

# Corporate Focus

## A Corporate Focus Success Story

### AmberWave Systems Corporation



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#### BACKGROUND

Having raised \$66 million in four rounds of venture capital funding since 2000, the complexity of AmberWave Systems Corporation's capital structure is now approaching the complexity of its semiconductor research and development. AmberWave is the leading supplier of strained silicon technology with over 100 patents pending. This state-of-the-art technology increases the mobility of charge carriers in semiconductor devices by "stretching" or "straining" the atomic structure of silicon.

This type of research and development requires ongoing venture capital funding and the hiring of world-class technologists. As a result, AmberWave already has four classes of convertible preferred stock and an employee stock option plan.

#### ENDING THE USE OF COMPLEX SPREADSHEETS

When Rose Mary Abrams joined the legal department of AmberWave in 2005, she was faced with the challenge of managing the company's capitalization tables and stock option plan. Although there was a system in use at that time, Bryan Lord, AmberWave's Vice President and General Counsel, was concerned whether it could handle the level of complexity and flexibility AmberWave would require. As a result, they were also tracking some of the ownership information in back up spreadsheets which was tedious and time-consuming. Abrams knew there was an easier way and recommended implementing a software solution she had used in the past that she knew she could trust.

#### PARALEGAL BRINGS LAW FIRM EXPERIENCE TO CORPORATE LEGAL DEPARTMENT

Before joining AmberWave, Abrams was the corporate paralegal manager at Boston's leading high tech law firm, Testa, Hurwitz and Thiebeault, where they had used Corporate Focus™ as their firm-wide standard for entity, ownership and minute book tracking. "Corporate Focus brought measurable time savings and efficiency gains to the law firm I had been with," explained Abrams. "Because we had hundreds of clients, we did a large volume of stock and option work, including many conversions and splits. At Testa, Hurwitz, Corporate Focus helped our client relationships by making the



#### ABOUT AMBERWAVE

AmberWave Systems Corporation leads the semiconductor industry in developing and licensing intellectual property critical to the technology for manufacturing strained silicon and other advanced semiconductor materials and semiconductor devices. The Company's strained silicon technology incorporates more than 10 years of research from MIT, AT&T Bell Labs, and ongoing research at its own facilities in the next generation of semiconductor materials, including in the area of III-V compounds. AmberWave, headquartered in Salem, NH, was named by Red Herring as one of the Top 100 Private Companies in North America for 2005. Visit AmberWave at [www.amberwave.com](http://www.amberwave.com).

tracking and reporting process much easier and more efficient. It helped us eliminate a huge number of Excel spreadsheets. Then, it shortened the stock certificate printing time by hours." Based on her extensive use of Corporate Focus to track stock and options for hundreds of complex, venture-backed companies, Abrams knew it could handle AmberWave's ownership records management.

#### CAP TABLE INFORMATION AT YOUR FINGERTIPS

After installing Corporate Focus, Rose Mary imported their data from existing Excel spreadsheets using the Corporate Focus data import utility. At that point, she was able to begin using the system that she was already familiar with and take advantage of its many time saving and automated procedures. "At the beginning of each month, I reconcile new stock issuances, confirm option grants or exercises, update the cap tables, and report the ownership information in many different ways. In the past, the volume of data and complex nature of our ownership made calculating and reporting such information very time-consuming. But now, at any point in time, I have accurate ownership information at my fingertips that may be needed by the attorneys, board members, potential investors, stockholders, or employees," comments Abrams. "It's also helpful when we're negotiating a new round of financing. Investors can see how their stock will be affected and what percentage of dilution will take place. Potential investors are very impressed when we can get them cap table information in hours instead of weeks. With Corporate Focus, I'm always prepared."

#### BOARD AND INVESTOR REPORTING MADE EASY

In addition to their ownership information, AmberWave needs to track other types of corporate governance related information. "We need to track our directors, which committees they're on, and what other boards they sit on. We have set up our board and our ownership reporting to comply with SEC regulations, as we look to the future. Corporate Focus makes it easy to generate reports for the board meetings. To stay on top of all our entity and ownership information, we track everything in Corporate Focus." According to Abrams, Corporate Focus was the only solution that met AmberWave's needs for successfully combining both the complex stock and option functionality that a company like AmberWave requires, as well as the ability to track all of the related entity and minute book information.

"I would advise any other stock plan administrator researching these types of solutions to consider a new system's ease of use, make sure it does everything you need to do, and check the level of customer support," Abrams concludes. "Then, I would recommend Corporate Focus without a doubt. Corporate Focus has been used for so many years, they've just gotten it right."

For more information about Corporate Focus and how to create your own success, call Two Step Software at: 800-223-8900 or email: [sales@twostep.com](mailto:sales@twostep.com).