COMSCORE, INC.
Form 4
November 07, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Abraham Magid M

(Last) (First) (Middle)

11950 DEMOCRACY DR., SUITE 600

(Street)

RESTON, VA 20190

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
COMSCORE, INC. [SCOR]

3. Date of Earliest Transaction (Month/Day/Year)
11/05/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/05/2008		M		150,000	A	$ 0.25	708,149	D	
Common Stock								27,070	I	By Wife
Common Stock								587,876 (1)	I	By Abraham Family Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount o Number o Shares
Common Stock Incetive Stock Option	$ 0.25	11/05/2008		M			150,000	(2)	10/15/2013	Common Stock	150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Abraham Magid M 11950 DEMOCRACY DR. SUITE 600 RESTON, VA 20190	X		President and CEO	

Signatures

/s/ Christiana L. Lin, Attorney in Fact	11/07/2008
**Signature of Reporting Person	Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- **(1)** Reporting person and spouse disclaim beneficial ownership of such shares except to the extent of their respective pecuniary interest.
- **(2)** Option Grant became fully vested on 10/24/07.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. in incremental expense compared with 2004;

- Industry conference sponsorships increased $0.3 million from 2004 to 2005;

- Professional fees totaling $0.3 million were incurred in 2005 related to the planned merger with another sourcing advisory firm which was ultimately not consummated.

Depreciation and Amortization Expense

During 2005, depreciation and amortization expenses increased $1.1 million to $1.9 million from $0.8 million in 2004. The principal driver was a $0.7 million increase in the amortization of intangible assets (principally client relations and data bases) attributable to the June 2005 acquisition of Gildner and Associates, Inc.

Other Income (Expense), Net

Other expense, net, totaled $3.8 million in 2005, an increase of $2.5 million from $1.3 million in 2004. The increase in 2005 was primarily due to the full year effect of interest expense resulting from a recapitalization related to the June 2004 purchase of a controlling interest in TPI by MCP-TPI Holdings, LLC. As part of the transaction, TPI s long and short term debt was significantly increased resulting in higher ($1.8 million) borrowing costs during 2005.

Income Tax Expense (Benefit)

Income tax expense increased $3.4 million to $5.2 million during 2005 from $1.8 million in 2004. The principal reasons for the increase in tax expense were higher income in 2005 and the effect of TPI s June 2004 conversion from an S-Corporation to a C-Corporation filing status. As a C-Corporation, TPI assumed responsibility for filing and paying Federal and State income taxes. The conversion was necessitated by the purchase of a controlling interest in TPI by MCP-TPI Holdings, LLC. TPI s effective tax rate for 2005 was 44% compared with 28% during 2004. The principal drivers for the increase included (1) a reversal of a Statement of Financial Accounting Standards No. 5 Accounting for Contingencies tax reserve in 2004, (2) higher non-deductible expenses in 2005 driven by a rapid expansion in TPI s employee count, (3) increased state income taxes in 2005 associated with TPI s June 2004 conversion to a C-Corporation and (4) changes in recognition of benefits for foreign tax credits. A complete analysis of TPI s effective tax rates for 2006, 2005 and 2004 is presented in Note 9 to TPI s consolidated financial statements appearing elsewhere in this proxy statement.

Liquidity and Capital Resources

TPI s primary sources of liquidity are cash flows from operations, existing cash and cash equivalents. In addition, TPI maintains senior secured debt facilities consisting of term loans and a revolving credit line. Operating assets and liabilities consist primarily of receivables from billed and unbilled services, accounts payable, accrued expenses, and accrued payroll and related benefits. The volume of billings and timing of collections and payments affect these account balances.

Six Month Period Ending June 30, 2007 Compared to June 30, 2006

Cash used in operating activities totaled $4.6 million for the six months ended June 30, 2007 compared to $4.2 million for the six months ended June 30, 2006. The higher usage of cash during the first half of 2007 was primarily due to an increase in accounts receivable balances ($1.8 million) resulting from increased revenues and longer collection cycles as well as non-cash charges aggregating $1.1 million related to expensing certain deferred financing costs and bad debts recorded during 2006 which had no 2007 counterpart. These variances were largely offset by lower compensation related accruals and higher net income for the first half of 2007 compared to the first half of 2006. Seasonal fluctuations in revenues and compensation expense discussed previously also contributed to lower cash balances during the first half of each year.

Cash used by investing activities totaled $0.7 million in the first half of 2007, compared with $0.2 million in the first half of 2006. The $0.5 million increase was attributable to cash received from the release of letter of credit deposits ($0.3 million) during the second quarter of 2006 and higher purchases of property and equipment ($0.2 million) during the first half of 2007.

TPI s financing activities have consisted principally of borrowings and repayments under the debt arrangements discussed above. Cash provided by financing activities aggregated $0.4 million in the first half of 2007, which consisted of $2.0 million in borrowings offset by principal payments of $1.6 million. During the first half of 2006, cash provided by financing activities totaled $4.6 million, which consisted of $4.7 million in borrowings offset by principal payments of $1.6 million. In addition, in the first half of 2006, TPI received contributed capital from MCP-TPI Holdings in the amount of $1.7 million in connection with the liquidation of a joint venture.

The Year Ended December 31, 2006 Compared to the Year Ended December 31, 2005

Cash provided by operating activities totaled $3.4 million for 2006, a decrease of $2.5 million from $5.9 million in 2005. The decrease in cash generated from 2005 to 2006 is attributable primarily to lower net income ($1.4 million), higher accounts receivable balances ($0.5 million) resulting from increased revenues, the one-time payment of $5.6 million in the first half of 2006 related to accrued 2005 advisor salaries discussed previously, and a $0.2 million decrease in deferred revenue. Items that partially offset these decreases in cash provided by operating activities primarily included: a decrease in prepaid expenses of $1.4 million reflecting the timing of corporate tax payments, an increase in accounts payable related to international value-added taxes (VAT), and a $0.5 million non-cash loss on the extinguishment of debt. Details of the extinguishment are included in Note 2 to TPI s consolidated financial statements included herein.

Cash used by investing activities totaled $0.8 million in 2006, a decrease of $4.7 million from $5.5 million in 2005. Purchases of property and equipment aggregated $1.2 million and $2.2 million during 2006 and 2005, respectively. Included in 2005 were payments of $1.0 million related to the implementation of upgraded financial systems, and $3.2 million for cash consideration associated with the acquisition of Gildner and Associates, Inc. During 2006, $0.4 million in cash was provided through a release of a 2004 letter of credit relating to TPI s expansion in Europe.

Cash provided by financing activities aggregated $0.3 million in 2006, which consisted of $4.7 million in borrowings offset by principal payments of $6.0 million. During 2006, TPI also received contributed capital from MCP-TPI Holdings, LLC in the amount of $1.7 million in connection with the liquidation of a joint venture. In 2005, cash provided by financing activities totaled $0.7 million, which consisted of $3.0 million in borrowings offset by principal payments of $2.3 million.

The Year Ended December 31, 2005 Compared to the Year Ended December 31, 2004

Cash provided by operating activities totaled $5.9 million in 2005, a decrease of $0.3 million from $6.2 million in 2004. The decrease in cash generated from 2004 to 2005 was primarily attributable to higher net income ($1.9 million) and higher accrued expenses ($9.3 million), which were more than offset by higher accounts receivable balances ($10.7 million), and higher prepaid expenses and other assets ($2.3 million). The increases in net income, liabilities, and receivable balances resulted from increased revenues. Prepaid expenses and other assets increased $2.3 million in 2005 as a result of the timing of corporate tax payments. Accounts payable and deferred revenue increased $0.9 million and $0.4 million, respectively as a result of increased revenues and business activity.

Cash used by investing activities totaled $5.5 million for the fiscal year 2005, primarily due to the acquisition of Gildner and Associates, Inc. ($3.2 million) and purchases of property and equipment ($2.2 million). During 2004, cash used by investing activities totaled $1.7 million, primarily due to purchases of equipment and the issuance of a letter of credit ($0.4 million) required to support TPI s expansion in Europe.

Cash provided by financing activities aggregated $0.7 million in 2005, which consisted of $3.0 million in borrowings offset by principal payments of $2.3 million. In 2004, net cash used in financing activities aggregated $3.0 million and primarily related to the recapitalization of TPI by MCP-TPI Holdings, LLC, and the change in tax filing status previously discussed. Details of the recapitalization are included in Note 1 to TPI s consolidated financial statements included herein.

Capital Resources

TPI maintains an $11 million senior secured revolving credit facility. TPI had drawn $2.9 million on the facility as of June 30, 2007. In conjunction with the purchase of a controlling interest of TPI by MCP-TPI and the subsequent recapitalization of TPI in 2004, TPI has also drawn $29.7 million under the terms of two senior term loans and one subordinated note. TPI s term loans mature in 2009 and 2010, and its subordinated note matures in 2012. TPI s has access to its revolving line of credit through June 2009.

TPI s credit facilities carry floating interest rates based on LIBOR, and are not subject to prepayment penalties. The credit facilities are collateralized by substantially all of TPI s assets, including equipment and trade accounts receivable. TPI s senior secured credit facilities contain covenants customary in agreements of this type, including limitations on incurring additional debt. As of the date of this proxy statement, there have been no uncured events of default under the covenants of TPI s senior credit facility. On August 16, 2007, TPI and its lenders agreed to amend TPI s senior credit agreement to eliminate a violation as of June 30, 2007. The violation resulted primarily from the timing of the recognition of certain operating expenses incurred in different quarters of 2006 and 2007 as well as approximately $1.7 million of severance expenses and costs related to the ISG transaction (which were not contemplated when the original credit agreement was executed). See footnote 8 on page F-32.

The following table summarizes TPI s contractual obligations as of December 31, 2006 and the timing and effect that such obligations are expected to have on TPI s liquidity and capital requirements in future periods.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Debt obligations, principal and interest	$ 43,522,623 (1)	$ 8,008,193 (1)	$ 22,667,723	$ 12,846,707	$
Operating lease obligations	742,833	567,337	175,496		
Total	**$ 44,265,456**	**$ 8,575,530**	**$ 22,843,219**	**$ 12,846,707**	

(1) As of December 31, 2006 and 2005, we held a non-interest bearing note payable of $750,000 to an executive officer who separated from TPI in 2002 (Note 8). The consideration for the $750,000 is contingent upon the fulfillment of the terms of the severance agreements by the executive and the occurrence of a change in control of TPI.

(2) Excluded from the above table is interest associated with borrowings under the revolving line of credit because both the amount borrowed and applicable interest rate are variable.

(3) Excluded from the above table is a $225,000 liability (or reserve) for uncertain tax positions TPI has taken or is expected to take on its tax returns. The reserve was created as a result of TPI s adoption of FIN 48 on January 1, 2007.

Future Needs

In April 2007, TPI agreed to be acquired by ISG. The acquisition by ISG is expected to substantially change TPI s financial position. Upon completion of the acquisition, TPI s current credit facilities as well as the $750,000 note discussed above will be paid off and cancelled by MCP-TPI.

TPI management believes that cash flows generated from operations, existing cash and cash equivalents and borrowing capacity contemplated in connection with the acquisition of TPI by ISG are sufficient to finance the requirements of TPI s business during future periods. In the event that the acquisition by ISG is not consummated, TPI s management believes that existing cash and cash equivalents, cash flow generated from operations and borrowing capacity is sufficient to meet its current and future capital and operating requirements.

Off-Balance Sheet Arrangements

TPI does not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets or any obligation arising out of a material variable interest in an unconsolidated entity.

Employee Retirement Plans

TPI maintains a qualified defined contribution profit-sharing plan (the Plan) for U.S.-based employees. Contributions to the Plan are made by TPI up to a maximum per eligible employee of 12.75% of total cash compensation or $25,500, whichever is less. Employees are generally eligible to participate in the Plan after six months of service, and are 100% vested upon entering the Plan. For the years ended December 31, 2006, 2005 and 2004, TPI contributed $6,352,589, $5,168,406 and $3,402,282, respectively, to the Plan. These amounts are invested by the participants in a variety of investment options under an arrangement with a third party asset manager. All current and future financial risks associated with the gains and losses on investments are borne by participants.

Seasonality and Quarterly Results

The negotiation of sourcing transactions, and as a result TPI s revenue and earnings, are subject to seasonal fluctuations. As a result of year-end holidays and client budget and spending patterns, TPI s revenues have historically been weighted toward the second half of each year. TPI s earnings track this revenue seasonality and are also impacted by the timing of the adoption of annual price increases and certain costs and, as a result, have historically been significantly higher in the second half of each year. Due to the seasonality of TPI s business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the appropriate application of certain accounting policies, many of which require management to make estimates and assumptions about future events and their impact on amounts reported in TPI s consolidated financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results may differ from estimates. Such differences may be material to the consolidated financial statements.

TPI believes the application of accounting policies, and the estimates inherently required therein, are reasonable. These accounting policies and estimates are periodically reevaluated, and adjustments are made when facts and circumstances dictate a change. Historically, TPI has found the application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

TPI s accounting policies are more fully described in Note 2 Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements, included elsewhere in this proxy statement. TPI has identified the following critical accounting policies:

Revenue Recognition

TPI principally derives revenues from fees for services generated on a project-by-project basis. Prior to the commencement of a project, TPI reaches agreement with the client on rates for services based upon the scope of the project, staffing requirements and the level of client involvement. It is TPI s policy to obtain written agreements from new clients prior to performing services. In these agreements, the clients acknowledge that they will pay based upon the amount of time spent on the project and at the agreed upon fee structure. Revenues for services rendered are recognized on a time and materials basis or on a fixed-fee or capped-fee basis in accordance with Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition.

TPI s accounts receivable includes revenue for services performed that have been invoiced but not collected as well as unbilled revenues. Deferred revenue includes billings in excess of revenues recognized, typically in cases where contracts permit TPI to invoice customers in advance of performing services.

Revenues for time and materials contracts are recognized based on the number of hours worked by TPI s consultants at an agreed upon rate per hour and are recognized in the period in which services are performed. Revenues for time and materials contracts are billed monthly, semimonthly or in accordance with the specific contractual terms of each project.

Revenues related to fixed-fee or capped-fee contracts are recognized on the proportional performance method of accounting based on the ratio of labor hours incurred to estimated total labor hours, which TPI considers to be the best available indication of the pattern and timing in which contract obligations are fulfilled. This percentage is multiplied by the contracted dollar amount of the project to determine the amount of revenue to recognize in an accounting period. The contracted amount used in this calculation excludes the amount the client pays for reimbursable expenses. There are situations where the number of hours to complete projects may exceed TPI s original estimate as a result of an increase in project scope or unforeseen events that arise. On an on-going basis, TPI s project team, along with risk management and accounting personnel review hours incurred and estimated total labor hours to complete. The results of any revisions in these estimates are reflected in the period in which they become known. TPI believes it has a demonstrated history of successfully estimating the total labor hours to complete a project.

If TPI does not accurately estimate the scope of the work to be performed, or does not manage the projects properly within the planned periods of time or does not meet the clients expectations under the contracts, then future consulting margins may be negatively affected or losses on existing contracts may need to be recognized. Any such resulting reductions in margins or contract losses could be material to TPI s results of operations.

The agreements entered into in connection with a project, whether on a time and materials basis or fixed-fee or capped-fee basis, typically allow TPI s clients to terminate early due to breach or for convenience with 30 days notice. In the event of termination, the client is contractually required to pay for all time, materials and expenses incurred by TPI through the effective date of the termination. In addition, from time to time TPI enters into agreements with clients that limit TPI s right to enter into business relationships with specific competitors of that client for a specific time period. These provisions typically prohibit TPI from performing a defined range of services that it might otherwise be willing to perform for potential clients. These provisions are generally limited to six to twelve months and usually apply only to specific employees or the specific project team.

Reimbursable Expenditures

TPI accounts for reimbursable expenditures in accordance with EITF 01-14 Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred. Amounts billed to clients for reimbursable expenditures are included in revenues and the associated costs incurred by TPI are included in direct costs and expenses for advisors in the period in which the expense is incurred.

Allowance for Doubtful Accounts and Unbilled Services

TPI maintains an allowance for doubtful accounts for estimated losses resulting from the inability of clients to pay fees or for disputes that affect TPI s ability to fully collect billed accounts receivable. The allowance for these risks is prepared by reviewing the status of all accounts and recording reserves on a specific identification method based on previous experiences in these cases and historical bad debt expense. However, TPI s actual experience may vary significantly from these estimates. If the financial condition of TPI s clients were to deteriorate, resulting in their inability or unwillingness to pay their invoices, TPI may need to record additional allowances or write-offs in future periods.

The provision for doubtful accounts and unbilled services is recorded as a reduction to revenues to the extent the provision relates to fee adjustments and other discretionary pricing adjustments. To the extent the provision relates to a client s inability or unwillingness to make required payments, the provision is recorded as bad debt expense which is classified within selling, general and administrative expense.

Direct Costs and Expenses for Advisors

Direct costs and expenses for advisors include payroll expenses and advisory fees directly associated with the generation of revenues and other program expenses. Direct costs and expenses for advisors are expensed as incurred.

Direct costs and expenses for advisors also include expense accruals for discontinuous scheduled bonus payments. These bonuses represent a significant percentage of each advisor s total compensation and are adjusted throughout the year based on actual and projected individual and company performance.

Income Taxes

TPI accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. Under this method, deferred tax assets and liabilities are determined based upon differences between the financial statement and tax basis of assets and liabilities using enacted income tax rates in effect for the year in which the differences are expected to reverse. TPI records a valuation allowance to reduce deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized.

In addition, TPI adopted FIN 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. This interpretation requires TPI to recognize, present and disclose in its financial statements a reserve for all uncertain tax positions TPI has taken or is expected to take on its tax returns. Under FIN 48, TPI s financial statements will reflect expected future tax consequences of such positions assuming the taxing authorities full knowledge of the position and all relevant facts.

Foreign Currency Translation

During 2005, TPI made a prospective change to its accounting policy for foreign currency translation in accordance with SFAS No. 52, Foreign Currency Translation. Prior to January 1, 2005, TPI s foreign subsidiaries operated as an extension of TPI s United States operations. As of January 1, 2005, TPI determined that changes in the underlying economic facts and circumstances indicated that the functional currency of those operations had changed, as the foreign subsidiary operations began operating as self contained subsidiaries that are integrated within their respective countries. As such, beginning on January 1, 2005, the assets and liabilities of TPI s foreign subsidiaries have been translated into U.S. dollars using the exchange rates in effect at the balance sheet date as the functional currency is the local currency. Results of operations have been translated using the average exchange rates during the year. Resulting translation adjustments have been recorded as a component of other comprehensive income (loss) in the statement of stockholders equity (deficit). Foreign currency transaction gains and losses are included in the consolidated statements of income as they occur.

Prior to 2005, the functional currency for TPI s non-U.S. based subsidiaries was the U.S. dollar. Amounts of on-hand cash, receivables and payables balances at period end not denominated in U.S. dollars were translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Gains and losses on foreign currency translation and transactions prior to January 1, 2005, were reported directly in the consolidated statements of income.

Goodwill and Intangible Assets

TPI s goodwill and other intangible assets were generated from acquisitions completed since 2005. Other intangible assets include client relationships, covenant not-to compete, trademark and trade names, contract backlog and databases. TPI reviews the carrying value of goodwill and other long-lived assets annually to determine whether impairment has occurred from the date of relevant acquisition. In making these impairment assessments, TPI must make subjective judgments regarding estimated future cash flows and other factors to determine the fair value of the reporting units of the business that are associated with these assets. It is possible that these judgments may change over time as market conditions or TPI s strategies change, and these changes may cause the recording of impairment charges to adjust goodwill and other intangible assets to their estimated implied fair value or net realizable value.

TPI has elected to make December 31 the annual impairment assessment date and will perform additional impairment tests if a change in circumstances occurs that would more likely than not reduce the fair value of the long-lived assets below their carrying amount.

Stock-Based Compensation

TPI has stock-based employee compensation plans, which are more fully described in Note 10 to the consolidated financial statements. Prior to January 1, 2006, TPI applied the recognition and measurement principles of Accounting Principles Bulletin (APB) Opinion No. 25, Accounting for Stock Issued to Employees, (APB 25) and related interpretations to awards granted under those plans. Under APB 25, no compensation expense was reflected in net income for TPI s stock options or management share unit grants (collectively the awards), as all awards granted under those plans had an exercise price equal to the market value of the underlying shares on the date of grant. The pro forma effects on income for awards were instead disclosed in a footnote to the financial statements in accordance with by SFAS No. 148 Accounting for Stock-Based Compensation an Amendment to SFAS 123 (SFAS 148).

Effective January 1, 2006, TPI adopted the fair value recognition provisions of FASB Statement of Financial Accounting Standard No. 123(R), Share-Based Payment, (SFAS 123-R), using the prospective transition method. Under this transition method, only new awards (or awards modified, repurchased, or cancelled after the effective date) are accounted for under the provisions of FAS 123(R).

As discussed in Note 10 to TPI s consolidated financial statements, the awards granted under TPI s stock-based employee compensation plans are only fully vested and exercisable upon a liquidity event. Therefore, these awards do not have a measurement date and are contingent grants. As a result, there was no impact to TPI s consolidated financial statements related to the adoption of SFAS 123(R).

Recent Accounting Pronouncements

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, which prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that we have taken or expects to take on a tax return. Under FIN 48, the financial statements will reflect expected future tax consequences of such positions presuming the taxing authorities full knowledge of the position and all relevant facts, but without considering time values. FIN 48 is likely to cause greater volatility in income statements as more items are recognized discretely within income tax expense. Application of FIN 48 is required in financial statements effective for periods beginning after December 15, 2006. FIN 48 revises disclosure requirements and will require an annual tabular roll-forward of unrecognized tax benefits. TPI adopted FIN 48 as of January 1, 2007, as disclosed in Note 2 to its consolidated financial statements included herein.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. This statement establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The provisions of SFAS 157 should be applied prospectively as of the beginning of the fiscal year in which SFAS 157 is initially applied, except in limited circumstances. We expect to adopt SFAS 157 beginning January 1, 2008, and are currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115 . This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective as of the beginning of an entity s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS No. 157. We expect to adopt SFAS 159 beginning January 1, 2008, and are currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

Quantitative and Qualitative Disclosures about Market Risk

TPI is exposed to financial market risks, primarily related to changes in interest rates. TPI manages these risks by employing a variety of debt instruments. TPI does not use derivatives to alter the interest characteristics of its financial instruments. TPI does not believe a change in interest rates will materially affect its financial position or results of financial operations. A one percent change in interest rates would result in an annual change in the results of operations of $0.3 million.

TPI operates in a number of international areas which exposes TPI to foreign currency exchange rate risk. TPI does not currently hold or issue forward exchange contracts or other derivative instruments for hedging or speculative purposes. TPI recorded foreign exchange transaction losses of $0.1 million and $0.4 million during 2006 and 2005, respectively. During 2004 TPI recorded foreign exchange transaction gains of $0.3 million. In addition, the percentage of revenues generated in future periods from operations outside the U.S. is expected to grow significantly, and as such, the impact of currency translation on TPI s reported results may increase. The percentage of total revenues generated outside the U.S. increased from 22% in 2004 to 35% during 2006. TPI has not invested in foreign operations in highly inflationary economies; however, it may do so in future periods.

Concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. All cash and cash equivalents are on deposit in fully liquid form in high quality commercial banks. Trade receivables potentially subject TPI to credit risk. TPI extends credit to its clients based on an evaluation of each client s financial condition and generally does not require collateral. Various business units of TPI s largest client accounted for greater than 10% of revenues and accounts receivable in the years 2006, 2005 and 2004. The loss of, or significant decrease in, the business from this client could adversely effect TPI s financial condition and results of operations. On December 1, 2006, this client divested certain significant portions of its business which is expected to decrease the client s concentration of TPI s revenues during 2007 and in the future. No other client accounted for more than 10% of TPI s revenue in 2006, 2005, or 2004. TPI maintains provisions for doubtful receivables. These provisions aggregated $0.5 million as of the end of 2006.

