

Fund Investment Overview

The following represents existing ideas about the deployment of the first \$250mm in an activist growth fund focused primarily on the disruptive intersection of technology and media

Company Specific Pipeline

Company	Sector	Status	Description	Estimated Equity Investment (\$ in mm)
Vesta Corp	Payment Solutions	Active	Purchase stake of existing investor in growing and highly profitable micropayment processing company	90 (A)
ValueClick	Ad network	Exploratory	Invest with consortium to take this public company private	50
Yahoo	Content Related, Ad Network	Exploratory	Invest with consortium to take this public company private	50
Incubator Co	Content Realted, Mobile, Search, Social Media, Special Opportunity	Exploratory	Selectively creating our own startups that would benefit from the group's experience and industry knowledge in terms of trends and market opportunities	35
Zynga	Video Games	Upcoming round, Secondary market	Social network game developer representing one of the internet's fastest growing companies. Long-standing relationship with founders and executives.	35
Ticket Factor	Event Ticketing	Active	Capital raise for ticket factoring business	30
Franchise Devco	Special Opportunity	Active	Potential to co-invest in a fund specializing in franchise financing	25
Autumn Games	Video Games	Upcoming round	Invest in institutional round for this innovative, global video game publisher	25
Bump Technologies	Mobile	Upcoming round	Angel investor in rapidly growing company specializing in mobile apps	12
Blekko	Search	Upcoming round	Angel investor in this cutting-edge alternative search engine	12
Howcast	Mobile, Content Related, Ad Networks	Active	Series B Investment in online video company	10
Endgame P & A Fund	General M&E	Active	Potential to co-invest in a Promotional and Advertising (P&A) fund for the film industry	10
StockTwits	Social Media	Upcoming round	Angel investor in this social, stock micro-blogging service	7
Marketing Co	Special Opportunity	Active	Financing for spin out of existing marketing company specializing in globally recognized brands	5
Uncommon Media	Content Related	Active	Funding for next generation publishing company focused on internet/mobile content	5
				Total Pipeline \$ 401
				Median Investment Size \$ 25
				Avg Investment Size \$ 27

(A) Investment could represent a large allocation percentage of the fund. However, we believe the attractiveness of the sector and opportunity with the specific company warrant consideration of a large allocation.

Sector Descriptions

Ad Networks – Advertisers are shifting rapidly from traditional media over to online, video and mobile. In the first six months of 2010, they spent \$627 million on video ads, up 31% from the same period in 2009, according to the Interactive Advertising Bureau. Online and mobile advertising will continue to proliferate as more advertising dollars are spent on the web, and as new technologies are developed to deploy, target and track ads. We believe the investment opportunities in this sector are substantial.

Content Related - User engagement via the mobile Internet will increasingly be driven by firms that succeed at making it easier to cope with the problem of exploding content (e.g. websites, services, Apps, commerce, etc.). Opportunities in this arena will be both horizontal and vertical. As mainstream users spend more time interacting with online media, monetization through advertising, direct marketing, subscriptions & commerce will create a \$100 billion-plus marketplace over the next 5-10 years. Video content and related distribution platforms in particular present a wide range of opportunities. While legal downloading of video only started in 2008, PWC estimates that by 2014, 15% of all TV viewing will be Video on Demand. This will force media firms to develop new revenue models employing new technologies as content is delivered via broadband (wired and wireless), to TVs, computers and mobile devices.

Event & Ticketing - The market for mobile ticketing transactions will double by 2012 to an estimated \$100 billion worldwide, according to Juniper Research. The main drivers of this blistering growth are travel, entertainment and sporting events. We believe firms developing new technologies and business models in this sector can offer attractive returns for investors.

General M&E – This sector represents investments in more traditional business models in the media and entertainment space. With our collective sector experience and expertise, we have superior access to the best new and existing media and entertainment companies. Our team members are immersed in the game-changing trends that are shaping the future of this still highly profitable sector.

Mobile - The mobile Internet is poised to vastly expand user engagement through a wide range of new services. The breakout potential for new software applications & services is huge, especially in video entertainment, gaming, shopping, health care, travel, education & location-based social networking. Morgan Stanley predicts mobile Internet will grow to double the size of the desktop Internet in 6 years, with accelerating array of monetization opportunities.

Payment Solutions – Almost overnight, digital goods have become a \$16 billion-a-year business. The micropayment industry supporting this new form of commerce will grow substantially as media companies and traditional industries revamp their business models and mobile devices transform into digital wallets. In 2009, PayPal alone processed \$2 billion in micropayment transactions.

