

Mid Year Review

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Letter from our CEO:

In 2006, Chessiecap remains active in some of the Mid-Atlantic's most promising markets. Market-related themes that are resonating with our clients, investors and buyers include:

1. **Interactive Media** - Using and managing digital assets to serve multiple media channels to gain additional, high-margin revenues.
2. **Business Intelligence** - Using tools to provide actionable analytics on everything from unstructured customer data living on websites and in call centers to real-time factory floor operational performance.
3. **Security and Trust** - Proactively protecting online communities and data.
4. **Next Generation Marketing Programs** - Delivering more customers more efficiently for companies working in the digital ecosystem.

Chessiecap makes good companies better. We also take on difficult situations and make positive things happen. We do this by bringing to our clients the best investment banking, strategy, and technology resources that this region has to offer.

Companies come to Chessiecap with a need --- to raise capital, to find an M&A partner, to overcome a product development hurdle, or to develop or enhance their corporate, marketing or sales strategy. We help companies transform, so that they can scale and compete on an international stage.

Most importantly, we get transactions done.



Chessiecap clients who
attended MAVA's
Capital Connection 2006:

Mobile Posse
Sonum Technologies

2006 Publications

Two White Papers have been written this year by members of the Chessiecap Team:

“How to Choose a Financial Advisor” provides tips and tricks to consider when choosing a financial advisor.

“Technology Pathology” identifies symptoms, diagnoses causes and offers solutions to those confronting technology failures.

To read the articles in their entirety, and others, please [click here](#).

New Chessiecap Hires

Yan Guo, *Senior System Architect* joins us from webMethods in China where he was a Chief Solutions Architect. Before that, he worked as a contract research scientist at NASA Langley Research Center. Yan grew up in Southwest China and studied in Beijing for 10 years.

Jennifer Hanna, *Sales & Marketing Manager*, joins us from Hyatt. Jennifer has been involved with sales and marketing initiatives for two years. Jennifer grew up in Columbia, Maryland.

Interested in joining our team? [Please view](#) our current opportunities.

Chessiecap Transaction News

Chessiecap Securities Acts as Financial Advisor for Agreements between AVIcode and Quest Software (May 2006) - The transactions with which Chessiecap assisted include agreements for product distribution, joint research and development activities and marketing and sales initiatives, as well as an equity investment in AVIcode. Chessiecap served as both the financial *and* strategic advisor for this transaction.

Chessiecap Assists Severn Healthcare in its Sale to Nations Healthcare, LLC (March 2006) - Severn Healthcare has been acquired by Nations Healthcare, LLC. Chessiecap served as financial advisor for this transaction.

Practice Updates

Investment Banking

The Investment Banking Practice has been working on a wide variety of projects since the start of 2006. Some of our projects include:

- Raising capital for a telecom infrastructure component supplier
- M&A transactions in IT security and retail industry software and services
- Several advisory assignments to both public and private companies regarding funding, M&A and valuation needs
- We have completed 9 Common Stock Valuations, providing a methodology to determine common stock and option value under complicated capitalization structures

[Please read more about Chessiecap Investment Banking.](#)

Strategy Services

The Strategy Practice has delivered high value, business planning engagements to market leading companies representing the interactive media, business intelligence and marketing sectors. 2006 clients include:

- Federal, IT reseller that is transforming its business to become a high value products and services integrator
- Two companies using advanced analytics and visualization technology to deliver actionable analytics that drive increased revenues and operational performance
- A promising start-up company with a scalable, flexible mobile advertising platform
- An online identity verification company that delivers consumer trust solutions

[Please read more about Chessiecap Strategy Services.](#)

Technology Consulting

The Technology Consulting Practice is doing breakthrough work in digital asset management, marketing services, IT security, compliance and governance, application architecture, and user interface design. Our engagements include:

- Serving as Acting CTO to refocus and scale an IT organization to improve a transaction processing system for charitable giving
- Designing and developing a digital asset registry for a major operator of cable networks and print publications
- Taking the lead on technical due diligence for a \$600 million acquisition in the search market
- Completing due diligence for LogicTree that led to a \$4 million investment from Edison Venture Fund

[Please read more about Chessiecap Technology Consulting.](#)