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BREAKAWAY SOLUTIONS INC
Form SC 13D
January 26, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

BREAKAWAY SOLUTIONS, INC.
(Name of Issuer)

Common Stock, Par Value \$.000125 Per Share
(Title of Class of Securities)

105372 10 5
(CUSIP number)

Henry N. Nassau, Esq.
Managing Director and General Counsel
Internet Capital Group, Inc.
The 600 Building
435 Devon Park Drive
Wayne, PA 19087
(610) 989-0111

(Name, address and telephone number of
Person Authorized to Receive Notices
and Communications)

Copy to:

Christopher G. Karras, Esq.
Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103-2793

April 5, 2000
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

CUSIP No. 105372 10 5

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| | |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| 1) Name of Reporting Person | Internet Capital Group, Inc. |
| SS. Or I.R.S. Identification No. of Above Person | 23-2996071 |
| ----- | |
| 2) Check the Appropriate Box if a Member of a Group | (a) <input type="checkbox"/> (b) <input type="checkbox"/> |
| ----- | |
| 3) SEC Use Only | |
| ----- | |
| 4) Source of Funds | WC, 00 |
| ----- | |
| 5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) | <input type="checkbox"/> |
| ----- | |
| 6) Citizenship or Place of Organization | Delaware |
| ----- | |
| Number of Shares Beneficially Owned By Reporting Person With | 7) Sole Voting Power 15,562,674 |
| | 8) Shared Voting Power 0 |
| | 9) Sole Dispositive Power 15,562,674 |
| | 10) Shared Dispositive Power 0 |
| ----- | |
| 11) Aggregate Amount Beneficially Owned by Each Reporting Person | 15,562,674 |
| ----- | |
| 12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares | <input type="checkbox"/> |
| ----- | |
| 13) Percent of Class Represented by Amount in Row (11) | 44.3% |
| ----- | |
| 14) Type of Reporting Person | CO |
| ----- | |

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ITEM 1. SECURITY AND ISSUER

This Statement on Schedule 13D relates to the purchase of Common Stock, par value \$.000125 per share (the "Common Stock"), of Breakaway Solutions, Inc. (the "Issuer"), whose principal executive office is located at 50 Rowes Wharf, 6th Floor, Boston, MA 02110. The Common Stock is currently traded on the NASDAQ under the symbol "BWAY."

ITEM 2. IDENTITY AND BACKGROUND

(a) The name of the filing person is Internet Capital Group, Inc., a Delaware corporation ("ICG"). The name, address, present principal occupation or employment and, if applicable, the name, principal business and address of

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any corporation or other organization in which such employment is conducted, of the directors and executive officers of ICG (collectively, the "Directors and Executive Officers") is set forth in Appendix I hereto, which is incorporated herein by reference.

(b)-(c) The address of the principal office and principal place of business of ICG is The 600 Building, 435 Devon Park Drive, Wayne, PA 19087. ICG is an Internet company actively engaged in business to business e-commerce through a network of partner companies.

(d) During the past five years, none of ICG or the Directors and Executive Officers have been convicted in a criminal proceeding.

(e) During the past five years, none of ICG or the Directors and Executive Officers have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of the Directors and Executive Officers is a United States citizen.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

On April 5, 2000, ICG used its working capital and unissued shares of ICG common stock to purchase in a private transaction 1,600,000 shares of Common Stock for aggregate consideration consisting of 323,509 shares of ICG common stock and \$39,270,000 in cash. The balance of the Common Stock held by ICG was the subject of a report on Schedule 13G filed with the Securities and Exchange Commission on February 14, 2000.

ITEM 4. PURPOSE OF TRANSACTION

ICG has acquired the Common Stock as part of its operating strategy to integrate ICG's partner companies into a collaborative network that leverages its collective knowledge and resources. ICG intends to review, from time to time, its interest in the Issuer on the basis of various factors, including but not limited to the Issuer's business, financial condition, results of operations and prospects, synergies with other partner companies and integration in the network, general economic and industry conditions, as well as other developments and other acquisition

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opportunities. Based upon those considerations, ICG may seek to acquire additional shares of Common Stock on the open market or in privately negotiated transactions, or to dispose of all or a portion of the Common Stock.

Except as set forth above, ICG and the Directors and Executive Officers have not formulated any plans or proposals of the types referred to in clauses (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a)-(b) ICG may be deemed to be the beneficial owner with the sole power to vote and dispose of a total of 15,562,674 shares of Common Stock (or 44.3% of the outstanding Common Stock).

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- (c) Not applicable.
- (d) Not applicable.
- (e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

There are no contracts, arrangements, understandings or relationships (legal or otherwise) among ICG, the Directors or Executive Officers, or among any of such persons and any other person, with respect to any securities of the Issuer, including but not limited to transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Not applicable.

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Signature

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 26, 2001

INTERNET CAPITAL GROUP, INC.

By: /s/ Henry N. Nassau

Name: Henry N. Nassau

Title: Managing Director, General Counsel

and Secretary

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APPENDIX I

ICG Directors

| Name | Principal Occupation | Address |
|-------|----------------------|---------|
| ----- | ----- | ----- |

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| | | |
|------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Robert E. Keith, Jr. | President and Chief Executive Officer, TL Ventures | TL Ventures The 700 Building 435 Devon Park Drive Wayne, PA 19087 (early stage venture capit |
| Julian A. Brodsky | Vice Chairman and Director, Comcast Corporation | Comcast Corporation 1500 Market Street Philadelphia, PA 19102 (cable, content and commer provider) |
| Walter W. Buckley, III | President and Chief Executive Officer, Internet Capital Group, Inc. | Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |
| Kenneth A. Fox | Managing Director, West Coast Operations, Internet Capital Group, Inc. | Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |
| Thomas P. Gerrity | Professor, Wharton School of the University of Pennsylvania | The Wharton School University of Pennsylvania Suite 2000 Steinberg Hall Dietrich Hall Philadelphia, PA 19104-637 |
| Warren V. Musser | Chairman and CEO, Safeguard Scientifics, Inc. | Safeguard Scientifics, Inc 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 (develops and operates int infrastructure companies) |
| Peter A. Solvik | Senior Vice President and Chief Information Officer, Cisco Systems, Inc. | Cisco Systems, Inc. 170 West Tasman Drive San Jose, CA 95134-1619 (provides hardware and sof used in internet networkin |

ICG Executive Officers

| Name | Principal Occupation | Address |
|------------------------|------------------------------------------|-------------------------------------------------------------------------------------------|
| ----- | ----- | ----- |
| Walter W. Buckley, III | President, Chief Executive Officer | Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |
| Douglas A. Alexander | Managing Director, East Coast Operations | Internet Capital Group, In The 600 Building 435 Devon Park Drive |

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| | | |
|------------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Kenneth A. Fox | Managing Director, West Coast Operations | Wayne, PA 19087 Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |
| David D. Gathman | Chief Financial Officer and Treasurer | Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |
| Henry N. Nassau | Managing Director, General Counsel and Secretary | Internet Capital Group, In The 600 Building 435 Devon Park Drive Wayne, PA 19087 |