DIRECTORS AND EXECUTIVE OFFICERS OF ISG
FOLLOWING THE ACQUISITION

Board of Directors

Upon the completion of the acquisition, we expect the Board of Directors of ISG to continue to be as follows:

Name	Age	Position
Michael P. Connors	52	Chairman of the Board and Chief Executive Officer
Robert J. Chrenc	63	Director
R. Glenn Hubbard	49	Director
Robert E. Weissman	67	Director

Michael P. Connors has served as our Chairman of the Board and Chief Executive Officer since our inception. Mr. Connors also served as our Secretary and Treasurer from the date of our inception until December, 2006. Mr. Connors served as Chairman and CEO of VNU s Media Measurement and Information (MMI) Group from its creation in 2001 until his resignation in 2005. VNU is a leading global information and media company. Mr. Connors was instrumental in creating the MMI Group, which comprises VNU s media information, entertainment, software and internet businesses, including Nielsen Media Research, Nielsen Entertainment and NetRatings. In addition to leading the MMI Group, Mr. Connors served as chairman of VNU World Directories from 2003 to 2004, which included VNU s Yellow Pages and directory businesses operating in seven countries. Mr. Connors also served as a member of the VNU Executive Board. Prior to joining VNU, Mr. Connors was Vice Chairman of ACNielsen Corporation, one of the world s largest marketing information services companies, commencing November, 1996. Prior to that, as Senior Vice President of The Dun & Bradstreet Corporation (D&B), Mr. Connors played a key role in the breakup of D&B into three separate, publicly traded companies, including ACNielsen. Mr. Connors currently serves as a director of R.H. Donnelley Corporation and Eastman Chemical Company. In addition, Mr. Connors served until November 2005 as a member of the Board of Directors of NetRatings, Inc.

Robert J. Chrenc has served as our Director since August, 2006. Mr. Chrenc served as Executive Vice President and Chief Financial Officer of ACNielsen Corporation, a leading provider of marketing information, from June 1996 to February 2001. Mr. Chrenc was promoted to Executive Vice President and Chief Administrative Officer in February 2001 and served in this capacity until his retirement in December 2001. Since 2001, Mr. Chrenc has remained retired with the exception of certain director positions. Until January 2007 Mr. Chrenc served as a director of Symbol Technologies Inc., a leading provider of products and solutions that capture, move and manage information, and as non-executive Chairman of its Board of Directors. In April 2007, Mr. Chrenc was elected a member of the Board of Directors of Monster Worldwide, Inc., the parent company of Monster.com, a global online employment solution.

R. Glenn Hubbard has served as our Director since August, 2006. Dr. Hubbard has served as the Dean of Columbia University, Graduate School of Business since 2004. A Columbia faculty member since 1988, he is also the Russell L. Carson Professor of Finance and Economics in the Department of Economics and Graduate School of Business of Columbia University. Dr. Hubbard is a research associate at the National Bureau of Economic Research and is a visiting scholar and Director of the Tax Policy Program for the American Enterprise Institute. In addition, Dr. Hubbard was Chairman of the President s Council of Economic Advisers from 2001 to 2003. Dr. Hubbard currently serves as a director of ADP, Inc., Duke Realty Corporation, KKR Financial Corp. and Metropolitan Life Insurance Company.

Robert E. Weissman has served as our Director since August, 2006. Mr. Weissman retired in January 2001 after years of experience as Chief Executive Officer for several public corporations. Most

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recently, Mr. Weissman was Chairman of the Board of Directors of IMS Health Incorporated (IMS), a provider of information to the pharmaceutical and healthcare industries. He served as both Chairman and Chief Executive Officer of IMS until March 1999 and he continued to serve as Chairman until 2001. Prior to his position with IMS, Mr. Weissman was Chairman and Chief Executive Officer of Cognizant Corporation, the former parent company of IMS, Nielsen Media Research, a provider of media data, and Gartner Group, an information technology research and advisory company, and prior to that, was Chairman and Chief Executive Officer of The Dun & Bradstreet Corporation (D&B) from 1994 to 1996. Prior to his election as Chairman and Chief Executive Officer of D&B, he held the position of President and Chief Operating Officer of that company since 1985. From 2001 to 2005, Mr. Weissman was active as Chairman of Shelburne Partners, a private investment company that works with emerging companies in the United States and Europe. In addition, Mr. Weissman currently serves as a director of State Street Corporation, Pitney Bowes, Inc., and Cognizant Technology Solutions Corporation.

Executive Officers

Upon the completion of the acquisition, we expect the executive officers of ISG who are not also directors of ISG, to continue to be as follows:

Name	Age	Position
Frank Martell	48	Executive Vice President, Chief Financial Officer, and Treasurer
Earl H. Doppelt	54	Executive Vice President, General Counsel, and Corporate Secretary
Richard G. Gould	48	Executive Vice President

Frank Martell has served as our Executive Vice President, Chief Financial Officer and Treasurer since December, 2006. Until December 2006, Mr. Martell was the Chief Operating Officer of ACNielsen Corporation and Chief Executive Officer of ACNielsen Europe and Emerging Markets. He spent the previous 11 years with VNU, ACNielsen Corporation and The Dun & Bradstreet Corporation (D&B) serving in a series of global financial and senior operating positions. He joined D&B in 1995 as Head of Internal Audit, became Corporate Treasurer for ACNielsen worldwide after the spin-off from D&B in 1996 and held a series of executive positions residing in the U.S., Asia and Europe including Chief Financial Officer and President and CEO of ACNielsen Asia Pacific. Prior to joining D&B, Mr. Martell had a 15-year career at General Electric in financial management positions including GE corporate audit.

Earl H. Doppelt has served as our Executive Vice President, General Counsel and Corporate Secretary since December, 2006. Until November 2006, Mr. Doppelt served as Executive Vice President and Chief Legal Officer of VNU, a leading global information and media company. He spent the previous 12 years with VNU, ACNielsen Corporation and The Dun & Bradstreet Corporation (D&B). He joined D&B in 1994 as Senior Vice President and General Counsel and, in 1996, when D&B was broken up into three separate public companies, became Executive Vice President and General Counsel of ACNielsen. Mr. Doppelt was part of the executive team that led the turnaround of ACNielsen into a profitable company. When VNU acquired ACNielsen in 2001, Mr. Doppelt was named Executive Vice President and Chief Legal Officer of VNU. During his career at VNU, ACNielsen and D&B, Mr. Doppelt managed a number of complex M&A transactions including three ownership transitions from the break-up of D&B into three separate companies, the sale of ACNielsen to VNU and the sale of VNU to a private-equity consortium. Prior to joining D&B, Mr. Doppelt was Senior Vice President and Deputy General Counsel of Paramount Communications and earlier a litigator specializing in antitrust and securities matters for the law firm of Paul, Weiss, Rifkind, Wharton and Garrison.

Richard G. Gould has served as our Executive Vice President since December, 2006. Until October 2006, Mr. Gould was with Morgan Stanley where, during a 20-year career, he held several executive positions. His experience with Morgan Stanley included capital markets, global sales management, marketing and new product innovation. He initially joined Morgan Stanley s London office

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as a sales manager of European Equity Derivatives to start the firm s options, futures and portfolio trading businesses in Europe. He was promoted to Vice President in 1988; Principal in 1990; and Managing Director in 1992. Mr. Gould then moved to Tokyo in October 1992 where he was responsible for equity derivative sales for the Asian Region, subsequently becoming head of the Japanese Equity Division. He moved to Morgan Stanley s New York headquarters in January 1996, where he held executive positions including head of the Global Pensions Group, head of Quantitative Research, head of Global Derivative Sales and later served as co-head of North American equity distribution.

Senior Advisors

ISG also may consult, from time to time, with certain individuals who have experience in the information services industry, which we call our senior advisors, each of whom is also a stockholder of our company, who may assist us in our search for and evaluation of our target business and other matters relating to our operations.

Francis B. Barker has served as one of our Senior Advisors since inception. Mr. Barker has led strategic and financial initiatives in the information, media, and communications industries for over 17 years, in roles including head of a corporation s M&A function, private equity investing, and investment banking. Most recently, he was Senior Vice President for Corporate Development and Strategy at Dex Media, Inc. In 2006, he led the management transaction team in the sale of Dex Media, at the time the largest publicly traded yellow pages company in the U.S., to R.H. Donnelley. Mr. Barker joined Dex Media in 2003 from The Carlyle Group, where he worked from 1999 to 2002. As Managing Director in Carlyle s Telecom and Media Group, he played a senior role in the acquisition of Dex Media from Qwest Communications in 2002, among other major investment transactions. Prior to joining The Carlyle Group, Barker spent nine years at Morgan Stanley leading major client relationships and transaction teams in publishing and information services; advertising; marketing services; education and training services; Internet content; broadband and cable communications; and TV and radio broadcasting.

Barry Holt has served as one of our Senior Advisors since inception. Mr. Holt has more than 35 years experience in corporate communications. Mr. Holt was Corporate Vice President, Global Communications of Whirlpool Corporation from 2000 to 2004. Prior to joining Whirlpool, from 1996 to 2000 he was Senior Vice President, Global Communications of ACNielsen Corporation, one of the world s largest marketing information services companies. While with ACNielsen, Mr. Holt developed and executed a global communications strategy to support ACNielsen s spin-off from The Dun & Bradstreet Corporation and public listing on the New York Stock Exchange, including the introduction of complete external and investor communication. Earlier he was Vice President, Corporate Communications, Philip Morris Companies, and before that, he held senior public relations and public affairs positions with Pepsi-Cola International and Pepsi-Cola USA. Before joining Pepsi-Cola, Mr. Holt was Vice President/Client Services Manager at Burson-Marsteller, where he managed such accounts as Burger King, General Foods, M&M Mars and Gillette Safety Razor Division, among others. Mr. Holt has been a communications consultant since his retirement in 2004 to companies including the Publicis Group and Wellpoint Health Systems.

Mr. Barker and Mr. Holt provide merger and acquisition and investor relations advice to us. ISG expects them to play a role in identifying and analyzing potential acquisition candidates for us. The senior advisors are independent contractors and, as such, do not owe us any fiduciary duties with respect to the execution of their duties. No compensation of any kind, including finder s and consulting fees, will be paid by us, Oenoke Partners, LLC or any of our respective affiliates to any of our senior advisors, or any of their affiliates, for services rendered to us prior to or in connection with the consummation of our initial business combination.

ISG may identify, from time to time, additional individuals to serve as senior advisors if those individuals possess a level of experience that we believe may be beneficial to us. ISG will not compensate

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individuals for their service as a senior advisor, other than providing reimbursement for any out-of-pocket expenses incurred in connection with activities on our behalf, such as identifying potential target businesses and performing due diligence on suitable business combinations.

Board of Directors and Committees of the Board

After the acquisition, the ISG Board of Directors will consist of at least four members, and it is anticipated that a majority will continue to be considered independent. The members of the Board of Directors will serve until the earlier of their resignation or their successor is duly qualified and elected. Elections of directors are expected to take place at each annual meeting of stockholders.

Audit Committee

Our audit committee will continue to consist of Mr. Chrenc, as Chairman, Dr. Hubbard and Mr. Weissman. The audit committee reviews the professional services and independence of our independent registered public accounting firm and our accounts, procedures and internal controls. The audit committee also selects the firm that will serve as our independent registered public accounting firm, reviews and approves the scope of the annual audit, reviews and evaluates with the independent public accounting firm our annual audit and annual financial statements, reviews with management the status of internal accounting controls, evaluates problem areas having a potential financial impact on us that may be brought to the committee s attention by management, the independent registered public accounting firm or the Board of Directors, and evaluates all of our public financial reporting documents. We have agreed that our audit committee will review and approve all expense reimbursements made to our officers, directors or senior advisors and that any expense reimbursement payable to members of our audit committee will be reviewed and approved by our board of directors, with the interested director or directors abstaining from such review and approval.

In accordance with applicable federal securities laws and the rules of the American Stock Exchange, we have adopted an audit committee charter that incorporates these duties and responsibilities.

Financial Experts on Audit Committee

The audit committee will at all times be composed exclusively of independent directors who are financially literate as defined under the American Stock Exchange listing standards. The American Stock Exchange listing standards define financially literate as being able to read and understand fundamental financial statements, including a company s balance sheet, income statement and cash flow statement. In addition, we must certify to the American Stock Exchange that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual s financial sophistication. The Board of Directors has determined that Mr. Chrenc satisfies the American Stock Exchange s definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the SEC.

Audit Committee Report

We have reviewed and discussed with management ISG s audited financial statements as of and for the period ended December 31, 2006.

We have discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from the independent auditors required by Independence Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and have discussed with the auditors the auditors independence.

Based on the reviews and discussions referred to above, we have recommended to the Board of Directors that the financial statements referred to above be included in this proxy statement.

THE AUDIT COMMITTEE
Mr. Robert J. Chrenc (Chairman)
Mr. Robert E. Weissman
Dr. R. Glenn Hubbard

Nominating Committee

ISG s nominating committee is responsible for overseeing the selection of persons to be nominated to serve on the Board of Directors. The nominating committee also supervises the Board of Directors annual review of director independence and the Board of Directors performance evaluations. In accordance with applicable federal securities laws and the rules of the American Stock Exchange, ISG has adopted a nominating committee charter that delineates these duties and responsibilities. The nominating committee will continue to consist of Dr. Hubbard, as chairman, Mr. Chrenc and Mr. Weissman, each of whom is an independent director under the American Stock Exchange listing standards.

Executive Compensation

No compensation of any kind, including finder s and consulting fees, will be paid by us, Oenoke Partners, LLC or any of our respective affiliates to any of our officers, directors, senior advisors, or any of their respective affiliates, for services rendered prior to or in connection with a business combination. However, we will reimburse such persons for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations, although they will not be reimbursed for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount not held in the trust account unless the business combination is consummated.

Following an initial business combination and to the extent our current executive officers continue to be involved in management of our business, they will be entitled to receive such compensation as our Compensation Committee may approve.

ISG currently maintains no equity compensation plans for the benefit of our officers or directors, or any of their respective affiliates.

Compensation Committee

The compensation committee will continue to consist of Mr. Weissman, as chairman, Mr. Chrenc and Dr. Hubbard, each of whom is an independent director under the American Stock Exchange listing standards.

No executive officer of ISG has served on the compensation committee of any other entity, nor has any executive officer of ISG served as a director of another entity, whose executive officer has also served on ISG s compensation committee.

Compensation Discussion and Analysis

As described above, none of our executive officers or senior advisors will be entitled to receive compensation prior to such time, if any, as a business combination is effectuated.

At such time as ISG is able to consummate a business combination, our Compensation Committee will consider and adopt appropriate executive compensation policies in light of such factors as it deems appropriate.

Compensation Committee Report

The Compensation Committee has submitted the following report for inclusion in this proxy statement.

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on our Committee s review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to ISG s Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

The foregoing report is provided by the following directors, who constitute the Committee:

THE COMPENSATION COMMITTEE
Mr. Robert E. Weissman (Chairman)
Mr. Robert J. Chernc
Dr. R. Glenn Hubbard

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of October 5, 2007 by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our officers and directors; and
- all our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Approximate Percentage of Outstanding Common Stock	
Eric Semler(2)	3,979,300	9.80	%
Fir Tree, Inc.(3)	3,430,000	8.57	%
Oppenheimer Funds, Inc.(4)	2,572,550	6.37	%
Michael Zimmerman(5)	2,550,000	6.31	%
HBK Investments L.P.(6)	2,049,360	5.07	%
Michael P. Connors(7)(8)(9)	7,410,937	18.33	%
Frank Martell(10)(11)	7,410,937	18.33	%
Earl H. Doppelt(11)(12)	7,410,937	18.33	%
Richard G. Gould(11)(13)	7,410,937	18.33	%
Robert J. Chrenc(8)	93,750	*	
R. Glenn Hubbard(8)	93,750	*	
Robert E. Weissman(8)	93,750	*	
Oenoke Partners, LLC	7,410,937	18.33	%
All directors and executive officers as a group (7 individuals)	7,692,187	19.03	%

* Less than 1%.

(1) Unless otherwise noted, the business address of each of the individuals is c/o Information Services Group, Inc., Four Stamford Plaza, 107 Elm Street, Stamford, CT 06902.

(2) Includes 3,979,300 shares of common stock owned by TCS Capital GP, LLC. Eric Semler may be deemed to have beneficial ownership of these shares as a result of his being the principal of TCS Capital GP, LLC. The business address of TCS Capital GP, LLC and Eric Semler is 888 Seventh Avenue, Suite 1504, New York, NY 10019. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on April 27, 2007 and a Schedule 13F-HR, as filed with the Securities and Exchange Commission on August 14, 2007.

(3) Includes 3,480,000 shares of common stock owned by Fir Tree Recovery Master Fund, L.P. Fir Tree, Inc. may be deemed to have beneficial ownership of these shares as a result of being the investment manager of Sapling, LLC and Fir Tree Recovery Master Fund, L.P. The business address of Fir Tree, Inc. is 505 Fifth Avenue, 23rd Floor, New York, NY 10017 and the business address of Fir Tree Recovery Master Fund, L.P. is c/o Admiral Administration Ltd., Admiral Financial Center, 5th Floor, 90 Fort Street, Box 32021 SMB, Grand Cayman, Cayman Islands. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 9, 2007, and a Schedule 13F-HR, as filed with the Securities and Exchange Commission

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on August 14, 2007. The natural person(s) having voting or control power over Fir Tree, Inc. are not known to ISG.

(4) Includes 2,572,550 shares of common stock owned by Oppenheimer Funds, Inc. The business address of Oppenheimer Funds, Inc. is 6803 S. Tucson Way, Centennial, CO 80112-3924. The foregoing information was derived from a Schedule 13F, as filed with the Securities and Exchange Commission on August 13, 2007. The natural person(s) having voting or control power over Oppenheimer Funds, Inc. are not known to ISG.

(5) Includes 2,550,000 shares of common stock beneficially owned by Prentice Capital Management, LP. Michael Zimmerman may be deemed to have beneficial ownership of these shares as a result of being the managing member of Prentice Management GP, LLC, the general partner of Prentice Capital Management, LP. The business address of Michael Zimmerman and Prentice Capital Management, LP is 623 Fifth Avenue, 32nd Floor, New York, NY 10022. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 9, 2007 and a Schedule 13F-HR, as filed with the Securities and Exchange Commission on August 14, 2007.

(6) Includes 2,049,360 shares of common stock beneficially owned by HBK Investments L.P., HBK Services LLC, HBK Partners II L.P., HBK Management LLC, and HBK Master Fund L.P. HBK Investments L.P. has delegated discretion to vote and dispose of the Securities to HBK Services LLC. HBK Services LLC may, from time to time, delegate discretion to vote and dispose of certain of these securities to HBK New York LLC, HBK Virginia LLC, HBK Europe Management LLP and/or HBK Hong Kong Ltd. Each of HBK Services LLC and these other entities is under common control with HBK Investments L.P. Jamiel A. Akhtar, Richard L. Booth, David C. Haley, Lawrence H. Lebowitz and William E. Rose are each managing members of HBK Management LLC. The address for these entities is c/o HBK Services LLC, 300 Crescent Court, Suite 700, Dallas, Texas 75201. The foregoing information was derived from the Schedule 13G, as filed with the Securities and Exchange Commission on August 9, 2007.

(7) Mr. Connors serves as Chairman of the Board and Chief Executive Officer.

(8) Each of these individuals is a director.

(9) These shares represent one hundred percent of our shares of common stock held by Oenoke Partners, LLC. Mr. Connors owns twenty-five percent of the outstanding membership interests in Oenoke Partners, LLC and has beneficial ownership of the remaining seventy-five percent of the outstanding membership interests as a result of being the managing member of Oenoke Partners, LLC.

(10) Mr. Martell serves as Executive Vice President, Chief Financial Officer and Treasurer.

(11) Includes 7,410,937 shares of common stock owned by Oenoke Partners, LLC. Each of Mr. Martell, Mr. Doppelt and Mr. Gould own twenty-five percent of the outstanding membership interest in Oenoke Partners, LLC and has beneficial ownership of the remaining seventy-five percent of outstanding membership interests as a result of having approval rights with respect to a sale of all or substantially all of the assets of Oenoke Partners, LLC.

(12) Mr. Doppelt serves as Executive Vice President, General Secretary and Corporate Secretary.

(13) Mr. Gould serves as Executive Vice President

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Past Transactions

ISG engaged in past transactions with related parties that were all on terms at least as favorable to ISG as those available from unaffiliated parties.

On August 2, 2006, ISG issued 4,687,500 units, consisting of 4,687,500 shares of our common stock and 4,687,500 warrants to purchase a share of our common stock, to Oenoke Partners, LLC for an aggregate of $9,375 in cash, at an aggregate purchase price of $0.002 per unit. At such date, Mr. Connors was the beneficial owner of Oenoke Partners, LLC.

On September 29, 2006, ISG redeemed the 4,687,500 warrants held by Oenoke Partners, LLC, for an aggregate redemption price of $4,687.50 in cash, or a redemption price of $0.001 per warrant.

On December 21, 2006, ISG issued 703,125 shares of our common stock to Oenoke Partners, LLC for an aggregate of $703.125, at an aggregate purchase price of $0.001 per share. At such date, Mr. Connors was the beneficial owner of Oenoke Partners, LLC. On December 21, 2006, following such issuance, Mr. Connors transferred to each of Mr. Martell, Mr. Doppelt and Mr. Gould membership interests representing 25% of the outstanding equity interests of Oenoke Partners, LLC.

On December 21, 2006, Oenoke Partners, LLC conveyed to Robert J. Chrenc, Dr. R. Glenn Hubbard and Robert E. Weissman an aggregate of 187,500 shares of common stock.

On December 21, 2006, Oenoke Partners, LLC conveyed to Francis B. Barker, Barry Holt and a leasing consultant an aggregate of 262,500 shares of common stock.

On January 29, 2007, ISG effected a 1 for 2 stock dividend.

The holders of the majority of these shares are entitled to make up to two demands that we register the resale of their shares and warrants and shares underlying the warrants. The holders of the majority of these shares may elect to exercise these registration rights at any time after completion of our initial business combination, subject to the transfer restrictions imposed by the lock-up agreements. In addition, these stockholders have certain piggy-back registration rights on registration statements filed subsequent to the completion of our initial business combination, subject to the transfer restrictions imposed by the lock-up agreements. ISG will bear the expenses incurred in connection with the filing of any such registration statements.

Oenoke Partners, LLC, which is an affiliate of our officers, has advanced to ISG, pursuant to two separate loans, a total of $250,000, which was used to pay a portion of the expenses of the IPO. The first loan, for $100,000, bears interest at a rate of 5% per annum, compounded semiannually, and is due on the earlier of August 1, 2007 and the consummation of the IPO. The second loan, for $150,000, also bears interest at a rate of 5% per annum, compounded semiannually, and is due on the earlier of October 3, 2007 and the consummation of the IPO. The loans were repaid out of the proceeds of the IPO not being placed in the trust account.

Conflicts of Interest

Potential investors should be aware of the following potential conflicts of interest:

- None of our officers, directors and senior advisors is required to commit his full time to our business and, accordingly, our officers, directors and senior advisors may have conflicts of interest in allocating management time among various business activities.

- In the course of their other business activities, our officers, directors and senior advisors may become aware of investment and business opportunities which may be appropriate for presentation

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to us as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented. For a more complete description of our management s other affiliations, see Management Directors and Executive Officers of ISG Following the Transaction.

- Our officers, directors and senior advisors may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us.

- Since our officers, directors and senior advisors indirectly own shares of our common stock that will become transferable only if a business combination is completed and warrants that will expire worthless if a business combination is not consummated, our officers, directors and senior advisors may have a conflict of interest in determining whether a particular target business is appropriate to effect a business combination. Additionally they may enter into consulting or employment agreements with ISG as part of a business combination.

- The personal and financial interests of our officers, directors and senior advisors may influence their motivation in identifying and selecting target businesses and completing a business combination in a timely manner. These interests may include their equity interests in ISG, reimbursements for expenses to the extent we have access to insufficient proceeds outside of the trust account for such reimbursement, and any interest in employment with potential target businesses.

- Officers, directors and senior advisors will receive reimbursement for out-of-pocket expenses incident to the offering and identifying, investigating and implementing a suitable business combination.

In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;

- the opportunity is within the corporation s line of business; and

- it would not be fair to the corporation and its stockholders for the opportunity not to be brought to the attention of the corporation.

Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our board evaluates a particular business opportunity with respect to the above-listed criteria. We cannot assure you that any of the above-mentioned conflicts will be resolved in our favor.

