 12 of the 23 technology sectors we follow, private company valuations usually lag their public counterparts, and we have seen improving valuation levels in all of our recent transaction processes.

We are bullish on the M&A and private capital raising prospects for technology companies in the current market, having recently added senior and junior level investment banking talent to our technology team. We now have 11 dedicated technology team members to better assist our clients, including adding Zack Sanders to further our growing communications technologies group. We welcome the opportunity to discuss your strategic objectives and market timing issues.

TECHNOLOGY MARKET REPORT

LTM Revenue Multiples by Sub-Sector as of March 31, 2011



Technology Public Equity Valuation Analysis

St. Charles Capital closely monitors more than 160 publicly traded companies across 23 sub-sectors of the technology industry to assess valuation multiples and capital markets trends. Public market valuations for this set of technology companies were up from Q4 2010 levels in 12 of the 23 sub sectors we follow. The most dramatic gains were in Supply Chain & Engineering Solutions and On-demand / SaaS, where both groups increased by more than one multiple of revenue.

St. Charles Capital Deal Spotlight – InsuranceLeads.com Merged with All Web Leads

St. Charles was the exclusive advisor to ITSol, Inc. in its January 31, 2011 merger with All Web Leads. ITSol, dba InsuranceLeads.com, operates one of the industry's largest networks of insurance professionals including agents, brokers, and regional and national carriers, to whom it provides on-line insurance leads from consumers and businesses. The combination creates the largest direct on-line lead generator in the insurance industry and the second largest active customer base of insurance agents, brokers and carriers. The combined company now operates one of the largest networks of direct consumer marketing web properties devoted to helping consumers more easily obtain multiple insurance quotes. More than 10,000 insurance agents, as well as numerous brokerages and insurance carriers, subscribe to the company's services. Great Hill Partners, a Boston-based private equity firm with over \$2.5 billion under management, financed the combination with a majority investment in the combined entity. Eric Oster, founder and CEO of InsuranceLeads.com commented, "St. Charles provided the exact advisory services needed to help put together a highly strategic combination between InsuranceLeads.com and All Web Leads, and played an invaluable role in what was a highly complex transaction."

has participated in a majority recapitalization and merged with

with capital provided by

The undersigned acted as financial advisor to InsuranceLeads.com

Member FINRA

Q1 2011 Select M&A Transactions Within SCC's Coverage Universe

(\$ in millions)