Social Media - The remarkable social media phenomenon continues to build, with estimated advertising revenues for the sector expected to reach \$3.3 billion in 2010 – up 31% from just a year ago. Shares of Facebook trading on the secondary market indicate a company valuation of more than \$30 billion. A

large network of specialty and targeted social media sites will proliferate as this sector continues its staggering growth.

Search - While Search continues to be one of the web's biggest growth categories – dominated by Google – it remains an area of dynamic change and opportunity. Meanwhile, underlying technologies continue to drive new use patterns. As hundreds of millions of users shift from PCs to mobile, their activities and interests are creating new opportunities for entrepreneurs to redefine and reinvent the search process. Our team's intimate involvement with many of the leading companies in every phase of Search over the last 15 years means we will have access to some of the sector's best, new investment opportunities going forward...opportunities such as Blekko.

Video Games - Americans bought an astonishing \$21.33 billion worth of video game systems, software & accessories in 2008. Video and computer games now outpace the movie industry in annual revenues. Videogames are on pace to be the entertainment industry's fastest-growing segment over the next 3-5 years. The potential both for traditional game "publishers" and Internet-based gaming companies remains vast and investment opportunities will be significant.

Special Opportunities – We will selectively take on special opportunities that will be symbiotic to the core media/technology focus of the fund.

Status

Active – We are in active discussions with companies about current financing needs

Exploratory – Preliminary investment thesis for further exploration with leverage of fund in place

Upcoming round – We are in active discussions with the Company and are reviewing possible participation in an upcoming equity financing round

Secondary market – As new media and online companies mature and achieve substantial valuations, there is a growing market to purchase equity of founding members and employees in the secondary market prior to anticipated IPOs

Longer-Term Capital Deployment Strategy (the next 12-24 months)

Our team has a wide network of top-line relationships spanning the worlds of business, technology, academia, philanthropy and government. This, combined with our innovative approach of forming strategic investment partnerships with leading firms in fast-growth sectors, positions us to deploy capital efficiently and profitably over the next 24 months. Our approach, along with the team's extensive management and turnaround experience, will enable us to maximize returns and minimize risks going forward.

A partial listing of the strategic relationships/networks that we will leverage in our investment work includes:

- Jerry Yang & David Filo (Yahoo!)
- Pierre Omidyar & Meg Whitman (eBay)

- Marc Andreessen (Netscape, Andreessen Horowitz)
- Steve Case (AOL, Revolution)
- Eric Schmidt (Google)
- Sheryl Sandberg (Facebook)
- Marc Pincus (Zynga)
- John Doerr (Kleiner Perkins)
- Mike Moritz (Sequoia)
- Danny Rimer (Index)
- Ron Conway (SV Angel)
- Josh Koppelman (First Round)
- Donald Graham (Washington Post, Kaplan Inc.)
- Hank Greenberg (CV Starr)
- David Rockefeller
- Mort Zuckerman (Boston Properties)
- James Tisch (Loews Corp.)
- Ken Langone (Home Depot)
- Michael Bloomberg (Bloomberg LP, City of New York)
- Dick Parsons (CitiGroup)
- Randi Weingarten (American Federation of Teachers)
- Benno Schmidt (Yale University)
- Rudy Giuliani (Bracewell & Giuliani)
- Vernon Jordan (Akin Gump)
- Ken Feinberg (Feinberg Rozen & Obama Admin)
- Robert Morgenthau (Wachtel Lipton)
- Katherine Lapp (Harvard University)
- Bruce Ratner (Forest City Ratner)
- David Boies (Boies Schiller)
- Stephen Berger (Odyssey Partners)
- Chris Flowers (JC Flowers & Co.)
- John Catsimatidis (Red Apple Group)
- Bruce Gelb (Bristol Myers)
- Roger Hertog (Alliance-Bernstein)
- William Bratton (Altegrity)
- Randy Levine (NY Yankees)
- Carl Icahn
- Michael Benavente (Gucci USA)
- Carl Schramm (Kauffman Foundation)
- Florence Davis (Starr Foundation)
- Matthew Goldstein (City University of NY)
- John Sexton (NYU)
- Jerry Speyer (Tisman Speyer)
- Gerald McEntee (AFSCME)
- Bruce Reed & Al From (Democratic Leadership Council)
- Companies: Microsoft, Apple, RIMM, Nokia, Motorola, Twitter, Rediff (India), Reuters, New York Times, Comcast, TimeWarner.