In connection with the vote required for the initial business combination Oenoke Partners, LLC and all of our officers, directors and senior advisors have agreed to vote the shares of common stock then owned by them in accordance with the majority of the shares of our common stock voted by our public stockholders. In addition, they have agreed to waive their rights to conversion of their shares in connection with the vote on our initial business combination and to participate in any liquidation distribution, but only with respect to those shares of common stock acquired by them prior to the IPO including shares underlying the warrants acquired in the private placement.

To further minimize potential conflicts of interest, we have agreed not to consummate a business combination with an entity that is affiliated with Oenoke Partners, LLC or our officers, directors or senior advisors unless we obtain an opinion from an independent investment banking firm that the business combination is fair to our stockholders from a financial point of view.

ISG will reimburse our officers, directors, senior advisors and their respective affiliates for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf such as identifying, investigating and implementing possible target businesses and business combinations, although they will not be reimbursed for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount not held in the trust account unless the business combination is consummated. There is no limit on the amount of such out-of-pocket expenses that are reimbursable by us, subject to review by our audit committee.

Other than reimbursable out-of-pocket expenses payable to our officers, directors and senior advisors, no compensation or fees of any kind, including finders and consulting fees, will be paid by ISG, Oenoke Partners, LLC or any of our respective affiliates to any of our officers directors or senior advisors, or their affiliated entities prior to the IPO, or to any of their respective affiliates, for services rendered to ISG prior to or with respect to the business combination.

In addition to the protections in place to minimize potential conflicts of interest, as described above, ISG s Board of Directors adopted a Code of Ethics, which is fully described in the Other Information Related to ISG Code of Conduct and Ethics section of this proxy statement. This Code requires that all directors, officers and employees of ISG should avoid activities that give the appearance of a conflict of interest, and if such a conflict of interest is discovered, any director, officer or employee must bring it to the attention of a supervisor, manager or other appropriate personnel.

Review, Approval or Ratification of Transactions with Related Persons

ISG s policy is to require that any transaction with a related party required to be reported under applicable SEC rules, other than compensation-related matters, be reviewed and approved or ratified by a majority of independent, disinterested directors. ISG has not adopted procedures for review of, or standards for approval of, these transactions, but instead reviews such transactions on a case by case basis. ISG s policy is to require that all compensation-related matters be recommended for board approval by the compensation committee. During the last fiscal year, no transactions with a related party have occurred that required a waiver of ISG s policy nor have any transactions with a related party occurred in which ISG did not follow our policy.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Act of 1934, ISG s directors and executive officers, and any persons holding 10% or more of its common stock, are required to report their beneficial ownership and any changes therein to the SEC and ISG. Specific due dates for those reports have been established, and ISG is required to report herein any failure to file such reports by those due dates. Based on ISG s review of Forms 3, 4 and 5 filed by such persons, it believes that during the year ended December 31, 2007, all Section 16(a) filing requirements applicable to such persons were met in a timely manner.

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PRICE RANGE OF ISG SECURITIES AND DIVIDENDS

Price Range of Common Stock

ISG s units, which consist of one share of our common stock, par value $.001 per share, and one warrant, each to purchase an additional share of our common stock, are listed on the American Stock Exchange under the symbol III.U. Our common stock is listed separately on the American Stock Exchange under the symbol III and commenced trading separately on February 12, 2007. Our warrants are listed separately on the American Stock Exchange under the symbol III.WS and commenced trading separately on February 12, 2007. Each warrant entitles the holder to purchase from us one share of our common stock at an exercise price of $6.00 commencing the later of the completion of a business combination or January 31, 2008. Our warrants will expire at 5:00 p.m., New York City time, on January 31, 2011, or earlier upon redemption.

The following tables set forth, for the calendar quarter indicated, the quarterly high and low closing prices of ISG s units, common stock and warrants, respectively, as reported on the American Stock Exchange.

Units

Quarter Ended	High	Low
March 31, 2007 (since February 1, 2007)	$ 8.15	$ 8.00
June 30, 2007	$ 8.79	$ 8.05
September 30, 2007	$8.76	$8.16

Common Stock

Quarter Ended	High	Low
March 31, 2007 (since February 12, 2007)	$ 7.54	$ 7.26
June 30, 2007	$ 8.30	$ 7.40
September 30, 2007	$7.84	$7.50

Warrants

Quarter Ended	High	Low
March 31, 2007 (since February 12, 2007)	$ 0.80	$ 0.56
June 30, 2007	$ 1.10	$ 0.60
September 30, 2007	$1.04	$0.73

Holders of ISG common stock, warrants and units should obtain current market quotations for their securities. The market price of ISG common stock, warrants and units could vary at any time before the acquisition.

Holders

As of October 5, 2007, there were one holder of record of ISG units, eight holders of record of ISG common stock and one holder of record of ISG warrants. ISG believes that the total number of beneficial holders of the units, common stock and warrants to be in excess of 1,100 persons.

Dividends

ISG has not paid any dividends on our common stock to date and does not intend to pay dividends prior to the completion of the acquisition. It is the current intention of ISG s Board of Directors to retain all earnings, if any, for use in our business operations and, accordingly, our board does not anticipate declaring any dividends in the foreseeable future. The payment of dividends subsequent to the acquisition

will be within the discretion of our then Board of Directors and will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of the acquisition.

APPRAISAL RIGHTS

ISG stockholders do not have appraisal rights in connection with the acquisition under the DGCL.

INDEPENDENT ACCOUNTANTS

The financial statements of ISG at December 31, 2006 and the period from July 20, 2006 (inception) to December 31, 2006, included in this proxy statement have been audited by Rothstein, Kass & Company, P.C., independent registered public accounting firm, as set forth in their report appearing elsewhere herein.

The consolidated financial statements of TPI at December 31, 2005 and December 31, 2006, and for each of the three years in the period ended December 31, 2006, appearing in this proxy statement have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, as set forth in their report appearing elsewhere herein.

WHERE YOU CAN FIND MORE INFORMATION

ISG files reports, proxy statements and other information with the SEC as required by the Securities Exchange Act of 1934, as amended. You may read and copy reports, proxy statements and other information filed by ISG with the SEC at the SEC public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain copies of the materials described above at prescribed rates by writing to the Securities and Exchange Commission, Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. You may access information regarding ISG at the SEC web site containing reports, proxy statements and other information at: http://www.sec.gov.

Information and statements contained in this proxy statement or any annex to this proxy statement are qualified in all respects by reference to the copy of the relevant contract or other annex filed as an exhibit to this proxy statement.

All information contained in this document relating to ISG has been supplied by ISG, and all such information relating to TPI has been supplied by TPI. Information provided by one another does not constitute any representation, estimate or projection of the other.

Only one proxy statement is being delivered to multiple securityholders who share an address. However, if you would like an additional separate copy, please contact us at the address set forth below and an additional copy will be sent to you free of charge.

If you would like additional copies of this document or if you have questions about the acquisition, you should contact via phone or in writing:

Michael P. Connors
Chairman and Chief Executive Officer
Four Stamford Plaza
107 Elm Street
Stamford, CT 06902
(203) 517-3100

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STOCKHOLDER PROPOSALS

If you are a stockholder and you want to include a proposal in the proxy statement for ISG s first annual meeting, presently expected to be held in April 2008, under applicable rules of the SEC, a stockholder proposal must be received a reasonable time before a company begins to print and mail its annual meeting proxy materials.

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INFORMATION SERVICES GROUP, INC.
(a development stage company)

Index to Financial Statements

TECHNOLOGY PARTNERS INTERNATIONAL, INC.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Information Services Group, Inc.

We have audited the accompanying balance sheet of Information Services Group, Inc. (a corporation in the development stage) (the Company) as of December 31, 2006 and the related statements of operations, stockholders deficit and cash flows for the period July 20, 2006 (date of inception) to December 31, 2006. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Information Services Group, Inc. (a corporation in the development stage) as of December 31, 2006 and the results of its operations and its cash flows for the period July 20, 2006 (date of inception) to December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ ROTHSTEIN, KASS & COMPANY, P.C.

Roseland, New Jersey
March 28, 2007, except for Note K,
which is as of April 24, 2007

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

BALANCE SHEETS

	June 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,270,779	$ 88,911
Prepaid expense and other current assets	427,348	10,384
Total current assets	2,698,127	99,295
Office equipment, net of accumulated depreciation of $6,495 and $1,664, respectively	41,810	46,641
Other assets		
Cash and cash equivalents held in trust fund	254,052,815	
Deferred offering costs		670,807
Deferred acquisition costs	1,021,768	
Total other assets	255,074,583	670,807
	$ 257,814,520	$ 816,743
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current liabilities		
Accrued expenses	$ 628,500	$ 612,219
Notes payable, stockholder, including accrued interest of $3,952		253,952
Total current liabilities	628,500	866,171
Long-term liabilities, deferred underwriters fee	8,262,500	
Common stock, subject to possible redemption, 6,468,750 shares at redemption value	50,812,813	
Stockholders equity (deficit)		
Preferred stock, $.001 par value; 10,000,000 shares authorized; none issued		
Common stock, $.001 par value, 100,000,000 shares authorized; 40,429,687 shares issued and outstanding at June 30, 2007 (including 6,468,750 shares subject to possible redemption) and 8,085,937 shares issued and outstanding at December 31, 2006.	40,430	8,086
Additional paid-in-capital	195,463,930	(2,695)
Retained earnings (deficit) accumulated during the development stage	2,606,347	(54,819)
Total stockholders equity (deficit)	198,110,707	(49,428)
	$ 257,814,520	$ 816,743

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF OPERATIONS

	For the three months ended June 30, 2007 (unaudited)	For the six months ended June 30, 2007 (unaudited)	For the period July 20, 2006 (inception) to December 31, 2006	For the period July 20, 2006 (inception) to June 30, 2007 (unaudited)
Revenue	$	$	$	$
Formation, general and administrative expense	330,198	544,073	51,161	595,234
Loss from operations	(330,198)	(544,073)	(51,161)	(595,234)
Other income (expenses)				
Interest and dividend income	3,297,464	5,255,016	294	5,255,310
Interest expense		(2,527)	(3,952)	(6,479)
Income (loss) before income taxes	2,967,266	4,708,416	(54,819)	4,653,597
Income taxes	1,366,930	2,047,250		2,047,250
Net income (loss)	1,600,336	2,661,166	(54,819)	2,606,347
Accretion of Trust Fund relating to Common Stock subject to possible conversion	(2,815)	(2,815)		(2,815)
Net income (loss) attributable to common stockholders	$ 1,597,521	$ 2,658,351	$ (54,819)	$ 2,603,532
Weighted average shares outstanding, basic and diluted	40,429,687	33,960,937	7,095,560	21,115,149
Net income (loss) per share, basic and diluted	$ 0.04	$ 0.08	$ (0.01)	$ 0.12

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)
For the period July 20, 2006 (date of inception) to June 30, 2007

	Common Stock Shares	Amount	Additional Paid-in-Capital	Retained Earnings (Deficit) Accumulated During the Development Stage	Total Stockholders Equity (Deficit)
Sale of 7,031,250 units on August 2, 2006 at a price of $.002 per unit to the initial shareholders (each unit consists of 1 share of commn stock and one warrant to purchase a share of comon stock)	7,031,250	$ 7,031	$ 2,344	$	$ 9,375
Redemption of 7,031,250 warrants on September 29, 2006 issued to the initial shareholders at a redemption price of $.001 per warant			(4,687)		(4,687)
Sale of 1,054,687 shares of common stock to the initial shareholders at $.001 per share on December 21, 2006	1,054,687	1,055	(352)		703
Net loss from July 20, 2006 (inception) to December 31, 2006				(54,819)	(54,819)
Balance, December 31, 2006	8,085,937	8,086	(2,695)	(54,819)	(49,428)
Unaudited:					
Sale of 32,343,750 units on February 6, 2007 at a price of $8 per unit, net underwriters discount and offering costs (including 6,468,750 shares subject to possible redemption)	32,343,750	32,344	239,779,338		239,811,682
Proceeds subject to possible redemption 6,468,750 shares			(50,809,998)		(50,809,998)
Sale of 6,500,000 warrants at $1 per warrant on February 6, 2007 to Oenoke Partners, LLC			6,500,000		6,500,000
Proceeds from issuance of an option to underwriters on February 6, 2007 to purchase 1,406,250 units			100		100
Accretion of Trust Fund income for the period relating to common stock subject to redemption, net of taxes			(2,815)		(2,815)
Net income for the six months ended June 30, 2007				2,661,166	2,661,166
Balance, June 30, 2007(unaudited)	40,429,687	$ 40,430	$ 195,463,930	$ 2,606,347	$ 198,110,707

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF CASH FLOWS

	For the six months ended June 30, 2007 (unaudited)	For the period July 20, 2006 (inception) to December 31, 2006	For the period July 20, 2006 (inception) to June 30, 2007 (unaudited)
Cash flows from operating activities			
Net income (loss)	$ 2,661,166	$ (54,819)	$ 2,606,347
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	4,831	1,664	6,495
Increase (decrease) in cash attributable to changes in operating assets and liabilities			
Prepaid expense and other current assets	(416,964)	(10,384)	(427,348)
Accrued expenses	116,829	16,671	133,500
Net cash provided by (used in) operating activities	2,365,862	(46,868)	2,318,994
Cash flows from investing activities			
Purchase of equipment		(48,305)	(48,305)
Payments of deferred acquisition costs	(526,768)		(526,768)
Cash and cash equivalents held in trust	(254,052,815)		(254,052,815)
Net cash used in investing activities	(254,579,583)	(48,305)	(254,627,888)
Cash flows from financing activities			
Proceeds from notes payable, stockholder		250,000	250,000
Payment of notes payable, stockholder	(250,000)		(250,000)
Redemption of warrants		(4,687)	(4,687)
Proceeds from issuance of common stock		10,078	10,078
Proceeds from issuance of warrants in private placement	6,500,000		6,500,000
Gross proceeds from public offering	258,750,000		258,750,000
Payments for underwriters discount and offering cost	(10,604,511)	(71,307)	(10,675,818)
Proceeds from issuance of option	100		100
Net cash provided by financing activities	254,395,589	184,084	254,579,673
Net increase in cash and cash equivalents	2,181,868	88,911	2,270,779
Cash and cash equivalents, beginning of period	88,911		
Cash and cash equivalents, end of period	$ 2,270,779	$ 88,911	$ 2,270,779
Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest	$ 6,479	$	$ 6,479
Taxes	$ 2,134,000	$	$ 2,134,000
Supplemental schedule of non-cash investing and financing activities:			
Accrued offering costs	$	$ 599,500	$
Accrued deferred acquisition costs	$ 495,000	$	$ 495,000
Deferred underwriters fees	$ 8,262,500	$	$ 8,262,500

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

Notes to Financial Statements
(unaudited for the period January 1, 2007 to June 30, 2007)

NOTE A DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Information Services Group, Inc. (a corporation in the development stage) (the Company) was incorporated in Delaware on July 20, 2006. The Company was formed to acquire, through a merger, capital stock exchange, asset or stock acquisition or other similar business combination one or more domestic or international operating businesses. The Company has neither engaged in any operations nor generated significant revenue to date. The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting By Development Stage Enterprises, and is subject to the risks associated with activities of development stage companies. The Company has selected December 31st as its fiscal year end.

The registration statement for the Company s initial public offering (the Offering) (as described in Note C) was declared effective on January 31, 2007. The Company consummated the Offering on February 6, 2007, and preceding the consummation of the Offering, an affiliate of the Company s officers purchased 6,500,000 warrants at $1 per warrant in a private placement (the Private Placement) (see Note G). The Company received net proceeds of $254,550,000 from the Private Placement and the Offering.

The Company s management has broad discretion with respect to the specific application of the net proceeds of the Offering, although substantially all of the net proceeds of the Offering are intended to be generally applied toward consummating a business combination with (or acquisition of) an operating business in the information services industry (Business Combination). Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. Since the closing of the Offering, approximately 98.1% ($254,050,000) of the aggregate gross proceeds from units offered to the public, after payment of certain amounts to the underwriters, offering costs and funding of working capital, is held in a trust account (Trust Account). The Trust Account will be invested in government securities having a maturity of 180 days or less or money market funds meeting the conditions specified in Rule 2a-7 under the Investment Company Act of 1940 until the earlier of (i) the consummation of its first Business Combination or (ii) the distribution of the Trust Account as described below. Under the Trust Account agreement, up to $3 million of the interest earned on the Trust Account (net of taxes) can be used for the Company s operating activities. As of June 30, 2007, the balance in the Trust Account was approximately $254,052,000, which included approximately $5,236,000 of interest earned, net of approximately $5,233,000 funds disbursed for taxes and operating activities. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company will seek stockholder approval before it will effect any Business Combination, even if the Business Combination would not ordinarily require stockholder approval under applicable state law. In connection with the stockholder vote required to approve any Business Combination, the Company s existing stockholders prior to the Offering have agreed to vote the shares of common stock owned by them immediately before the Offering in accordance with the majority of the shares of common stock voted by the Public Stockholders. Public Stockholders is defined as the holders of common stock sold as part of the Units in the Offering or in the aftermarket. The Company will proceed with a Business Combination only if a majority of the shares of common stock voted by the Public Stockholders are voted in favor of the Business Combination and Public Stockholders owning less than 20% of the shares sold in the Offering exercise their conversion rights.

In the event that the Company does not consummate a Business Combination within 18 months from the date of the consummation of the Offering, or 24 months from the consummation of the Offering if certain extension criteria have been satisfied, the proceeds held in the Trust Account will be distributed to the Company s public stockholders, excluding the existing stockholders to the extent of their initial stock holdings.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC).

Development stage company:

The Company complies with the reporting requirements of SFAS No. 7, Accounting and Reporting by Development Stage Enterprises.

Common stock:

On January 30, 2007, the Company effected a one-for-two stock dividend for each issued and outstanding share of the Company s common stock, par value $0.001 per share. All transactions and disclosures in the financial statements related to the Company s common stock have been adjusted to reflect the effect of the stock dividend. Stockholders have no conversion, preemptive or other subscription rights and there are no redemption provisions applicable to the common stock, except that Public Stockholders have the right to have their shares of common stock converted to cash equal to the conversion price if they vote against the Business Combination and the Business Combination is approved and completed.

Redeemable common stock:

The public stockholders have the right to have their shares converted to cash equal to the conversion price prior to the approval of a business combination. The conversion rights do not apply to shares outstanding prior to the Offering. The actual per-share conversion price will be equal to the amount in the Trust Account, including a pro rata share of the deferred underwriting discount and net of (i) income taxes payable on the interest income on the trust account and (ii) up to $3 million of interest income earned on the Trust Account balance, net of income taxes payable on this amount, released to the Company to fund working capital requirements, each calculated as of two business days prior to the consummation of the actual business combination, divided by the number of shares sold in the Offering. Redemption price is determined at each balance sheet date.

Net income (loss) per common share:

The Company complies with SFAS No. 128, Earnings Per Share. SFAS No. 128 requires dual presentation of basic and diluted income per share for all periods presented. Basic income per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then share in the income of the Company. At December 31, 2006, the Company did not have any contracts to issue common stock. At June 30, 2007, and for the three and six months then ended, the effect of the 38,843,750 warrants (including 6,500,000 outstanding warrants issued in connection with the Private Placement described in Note G) have not been considered in the diluted net income per share since the warrants are contingently exercisable. The effect of the 1,406,250 Units included in the underwriters purchase option, described in Note C, along with the warrants underlying such Units, has not been considered in the diluted earnings per share calculation, since the market price of the Units was less than the exercise price during the period in the computation as the effect of the outstanding options and warrants would be anti-dilutive.

Cash and cash equivalents:

For financial statement purposes, the Company considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents, including certain money market funds. The Company maintains its cash in bank deposit accounts in the United States of America which, at times, may exceed applicable insurance limits. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Property and equipment:

Property and equipment, comprised of computer and communications equipment, are stated at cost less accumulated depreciation. The Company provides for depreciation using the straight line method over the assets estimated useful lives, generally 5 years.

Concentration of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, exceeds the Federal depository insurance coverage of $100,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Fair value of financial instruments:

The fair value of the Company s assets and liabilities, which qualify as financial instruments under SFAS No. 107, Disclosure About Fair Value of Financial Instruments, approximates the carrying amounts represented in the balance sheet.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred offering costs:

The Company complies with the requirements of the SEC Staff Accounting Bulletin (SAB) Topic 5A Expenses of Offering . Deferred offering costs of approximately $826,000 (approximately $671,000 at December 31, 2006) consist principally of legal, accounting, and printing fees incurred through the date of the Offering (see Note C). These costs, together with the underwriter discount, were charged to capital upon the completion of the Offering.

Income tax:

The Company complies with SFAS 109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Effective January 1, 2007, the Company adopted the provisions of the Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48). There were no unrecognized tax benefits as of January 1, 2007 and as of June 30, 2007. FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at January 1, 2007. There was no change to this balance at June 30, 2007. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position. The adoption of the provisions of FIN 48 did not have a material impact on the Company s financial position, results of operations and cash flows.

Preferred stock:

The Company is authorized to issue 10,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

Recently issued accounting pronouncements:

In September 2006, the FASB issued SFAS No. 157 Fair Value Measurements (SFAS No. 157). SFAS No. 157 provides guidance for, among other things, the definition of fair value and the methods used to measure fair value. The provisions of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of this new standard to have a material impact on the financial position, operating results and cash flows of the Company.

In February 2007, the FASB issued SFAS No. 159 The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115 (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The provisions of SFAS No. 159 are effective for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of this new standard to have a material impact on the financial position, operating results and cash flows of the Company.

NOTE C OFFERING

On February 6, 2007, the Company sold 28,125,000 units (Units) at a price of $8.00 per Unit in the Offering. Each Unit consists of one share of the Company s common stock, $0.001 par value, and one redeemable common stock purchase warrant (Warrants). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of $6.00 commencing on the later of (i) one year from the date of the final prospectus for the Offering or (ii) the completion of a Business Combination with a target business, and will expire four years from the date of the prospectus. The Warrants are redeemable at a price of $0.01 per Warrant, upon 30 days prior notice, after the Warrants become exercisable, only in the event that the last sale price of the common stock is at least $11.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the date on which notice of redemption is given. If the Company is unable to deliver registered shares of common stock to the holder upon exercise of warrants during the exercise period, there will be no cash settlement of the warrants and the warrants will expire worthless.

On February 5, 2007, the underwriters for the Company s initial public offering exercised their over-allotment option and on February 6, 2007 purchased an additional 4,218,750 units at a price of $8.00 per Unit.

In connection with the Offering, the Company paid an underwriting discount of approximately 3.78% ($9,850,000) of the public unit offering price to the underwriters at the closing of the Offering and

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Over-Allotment Option Exercise, with an additional fee of approximately 3.22% ($8,262,500) of the gross offering proceeds payable upon the Company s consummation of a Business Combination. The underwriters will not be entitled to any interest accrued on the deferred discount.

On February 6, 2007, the Company sold to the underwriters, for $100, a four-year option to purchase up to a total of 1,406,250 units at a per-unit price of $9.60. The units issuable upon exercise of this option are also identical to those offered in the Offering except that warrants included in the option have an exercise price of $7.50. The Company has accounted for the fair value of the option, inclusive of the receipt of the $100 cash payment, as an expense of the Public Offering resulting in a charge directly to stockholder s equity.

The Company has determined, based upon a Black-Scholes model, that the fair value of the underwriters option on the date of sale would be approximately $3.58 per unit, or approximately $5.0 million in total, using an expected life of four years, volatility of 58.8% and a risk-free interest rate of 4.87%.

The volatility calculation of 58.8% is based on the most recent trading day average volatility of a representative sample of nine (9) companies with market capitalizations of approximately $65 million to $645 million that management believes to be engaged in the business of information services (the Sample Companies). Because the Company does not have a trading history, the Company needed to estimate the potential volatility of its common stock price, which will depend on a number of factors which cannot be ascertained at this time. The Company referred to the average volatility of the Sample Companies because management believes that the average volatility of such companies is a reasonable benchmark to use in estimating the expected volatility of the Company s common stock post-business combination. Although an expected life of four years was taken into account for purposes of assigning a fair value to the option, if the Company does not consummate a business combination within the prescribed time period and liquidates, the option would become worthless.