	Date	Announced	Target	Target Description	Buyer	Enterprise Value	EV / Revenues
Software	03/21/2011		DocuStep, LLC	Offers software solutions that securely automate electronic and paper-based workflow processes.	Integrated Media Management, LLC	-	-
	03/11/2011		Lawson Software, Inc.	Provides enterprise software, services, and support.	Infor Global Solutions, Inc.	\$1,771.2	2.4x
	03/10/2011		BenefitsXML, Inc.	Provides employee benefits administration solutions.	SS&C Technologies Holdings, Inc.	\$15.1	-
	03/08/2011		WaveMaker Software, Inc.	Provides tools to develop and deploy enterprise Web applications.	VMware, Inc.	-	-
	03/03/2011		Sightline Payments LLC	Provides payment and ticket redemption solutions to the gaming industry.	Bally Technologies, Inc.	-	-
	03/02/2011		Aster Data Systems, Inc.	Provides data management and advanced analytics solutions for enabling data storage and analysis of data sets.	Teradata Corporation	-	-
	02/14/2011		Vertica Systems, Inc.	Develops data management solutions for storing and querying databases.	Hewlett-Packard Company	-	-
	02/07/2011		GIFTS Software, Inc.	Provides anti-money laundering and office of foreign assets control, e-banking, and customer relationship management solutions.	Fidelity National Information Services	-	-
	02/03/2011		PredictiveMetrics, Inc.	Provides statistical-based predictive scoring metrics and analytical decision solutions.	SunGard Data Systems Inc.	-	-
	02/02/2011		Metastorm, Inc.	Provides enterprise architecture, business process modeling and analysis, and business process management software.	Open Text Corp.	\$182.0	-
	01/10/2011		Thomson Reuters Corp. Treasury Manager	Provides SaaS-based cash and liquidity management services.	Wall Street Systems Delaware, Inc.	-	-
	01/01/2011		Dosadi, LLC	Designs and develops document imaging and scanning software solutions and tools for application developers.	Atalsoft, Inc.	-	-
					Median:	\$182.0	2.4x
IT Services	03/31/2011		JKA Tech.	Provides IT services to the government in the United States.	The KEYW Holding Corporation	\$13.0	1.0x
	03/21/2011		Utility Integration Solutions Inc.	Offers a range of integration services and software solutions for smart metering and smart grid services.	Alstom Grid	-	-
	03/09/2011		Enterprise Mobile, Inc.	Provides enterprise mobility outsourcing services.	Intermec, Inc.	-	-
	03/02/2011		EnergyConnect Group, Inc.	Provides demand response services to the electricity grid.	Johnson Controls Inc.	\$30.9	1.0x
	03/02/2011		TheInfoPro Inc.	Provides research and advisory services for the IT industry in the United States.	The 451 Group	-	-
	02/08/2011		XETA Technologies Inc.	Operates as an integrator of communications solutions in the United States.	Quagga Corporation	\$63.9	0.7x
	01/31/2011		Cutting Edge Solutions, Inc.	Engages in designing, implementing, and servicing enterprise-class information management and business process automation software.	Information Access Systems, Inc.	-	-
	01/31/2011		WaterWare Internet Services, Inc.	Provides software development, consulting, and Web hosting to small businesses and government agencies.	Xerox Corp.	-	-
	01/25/2011		Sovereign Systems LLC	Provides consulting and professional services for storage, backup, and disaster recovery solutions to commercial, enterprise, SMB, and healthcare customers.	LogicsOne, Inc.	-	-
	01/18/2011		Virtual Empowerment	Offers IT consulting and software services.	Compshare, Inc.	-	-
01/06/2011		Dimdim, Inc.	Designs and develops web conferencing solutions.	Salesforce.com	\$37.1	-	
					Median:	\$34.0	1.0x
Internet	03/27/2011		GSI Commerce Inc.	Provides e-commerce and interactive marketing services primarily in North America.	eBay Inc.	\$2,139.3	1.6x
	03/15/2011		CoreLogic Dorado	Designs and delivers SaaS solutions to the financial services industry in the United States and internationally.	CoreLogic, Inc.	\$51.6	-
	03/09/2011		M-Factor, Inc.	Develops and delivers Web-based profit and revenue optimization software for consumer goods, retail, and quick serve restaurant sectors.	DemandTec, Inc.	\$9.5	-
	03/03/2011		eReinsure.com, Inc.	Provides e-commerce technology to the insurance and reinsurance industries.	Lots Intermediate Co.	\$37.0	-
	02/28/2011		Outside.in, Inc.	Provides a data and technology platform that develops, organizes, and distributes hyperlocal news online.	AOL, Inc.	\$10.0	-
	02/24/2011		North Social, Inc.	Engages in building social media applications, promotional programs, and marketing campaigns.	Vocus Inc.	\$25.0	-
	02/06/2011		HuffingtonPost.com LLC	Provides online services to its members and users.	AOL, Inc.	\$315.0	-
	02/01/2011		Humor Rainbow, Inc.	Provides an online dating website.	Match.com, L.L.C.	\$50.0	-
	02/01/2011		NaviSite Inc.	Provides information technology hosting, outsourcing, and professional services for mid-market organizations.	Time Warner Cable Inc.	\$327.8	2.5x
	01/31/2011*		ITSOL, Inc.	Provides online insurance leads and hot-transfers to insurance brokers and agencies.	All Web Leads, Inc.	-	-
	01/27/2011		Terremark Worldwide, Inc.	Provides managed IT solutions with data centers located across networking hubs.	Verizon Communications Inc.	\$1,841.8	5.4x
01/27/2011		KickApps Corporation	Provides a SaaS platform that hosts, manages, and delivers media and community applications for media companies and businesses.	KIT digital, Inc.	\$43.2	-	
					Median:	\$50.0	2.5x

*Denotes St. Charles transaction
Source: Capital IQ

St. Charles Capital, LLC, based in Denver, Colorado, provides expertise in mergers and acquisitions, raising private capital, and financial advisory services for middle-market companies across the United States. Visit our Technology Industry page at www.stcharlescapital.com.

TECHNOLOGY MARKET REPORT

About Our Technology Practice

St. Charles Capital assists technology companies in achieving their strategic and financial business objectives by providing merger and acquisition, private capital formation, and financial advisory services.

The St. Charles Capital Advantage: St. Charles combines a history of technology transaction experience with a team that is actively engaged in the middle market. St. Charles' principals have managed transactions for nearly 100 companies in the technology industry. In addition to providing financial expertise, our team leverages extensive knowledge of the industry's competitive landscape as well as relationships with technology business leaders and private equity providers to obtain optimal value for our clients in the transaction process.

Zack Sanders Joins the St. Charles Capital Technology Team

Mr. Sanders has joined our team as a Senior Associate focusing in our Communication technologies and Hardware practice. He will support Joseph Radecki in sourcing and executing transactions in these sectors. Zack joins us from North Haven Partners in New York City, where he provided investment banking solutions for digital media and marketing services companies. He has analyzed and executed financing and advisory transactions across a variety of industries and worked with a number of financing structures. Previously he worked in Equity Research for Morgan Stanley and prior to that as an Investment Banking Analyst for Citigroup.

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