NOTE D PREPAID EXPENSE AND OTHER CURRENT ASSETS

Prepaid expense and other current assets consist of the following:

	June 30, 2007 (unaudited)	December 31, 2006
Prepaid rent	$ 10,911	$ 10,384
Prepaid insurance	295,834	
Prepaid transfer agent fees	23,400	
Prepaid income taxes	87,000	
Security deposit	10,203	
	$ 427,348	$ 10,384

NOTE E DEFERRED ACQUISITION COSTS

As of June 30, 2007, the Company has accumulated approximately $1,022,000 in deferred costs related to the proposed acquisition of TPI Advisory Services America, Inc. (TPI) (see Note K). These costs will be capitalized contingent upon the completion of the Acquisition following the required approval by the Company s stockholders and the fulfillment of certain other conditions. If the Acquisition is not completed these costs will be recorded as expense. Deferred acquisition costs are comprised of costs incurred for financial advisory services, due diligence and proxy services, legal, consulting and other costs directly related to the Acquisition of TPI.

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NOTE F ACCRUED EXPENSES

Accrued expenses consist of the following:

	June 30, 2007 (unaudited)	December 31, 2006
Accured offering costs	$	$ 599,500
Accrued acquisition costs	495,000	
Accrued professional fees	100,500	
Accrued other	33,000	13,219
	$ 628,500	$ 612,719

NOTE G RELATED PARTY TRANSACTIONS

The Company issued two unsecured promissory notes to a principal stockholder and affiliate of the Company s officer, Oenoke Partners, LLC, in August and October 2006. The notes, which aggregate $250,000, not including accrued interest, bore interest at 5% per annum and were payable on the earlier of 1 year from its origination or the consummation of the Offering. The principal stockholder of the Company extended the first due date of the notes until such time as there was sufficient operating cash flow. These notes were repaid on March 15, 2007.

On February 6, 2007, Oenoke Partners, LLC purchased, in a Private Placement, 6,500,000 warrants at $1 per warrant. As discussed in Note B, the proceeds from the Private Placement of $6.5 million are held in trust. The warrants can be exercised on a cashless basis and have terms and provisions that are identical to those of the warrants sold in the Offering (see Note C), except that these warrants will not be subject to redemption. Oenoke Partners, LLC also agreed that it will not sell or otherwise transfer the warrants until one year after the Company consummates a Business Combination.

In August and December 2006, the Company issued 7,031,250 Units and 1,054,687 shares of common stock, respectively, to Oenoke Partners, LLC, for aggregate proceeds of approximately $10,078. In September 2006, the warrants underlying the Units were redeemed in full at a redemption price of $4,687.

NOTE H INCOME TAXES

For the three and six months ended June 30, 2007 (unaudited) the tax provision consisted of approximately $1,367,000 and 2,047,000, respectively related to the federal and state tax provision.

The Company has not begun its trade or business for U.S. tax purposes. Accordingly, it could not yet recognize losses for start-up expenditures. As a result, a deferred tax asset of approximately $213,000 and $21,000 at June 30, 2007 (unaudited) and December 31, 2006, respectively, was established for these start-up expenditures as well as a fully offsetting valuation allowance. The change in the valuation allowance for the six months ended June 30, 2007 was $192,000.

The effective tax rate differs from the statutory rate for the periods presented due to the establishment and increase of the valuation allowance.

NOTE I COMMITMENT

In September 2006, the Company entered into a lease agreement for office space that extends through September 2007, requiring monthly payments of $10,203. The lease may be extended through September 2008, for monthly payments of $13,203, under two (2) six-month extensions, upon proper notice as defined in the agreement. Aggregate amounts due under this lease agreement through September 2007 are approximately $122,000.

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NOTE J INTERIM FINANCIAL STATEMENTS

The interim financial statements at June 30, 2007 and for the six months ended June 30, 2007 and for the period July 20, 2006 (inception) to June 30, 2007 are unaudited; however, in the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been included. Results of interim periods are not necessarily indicative of results to be expected for the entire year.

NOTE K SUBSEQUENT EVENT

On April 24, 2007, the Company announced that it signed a definitive agreement (Purchase Agreement) with MCP-TPI Holdings, LLC, pursuant to which the Company will acquire 100% of the shares of TPI. The Purchase Agreement was amended on September 30, 2007. TPI is a world-wide independent sourcing advisory firm that focuses on the design, implementation and management of sourcing strategies for major corporate clients. The purchase price for the shares of TPI is $230 million in cash, plus warrants exercisable into 5 million shares of ISG common stock at an exercise price of $9.18 per share. In addition, MCP-TPI will receive TPI s normalized cash balance on April 23, 2007, which the parties agree shall equal $5 million. The cash generated by TPI operations between the signing of the Purchase Agreement and the closing date will remain in TPI for the benefit of the Company. The warrants were valued at $2.72 per warrant or an aggregate of $13.6 million based on a Black-Scholes model using an expected life of 5 years, volatility of 40.1% and a risk-free interest rate of 4.25%.

The Purchase Agreement may be terminated at any time prior to the closing, as follows: (i) by mutual written consent of each party; (ii) by either party if the proposed transaction has not been consummated by February 24, 2008; (iii) by MCP-TPI if the Deutsche Bank debt commitment letter has been terminated or becomes unavailable and ISG can not obtain replacement financing commitments within 45 days; (iv) by either party, if the ISG stockholders do not approve the Purchase Agreement at the stockholders meeting (or if holders of 20% or more of ISG s common stock exercise their conversion rights); or (v) by MCP-TPI, if ISG materially breaches the covenants relating to the proxy statement (which remains uncured for 30 days). If the Purchase Agreement is terminated due to ISG stockholders not approving the proposed transaction (or due to the exercise of conversion rights by the stockholders), or due to a material breach by ISG of the covenant relating to the proxy statement, or if ISG fails to effect the closing within 10 days after all of the closing conditions have been satisfied, ISG will pay $500,000 to MCP-TPI for its expenses.

Technology Partners International, Inc. and Subsidiaries

Consolidated Financial Statements

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Report of Independent Auditors

To the Board of Directors and Shareholders of
Technology Partners International, Inc. and Subsidiaries

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders equity (deficit) and cash flows present fairly, in all material respects, the financial position of Technology Partners International, Inc. and subsidiaries at December 31, 2006 and 2005, and the results of their operations and their case flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, using the prospective transition period.

/s/ PRICEWATERHOUSECOOPERS, LLP
Houston, Texas
March 30, 2007, except for Note 16, for which the date is
April 24, 2007.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Balance Sheets

	June 30, 2007 (unaudited)	December 31, 2006	December 31, 2005
Assets			
Current assets			
Cash and cash equivalents	$ 4,730,536	$ 9,454,164	$ 5,938,701
Restricted cash			376,955
Accounts receivable, net of allowance for doubtful accounts of $448,305 (unaudited), $459,784 and $405,128, respectively	36,765,691	28,652,269	28,023,693
Receivables from related parties	130,691	438,190	258,827
Prepaid expenses and other assets	1,044,964	1,608,086	2,967,929
Total current assets	42,671,882	40,152,709	37,566,105
Furniture, fixtures and equipment, net of accumulated depreciation of $4,160,648 (unaudited), $3,890,610 and $3,146,312, respectively	2,727,484	2,657,426	2,798,490
Goodwill	2,805,400	2,805,400	2,805,400
Intangible assets, net of amortization of $2,449,862 (unaudited), $2,005,528 and $863,528	1,242,638	1,686,973	2,828,972
Deferred tax asset	741,811	685,536	223,961
Other assets	770,524	832,945	1,456,598
Total assets	$ 50,959,739	$ 48,820,989	$ 47,679,526
Liabilities and Stockholders Equity (Deficit)			
Current liabilities			
Accounts payable	$ 3,106,998	$ 2,325,120	$ 1,851,137
Accrued liabilities	10,894,634	13,306,163	18,901,311
Deferred revenue	288,287	143,019	375,253
Deferred tax liability	337,157	337,157	666,061
Current maturities of long-term debt	6,871,331	4,463,211	3,164,660
Total current liabilities	21,498,407	20,574,670	24,958,422
Long-term debt, net of current maturities	25,672,928	27,674,208	30,239,805
Total liabilities	47,171,335	48,248,878	55,198,227
Commitments and contingencies			
Stockholders equity (deficit)			
Common stock, $.01 par value; 16,500,000 shares authorized, 6,394,094 shares issued and outstanding	63,941	63,941	63,941
Additional paid-in capital	5,997,897	5,967,235	4,240,951
Accumulated other comprehensive income (loss)	1,307,670	791,154	(486,882)
Accumulated deficit	(3,581,104)	(6,250,219)	(11,336,711)
Total stockholders equity (deficit)	3,788,404	572,111	(7,518,701)
Total liabilities and stockholders equity (deficit)	$ 50,959,739	$ 48,820,989	$ 47,679,526

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Operations

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006	December 31, 2005	December 31, 2004
Revenue	$ 85,566,616	$ 83,381,587	$ 161,502,799	$ 146,127,702	$ 97,150,113
Operating expenses					
Direct costs and expenses for advisors	51,140,560	49,058,673	95,561,830	83,689,832	58,492,992
Selling, general and administrative	26,911,535	26,298,106	50,585,367	45,099,906	30,173,340
Depreciation and amortization	1,087,156	1,407,446	2,436,490	1,929,619	829,309
Operating income	6,427,365	6,617,362	12,919,112	15,408,345	7,654,472
Interest income	127,270	17,856	107,636	44,486	20,220
Interest expense	(1,809,339)	(1,976,112)	(3,820,925)	(3,398,447)	(1,643,334)
Loss on extinguishment of debt		(526,823)	(526,823)		
Foreign currency transaction gain (loss)	220,269	85,675	(135,780)	(411,335)	334,001
Income before taxes	4,965,565	4,217,958	8,543,220	11,643,049	6,365,359
Income tax provision	(2,071,450)	(1,687,183)	(3,456,728)	(5,175,968)	(1,805,943)
Net income	$ 2,894,115	$ 2,530,775	$ 5,086,492	$ 6,467,081	$ 4,559,416

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Stockholders Equity (Deficit)

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Treasury Stock Shares	Treasury Stock Amount	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders Equity (Deficit)
Balances at December 31, 2003	9,155,170	$ 91,552	$ 2,631,590	$ (634,558)	11,256	$ (74,290)	$	$ 3,737,788	$ 5,752,082
Compensation expense related to common stock options			1,379,344	(1,379,344)					
Issuance of treasury stock upon stock option exercise			(23,807)		(10,201)	77,327			53,520
Issuance of common stock (net of $1,176,449 transaction costs)	6,394,094	63,941	26,083,734						26,147,675
Cancellation of common stock		(91,541)	91,541						
Acquisition of subsidiary			57,666						57,666
Issuance of equity to lenders			1,047,947						1,047,947
Amortization of deferred compensation				2,013,902					2,013,902
Purchase of common stock options, net of tax benefit of $1,998,751			(5,009,438)						(5,009,438)
Purchase of treasury stock					9,154,115	(47,362,621)			(47,362,621)
Retirement and cancellation of treasury stock	(9,155,170)	(11)	(26,258,577)		(9,155,170)	47,359,584		(21,100,996)	
Distributions to stockholders								(5,000,000)	(5,000,000)
Net income								4,559,416	4,559,416
Balances at December 31, 2004	6,394,094	63,941						(17,803,792)	(17,739,851)
Comprehensive income:									
Net income								6,467,081	6,467,081
Translation adjustment							(486,882)		(486,882)
Total comprehensive income									5,980,199
Exchange of Parent Company stock in consideration for Gildner acquisition			4,342,691						4,342,691
Issuance of equity to lenders			66,807						66,807
Cancellation of equity to lenders			(168,547)						(168,547)
Balances at December 31, 2005	6,394,094	$ 63,941	4,240,951				(486,882)	(11,336,711)	(7,518,701)
Comprehensive income:									
Net income								5,086,492	5,086,492
Translation adjustment							1,278,036		1,278,036
Total comprehensive income									6,364,528
Contributed capital from MCP-TPI Holdings, LLC			1,665,346						1,665,346
Issuance of equity to lenders			60,946						60,946
Forfeited management share units			(8)						(8)
Balances at December 31, 2006	6,394,094	$ 63,941	$ 5,967,235	$		$	$ 791,154	$ (6,250,219)	$ 572,111
Comprehensive income:									

Net income (unaudited)							2,894,115	2,894,115
Translation adjustment (unaudited)						516,516		516,516
Total comprehensive income (unaudited)								3,410,631
Adjustment to adopt FIN 48 on January 1, 2007 (unaudited)							(225,000)	(225,000)
Issuance of equity to lenders (unaudited)			30,665					30,665
Forfeited management share units (unaudited)			(3)					(3)
Balances at June 30, 2007 (unaudited)	6,394,094	$ 63,941	$ 5,997,897	$	$	$ 1,307,670	$ (3,581,104)	$ 3,788,404

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006	December 31, 2005	December 31, 2004
Cash flows from operating activities					
Net income	$ 2,894,115	$ 2,530,775	$ 5,086,492	$ 6,467,081	$ 4,559,416
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation	642,822	667,279	1,294,491	1,066,091	668,513
Amortization of intangibles	444,333	740,167	1,141,999	863,528	160,796
Amortization of debt discount	54,385	47,675	95,349	72,419	36,953
Amortization of deferred financing costs	62,421	124,617	188,281	255,416	127,708
Loss on extinguishment of debt		526,823	526,823		
Bad debt expense	13,489	529,053	411,713	324,123	27,228
Amortization of deferred compensation					2,013,902
Deferred tax provision	(56,275)		(790,479)	(584,430)	1,026,530
Tax benefit from purchase of common stock options					1,998,751
Loss on disposal of fixed assets	11,964	1,588	663		2,808
Changes in assets and liabilities					
Increase in accounts receivable	(7,444,188)	(5,411,780)	(356,630)	(10,424,998)	(6,300,661)
(Increase) decrease in receivables from related parties	(45,618)	(245,934)	(179,363)	(258,827)	32,417
(Increase) decrease in prepaid expenses and other assets	563,124	552,843	1,371,280	(2,313,446)	(208,061)
Increase (decrease) in accounts payable	781,878	712,459	473,983	848,565	(303,146)
Increase (decrease) in accrued liabilities	(2,636,529)	(4,866,441)	(5,595,148)	9,253,519	2,322,438
Increase (decrease) in deferred revenue	145,268	(130,559)	(232,234)	375,253	
Net cash provided by (used in) operating activities	(4,568,811)	(4,221,435)	3,437,220	5,944,294	6,165,592
Cash flows from investing activities					
Purchases of furniture, fixtures and equipment	(724,844)	(539,854)	(1,154,090)	(2,245,565)	(1,306,623)
Acquisition of subsidiary, net of cash acquired				(3,212,620)	4,647
Net (increase) decrease in restricted cash		376,955	376,955	(10,655)	(366,300)
Net cash used in investing activities	(724,844)	(162,899)	(777,135)	(5,468,840)	(1,668,276)
Cash flows from financing activities					
Proceeds from borrowings	2,008,120	4,662,681	4,663,210	3,000,000	36,551,731
Principal payments on borrowings	(1,625,000)	(1,639,660)	(5,964,660)	(2,300,000)	(4,986,798)
Principal payments on capital and direct financing lease obligations					(35,463)
Issuance of treasury stock upon stock option issuance					53,520
Purchase of treasury stock					(47,362,621)
Purchase of options					(7,008,189)
Forfeited management share units	(3)		(8)		
Deferred financing costs		(102,887)	(102,887)		(1,382,866)
Sale of common stock					26,147,675
Contributed capital from MCP-TPI Holdings, LLC		1,676,783	1,665,346		
Distributions to stockholders					(5,000,000)
Net cash provided by (used in) financing activities	383,117	4,596,917	261,001	700,000	(3,023,011)
Effect of exchange rate changes on cash	186,910	374,131	594,377	(125,871)	
Net increase (decrease) in cash and cash equivalents	(4,723,628)	586,714	3,515,463	1,049,583	1,474,305

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	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006	December 31, 2005	December 31, 2004
Cash and cash equivalents					
Beginning of period	9,454,164	5,938,701	5,938,701	4,889,118	3,414,813
End of period	$ 4,730,536	$ 6,525,415	$ 9,454,164	$ 5,938,701	$ 4,889,118
Supplemental disclosures of cash flow information					
Cash paid for					
Interest	$ 1,727,444	$ 2,203,714	$ 3,587,263	$ 3,164,685	$ 1,276,761
Income taxes	1,989,564	3,233,083	4,430,972	4,019,580	413,743
Noncash investing and financing activities					
Issuance of equity to lenders	30,665	30,473	60,946	66,807	1,047,947
Cancellation of equity to lenders				(168,547)	
Note issued to former officer in exchange for payable					750,000
Contribution of subsidiary stock by stockholders					57,666
Exchange of Parent Company stock in consideration for Gildner acquisition				4,342,691	

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

1. Business and Organization

Technology Partners International, Inc. (the Company or TPI), is a Texas corporation. The Company was originally incorporated on October 4, 1990, as an S Corporation. On January 1, 1995, the Company changed to a C Corporation, and effective November 1, 1998, changed back to an S Corporation.

Effective June 14, 2004, the Company entered into a leveraged recapitalization (the leveraged recapitalization or the transaction) with MCP-TPI Holdings, LLC. MCP-TPI Holdings, LLC paid $26,147,675 in exchange for 6,394,094 shares of $.01 par value common stock of TPI Advisory Services Americas, Inc. which in turn purchased 6,394,094 shares of $.01 par value common stock of the Company for $26,147,675. The Company used these proceeds and the proceeds from additional borrowings (Note 8) to repurchase and retire 9,155,170 shares of common stock for cash and shares in MCP-TPI Holdings, LLC. Following these transactions, TPI Advisory Services Americas, Inc. owns 100% of the Company and MCP-TPI Holdings, LLC owns 100% of the voting stock of TPI Advisory Services Americas. Concurrent with the transaction, the Company elected to be taxed as a C Corporation. As the transaction qualified for leveraged recapitalization accounting, purchase accounting was not required to be applied in the transaction and the Company s assets and liabilities are carried forward at historical basis. The Company has three subsidiaries: TPI EuroSourcing, L.L.C., TPI Sourcing Consultants Canada and TPI Directory Services, which are included in the consolidation.

In June 2005, the Company acquired Gildner & Associates, Inc. (Gildner), a firm specializing in the assessment, evaluation, negotiation and management of service contracts between clients and those clients outside contractors. These service contracts typically involve the clients human resource processes. The majority of Gildner s clients are Global 1000 corporations in the United States, who are seeking to enter into or streamline their third-party outsourcing contracts. Services are rendered by consultants who are primarily based throughout the United States.

TPI operates as a fact-based sourcing advisory firm specializing in the assessment, evaluation, negotiation and management of service contracts between TPI s clients and those clients outside service providers and their internal shared service organizations. These service contracts typically involve the clients information technology (IT) infrastructure or software applications development, data and voice communications, or IT-enabled business processes such as the clients internal finance and accounting functions, human resources, call center operations, or supply chain procurement. The majority of TPI s clients are Forbes Global 2000 corporations in the United States, Canada, Western Europe, Asia and Australia who are seeking to enter into or streamline their third-party outsourcing contracts. Clients are primarily charged on an hourly basis plus expenses. During 2006 and 2005, the Company also entered into a limited number of fixed fee arrangements. Services are rendered by TPI s consultants who are primarily based throughout the Americas, Europe, and Australia.

2. Summary of Significant Accounting Policies

Unaudited Interim Financial Information

The interim financial information as of June 30, 2007 and for the six months ended June 30, 2007 and June 30, 2006 is unaudited and has been prepared on the same basis as the audited financial statements, except as noted in the income taxes policy note regarding the adoption of FIN 48 as of January 1, 2007. In the opinion of management, such unaudited financial information includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the interim information. Operating results for the six months ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Technology Partners International, Inc., and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the percentage-of-completion method of accounting affect the amounts of revenues, expenses, unbilled receivables and deferred revenue. Numerous internal and external factors can affect estimates. Estimates are also used for but not limited to: receivables, allowance for doubtful accounts, useful lives of furniture, fixtures and equipment, depreciation, income taxes (Note 9) and deferred tax asset valuation, valuation of common stock and stock options (Note 10), and valuation of the investment in neoIT (Note 15).

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with original maturities or remaining maturities at the time of purchase of three months or less and are stated at cost, which approximates fair value.

Restricted Cash

At December 31, 2006 and 2005, the Company had restricted cash of $0 and $376,955, respectively. The restricted cash at December 31, 2005 was for outstanding letters of credit with a bank.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consists primarily of prepaid expenses for insurance, value-added tax (VAT) and conferences and deposits for facilities, programs and promotion items.

Long-Lived Assets

Furniture, fixtures and equipment includes computers, leasehold improvements and capitalized software and is stated at cost less accumulated depreciation. Depreciation is computed by applying the straight-line method over the estimated useful lives of assets, which range from two to five years. Leasehold improvements are depreciated over the lesser of the useful lives of the underlying assets or the lease term. Expenditures for renewals and betterments are capitalized. Repairs and maintenance are charged to expense as incurred. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts and any associated gain or loss thereon is reflected in the consolidated statements of income.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Based on the Company s analysis of undiscounted future cash flows, no such impairment has occurred.

Internal-Use Software and Website Development Costs

The Company capitalizes internal-use system conversion software and website development costs in accordance with Statement of Position (SOP) 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*, as well as Emerging Issues Task Force (EITF) 00-02, *Accounting for Website Development Costs*. These standards require that certain costs related to the development or purchase of internal-use software and systems as well as the costs incurred in the application development stage related to its website be capitalized and amortized over the estimated useful life of the software or system. SOP 98-1 also requires that costs related to the preliminary project stage, data conversion and postimplementation/operation stage of an internal-use software development project be expensed as incurred.

During the years ended December 31, 2006, 2005 and 2004, the Company capitalized $513,207, $2,196,309 and $0, respectively, of costs associated with the system conversion or website development. Amortization expense for the years ended December 31, 2006, 2005 and 2004, totaled $531,831, $332,180 and $137,923, respectively.

Revenue Recognition

TPI principally derives revenues from fees for services generated on a project-by-project basis. Prior to the commencement of a project, TPI reaches agreement with the client on rates for services based upon the scope of the project, staffing requirements and the level of client involvement. It is TPI s policy to obtain written agreements from new clients prior to performing services. In these agreements, the clients acknowledge that they will pay based upon the amount of time spent on the project and at the agreed upon fee structure. Revenues for services rendered are recognized on a time and materials basis or on a fixed-fee or capped-fee basis in accordance with Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition.

TPI s accounts receivable includes revenue for services performed that have been invoiced but not collected as well as unbilled revenues. Deferred revenue includes billings in excess of revenues recognized, typically in cases where contracts permit TPI to invoice customers in advance of performing services.

Revenues for time and materials contracts are recognized based on the number of hours worked by TPI s consultants at an agreed upon rate per hour and are recognized in the period in which services are performed. Revenues for time and materials contracts are billed monthly, semimonthly or in accordance with the specific contractual terms of each project.

Revenues related to fixed-fee or capped-fee contracts are recognized on the proportional performance method of accounting based on the ratio of labor hours incurred to estimated total labor hours, which TPI considers to be the best available indication of the pattern and timing in which contract obligations are fulfilled. This percentage is multiplied by the contracted dollar amount of the project to determine the amount of revenue to recognize in an accounting period. The contracted amount used in this calculation excludes the amount the client pays for reimbursable expenses. There are situations where the number of hours to complete projects may exceed TPI s original estimate as a result of an increase in project scope or unforeseen events that arise. On an on-going basis, TPI s project team, along with risk management and accounting personnel review hours incurred and estimated total labor hours to complete. The results of any revisions in these estimates are reflected in the period in which they become known. TPI believes it has a demonstrated history of successfully estimating the total labor hours to complete a project.

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If TPI does not accurately estimate the scope of the work to be performed, or does not manage the projects properly within the planned periods of time or does not meet the clients expectations under the contracts, then future consulting margins may be negatively affected or losses on existing contracts may need to be recognized. Any such resulting reductions in margins or contract losses could be material to TPI s results of operations.

The agreements entered into in connection with a project, whether on a time and materials basis or fixed-fee or capped-fee basis, typically allow TPI s clients to terminate early due to breach or for convenience with 30 days notice. In the event of termination, the client is contractually required to pay for all time, materials and expenses incurred by TPI through the effective date of the termination. In addition, from time to time TPI enters into agreements with clients that limit TPI s right to enter into business relationships with specific competitors of that client for a specific time period. These provisions typically prohibit TPI from performing a defined range of services that it might otherwise be willing to perform for potential clients. These provisions are generally limited to six to twelve months and usually apply only to specific employees or the specific project team.

Reimbursable Expenditures

The Company accounts for reimbursable expenditures in accordance with EITF 01-14 *Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred*. Amounts billed to customers for reimbursable expenditures are included in revenues and the associated costs incurred by the Company are included in direct costs and expenses for advisors in the accompanying consolidated statements of income. Nonreimbursable amounts are expensed as incurred. Reimbursable expenditures totaled $14,447,422, $13,170,562 and $8,754,226 for the years ended December 31, 2006, 2005 and 2004, respectively.

Direct Costs and Expenses for Advisors

Direct costs and expenses for advisors include payroll expenses and subcontractor fees directly associated with the generation of revenues and other program expenses. Direct costs and expenses for advisors are expensed as incurred.

Deferred Financing Costs

Costs directly incurred in obtaining long-term financing are deferred and are amortized over the life of the related loan using an approximation of the effective interest method. Amortization of deferred financing costs is included in interest expense and totaled $188,281, $255,416 and $127,708 for the years ended December 31, 2006, 2005 and 2004, respectively. On May 31, 2006, the Company amended its credit agreements and as a result, $526,823 of previously capitalized deferred financing costs were expensed and $102,887 of costs were capitalized in 2006.

Income Taxes

In 2003, TPI was an S Corporation, and as such, all United States federal and certain state income taxes were the responsibility of the stockholders and not TPI. Any material state income taxes that are the responsibility of TPI were provided for as an income tax provision.

On June 14, 2004, the Company changed to a C Corporation and as such, United States federal and all state income taxes then became the responsibility of the Company. Additionally, TPI is subject to foreign income taxes on taxable income in the countries in which it operates.

TPI accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes.* Under this method, deferred tax assets and liabilities are determined based upon differences between the financial statement and tax basis of assets and liabilities using enacted income tax rates in effect for the year in which the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized.

Effective January 1, 2007, the Company adopted Financial Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109 (FIN 48). Interpretation 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. Interpretation 48 also provides guidance on the accounting for and disclosure of unrecognized tax benefits, interest and penalties.

The cumulative effect of adopting the provisions of FIN 48 has been reported as an adjustment to the opening balance of retained earnings as of January 1, 2007. The adoption of FIN 48 reduced the Company s retained earnings by $225,000 (unaudited). The unrecognized tax benefits relate primarily to state income tax issues. In addition, there is a current tax provision of $22,500 (unaudited) for the first quarter of 2007 related to FIN 48 that increased income tax expense for the period.

It is the Company s policy to record interest and penalties associated with FIN 48 items in the tax expense line on the income statement.

Foreign Currency Translation

During 2005, the Company made a prospective change to its accounting policy for foreign currency translation in accordance with SFAS No. 52, *Foreign Currency Translation*. Prior to January 1, 2005, the Company s foreign subsidiaries operated as an extension of TPI s United States operations. As of January 1, 2005, management determined that changes in the underlying economic facts and circumstances indicated that the functional currency of those operations had changed, as TPI s foreign subsidiary operations began operating as self contained subsidiaries that are integrated within their respective countries. As such, beginning on January 1, 2005, the assets and liabilities of the Company s foreign subsidiaries have been translated into U.S. dollars using the exchange rates in effect at the balance sheet date as the functional currency is the local currency. Results of operations have been translated using the average exchange rates during the year. Resulting translation adjustments have been recorded as a component of other comprehensive income (loss) in the statement of stockholders equity (deficit).

Foreign currency transaction gains and losses are included in the consolidated statements of income as they occur.

Prior to 2005, the functional currency for TPI s non-U.S. based subsidiaries was the U.S. dollar. Amounts of on-hand cash, receivables and payables balances at period end not denominated in U.S. dollars were translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Gains and losses on foreign currency translation and transactions prior to January 1, 2005, were reported directly in the consolidated statements of income.

Fair Value of Financial Instruments

The reported amounts of certain of the Company s financial instruments including cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to their short maturities. The estimated fair value of the Company s long-term debt at December 31, 2006 and 2005, approximated the carrying value. The fair value was estimated using market interest rates for similar types of investments.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company places its cash investments with high quality financial institutions. Trade receivables potentially subject the Company to credit risk. The Company extends credit to its customers based upon an evaluation of the customer s financial condition and credit history and generally does not require collateral. For the years ended December 31, 2006, 2005 and 2004, the Company had one customer which accounted for 21%, 25% and 23% of advisory fees, respectively. The same customer represents 26% and 27%, respectively, of the accounts receivable balance as of December 31, 2006 and 2005. One additional customer accounted for 11% of accounts receivable for the year ended December 31, 2006. No other customer accounted for more than 10% of advisory fees in 2006, 2005 or 2004. The loss of, or a significant decrease in, business from this customer could have an adverse effect on the Company s consolidated financial condition and results of operations.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price of purchased businesses over the estimated fair value of the acquired businesses net assets. Goodwill is $2,805,400 for the years ended December 31, 2006 and 2005. Intangible assets, net of amortization, were $1,686,973 and $2,828,972 for the years ended December 31, 2006 and 2005, respectively. Goodwill and intangible assets with indefinite-lives are not amortized, but are reviewed annually for impairment. Intangible assets that are not deemed to have indefinite-lives are amortized over their useful lives.

The Company reviews the carrying value of goodwill and other long-lived assets annually to determine whether an impairment has occurred from the date of relevant acquisition. The Company has elected to make December 31 the annual impairment assessment date and will perform additional impairment tests if a change in circumstances occurs that would more likely than not reduce the fair value of the long-lived assets below their carrying amount. The Company did not record any impairment changes for the years ended December 31, 2006, 2005 and 2004.

Stock-Based Compensation

The Company has stock-based employee compensation plans, which are more fully described in Note 10. Prior to January 1, 2006, the Company applied the recognition and measurement principles of Accounting Principles Bulletin (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, (APB 25) and related interpretations to awards granted under those plans. Under APB 25, no compensation expense was reflected in net income for the Company s stock options or management share unit grants (collectively the awards), as all awards granted under those plans had an exercise price equal to the market value of the underlying shares on the date of grant. The pro forma effects on income for awards were instead disclosed in a footnote to the financial statements in accordance with by SFAS No. 148 *Accounting for Stock-Based Compensation an Amendment to SFAS 123 (SFAS 148).*

Effective January 1, 2006, the Company adopted the fair value recognition provisions of FASB Statement of Financial Accounting Standard No. 123(R), *Share-Based Payment*, (SFAS 123-R), using the prospective transition method. Under this transition method, only new awards (or awards modified, repurchased, or cancelled after the effective date) are accounted for under the provisions of FAS 123(R).

As discussed in Note 10, the awards granted under our stock-based employee compensation plans are only fully vested and exercisable upon a liquidity event. Accordingly, the Company treated the awards as variable performance awards and given that the performance condition (a liquidity event) was outside the control of the Company, concluded that such performance condition was not probable. As a result, there was no impact to the Company s consolidated financial statements.

Awards granted prior to January 1, 2006 under APB 25 were accounted for under the prospective application method upon adoption of SFAS 123(R) and results for prior periods have not been restated to reflect the effects of implementing SFAS 123(R). Awards granted on or after January 1, 2006 have been accounted for under FAS 123(R), and while a measurement date has been established for the 2006 awards, no compensation expense has been recorded since the same performance condition (a liquidity event) has not been deemed probable. The following pro forma information, as required by SFAS 148 is presented for comparative purposes and illustrates the effect on our net income if the Company has applied the fair value recognition provisions of SFAS 123 for the years ended December 31, 2005 and 2004:

	2005	**2004**
Net income, as reported	$ 6,467,081	$ 4,559,416
Add: Stock-based employee compensation cost, net of related tax effects, included in the determination of net income, as reported		1,441,954
Deduct: Stock-based employee compensation cost determined under the fair value method, net of related tax effects, for all awards		(1,448,373)
Net income, pro forma	$ 6,467,081	$ 4,552,997

During 2006, 2005 and 2004, all options and management share units were issued at the estimated fair value of the Company s common stock at the date of grant. The Company granted 6,400,842, 3,094,178 and 4,917,723 awards during the years ended December 31, 2006, 2005 and 2004 respectively. No awards were granted to nonemployees during the three years ended December 31, 2006. The weighted average fair values of options and management share units granted during the years ended December 31, 2006, 2005 and 2004, was $6.21, $4.28 and $2.87, respectively. The weighted average remaining contractual life for options and management share units outstanding was 8.42, 9.15 and 8.30 years for the years ended December 31, 2006, 2005 and 2004, respectively. The fair value of each award is estimated on the date of grant using the Black-Scholes option-pricing model that uses the assumptions for the risk-free interest rate, volatility, dividend yield and the expected term of the options. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for a period equal to the expected term of the option. In 2006, expected volatilities are based on changes in our historical volatility based upon comparable public peer companies. Prior to 2006, the Company assumed no volatility pursuant to the minimum value method. The Company does not assume any dividend yield, as the Company does not pay dividends. The Company utilized historical data to estimate the expected term of the options. The following reflects the assumptions used for the awards pursuant to SFAS 123(R) (fair value method) for 2006 awards and pursuant to FAS 123 (minimum value method) for 2005 and 2004 and prior awards).

	2006		**2005**		**2004**	
Risk-free interest rate	4.86	%	4.31	%	4.36	%
Volatility	31.80		0.00		0.00	
Dividend yield	0.00		0.00		0.00	
Term	8 years		8 years		8 years	

The Company considered an estimated forfeiture rate when determining the fair value of the 2006 awards. The forfeiture rate is based on historical experience. Estimated forfeitures will be adjusted to reflect actual forfeitures in future periods. However, as noted above, these awards are considered performance awards for which the performance condition is not deemed probable and no compensation expense will be recognized related to such awards until a liquidity event occurs.

New Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This statement establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The provisions of SFAS 157 should be applied prospectively as of the beginning of the fiscal year in which SFAS 157 is initially applied, except in limited circumstances. The Company expects to adopt SFAS 157 beginning January 1, 2008, and is currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115* . This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective as of the beginning of an entity s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS No. 157. The Company expects to adopt SFAS 159 beginning January 1, 2008, and is currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

Reclassifications

Certain reclassifications have been made to prior periods to conform to the current period presentation, with no effect on our consolidated financial position or results of operations.

3. Acquisitions

In June 2005, MCP-TPI Holdings, LLC acquired substantially all of the operating assets of Gildner, a firm specializing in the assessment, evaluation, negotiation and management of service contracts between clients and those clients outside contractors, for $7,543,874, comprised of cash of $3,212,620 and 492,188 Class A-3 shares of MCP-TPI Holdings, LLC common stock, approximating $4,331,254. The purchase price has been allocated to the fair value of net current assets and identifiable intangibles, and are amortized over the period that the Company believes best reflects the period in which the economic benefits will be consumed as follows:

	Asset Life	2005
Fair values of assets and liabilities		
Net current assets		$ 1,058,474
Noncompete agreement	2	140,000
Trademark	1	70,000
Backlog	1	510,000
Benchmark database	3	1,760,000
Prevalence database	3	530,000
Customer relationships	10	670,000
Goodwill		2,805,400
Total allocated purchase price		$ 7,543,874

Also, in April 2005, TPI acquired all outstanding shares of TPI Advisory Services India Ltd., for $11,437 in cash. TPI Advisory Services India Ltd. was formed by two Indian nationals, then purchased by TPI to expedite the Company s presence in India.

4. Accounts Receivable, Net Of Allowance For Doubtful Accounts

Accounts receivable, net of allowance for doubtful accounts consists of the following:

	2006	2005
Accounts receivable	$ 26,297,562	$ 23,740,800
Unbilled revenue	2,814,491	4,688,021
Allowance for doubtful accounts	(459,784)	(405,128)
	$ 28,652,269	$ 28,023,693

5. Furniture, Fixtures and Equipment

Furniture, fixtures and equipment consisted of the following:

	2006	2005
Computer hardware, software and other office equipment	$ 5,592,522	$ 5,007,382
Furniture, fixtures and leasehold improvements	576,111	558,017
Other	379,403	379,403
	6,548,036	5,944,802
Accumulated depreciation	(3,890,610)	(3,146,312)
	$ 2,657,426	$ 2,798,490

At December 31, 2006 and 2005, the Company had approximately $2,046,942 and $1,990,934 of fully depreciated furniture, fixtures, and equipment still in use. Depreciation expense for the years ended December 2006, 2005, and 2004 was $1,294,491, $1,066,091, and $668,513, respectively.

6. Leases

TPI leases its office space under long-term operating lease agreements which expire at various dates through December 2009. Under the operating leases, TPI pays certain operating expenses relating to the leased property and monthly base rent.

Aggregate future minimum payments under noncancelable leases with initial or remaining terms of one year or more consist of the following at December 31, 2006:

	Operating Leases
2007	$ 567,337
2008	73,602
2009	63,033
2010	38,861
Total minimum lease payments	$ 742,833

TPI s rental expense for operating leases was $898,370, $771,624 and $387,204, in 2006, 2005 and 2004, respectively.

7. Accrued Liabilities

The components of accrued liabilities at December 31, 2006 and 2005, are as follows:

	2006	**2005**
Accrued payroll and vacation pay	$ 9,473,790	$ 11,904,985
Accrued payroll taxes and other taxes	2,044,330	4,732,329
Other	1,788,043	2,263,997
	$ 13,306,163	$ 18,901,311

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8. Long-Term Debt and Line of Credit

At December 31, 2006 and 2005, notes payable consisted of the following:

	2006	2005
Term A note payable to bank; payable in quarterly payments, due June 14, 2009	$ 14,325,000	$ 11,750,000
Term B note payable to bank; payable in quarterly payments, due June 14, 2010	6,000,000	4,925,000
$11,000,000 Senior Subordinated note payable to bank, net of unamortized discount of $800,793 and $835,195 at December 31, 2006 and 2005, respectively; bearing interest at 11.50% per year with an effective rate of 12.85%, due June 14, 2012	10,199,208	10,164,805
Revolving line of credit	863,211	5,814,660
Noninterest bearing note payable to related party due the earlier of: (i) such time as the MCP Investors holds less than 75% of the Class A-1 shares of MCP-TPI Holdings, LLC, or (ii) the date of consummation of a Qualified Public Offering	750,000	750,000
	32,137,419	33,404,465
Less: Current portion	(4,463,211)	(3,164,660)
Total long-term debt	$ 27,674,208	$ 30,239,805

On June 14, 2004, in connection with the Company s leveraged recapitalization, the Company entered into two term notes payable with a syndicated bank group consisting of $15,000,000 (Term A) and $5,000,000 (Term B), a senior subordinated note payable of $11,000,000 and revolving line of credit facility whereby the Company can borrow up to $11,000,000 (collectively, Credit Agreements). On May 31, 2006, the Company amended its Credit Agreements to allocate $6,500,000 from the revolving line of credit to the Term A and Term B loans and to modify the term amortization schedules accordingly. Additionally, the Company amended certain financial covenants imposed by the banks. As a result of amending the Credit Agreements, $526,823 of deferred financing costs were expensed in 2006.

The Company can select an interest rate based on a discounted prime rate or a LIBOR based rate as defined in the agreement. The effective annual rate at December 31, 2006, for Term A was 8.86% and Term B was 9.36%. The Credit Agreements contain restrictions which limit the incurrence of additional indebtedness, require maintenance of certain financial amounts, and contain other covenants customary in agreements of this type.

The revolving line of credit may be used for standby and commercial letters of credit, borrowings or a combination thereof and is subject to borrowing base restrictions based on the levels of eligible domestic and foreign accounts receivable. At December 31, 2006, the revolving line of credit facility had borrowings of $863,211, leaving $9,474,861 in available borrowings as determined by the borrowing base calculation. The interest rate on this agreement is determined at the date of each draw based on a discounted prime rate or a LIBOR based rate. The rate is fixed for the remaining term of each draw. Interest on this facility is payable monthly and varied from 8.50% to 9.25% during the year ended December 31, 2006. A commitment fee on the unused portion of the line of credit facility is payable monthly at 0.50%. The revolving line of credit expires on June 14, 2009.

At June 30, 2007 (unaudited), TPI was not in compliance with the minimum fixed charge coverage ratio and the maximum senior debt to EBITDA ratio as defined in its two senior term notes payable agreements with a syndicated bank group. On August 16, 2007, TPI amended its two senior term notes payable agreements to provide for the following: (1) the specified minimum level of the minimum fixed charge coverage was lowered effective as of June 30, 2007 and for the remainder 2007 and (2) the specified maximum level of the maximum senior debt to EBITDA ratios was increased effective as of June 30, 2007 and for the remainder 2007.

At June 30, 2007 (unaudited), TPI was in compliance with the maximum senior debt to EBITDA ratio as defined in its senior subordinated note payable agreement with a bank. On August 16, 2007, TPI amended this note to increase the specified maximum level of the maximum senior debt to EBITDA effective as of June 30, 2007 and for the remainder 2007.

In conjunction with the Senior Subordinated Note Payable of $11,000,000, MCP-TPI Holdings, LLC, the Company s ultimate Parent, issued 117,203 shares of its Class B stock, which was deducted as debt discount from the note proceeds based on the fair value of such shares at the date of issuance. This discount is being accreted to interest expense over the life of the note based on an approximation of the effective interest method. Also, contained within this agreement is an anti-dilution provision that grants the note holder the right to additional shares. MCP-TPI Holdings, LLC issued an additional 4,699 and 5,092 of its Class B shares in accordance with these provisions as of December 31, 2006, and June 14, 2005, respectively, which were recorded at fair value, approximately $60,946 and $66,807, at December 31, 2006, and June 14, 2005, respectively, and reflected as additional debt issuance costs, which are being amortized to interest expense based on an approximation of the effective interest method. MCP-TPI Holdings, LLC also cancelled 19,153 shares which were recorded at fair value, approximately $168,547 in 2005.

Aggregate annual maturities of debt obligations, by calendar year, as follows:

	Debt
2007	$ 4,463,211
2008	6,050,000
2009	7,737,500
2010	2,937,500
2011	
Thereafter	10,949,208
	$ 32,137,419

The credit agreements are collateralized by substantially all of the Company s assets, including equipment and trade accounts receivable.

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9. Income Taxes

The components of TPI s provision for income taxes for the years ended December 31, 2006, 2005 and 2004, are as follows:

	2006	2005	2004
Current			
Federal	$ 2,595,688	$ 1,521,379	$ 701,298
State and local	395,558	626,402	78,115
Foreign	1,255,961	3,612,617	
	4,247,207	5,760,398	779,413
Deferred			
Federal	(691,667)	(582,660)	1,026,530
State and local	(98,812)	(1,770)	
	(790,479)	(584,430)	1,026,530
Total income tax provision	$ 3,456,728	$ 5,175,968	$ 1,805,943

The differences between the effective tax rate reflected in the total provision for income taxes and the U.S. federal statutory rate of 35% for the years ended December 31, 2006, 2005 and 2004, were as follows:

	2006	2005	2004
Federal statutory rate	35.0 %	35.0 %	34.0 %
Nondeductible expenses	4.0	3.0	0.6
State income taxes	3.0	3.0	0.5
Valuation allowance on foreign tax credits	1.0	2.0	0.0
Release of valuation allowance on foreign tax credits	(3.0)	0.0	0.0
Effect of change in rates	0.0	1.0	0.0
Foreign taxes	0.0	0.0	(0.8)
Change in tax status	0.0	0.0	(0.2)
Release of liability related to uncertain tax matters	0.0	0.0	(7.6)
Other	0.0	0.0	1.9
	40.0 %	44.0 %	28.4 %

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of December 31, 2006 and 2005, are as follows:

	2006	2005
Current deferred tax asset		
Allowance for doubtful accounts	$ 264,771	$ 263,558
Other		10,000
Total current deferred tax asset	264,771	273,558
Current deferred tax liability		
Prepaids	(269,840)	(275,440)
Change in tax accounting method	(332,088)	(664,179)
Total current deferred tax liability	(601,928)	(939,619)
Noncurrent deferred tax asset		
Intangibles	646,834	288,167
Depreciable assets	154,011	
Foreign net operating loss carryforwards		662,550
Foreign tax credits	(23,469)	284,089
Valuation allowance for deferred tax asset	23,469	(946,639)
Total noncurrent deferred tax asset	800,845	288,167
Noncurrent deferred tax liability		
Depreciable assets		(21,724)
Goodwill	(115,309)	(42,482)
Total noncurrent deferred tax liability	(115,309)	(64,206)
Total net deferred tax liability (asset)	$ 348,379	$ (442,100)

Foreign net operating loss carryforwards have been fully reserved until realized due to uncertainty regarding their realization. As of December 31, 2006, the Company had approximately $1,893,000 of foreign net operating losses, of which $1,890,000 can be carried forward indefinitely and $3,000 will begin to expire in 2013.

10. Stockholders Equity

2000 Stock Plan

Certain options granted to purchase common stock under the Company s 2000 Stock Plan contained terms that prevented the option holders from exercising vested options. As a result of this contingency, the Company determined these options did not have a measurement date.

On June 14, 2004, the date of the leveraged recapitalization, 719,807 options issued pursuant to the 2000 Stock Plan that previously did not have a measurement date became fully vested and were cashed out in the leveraged recapitalization transaction. As such, the Company recognized $1,349,672 in compensation expense during 2004 related to those options, which is included in general and administrative expenses within the accompanying consolidated statements of income.

During the years ended December 31, 2006, 2005 and 2004, TPI recognized $0, $0 and $29,673, respectively, of deferred compensation for options granted for which a measurement date has occurred. There were no grants pursuant to the 2000 Stock Plan in 2006, 2005 or 2004.

2004 Management Share Plan

MCP-TPI Holdings, LLC, the Company s ultimate parent, adopted the 2004 Management Share Plan (the Management Share Plan), which provides for grants of shares of MCP-TPI Holdings, LLC. The purpose of the Management Share Plan is to contract and retain the best available personnel, provide additional incentives to the Company s employees and promote the success of the business. These shares vest over periods ranging from one to four years, are subject to the liquidity event performance conditions described below and have an aggregate repurchase price at the option of MCP-TPI Holdings, LLC of $1. The contractual term of the shares is ten years. The total number of management shares that may be granted under the plan are not limited by the plan.

Concurrent with the leveraged recapitalization, certain of the unvested options from the Company s former 2000 Stock Plan totaling 2,256,511 options were rolled over into 2,666,723 management share units of MCP-TPI Holdings, LLC based upon a conversion ratio. These options held the same vesting terms as previously held. MCP-TPI Holdings, LLC granted an additional 2,251,000 shares during the year ended December 31, 2004. These management shares were granted on the condition that they may be exercised only after MCP-TPI Holdings, LLC transacts a liquidity event defined as consummation of (i) the sale of all or substantially all of the assets of MCP-TPI Holdings, LLC and its wholly owned subsidiaries, taken as a whole, in a single transaction or a series of one or more related transactions to one or more persons who are not affiliates of MCP-TPI Holdings, LLC, (ii) an Initial Public Offering of MCP-TPI Holdings, LLC, (iii) a complete liquidation of MCP-TPI Holdings, LLC and its wholly owned subsidiaries, (iv) a merger or consolidation, or (v) the sale of at least 95% of the issued and outstanding shares MCP-TPI Holdings, LLC to one or more persons who are not affiliates of MCP-TPI Holdings, LLC. Such management shares are contingent grants and as a result of this contingency, the Company has deemed that the management shares issued with these terms do not yet have a measurement date, with respect to grants made prior to January 1, 2006 under APB 25. While a measurement date has been established for grants made on or after January 1, 2006 under FAS 123(R), no compensation expense has been recorded for any of the grants as they contain performance conditions that have not been deemed probable. If the contingency were realized, the Company would have recorded a noncash compensation charge of $26,033,395 for the year ended December 31, 2006. At December 31, 2006, an additional $35,297,549 in deferred compensation expense would be subject to amortization over the remaining years of the vesting period based on the estimated fair value of the common stock.

	Shares	Weighted Average Exercise Price
Management Share Units outstanding as of December 31, 2005	7,895,220	7.76
Granted	6,400,842	13.12
Forfeited	(292,462)	11.92
Exercised		
Management Share Units outstanding as of December 31, 2006	14,003,600	10.13

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	Outstanding Management Share Units			Options Exercisable	
Range of Exercise Prices	Outstanding as of December 31, 2006	Weighted Average Remaining Contractual Life (In Years)	Weighted Average Exercise Price	Exercisable as of December 31, 2006	Weighted Average Exercise Price
$7.08 - $7.13	4,798,576	7.55	7.10		
$8.80	3,023,683	8.15	8.80		
$13.12	6,181,341	9.25	13.12		
	14,003,600	8.43	10.13		

During 2004, the Company used shares already held in treasury to issue 11,716 shares to employees in connection with the exercise of employee stock options. The Company held the remaining 1,055 shares in treasury until they were retired in conjunction with the leveraged recapitalization transaction completed on June 14, 2004. Also, as a result of this transaction 71% of issued and outstanding shares of the Company s stock were repurchased by the Company, retired and 6,394,094 new shares were issued to the new shareholder.

Profit Participation Share Plan

In 2005, MCP-TPI Holdings, LLC, the Company s ultimate parent, adopted the Profit Participation Share Plan. Pursuant to this Plan, 291,264 Class A-2 profit participation shares were issued to a single executive on March 16, 2005. These shares are time vested at 20% annually over a 5 year period. These profit participation shares were granted on the condition that they may be exercised only after MCP-TPI Holdings, LLC transacts a liquidity event defined as consummation of (i) the sale of all or substantially all of the assets of MCP-TPI Holdings, LLC and its wholly owned subsidiaries, taken as a whole, in a single transaction or a series of one or more related transactions to one or more persons who are not affiliates of MCP-TPI Holdings, LLC, (ii) an Initial Public Offering of MCP-TPI Holdings, LLC, (iii) a complete liquidation of MCP-TPI Holdings, LLC and its wholly owned subsidiaries, (iv) a merger or consolidation, or (v) the sale of at least 95% of the issued and outstanding shares of MCP-TPI Holdings, LLC to one or more persons who are not affiliates of MCP-TPI Holdings, LLC. Such profit participation shares are contingent grants and as a result of this contingency, the Company has deemed that the profit participation shares issued with these terms do not yet have a measurement date. As of December 31, 2006, none of these shares had vested pursuant to the service or performance condition.

11. Goodwill and Intangible Assets

Goodwill is $2,805,400 as of December 31, 2006 and 2005. No indefinite-lived intangible assets existed at December 31, 2006 or 2005. The changes in the net carrying amount of the components of intangible assets for the fiscal years ended December 31, 2006 and 2005, were as follows:

	Noncompete Agreements	Trademarks	Backlog	Databases	Customer Relationships	Total
Balance as of December 31, 2004	$	$ 12,500	$	$	$	$ 12,500
Intangible assets recorded during the period	140,000	70,000	510,000	2,290,000	670,000	3,680,000
Amortization expense	(40,833)	(40,833)	(297,500)	(445,279)	(39,083)	(863,528)
Balance as of December 31, 2005	$ 99,167	$ 41,667	$ 212,500	$ 1,844,721	$ 630,917	$ 2,828,972
Intangible assets recorded during the period	$	$	$	$	$	$
Amortization expense	(70,000)	(29,167)	(212,500)	(763,332)	(67,000)	(1,141,999)
Balance as of December 31, 2006	$ 29,167	$ 12,500	$	$ 1,081,389	$ 563,917	$ 1,686,973

The weighted average remaining life of amortizable intangible assets at December 31, 2006, was 3.8 years. Future estimated amortization expense is as follows:

Fiscal year ending December 31	Amount
2007	$ 859,500
2008	385,056
2009	67,000
2010	67,000
2011 and thereafter	308,417
	$ 1,686,973

12. Commitments and Contingencies

Employee Retirement Plans

TPI maintains a qualified profit-sharing plan (the Plan). During 2006, 2005 and 2004, the provisions of the Plan provide for a maximum employer contribution per eligible employee of the lesser of 12.75% of compensation or $25,500. Employees are eligible to participate in the Plan upon the next entry date following six months of service and are 100% vested upon entering the Plan. For the years ended December 31, 2006, 2005 and 2004, $6,352,589, $5,168,406 and $3,402,282, respectively, was contributed to the Plan by the Company.

As of December 31, 2006 and 2005, TPI held a noninterest bearing note payable of $750,000 to an executive officer who separated from the Company in 2002 (Note 8). The consideration for the $750,000 is contingent upon the fulfillment of the terms of these agreements by the executive.

13. Related-Party Transactions

The Company s related party transactions primarily consisted of subcontract relationships with an affiliated company to provide consulting services to a third-party customer. From time to time, the Company also has receivables and payables with employees and shareholders. All related party transactions have been conducted in the normal course of business as if the parties were unrelated. As of December 31, 2006 and 2005, the Company had outstanding receivables from related parties, including shareholders, totaling $438,190 and $258,827, respectively and no outstanding payables. Additionally, the Company recognized approximately $998,966, $860,147 and $755,669 during the years ended December 31, 2006, 2005, and 2004, respectively, in revenue and $105,263, $732,647 and $725,607, respectively, in expenses with related parties that is reflected within the accompanying consolidated statements of income.

14. Segment and Geographical Information

The Company operates in one segment, which includes providing fact-based sourcing advisory services. The Company operates principally in the Americas, with operations in various locations in Europe and the Asia Pacific. The Company s foreign operations are subject to local government regulations and to the uncertainties of the economic and political conditions of those areas.

Geographical information for the segment is as follows:

	June 30, 2007 (unaudited)	**June 30, 2006 (unaudited)**	**December 31, 2006**	**December 31, 2005**	**December 31, 2004**
Revenue					
Americas	$ 52,271,258	$ 54,756,404	$ 104,697,223	$ 103,771,016	$ 76,230,648
Europe	27,347,460	23,053,537	46,780,416	37,062,159	15,382,721
Asia Pacific	5,947,898	5,571,646	10,025,160	5,294,527	5,536,744
	$ 85,566,616	$ 83,381,587	$ 161,502,799	$ 146,127,702	$ 97,150,113
Identifiable long-lived assets					
Americas			$ 2,413,832	$ 2,617,356	$ 1,497,244
Europe			154,049	88,947	101,329
Asia Pacific			89,545	92,187	20,443
			$ 2,657,426	$ 2,798,490	$ 1,619,016

The segregation of revenues by geographic region is based upon the location of the legal entity performing the services. The Company does not measure or monitor gross profit or operating income by geography for the purposes of making operating decisions or allocating resources.

15. Strategic Alliance

neoIT.com, Inc.

In February 2001, the Company entered into a strategic alliance (the Agreement) with neoIT.com, Inc. (neoIT), to jointly develop and market neoIT s products and services related to the provision of information technology services to customers through neoIT s web-based sourcing methodology. In exchange for product development services and marketing of neoIT s products and services, the Company received common stock of neoIT (the Initial Fee). Additionally, under the Agreement the Company earned cash and additional equity in neoIT, representing commissions for neoIT revenues generated from customer references provided by TPI. Effective June 4, 2004, the Company

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terminated its strategic alliance with neoIT. As part of the conditions of the termination agreement, TPI received $27,500 in cash and an additional 4,703,670 shares of neoIT. As of December 31, 2006 and 2005, TPI owned 8,950,000 neoIT shares. neoIT is an early stage private company for which no readily available market exists to convert the Company s equity interest in neoIT into cash. The Company s ability to realize its equity investment in neoIT is not assured and is subject to risks normally associated with investments in early stage companies. As of December 31, 2006 and 2005, the total investment balance in neoIT totaled $424,633 which is accounted for on a cost basis and is reflected within other long-term assets in the accompanying consolidated balance sheets. The Company has also recognized $324,425 of revenues, which have been collected in cash, and $275,464 of direct costs and expenses in the year ended December 31, 2004, related to joint activities with neoIT. As of December 31, 2006 and 2005, TPI s investment in neoIT represents an ownership interest of approximately 9.1% and 9.1%, respectively, and reflects the estimated fair value of the equity consideration received from neoIT at the time of its issuance to TPI.

In accordance with SAB No. 104, *Revenue Recognition*, and EITF Issue No. 00-21, *Accounting for Revenue Arrangements With Multiple Deliverables*, TPI has accounted for this Agreement as a revenue arrangement with multiple deliverables. Accordingly, TPI recognized $39,757 of the Initial Fee as an investment in neoIT, which is included in other assets in the accompanying consolidated balance sheets as of December 31, 2006 and 2005. The associated revenue of $39,757 has been deferred and is recognized ratably over the five-year term of the Agreement. During 2006, 2005 and 2004, TPI did not recognize additional common stock received for commissions as revenues or as an increase in their investment in neoIT.

16. Subsequent Event

On April 24, 2007, MCP-TPI Holdings, LLC (MCP-TPI) announced that it had signed a definitive agreement (Purchase Agreement) with Information Services Group, Inc. (ISG), pursuant to which ISG will acquire 100% of the shares of TPI Advisory Services, Inc. (TPI), a wholly owned subsidiary of the Company. The Purchase Agreement was amended on September 30, 2007. The purchase price for the shares of TPI is $230 million in cash, plus warrants exercisable into 5 million shares of ISG common stock at an exercise price of $9.18 per share. In addition, MCP-TPI will receive TPI s cash balance on April 23, 2007, which the parties agree shall equal $5 million. The cash generated by TPI operations between the signing of the Purchase Agreement and the closing date will remain in TPI for the benefit of ISG. The warrants were valued at $2.72 per warrant or an aggregate of $13.6 million based on a Black-Scholes model using an expected life of 5 years, volatility of 40.1% and a risk-free interest rate of 4.25%.

The Purchase Agreement may be terminated at any time prior to the closing as follows: (i) by mutual written consent of each party; (ii) by either party if the proposed transaction has not been consummated by February 24, 2008; (iii) by MCP-TPI if the Deutsche Bank debt commitment letter has been terminated or becomes unavailable and ISG can not obtain replacement financing commitments within 45 days; (iv) by either party, if the ISG stockholders do not approve the Purchase Agreement at the stockholders meeting (or if holders of 20% or more of ISG s common stock exercise their conversion rights); or (v) by MCP-TPI, if ISG materially breaches the covenants relating to the proxy statement (which remains uncured for 30 days). If the Purchase Agreement is terminated due to ISG stockholders not approving the proposed transaction (or due to the exercise of conversion rights by the stockholders), or due to a material breach by ISG of the covenant relating to the proxy statement, or if ISG fails to effect the closing within 10 days after all of the closing conditions have been satisfied, ISG will pay $500,000 to MCP-TPI for its expenses.

Annex A

PURCHASE AGREEMENT

by and between

MCP-TPI Holdings, LLC

and

Information Services Group, Inc.

Dated as of April 24, 2007

(Conformed to reflect

the Amendment

dated as of September 30, 2007)

Explanation of Responses:

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into and effective as of the 24th day of April, 2007, by and between MCP-TPI Holdings, LLC, a Texas limited liability company (**Seller**), and Information Services Group, Inc., a Delaware corporation (**Buyer**).

RECITALS

WHEREAS, Seller beneficially owns all of the issued and outstanding shares of capital stock (**Shares**) of TPI Advisory Services Americas, Inc., a Texas corporation (the **Company**).

WHEREAS, the Shares constitute all of the issued and outstanding equity securities of the Company; and

WHEREAS, Buyer desires to purchase, and Seller desires to sell to Buyer, the Shares, upon the terms and subject to the conditions set forth herein;

WHEREAS, certain key employees of the Company have entered into agreements with the Buyer which set forth certain terms with respect to the equity investment of such employees in the Buyer, non-compete obligations and certain other matters;

NOW, THEREFORE, in consideration of the foregoing, the representations, warranties, covenants and agreements set forth in this Agreement, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth in this Agreement. In addition, for purposes of this Agreement, the following terms, when used in this Agreement, shall have the meanings assigned to them in this Section 1.1.

Action means any action, claim, complaint, investigation, audit, petition, suit, arbitration or other proceeding, whether civil or criminal, at law or in equity by or before any Governmental Entity.

Acquisition shall have the meaning set forth in Section 4.18.

Affected Employees shall have the meaning set forth in Section 4.2(a).

Affiliate means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, a specified Person. A Person shall be deemed to control another Person if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

Agreement means this Agreement, as the same may be amended or supplemented, together with all Exhibits and Schedules attached hereto.

Alternative Financing shall have the meaning set forth in Section 4.11(b).

Ancillary Agreements shall mean the following agreements: None.

Balance Sheet means the audited consolidated balance sheet of the Operating Company and its Subsidiaries as of December 31, 2006 included in the Financial Statements.

Balance Sheet Date means December 31, 2006.

Business means the business of the Company and its Subsidiaries, taken as a whole.

Business Day means any day other than a Saturday, a Sunday or a day on which banks are required to be closed in New York, New York.

Buyer shall have the meaning set forth in the first paragraph of this Agreement.

Buyer Common Stock shall mean the common stock, $0.001 par value per share of the Buyer, whose price is quoted on the American Stock Exchange under the ticker symbol III .

Buyer SEC Reports shall have the meaning set forth in Section 3.2(k).

Buyer Shareholder Approval shall have the meaning set forth in Section 4.14(a).

Buyer Shareholders Meeting shall have the meaning set forth in Section 3.1(w).

Buyer Specified Representations shall mean the representations and warranties set forth in Sections 3.2(a), (b), (i) and (j).

Closing shall have the meaning set forth in Section 2.2(a).

Closing Date shall have the meaning set forth in Section 2.2(a).

Code means the Internal Revenue Code of 1986, as amended.

Company shall have the meaning set forth in the recitals to this Agreement.

Company Contracts shall have the meaning set forth in Section 3.1(n)(i).

Company Intellectual Property means the Intellectual Property owned and/or used by the Company or any of its Subsidiaries.

Company Leases shall have the meaning set forth in Section 3.1(k).

Company Plans means each employee benefit plan (within the meaning of Section 3(3) of ERISA), including each pension, profit sharing, 401(k), severance, welfare (including retiree welfare), disability, deferred compensation, stock purchase, stock option, stock-based award, employment, change-in-control, retention, fringe benefit, bonus, incentive agreements, programs, policies or other arrangements, whether or not subject to ERISA, and that is maintained, sponsored or contributed to by Seller, the Company or any of its Subsidiaries for the benefit of any current or former independent contractor or employee of the Company or any of its Subsidiaries.

Confidentiality Agreement shall have the meaning set forth in Section 4.4(a).

Contract means any written contract, agreement, commitment, franchise, indenture, lease, purchase order or license.

Copyrights means all United States and foreign copyrights and works of authorship in any media (including all registrations and applications to register the same), including computer programs, systems, networks, hardware, firmware, software, applications, files, databases, Internet websites and related documentation.

Debt Commitment Letter shall have the meaning set forth in Section 3.2(g).

Debt Financing shall have the meaning set forth in Section 3.2(g).

Debt Financing Agreements shall have the meaning set forth in Section 4.11(a).

Debt Replacement Event shall have the meaning set forth in Section 4.11(b).

DGCL means the General Corporation Law of the State of Delaware.

Explanation of Responses:

Encumbrance means any lien, encumbrance, security interest, pledge, mortgage, deed of trust, hypothecation, conditional sale or restriction on transfer of title or voting, except for any restrictions on transfer generally arising under any applicable federal or state securities laws.

ERISA means the Employee Retirement Income Security Act of 1974, as amended, and the related regulations and published interpretations.

Excepted Jurisdictions shall have the meaning set forth in Section 5.1(b).

Exchange Act means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder.

Financial Statements means, collectively, (i) the audited consolidated balance sheet of the Company and any of its Subsidiaries as of December 31, 2004, 2005 and 2006 and the audited consolidated statements of income and cash flows of the Company and its Subsidiaries for each of the three years in the period ended December 31, 2006 and (ii) the unaudited consolidated balance sheet and unaudited consolidated statements of income and cash flows of the Company and its Subsidiaries as of and for the two months ended February 28, 2007 including, in each case any notes thereto.

GAAP means generally accepted accounting principles in the United States, as in effect from time to time.

Governmental Entity means any United States federal or state government, or any foreign government, or any agency, bureau, board, commission, court, department, tribunal or instrumentality thereof.

Governmental Filings shall have the meaning set forth in Section 3.1(e).

HSR Act means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the related regulations and published interpretations.

Indebtedness means, with respect to any Person, without duplication: (i) indebtedness for borrowed money; (ii) indebtedness for borrowed money of any other Person guaranteed in any manner by such Person; and (iii) obligations under capitalized leases in respect of which such Person is liable, contingently or otherwise, as obligor or guarantor.

Independent Accounting Firm means a mutually acceptable nationally recognized firm of independent certified public accountants, other than Pricewaterhouse Coopers LLP, that has not provided services to either Seller or Buyer or their respective Affiliates in the preceding three years, or if no such firm is available and willing to serve, then a mutually acceptable expert in public accounting, in each case upon which Buyer and Seller shall have mutually agreed.

Insurance Policies shall have the meaning set forth in Section 3.1(w).

Intellectual Property means all intellectual property, including all Trademarks, Patents, Copyrights and Trade Secrets.

Knowledge means the actual knowledge of Ed Glotzbach and Ron Lacy, upon due inquiry of the following persons: Peter Allen, Mark Mayo, Scott Gildner, Tom Lang, Duncan Aitchinson and Ron Janci.

Law means any statute, code, rule, regulation, order, ordinance, judgment or decree or other pronouncement of any Governmental Entity having the effect of law.

Material Adverse Effect means any change, circumstance or event that, individually or in the aggregate with all other changes, circumstances and events, has or is reasonably likely to have a material adverse effect on the business, assets, results of operations or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, other than any change or event resulting from, relating to or arising out of (i) general economic conditions in any of the geographical areas in which the Company or any of its Subsidiaries operate, to the extent that such change or event does not have, or is reasonably likely not to have, a disproportionate effect on the Company and its Subsidiaries relative to other persons in the sourcing advisory industry; (ii) any change in the financial, banking, currency or capital markets in general (whether in the United States or any other country or in any international market), to the extent that such change or event does not have, or is reasonably likely not to have, a disproportionate effect on the Company and its Subsidiaries relative to other persons in the sourcing advisory industry; (iii) conditions generally affecting any of the industries in which the Company or any of its Subsidiaries operate, to the extent that such change or event does not have, or is reasonably likely not to have, a disproportionate effect on the Company and its Subsidiaries relative to other persons in the sourcing advisory industry; (iv) acts of God, national disaster, national or international political or social conditions, including the engagement in hostilities by the United States or any foreign country in which the Company or any of its Subsidiaries operate (each, a **Foreign Territory**), whether commenced before or after the date hereof, and whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or any Foreign Territory or any of their respective territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or any Foreign Territory, to the extent that such change or event does not have, or is reasonably likely not to have, a disproportionate effect on the Company and its Subsidiaries relative to other persons in the sourcing advisory industry; (v) any action taken by the Buyer or any of its Affiliates; (vi) the announcement or pendency of the transactions contemplated hereby or the disclosure of the fact that Buyer is the prospective acquirer of the Company and its Subsidiaries; (vii) any change in accounting requirements or principles imposed upon the Company or any of its Subsidiaries or any change in applicable laws, rules or regulations or the interpretation thereof, to the extent that such change or event does not have, or is reasonably likely not to have, a disproportionate effect on the Company and its Subsidiaries relative to other persons in the sourcing advisory industry; or (viii) compliance with the terms of, or the taking of any action required by, this Agreement.

Non-Company Affiliates shall have the meaning set forth in Section 3.1(v).

Operating Company means Technology Partners International, Inc., a Texas corporation.

Other Filings shall have the meaning set forth in Section 4.14(a).

Outside Date shall have the meaning set forth in Section 6.1(b).

Patents means all U.S. and foreign patents and patent applications, inventions, discoveries, processes, designs, techniques, developments, technology and related improvements.

Permits shall have the meaning set forth in Section 3.1(p).

Permitted Encumbrance means (i) Encumbrances incurred or deposits or pledges made in the ordinary course of business in connection with or to secure workers compensation, unemployment insurance, old age pension programs mandated under applicable Laws and other types of social security or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government Contracts, performance and return of money bonds and similar obligations; (ii) mechanics, carriers , workers , repairers , materialmen s, warehousemen s and similar Encumbrances which have arisen in the ordinary course of business; (iii) Encumbrances approved by Buyer in writing; (iv) Encumbrances for Taxes not yet delinquent or contested in good faith; (v) Laws, including requirements and restrictions of zoning; (vi) statutory liens of landlords, lessors or renters for amounts not yet due and payable; (vii) liens arising under conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; (viii) Encumbrances which, in the aggregate, are not reasonably likely to impair, in any material respect, the continued use of the asset or property to which they relate, as used on the date hereof; and (ix) restrictions on transfers of securities imposed by applicable state and federal securities Laws.

Person means an association, a corporation, an individual, a partnership, a limited liability company, a trust, or any other entity or organization, including a Governmental Entity.

Pre-Closing Period shall have the meaning set forth in Section 4.17.

Proxy Statement shall have the meaning set forth in Section 4.14(a).

Purchase Price shall have the meaning set forth in Section 2.1(b).

Real Property shall have the meaning set forth in Section 3.1(k).

Reimbursable Transaction Expenses shall have the meaning set forth in Section 8.7(a).

Representatives shall have the meaning set forth in the Confidentiality Agreement.

Securities Act means the Securities Act of 1933 and the rules and regulations promulgated thereunder.

Seller shall have the meaning set forth in the first paragraph of this Agreement.

Seller Disclosure Schedule shall mean the disclosure schedule of Seller referred to in and delivered to Buyer pursuant to this Agreement.

Seller Specified Representations shall mean the representations and warranties set forth in Sections 3.1(a), (b), (d), (f), (t) and (v) and the first sentence of Section 3.1(c).

Seller Transaction Expenses shall have the meaning set forth in Section 8.7(a).

Seller Warrant shall mean a warrant to acquire the number of shares of the Buyer s common stock, $0.001 par value per share, as set forth in Exhibit A hereto; the Buyer and Seller expressly acknowledge and agree that Exhibit A hereto sets forth the material economic terms of the warrant and that the Buyer and Seller shall negotiate in good faith the other terms and conditions of the warrant prior to the Closing.

Shares shall have the meaning set forth in the recitals to this Agreement.

Solvent with regard to any Person, means that: (i) the sum of the assets of such Person, both at a fair valuation and at present fair salable value, exceeds its liabilities, including contingent, subordinated, unmatured, unliquidated, and disputed liabilities; (ii) such Person has sufficient capital with which to conduct its business; and (iii) such Person has not incurred debts, and does not intend to incur debts, beyond its ability to pay such debts as they mature. For purposes of this definition, **debt** means any liability on a claim, and **claim** means (i) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (ii) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such contingent liabilities, such liabilities shall be computed at the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

Specified Debt shall mean the Indebtedness outstanding under (i) the Credit Agreement, dated as of June 14, 2004, by and among the Operating Company, as borrower, Wachovia Bank, National Association, as Syndication Agent, Madison Capital Funding LLC, as Agent, and the various financial institutions party thereto as lenders thereunder and the Loan Documents (as defined therein), each as amended or otherwise modified prior to the date hereof and (ii) the Senior Subordinated Note Agreement, dated as of June 14, 2004, by and among the Operating Company, as borrower, the Seller, the Company and the Northwestern Mutual Life Insurance Company and the Subordinated Note Documents (as defined therein), each as amended or otherwise modified prior to the date hereof.

Subsidiary of any Person means, on any date, any Person of which securities or other ownership interests representing more than fifty percent of the equity or more than fifty percent of the ordinary voting power or, in the case of a partnership, more than fifty percent of the general partnership interests or more than fifty percent of the profits or losses of which are, as of such date, owned, controlled or held by the applicable Person or one or more subsidiaries of such Person.

Tax means any foreign, federal, state, county or local income, sales and use, excise, franchise, real and personal property, gross receipt, capital stock, production, business and occupation, disability, employment, payroll, severance, or withholding tax or other tax, duty, fee, assessment or charge imposed by any taxing authority, including any interest, addition of Tax or penalties related thereto.

Tax Return means any return, report, declaration, information return or other document required to be filed with any Tax authority with respect to Taxes, including any amendments thereof.

Trademarks means all U.S. and foreign trademarks, service marks, trade names and Internet domain names, together with the goodwill symbolized by any of the foregoing, and all registrations and applications relating to the foregoing and all common law rights relating thereto.

Trade Secrets means all U.S. and foreign trade secrets, proprietary know-how and other confidential and proprietary information and proprietary documents.

Transfer Taxes means any sales, use, stock transfer, real property transfer, real property gains, transfer, stamp, registration, documentary, recording or similar duties or taxes together with any interest thereon, penalties, fines, costs, fees, additions to tax or additional amounts with respect thereto incurred in connection with the transactions contemplated hereby.

Trust Fund shall have the meaning set forth in Section 3.2(j).

WARN Act shall have the meaning set forth in Section 4.10.

ARTICLE II

PURCHASE AND SALE OF SHARES

Section 2.1 Purchase and Sale of Shares.

(a) Buyer and Seller hereby agree that, upon the terms and subject to the satisfaction or waiver, if permissible, of the conditions hereof, at the Closing, Buyer shall purchase from Seller, and Seller shall sell, transfer, assign and deliver to Buyer, all of the Shares held by Seller, free and clear of Encumbrances (other than restrictions imposed by applicable state and federal securities Laws).

(b) At the Closing, Buyer shall pay, in consideration for the purchase of the Shares pursuant to Section 2.1(a) (collectively, the **Purchase Price**), (i) an amount in cash equal to the sum of $230,000,000 plus the Company Cash Balance (as defined below) and (ii) issue the Seller (or an affiliate of the Seller designated by it) the Seller Warrant; *provided* that, the Seller shall concurrently use a portion of the Purchase Price to payoff the Specified Debt in full. The **Company Cash Balance** means an amount equal to the normalized cash and cash equivalents of the Company and its Subsidiaries as of 11.59 p.m. Central Time on the day immediately prior to the date of this Agreement, which the parties agree is equal to $5,000,000.

Section 2.2 Closing. The closing of the transactions contemplated by this Agreement (the Closing) shall be held at the offices of Ropes & Gray LLP, located at 1211 Avenue of the Americas, New York, New York, at 10:00 a.m., New York City time, following the satisfaction or waiver, if permissible, of the conditions to Closing set forth in Article V (other than conditions which by their nature can be satisfied only at Closing), at such date as Buyer and Seller mutually agree, which shall be no later than the third

Business Day after satisfaction or waiver, if permissible, of the conditions to the Closing set forth in Article V (the **Closing Date**), unless another date is agreed to in writing by Buyer and Seller.

(b) ***Deliveries by Seller.*** At the Closing, Seller shall deliver, or cause to be delivered, to Buyer:

(i) a certificate or certificates evidencing the Shares of the Company owned by the Seller, along with a duly executed stock transfer power in the name of Buyer in respect of all such Shares;

(ii) evidence that the Seller Transaction Expenses have been paid by Seller to the appropriate parties to whom such expenses are due; and

(iii) all other documents required to be delivered by Seller on or prior to the Closing Date pursuant to this Agreement.

(c) ***Deliveries by Buyer.*** At the Closing, Buyer shall deliver, or cause to be delivered, to Seller:

(i) the Purchase Price by wire transfer of immediately available funds, to an account or accounts designated by Seller prior to Closing;

(ii) the Seller Warrant issued to the Seller (or an affiliate of the Seller designated by it);

(iii) the Reimbursable Transaction Expenses to an account or accounts designated by Seller prior to Closing; and

(iv) all other documents required to be delivered by Buyer on or prior to the Closing Date pursuant to this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of Seller. Except as set forth in the Seller Disclosure Schedule, Seller represents and warrants to Buyer as follows:

(a) ***Due Organization and Good Standing of Seller.*** Seller is validly existing and in good standing under the Laws of the State of Texas.

(b) ***Authorization of Transaction by Seller.*** Seller has all requisite limited liability company power and authority to execute, deliver and perform its obligations under this Agreement and the Ancillary Agreements, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements and the consummation by Seller of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of Seller, and no other limited liability company proceedings on the part of Seller are necessary to authorize the execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby or thereby. This Agreement has been duly executed and delivered by Seller and, assuming due authorization, execution and delivery by Buyer, constitutes, and each Ancillary Agreement, when executed and delivered by Seller (assuming due authorization, execution and delivery by the other parties thereto) shall constitute, a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except that such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting the rights and remedies of creditors and general principles of equity (whether considered in a proceeding at law or in equity).

(c) ***Due Organization and Good Standing.*** The Company is duly formed, validly existing and in good standing under the Laws of the State of Texas. Each Subsidiary of the Company is duly formed,

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validly existing and in good standing under the Laws of the jurisdiction of its organization. Each of the Company and its Subsidiaries is qualified or otherwise authorized to act as a foreign corporation and is in good standing under the Laws of every other jurisdiction in which such qualification or authorization is necessary under applicable Law, except where the failure to be so qualified or otherwise authorized would not have a Material Adverse Effect. Each of the Company and its Subsidiaries has all requisite power and authority to own, lease and operate its respective properties and to carry on its respective businesses as now conducted, except where the failure to have such power and authority would not have a Material Adverse Effect. The Seller has made available to the Buyer complete and accurate copies of the minute books of the Company and its Subsidiaries.

(d) ***Subsidiaries.*** Section 3.1(d)(i) of the Seller Disclosure Schedule contains a list of each Subsidiary of the Company, including its name, its jurisdiction of incorporation or formation and other jurisdictions in which it is qualified or authorized to do business. Except as set forth in Section 3.1(d)(ii) of the Seller Disclosure Schedule, (i) all of the issued and outstanding shares of capital stock or ownership interests, partnership capital or equivalent of each Subsidiary of the Company is owned directly or indirectly by the Company, free and clear of all Encumbrances (other than restrictions imposed by applicable state and federal securities Laws), and are duly authorized and validly issued, free of preemptive rights and, as to corporate Subsidiaries, are fully paid and non-assessable and (ii) there is no subscription, option, warrant, call right, agreement or commitment relating to the issuance, sale, delivery, transfer or redemption by any Subsidiary of the Company of the capital stock, partnership capital or equivalent of any Subsidiary of the Company.

(e) ***Governmental Filings.*** No filings or registration with, notification to, or authorization, consent or approval of any Governmental Entity (collectively, **Governmental Filings**) are required in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements by Seller, except (i) Governmental Filings under the HSR Act, (ii) Governmental Filings that become applicable as a result of matters specifically related to Buyer or its Affiliates or (iii) such other Governmental Filings the failure of which to be obtained or made would not have a Material Adverse Effect and would not materially impair Seller s ability to consummate the transactions contemplated hereby.

(f) ***Capital Structure.*** The authorized capital stock of the Company consists of 10,000 Shares, all of which are issued and outstanding. All of the issued and outstanding Shares of the Company have been duly authorized and validly issued, are fully paid and non-assessable, and have not been issued in violation of any preemptive rights, rights of first refusal or similar rights. Except as set forth in Section 3.1(f)(i) of the Seller Disclosure Schedule, the Company has no other capital stock or equity securities authorized, issued or outstanding, and there are no agreements, options, warrants or other rights or arrangements existing or outstanding that provide for the sale or issuance of any of the foregoing (other than this Agreement). Seller is the record and beneficial owner of all of the issued and outstanding Shares and, at Closing, the Shares purchased by Buyer shall constitute all of the issued and outstanding shares in the authorized capital of the Company. Except as set forth in Section 3.1(f)(ii) of the Seller Disclosure Schedule, there are no stockholder agreements, voting trusts or other agreements or understandings relating to the voting, purchase, redemption or other acquisition of any shares of the capital stock of the Company. There are no unpaid dividends, whether current or accumulated, due or payable on any shares of capital stock of the Company. Upon the delivery and payment for the Shares at the Closing as contemplated by this Agreement, Buyer will receive good and valid title for the Shares free and clear of all Encumbrances (other than restrictions imposed by applicable state and federal securities Laws). Except as set forth in Section 3.1(f)(iii) of the Seller Disclosure Schedule, the Company and its Subsidiaries have no Indebtedness other than the Specified Debt. Section 3.1(f)(iv) of the Seller Disclosure Schedule contains a list as of the date hereof of each holder of profits interests in the Seller and the number of such interests that will become vested in accordance with their terms upon the Closing. As of the date hereof, no employee of the Company or any of its Subsidiaries holds any equity interests in Seller other than those identified in Section 3.1(f)(iv) of the Seller Disclosure Schedule.

(g) ***Financial Statements.*** The Seller has delivered to Buyer a true and complete copy of the Financial Statements. The Financial Statements have been prepared in accordance with GAAP, consistently applied (except as disclosed in the footnotes thereto), and fairly present the financial position of the Company and any of its Subsidiaries as of the dates thereof and their results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal year-end audit adjustments and the absence of notes thereto.

(h) ***No Conflict or Violation.*** Except as set forth in Section 3.1(h) of the Seller Disclosure Schedule, the execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements and the consummation by Seller of the transactions contemplated hereby and thereby do not (i) assuming all Governmental Filings described in Section 3.1(e) have been obtained or made, violate any applicable Law to which any of Seller, the Company or any of its Subsidiaries are subject; (ii) require a consent or approval under, conflict with, result in a violation or breach of, or constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate or cancel any Contract of the Company or any of its Subsidiaries; or (iii) violate the certificate of incorporation, limited liability company agreement, by-laws or other similar organizational documents of any of Seller, the Company or any of its Subsidiaries, except with respect to the foregoing clauses (i) and (ii) as would not have a Material Adverse Effect and would not materially impair Seller s ability to consummate the transactions contemplated hereby.

(i) ***Legal Proceedings.*** Except as set forth in Section 3.1(i) of the Seller Disclosure Schedule, as of the date of this Agreement, there are no Actions pending or, to the Knowledge of Seller, threatened against the Company or any of its Subsidiaries which (i) if adversely determined, would have a Material Adverse Effect or (ii) challenge the validity or enforceability of this Agreement or seek to enjoin or prohibit consummation of the transactions contemplated hereby. Except as set forth in Section 3.1(i) of the Seller Disclosure Schedule, neither the Company nor any of its Subsidiaries is subject to any judgment, decree, injunction or order of any Governmental Entity which has had or would have a Material Adverse Effect or would materially impair Seller s ability to consummate the transactions contemplated hereby.

(j) ***Personal Property.*** Except as set forth in Section 3.1(j) of the Seller Disclosure Schedule or as may be reflected in the Financial Statements, the Company and its Subsidiaries have good and valid title, free and clear of any Encumbrances (except for Permitted Encumbrances) to all the tangible personal property reflected in the Financial Statements and all tangible personal property acquired since the Balance Sheet Date, except as would not have a Material Adverse Effect and except for such tangible personal property as has been disposed of in the ordinary course of business.

(k) ***Real Property.*** Neither the Company nor any of its Subsidiaries owns any real property. Section 3.1(k) of the Seller Disclosure Schedule sets forth (i) the location of all real property (the **Real Property**) leased to the Company or any of its Subsidiaries by a third party pursuant to a lease, sublease or other similar agreement under which the Company or any of its Subsidiaries is the lessee or sublessee (collectively, the **Company Leases**) and (ii) a list of all Company Leases. True and complete copies of all Company Leases, together with all modifications, extensions, amendments and assignments thereof, if any, have been furnished or made available to Buyer.

(l) ***Taxes.*** Except as set forth in Section 3.1(l) of the Seller Disclosure Schedule, (i) the Company and its Subsidiaries have accurately and timely filed (taking into account extensions) all material Tax Returns required to have been filed by them and have timely paid all material Taxes whether or not shown to be due thereon or, where payment is not yet due, have made adequate provision for all material Taxes in the Financial Statements of the Company in accordance with

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GAAP; (ii) the Company has not received any written notice of any claims, actions, suits, proceedings or investigations for the assessment or collection of material Taxes with respect to the Company or any of its Subsidiaries; (iii) there are no liens for Taxes against any assets of the Company or any of its Subsidiaries, other than liens for Taxes not yet due and payable or contested in good faith; (iv) neither the Company nor any of its Subsidiaries (A) is or has been a member of an affiliated group filing a consolidated Tax Return (other than a group the common parent of which is the Company), (B) has any liability for Taxes of any person arising from the application of Treasury Regulation section 1.1502-6 or analogous provision of state, local, or foreign law, or (C) is a party to or bound by any tax allocation, sharing, indemnity or similar agreement or arrangement with respect to income Taxes; (v) neither the Company nor any of its Subsidiaries is required to make any disclosure to the IRS with respect to its participation in a listed transaction pursuant to Treasury Regulation section 1.6011-4(b)(2); and (vi) neither the Company nor any of its Subsidiaries have executed or filed with any Tax authority any agreement extending the period for assessment or collection of any material Taxes.

(m) ***Absence of Certain Changes.*** Except as set forth in Section 3.1(m) of the Seller Disclosure Schedule and as otherwise expressly contemplated hereby, from the Balance Sheet Date, there has not occurred any Material Adverse Effect. Except as set forth in Section 3.1(m) of the Seller Disclosure Schedule and as otherwise expressly contemplated hereby, from the Balance Sheet Date, the Company and its Subsidiaries have conducted the Business in the ordinary course consistent with past practices, and neither the Company nor any of its Subsidiaries has taken any action which would have been prohibited by Section 4.1 if such action had been taken after the date hereof.

(n) ***Company Contracts.***

(i) Section 3.1(n)(i) of the Seller Disclosure Schedule sets forth a list of Contracts in effect as of the date of this Agreement to which the Company or any of its Subsidiaries is a party, which are in the categories listed below (collectively, the **Company Contracts**); provided, however, that a Contract referenced by more than one description need only be listed once on the Seller Disclosure Schedule:

(1) any Contract involving a collective bargaining agreement and any employment, consulting or similar agreement requiring payment by the Company or any of its Subsidiaries of base annual compensation in excess of $150,000, except for any such Contract that is terminable at will and which does not provide for any severance or termination pay (other than those required under applicable Law and other than severance pursuant to the Company s general severance policy);

(2) any Contract evidencing Indebtedness of the Company or any of its Subsidiaries, or under which the Company or any of its Subsidiaries have issued any note, bond, indenture, mortgage, security interest or other evidence of Indebtedness, or has directly or indirectly guaranteed Indebtedness, liabilities or obligations of any Person (other than the Company or any of its Subsidiaries);

(3) any Contract (i) for the sale or purchase of products or provision of services by or to the Company or any of its Subsidiaries (other than ordinary course purchase orders or sales orders) that involve products or services having a value of at least $1,000,000 in any year other than any Contracts with customers; (ii) for the sale of products or provision of services by or to the Company or any of its Subsidiaries (other than ordinary course purchase orders or sales orders) with any of the twenty (20) largest customers for the Business based on the dollar volume of sale for the year ended December 31, 2006 and for the three month period ended March 31, 2007, respectively, and (iii) to sell or otherwise dispose of any assets having a fair market value in excess of $100,000 other than in the ordinary course of business;

(4) any Contract under which the Company or any of its Subsidiaries is or may become obligated to pay any amount in respect of deferred or conditional purchase price (other than ordinary trade terms), indemnification obligations, purchase price adjustment or otherwise in connection with any (i) acquisition or disposition of all or substantially all of the assets or securities constituting a line of business of any Person, (ii) merger, consolidation or other business combination, or (iii) series or group of related transactions or events of a type specified in subclauses (i) and (ii);

(5) any license agreement pursuant to which the Company or any of its Subsidiaries (i) has acquired the right to use any material Company Intellectual Property, other than off-the-shelf software that is generally commercially available, or (ii) has granted to any third party any license to use any material Company Intellectual Property or any Company Intellectual Property on an exclusive basis;

(6) any agreement for capital expenditures or the acquisition or construction of fixed assets for the benefit and use of the Company or any of its Subsidiaries, requiring payments by the Company or any of its Subsidiaries in excess of $100,000 for the fiscal year ended December 31, 2006 or any fiscal year thereafter;

(7) any Contract containing a covenant not to compete or that materially impairs the ability of the Company or any of its Subsidiaries to freely conduct the Business in any geographic area, any line of business or industry or containing any non-solicitation restriction or that materially limits the ability of the Company or any of its Subsidiaries to hire or solicit any employees, in each case other than Contracts with any customer that restrict the ability of the Company or any of its Subsidiaries to hire or solicit employees of such customer;

(8) any Contract which creates a partnership or joint venture or similar arrangement;

(9) any Contract relating to the acquisition or disposition, since January 1, 2002, by the Company or any of its Subsidiaries of any operating business, assets (other than inventory in the ordinary course of business consistent with past practice) or capital stock of any other Person;

(10) any Contract with Seller or any of its Affiliates (other than the Company and its Subsidiaries);

(11) any Contract which would be required to be filed as an exhibit to a Registration Statement on Form S-1 if the Company was the registrant thereunder; and

(12) any Contract that would reasonably be expected to prevent, materially delay or materially impede the Seller s or the Company s ability to consummate the transactions contemplated by this Agreement;

(13) any individual Contract to which the Company or any of its Subsidiaries is a party or by which it is bound (other than customer contracts), the loss of which would have a Material Adverse Effect; and

(14) any outstanding written commitment to enter into any agreement of the type described in subsections (1) through (13) of this Section 3.1(n)(i).

(ii) A true, correct and complete copy of each Company Contract has been previously made available to Buyer. Except as set forth in Section 3.1(n)(ii) of the Seller Disclosure Schedule, (i) each Company Contract (A) constitutes a valid and binding obligation of the Company or the Subsidiary of the Company party thereto and (B) assuming such Company Contract is binding and enforceable against the other parties thereto, is enforceable against the Company or the Subsidiary party thereto, except as limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting the enforcement of creditors rights in general and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity), and (ii) neither the Company nor any of its Subsidiaries is in breach of or default under any Company Contract, except, in each case set forth in clauses (i) and (ii), where such failure to be so valid, binding and enforceable, or such breach or default, would not have a Material Adverse Effect. Except as disclosed in Section 3.1(n) of the Seller Disclosure Schedule, the Seller is not party to any Company Contract.

(o) ***Labor.*** Except as set forth in Section 3.1(o) of the Seller Disclosure Schedule, since January 1, 2006, no executive employee of the Company or any of its Subsidiaries and no group of employees of the Company or any of its Subsidiaries has informed the Company or any of its Subsidiaries in writing of any plans to terminate his or their employment. No labor strike or work stoppage against the Company or any of its Subsidiaries is pending or, to the Knowledge of Seller, threatened, and neither the Company nor any of its Subsidiaries is subject to any pending labor dispute, arbitration, lawsuit or administrative proceeding which would have a Material Adverse Effect. No employees of the Company and any of its Subsidiaries are represented by any labor union nor are any collective bargaining agreements otherwise in effect with respect to such employees in connection with their employment by the Company or any of its Subsidiaries, and no union organizing activities involving such employees are pending or, to the Knowledge of Seller, threatened. Except for such independent contractors, if any, as are set forth in Section 3.1(o) of the Seller Disclosure Schedule, all employees and independent contractors of the Business are employed or retained, as applicable, by the Company or one of its subsidiaries.

(p) ***Compliance With Law.*** Except for laws relating to Taxes and employee benefits, which shall be governed exclusively by Section 3.1(l) and Section 3.1(r), respectively, and except as set forth in Section 3.1(p) of the Seller Disclosure Schedule, the Company and any of its Subsidiaries are, and since June 14, 2004 have been, in compliance with applicable Laws, except to the extent any non-compliance therewith would not have a Material Adverse Effect. Except as set forth in Section 3.1(p) of the Seller Disclosure Schedule, all approvals, authorizations, permits and licenses of Governmental Entities (collectively, **Permits**) required to conduct the Business, as conducted on the date hereof, are in the possession of one or more of the Company or its Subsidiaries, as applicable, are in full force and effect and the Company and its Subsidiaries are and, since June 14, 2004 have been, in compliance therewith, except for such Permits the failure of which to possess or with which to be in compliance would not have a Material Adverse Effect.

(q) ***No Undisclosed Liabilities.*** Except as reflected or reserved against in the Financial Statements or the notes thereto, or in Section 3.1(q) of the Seller Disclosure Schedule, neither the Company nor any of its Subsidiaries had, as of the Balance Sheet Date, any liabilities required by GAAP to be reflected or reserved against on an unaudited balance sheet of the Company and any of its Subsidiaries. Except as set forth in Section 3.1(q) of the Seller Disclosure Schedule, since the Balance Sheet Date, neither the Company nor any of its Subsidiaries has incurred any liabilities required by GAAP to be reflected or reserved against on an unaudited balance sheet of the Company and any of its Subsidiaries, except such liabilities which were incurred in the ordinary course of business which would not have a Material Adverse Effect.

(r) ***Employee Benefit Plans.***

(i) Section 3.1(r)(i) of the Seller Disclosure Schedule sets forth a list of each Company Plan.

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(ii) Seller represents and warrants, except as set forth in Section 3.1(r)(ii) of the Seller Disclosure Schedule, that:

(1) each Company Plan has been established and administered in accordance with its terms and applicable Law, including, as to each Company Plan that is subject to United States Law, ERISA and the Code, except as would not have a Material Adverse Effect;

(2) each Company Plan that is an employee pension benefit plan (within the meaning of ERISA Section 3(2)) of the Company and any of its Subsidiaries has received a favorable determination letter as to its qualification. To the Seller s Knowledge, no event has occurred or circumstance exists that would give rise to disqualification or loss of tax-exempt status of any Company Plan or a related trust. No Company Plan is subject to the provisions of Section 302 or Title IV of ERISA or Section 412 of the Code. No prohibited transaction (within the meaning of Section 4975 of the Code) has occurred with respect to any Company Plan that is reasonably likely to result in material liability to the Company and none of the Seller, the Company, nor its Subsidiaries is reasonably expected to be subject to a material liability under Title IV of ERISA;

(iii) With respect to each Company Plan, no Action that is reasonably likely to result in material liability to the Company is pending or, to the Seller s Knowledge, threatened, other than claims for benefits in the ordinary course;

(iv) Except as contemplated by Section 4.2 or as set forth in Section 3.1(r)(iv) of the Seller Disclosure Schedule, the consummation of the transactions contemplated hereby (either alone or in connection with any termination of employment following the Closing) shall not (i) entitle any current or former employee or officer of the Company or any of its Subsidiaries to severance pay, unemployment compensation or any other payment, (ii) accelerate the time of payment or vesting, or increase the amount of any compensation or benefit due any such employee or officer, or (iii) require the Company or any of its Subsidiaries to fund any vehicle for the benefit of any of their respective employees; and

(v) With respect to each Company Plan that is not subject to United States Law, each such plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(s) ***Intellectual Property.***

(i) Section 3.1(s)(i) of the Seller Disclosure Schedule sets forth, for the Company Intellectual Property owned by the Company or any of its Subsidiaries, (a) a list of all U.S. and foreign: (i) patents and patent applications; (ii) trademark registrations and applications (including Internet domain name registrations); and (iii) copyright registrations and applications, and (b) a list of all material unregistered trademarks and tradenames, material proprietary databases and material internally developed software. The registrations set forth in Section 3.1(s)(i) of the Seller Disclosure Schedule are in effect and subsisting, except as otherwise noted in Section 3.1(s)(i) of the Seller Disclosure Schedule.

(ii) Except as set forth in Section 3.1(s)(ii) of the Seller Disclosure Schedule, (a) the Company and its Subsidiaries, own or have the right to use all Intellectual Property, and the goodwill associated therewith, used in the conduct of their businesses as currently conducted or as currently proposed to be conducted by the Seller, free and clear of all Encumbrances (other than licenses in the ordinary course of business relating thereto), except as would not have a Material Adverse Effect, (b) the conduct of the Business does not infringe or otherwise violate any Person s Intellectual Property, and there is no such claim pending or threatened against the Company or any of its Subsidiaries, except as would not have a Material Adverse Effect, (c) to the Knowledge of the Seller, no Person is infringing or otherwise violating any Company Intellectual Property owned or exclusively licensed by the Company or any of its Subsidiaries, and no such claims are pending or threatened against any Person by the Company or any of its Subsidiaries and (d) the Company and its Subsidiaries take reasonable actions to protect and maintain material Company Intellectual Property, including executing all appropriate confidentiality agreements and invention assignments, except as would not have a Material Adverse Effect.

(t) ***Brokers Fees.*** No broker, investment banker, financial advisor or other person is entitled to any broker s, finder s, financial advisor s or other similar fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of Seller, other than Deutsche Bank Securities Inc., which is acting as financial advisor to Seller and its Affiliates in connection with the transactions contemplated by this Agreement, and Monitor Clipper Partners, LLC. Seller shall pay and satisfy all fees and expenses of, and liabilities to, Deutsche Bank Securities Inc. and Monitor Clipper Partners, LLC.

(u) ***Customers.*** Section 3.1(u) of the Seller Disclosure Schedule sets forth for the year ended December 31, 2006, the names of the ten (10) largest customers of the Business based on the dollar volume of sales. Since December 31, 2005 through the date of this Agreement, none of the Seller, the Company nor any of its Subsidiaries has received written notice from any such customer to the effect, and as of the date of this Agreement, the Seller has no Knowledge that, any such customer will stop buying products or services of, or otherwise materially and adversely change its business relationship with, the Company or any of its Subsidiaries.

(v) ***Affiliate Transactions.*** Except as set forth in Section 3.1(v)(i) of the Seller Disclosure Schedule, neither the Company nor any of its Subsidiaries is a party to any agreement, arrangement, transaction or understanding with the Seller or any Affiliate of the Seller (other than the Company or any of its Subsidiaries) (such Affiliates, **Non-Company Affiliates**). Section 3.1(v)(i) of the Seller Disclosure Schedule describes all material services provided by any Non-Company Affiliate to the Company or any of its Subsidiaries and all other material arrangements of the Company and its Subsidiaries with any of the Non-Company Affiliates. Prior to the Closing, all of the agreements, arrangements, transactions and understandings set forth in Section 3.1(v)(ii) of the Seller Disclosure Schedule shall be terminated without any liability to the Company or its Subsidiaries. The Seller does not have any material assets or material operations other than its ownership of the capital stock of the Company.

(w) **Insurance.** Schedule 3.1(w) lists and briefly describes each insurance policy maintained by the Company or any of its Subsidiaries (collectively, **Insurance Policies**) and sets forth the date of expiration of each such Insurance Policy. The Seller has made available to Buyer complete and correct copies of the Insurance Policies. All of such Insurance Policies are in full force and effect in accordance with their respective terms, and none of the Company and its Subsidiaries is in default in any material respect with respect to their obligations under any of the Insurance Policies. None of the premiums or payments payable under the Insurance Policies for periods prior to and ending on the Closing Date shall be due after the Closing Date.

(x) ***Proxy Statement.*** The information to be supplied by the Seller for inclusion in the Proxy Statement to be sent in connection with the meeting of Buyer s shareholders to consider the approval of this Agreement (the **Buyer Shareholders Meeting**) shall not, on the date the Proxy Statement is first mailed to Buyer s shareholders contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading. If at any time prior to the Closing, any event relating to the Company or any of its Subsidiaries should be discovered by the

Seller which should be set forth in a supplement to the Proxy Statement, the Seller shall promptly inform Buyer. Notwithstanding the foregoing, the Seller makes no representation or warranty with respect to any information supplied by Buyer or any Person other than the Seller or any agent or representative thereof which is contained in any of the foregoing documents. Without limiting the foregoing, and for the avoidance of doubt, any disclosure in the description of the business , risk factors or the MD&A section of the Proxy Statement shall not be considered as among the information supplied by the Seller for inclusion in the Proxy Statement.

(y) ***Disclaimer of Warranties.*** NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES TO BUYER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION 3.1. ALL OTHER REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE DISCLAIMED BY SELLER.

Section 3.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) ***Due Organization and Good Standing of Buyer.*** Buyer is duly incorporated, validly existing and in good standing under the Laws of the State of Delaware.

(b) ***Authorization of Transaction by Buyer.*** Buyer has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Ancillary Agreements and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements and the consummation by Buyer of the transactions contemplated hereby and thereby will be, upon Buyer Shareholder Approval, duly and validly authorized by all necessary corporate action on the part of Buyer, and, other than the Buyer Shareholder Approval, no other corporate proceedings on the part of Buyer are necessary to authorize the execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Buyer and, assuming due authorization, execution and delivery by Seller, constitutes, and each Ancillary Agreement, when executed and delivered by Buyer (assuming due authorization and delivery by the other parties thereto) shall constitute, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except that such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting the rights and remedies of creditors and general principles of equity (whether considered in a proceeding at law or in equity).

(c) ***Governmental Filings.*** No Governmental Filings are required in connection with the execution, delivery and performance of this Agreement by Buyer, except (i) Governmental Filings under the HSR Act, (ii) Governmental Filings that become applicable as a result of matters specifically related to Seller or its Affiliates or (iii) such other Governmental Filings the failure of which to be obtained or made would not materially impair Buyer s ability to consummate the transactions contemplated hereby.

(d) ***No Conflict or Violation.*** The execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby do not (i) assuming all authorizations, consents and approvals described in Section 3.2(c) have been obtained or made, violate any applicable Law to which Buyer is subject; (ii) require a consent or approval under, conflict with, result in a violation or breach of, or constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate or cancel any Contract to which Buyer is a party; or (iii) violate the certificate of incorporation or by-laws of Buyer, except with respect to the foregoing clause (i) and (ii) as would not, individually or in the aggregate, materially impair Buyer s ability to consummate the transactions contemplated hereby.

(e) ***Legal Proceedings.*** As of the date of this Agreement, there are no Actions pending or, to the Knowledge of Buyer, threatened which challenge the validity or enforceability of this Agreement or seeks to enjoin or prohibit consummation of the transactions contemplated hereby. Buyer is not subject to any judgment, decree, injunction or order of any Governmental Entity which would materially impair Buyer s ability to consummate the transactions contemplated hereby.

(f) ***Acquisition of Shares for Investment.*** Buyer has such Knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of Buyer s purchase of the Shares. Buyer confirms that it can bear the economic risk of its investment in the Shares and can afford to lose its entire investment in the Shares, has been furnished the materials relating to Buyer s purchase of the Shares which it has requested, and Seller has provided Buyer the opportunity to ask questions of the officers and management employees of the Company and to acquire additional information about the business and financial condition of the Company and its Subsidiaries. Buyer is acquiring the Shares for investment and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling such Shares. Buyer agrees that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act of 1933, as amended, except pursuant to an exemption from such registration available under such Act.

(g) ***Debt Commitment Letter.*** Buyer has delivered to the Seller a true and complete copy of the executed commitment letter from Deutsche Bank Trust Company Americas and Deutsche Bank Securities Inc. (the **Debt Commitment Letter**), pursuant to which, and subject to the terms and conditions thereof, certain lenders and their affiliates have committed to provide and arrange the financings described therein, the proceeds of which may be used to consummate the purchase of the Shares and the other transactions contemplated by this Agreement (the **Debt Financing**). As of the date of this Agreement, (i) the Debt Commitment Letter, in the form so delivered, is (A) a valid and binding obligation of the Buyer and, to the knowledge of the Buyer, the other parties thereto and (B) valid and in full force and effect and has not been withdrawn or terminated or otherwise amended or modified in any respect and (ii) Buyer is not in breach of any of the terms or conditions set forth therein and no event has occurred which, with or without notice, lapse of time or both, could reasonably be expected to constitute a breach or failure to satisfy a condition precedent set forth in the Debt Commitment Letter. As of the date of this Agreement, subject to the accuracy of the representations and warranties set forth in Section 3.1 hereof, and the satisfaction of the conditions set forth in Section 5.1(a)(i) and (ii) hereof, Buyer has no reason to believe that it will be unable to satisfy on a timely basis any term of condition of closing to be satisfied by it set forth in the Debt Commitment Letter prior to or on the Closing Date. Assuming the funding of the Debt Financing in accordance with the Debt Commitment Letter, the proceeds from such Debt Financing constitute all of the financing required for the consummation of the transactions contemplated by this Agreement and, together with the funds in the Trust Fund (of not less than $220 million and not more than $245 million), are sufficient for the satisfaction of all of Buyer s obligations under this Agreement, including the payment of the Purchase Price (and any fees and expenses of or payable by Buyer). All of the conditions precedent to the obligations of the lenders under the Debt Commitment Letter to make the Debt Financing available to Buyer are set forth in the Debt Commitment Letter. Notwithstanding anything in this Agreement to the contrary, the Debt Commitment Letter may be amended, modified or supplemented after the date hereof but prior to the Closing; provided that the terms thereof shall not (i) reduce the aggregate amount of the Debt Financing, (ii) expand upon the conditions precedent to the Debt Financing as set forth in the Debt Commitment Letter delivered to the Seller at or prior to the date hereof in any respect that would reasonably be expected to make such conditions less likely to be satisfied, or (iii) reasonably be expected to delay the Closing.

(h) ***Solvency.*** Each of Buyer and the Company and its Subsidiaries shall be Solvent immediately following the Closing, after giving effect to (i) the transactions contemplated in this Agreement (assuming the accuracy of the representations and warranties in Section 3.1 in all material respects and assuming the Company and its Subsidiaries are Solvent immediately prior to the Closing) and (ii) the incurrence of the Debt Financing, together with the payment of all estimated legal, accounting and other fees related to such financing.

(i) ***Brokers Fees.*** No broker, investment banker, financial advisor or other person, other than Evercore Group LLC and, in connection with the financing of the transactions contemplated by this Agreement, Deutsche Bank Trust Company Americas and Deutsche Bank Securities Inc., the fees and expenses for which shall be paid by Buyer and its Affiliates, is entitled to any broker s, finder s, financial advisor s or other similar fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of Buyer or any of its Affiliates.

(j) ***Trust Fund.*** As of the date hereof and at the Closing Date, Buyer has and will have no less than Two Hundred Forty-Five Million Dollars ($245,000,000) invested in United States Government securities or in money market funds in a trust account (the **Trust Fund**).

(k) ***SEC Filings.*** Buyer has made available to the Company a correct and complete copy of each report, registration statement and definitive proxy statement filed by Buyer with the SEC (the **Buyer SEC Reports**) prior to the date of this Agreement. As of their respective dates, the Buyer SEC Reports: (i) were prepared in accordance and complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such Buyer SEC Reports, and (ii) did not at the time they were filed (and if amended or superseded by a filing prior to the date of this Agreement then on the date of such filing and as so amended or superseded) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(l) ***Financial Statements.*** Each set of financial statements of Buyer (including, in each case, any related notes thereto) contained in Buyer SEC Reports, including each Buyer SEC Report filed after the date hereof until the Closing, complied or will comply as to form in all material respects with the published rules and regulations of the SEC with respect thereto, was or will be prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto or, in the case of unaudited statements, do not contain footnotes as permitted by Form 10-Q of the Exchange Act) and each fairly presents or will fairly present in all material respects the financial position of Buyer at the respective dates thereof and the results of this operations and cash flows for the periods indicated, except that the unaudited interim financial statements were, are or will be subject to normal adjustments which were not or are not expected to have a material adverse effect on Buyer taken as a whole.

(m) ***No Reliance.*** Buyer acknowledges that it has conducted to its satisfaction an independent investigation of the financial condition, liabilities, results of operations and projected operations of the Company and its Subsidiaries and the nature and condition of their respective properties and assets and the Business and, in making the determination to proceed with the transactions contemplated by this Agreement and the Ancillary Agreements, has relied solely on the results of its own independent investigation and the representations and warranties set forth in this Agreement. Buyer acknowledges that none of Seller, the Company or any of its Subsidiaries, nor any other Person, has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Company or any of its Subsidiaries, the Business or other matters that is not included in this Agreement. Without limiting the generality of the foregoing, none of Seller, the Company or any of its Subsidiaries, nor any other Person, has made a representation or warranty to Buyer with respect to (a) any projections, estimates or budgets for the Business, the Company or any of its Subsidiaries, or (b) any material, documents or information relating to the Company or any of its Subsidiaries made available to Buyer or its Representatives in any data room or otherwise, except as expressly covered by a representation or warranty set forth in this Agreement. Buyer will not assert, except as provided in Article VII, any claim against Seller, any of its Subsidiaries or any of their respective directors, officers, employees, advisors, agents, direct or indirect equity holders, consultants, investment bankers, brokers, representatives or controlling persons, or any Affiliate of any of the foregoing, or hold Seller or any such Person liable, for any inaccuracies, misstatements or omissions with respect to information furnished by Seller or such Persons concerning the Business, the Company or any of its Subsidiaries, this Agreement or the transactions contemplated hereby.

ARTICLE IV

COVENANTS

Section 4.1 Conduct of the Company s Business. Seller agrees that, during the period from the date of this Agreement until the earlier of the Closing or the termination of this Agreement, except as (i) otherwise expressly contemplated hereby, (ii) required by applicable Law, (iii) set forth in Section 4.1 of the Seller Disclosure Schedule or (iv) consented to by Buyer in writing (which consent shall not be unreasonably withheld or delayed), Seller shall cause each of the Company and any of its Subsidiaries to (A) use reasonable best efforts to preserve intact the present business organizations of the Company and its Subsidiaries, (B) use reasonable best efforts to preserve the relationships with customers, employees and others having business dealings with the Company and its Subsidiaries in all material respects, (C) conduct their respective businesses and operations in the ordinary course of business and (D) subject to the foregoing clauses (i), (ii), (iii) and (iv), shall procure that each of the Company and any of its Subsidiaries shall not:

(a) authorize or effect any amendment to or change its certificate of incorporation, by-laws or other organizational documents;

(b) issue or authorize the issuance of any equity interests or equity securities, or grant any options, warrants, or other rights to purchase or obtain any of its equity securities or issue, sell or otherwise dispose of any of its equity securities, other than to the Company or a Subsidiary of the Company;

(c) (A) issue any note, bond, or other debt security, or create, incur, assume or guarantee any Indebtedness (other than any Indebtedness incurred as a result of any draw on the revolving credit facility under the terms of the Specified Debt) or (B) make any payments in respect of any Indebtedness except as required under the terms of thereof;

(d) enter into any Contract, or materially amend or modify any existing Contract, in each case, with any Affiliate of the Company;

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(e) except in connection with customer engagements in the ordinary course of business and except as otherwise expressly permitted by this Section 4.1, sell, lease, transfer, abandon, license, mortgage, pledge, create an Encumbrance or otherwise dispose of the material property or assets of the Company and its Subsidiaries other than pursuant to Contracts listed in the Seller Disclosure Schedule;

(f) make any capital expenditure, or commitments therefor, in excess of $250,000;

(g) cancel, compromise or settle any claim in excess of $250,000, or intentionally waive or release any material rights, of the Company or any of its Subsidiaries;

(h) (A) adopt, enter into, amend in any material respect or terminate any Company Plan, (B) grant or agree to grant any increase in the wages, salary, bonus severance or other compensation, remuneration or benefits of any employee of the Company or any of its Subsidiaries who is below partner-level, except in accordance with any existing Company Plan or in the ordinary course of business consistent with past practice or as required under applicable Law or (C) grant or agree to grant any severance, other than Contracts providing for severance payments entered into following the date of this Agreement not to exceed $300,000 in the aggregate, or grant or agree to grant any increase in the wages, salary, bonus, severance or other compensation, remuneration or benefits of any partner-level or above partner-level employee of the Company or any of its Subsidiaries;

(i) make any changes to their accounting principles (including revaluation of any assets of the Company or any of its Subsidiaries, timing of the collection of accounts receivable, billing of its customers, pricing and payment terms, cash collection, cash payments, or writing off receivables or reserves) or practices, other than as may be required by Law, GAAP or generally accepted accounting principles in the jurisdictions of incorporation of the relevant Company or Subsidiary;

(j) enter into any material new line of business;

(k) cancel or terminate its current insurance policies or cause any of the coverage thereunder to lapse;

(l) pay, make or declare any dividends or distributions in respect of any of its capital stock;

(m) change or make any material Tax elections, change any method of accounting with respect to Taxes, file any amended Tax Return, or settle or compromise any federal, state, local or foreign material Tax liability;

(n) acquire (by merger, consolidation or acquisition of stock or assets) any corporation, partnership or other business organization or division thereof or collection of assets constituting all or substantially all of a business or business unit;

(o) make any loans, advances or capital contributions to any Person, other than any advance to employees that is less than $10,000 and in the ordinary course of business;

(p) except as set forth in Section 4.1(p) of the Seller Disclosure Schedule and except as expressly permitted by clauses (c), (e), (f), (g), (h) and (o) of this Section 4.1, (i) enter into any Company Contract (other than customer Contracts entered into in the ordinary course of business consistent with past practices), (ii) amend or modify in any material respect, or terminate or fail to renew (to the extent such Contract can be unilaterally renewed by the Company or its Subsidiaries), any Company Contract or waive, release or assign any material rights or claims thereunder or (iii) take any action, or omit to take any actions, or permit any omission to act within the Company s control, which will cause a material breach of or default under any Company Contract; and

(q) agree or otherwise commit to take any of the actions prohibited by the foregoing clauses (a) through (p).

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Section 4.2 Employment Matters.

(a) Upon the Closing Date, each of the Company and any of its Subsidiaries shall continue to employ all individuals who are employees of the Company or any of its Subsidiaries on the Closing Date, including employees not actively at work due to injury, vacation, military duty, disability or other leave of absence (the **Affected Employees**). Until at least April 24, 2008, Buyer shall not reduce any Affected Employee s base salary or cash incentive compensation opportunity, each as in effect immediately prior to the Closing Date, and shall provide employee benefits and base salary, wage rates and annual cash bonus opportunity (including group health, life, disability and severance arrangements but excluding equity participation or equity-based compensation) to Affected Employees that are no less favorable in the aggregate than those provided to such persons and their dependents and beneficiaries immediately prior to the Closing Date. Periods of employment with the Company and any of its Subsidiaries shall be taken into account for purposes of determining, as applicable, the eligibility for participation and vesting of any employee under all employee benefit plans offered by Buyer or any Affiliate of Buyer to the Affected Employees, including vacation plans or arrangements, 401(k) or other retirement savings plans and any severance or welfare plans. Buyer shall (i) waive any limitation on medical coverage of Affected Employees due to pre-existing conditions and/or waiting periods under the applicable medical plan of Buyer or any Affiliate of Buyer to the extent such Affected Employees are currently covered under a medical employee benefit plan of the Company or any of its Subsidiaries and (ii) credit each Affected Employee with all deductible payments and co-payments paid by such employee under the medical employee benefit plan of the Company or their Affiliates prior to the Closing Date during the year in which the Closing occurs for the purpose of determining the extent to which any such employee has satisfied his or her deductible and whether he or she has reached the out-of-pocket maximum under any medical plan of Buyer or any Affiliate of Buyer for such year. The Buyer shall recognize, and cause the Company and its Subsidiaries to recognize, the vacation days and paid time off accrued by the employees of the Company or any of its Subsidiaries prior to the Closing

(b) Buyer shall take all actions necessary to assume and honor, in accordance with their terms, the Company Plans maintained by the Company or its Subsidiaries. Buyer shall be solely responsible for all liabilities relating to the amendment, termination or alleged termination of any Company Plan. Buyer shall not be responsible for any liabilities of Company Plans maintained by Seller, if any.

(c) This Section 4.2 is for the sole benefit of the parties hereto and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

Section 4.3 Publicity. Buyer and Seller agree to communicate with each other and cooperate with each other prior to any public disclosure of the transactions contemplated by this Agreement. Buyer and Seller agree that no public release or announcement concerning the terms of the transactions contemplated hereby shall be issued by any party without the prior consent of Buyer and Seller, except as such release or announcement, upon the advice of outside counsel, may be required by Law, in which case the party required to make the release or announcement shall allow the other parties reasonable time to comment on such release or announcement in advance of such issuance.

Section 4.4 Confidentiality. (a) Buyer and its Representatives (as such term is defined in the Confidentiality Agreement between the Operating Company and the Buyer, dated February 26, 2007 (the **Confidentiality Agreement**)) shall treat all nonpublic information obtained in connection with this Agreement and the transactions contemplated hereby as confidential in accordance with the terms of the Confidentiality Agreement. The terms of the Confidentiality Agreement are hereby incorporated by reference and shall continue in full force and effect until the Closing, at which time such Confidentiality Agreement shall terminate. If this Agreement is, for any reason, terminated prior to the Closing, the

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Confidentiality Agreement shall continue in full force and effect as provided in Section 6.2 hereof in accordance with its terms.

(b) From and after the Closing, Buyer shall, and shall cause each of the Company and any of its Subsidiaries to, keep confidential and not use for any purpose all nonpublic information regarding Seller or its Affiliates (other than the Company and any of its Subsidiaries) of which the Company or any of its Subsidiaries may be aware. From and after the Closing, the Seller shall, and shall cause each of its Affiliates to, keep confidential and not use for any purpose all nonpublic information regarding the Company and any of its Subsidiaries of which the Seller or any of its Affiliates may be aware; *provided*, that the foregoing shall not apply with respect to any use of nonpublic information in connection with the preparation and filing of any Tax Returns, any Actions related this Agreement and the transactions contemplated hereby, any Actions related to any Tax Returns or any enforcement of rights provided under this Agreement.

(c) Prior to the Closing, the Seller shall, and shall cause its Affiliates to, assign to the Company the rights under any confidentiality agreement relating to the Company or any of its Subsidiaries to which the Seller or any of its Affiliates is a party and which is assignable pursuant to its terms. If any such confidentiality agreements are not assignable pursuant to its terms, upon the reasonable request by the Buyer, the Seller shall, at the sole expense of the Buyer, enforce its rights under such agreements.

Section 4.5 Access to Information. Subject to Section 4.4 hereof, Seller shall cause its officers, directors, employees, auditors and other agents to afford the officers, directors, employees, auditors and other agents and advisors of Buyer and its financing sources reasonable access during normal business hours to the officers, directors, employees, agents, properties, offices and other facilities of the Company and any of its Subsidiaries and their books and records, and shall furnish Buyer with such financial, operating and other data and information with respect to the Business, as Buyer, through its officers, employees or agents, may reasonably request in connection with the Buyer s preparation of the Proxy Statement or for any other such reasonable purposes. In exercising its rights hereunder, Buyer shall conduct itself so as not to interfere in the conduct of the business of the Company and any of its Subsidiaries prior to Closing. Buyer acknowledges and agrees that any contact by Buyer and its agents and representatives with officers, employees, customers or agents of the Company and any of its Subsidiaries hereunder shall be arranged and supervised by representatives of Seller, unless Seller otherwise expressly consents with respect to any specific contact. Notwithstanding anything to the contrary set forth in this Agreement, neither Seller nor any of its Affiliates (including the Company and any of its Subsidiaries) shall be required to disclose to Buyer or any agent or representative thereof any information if doing so could violate any Contract or Law to which Seller or any of its Affiliates (including the Company and any of its Subsidiaries) is a party or is subject or which it believes in good faith could result in a loss of the ability to successfully assert a claim of privilege (including the attorney-client and work product privileges). The parties hereto will use reasonable best efforts to make appropriate substitute disclosure arrangements under circumstances in which the restrictions of the preceding sentence apply.

Section 4.6 Post-Closing Access. Following the Closing, for so long as such information is retained by the Buyer, the Company or any of its Subsidiaries (which shall be for a period of at least six years), the Buyer and the Company shall permit the Seller and its authorized representatives to have reasonable access and duplication rights during normal business hours, upon reasonable prior notice to the Buyer or the Company, to the books, records and personnel relating to the Business or the Company and its Subsidiaries with respect to the period prior to the Closing, to the extent that such access may be reasonably required (i) in connection with the preparation of any accounting records or with any audits, (ii) in connection with any suit, claim, action, proceeding or investigation relating to the Company or any of its Subsidiaries or the Business, (iii) in connection with any regulatory filing or matter or (iv) in connection with any other valid legal or business purpose.

Section 4.7 Filings and Authorizations, Including HSR Act Filing.

(a) Seller, on the one hand, and Buyer, on the other hand, shall, and shall cause its Affiliates to, promptly file or cause to be filed all necessary Governmental Filings, including (i) filing within ten (10) Business Days of the date of this Agreement all necessary Governmental Filings under the HSR Act and (ii) submissions of additional information requested by any Governmental Entity, and Buyer shall be solely responsible for all filing fees required to be paid in connection with any of the foregoing. Each of Buyer and Seller further agrees that it shall, and shall cause its Affiliates to, comply with any applicable post-Closing notification or other requirements of any antitrust, trade competition, investment or control reporting or similar Law or regulation of any Governmental Entity with competent jurisdiction. Each of Buyer and Seller agrees to cooperate with and promptly to consult with, to provide any reasonably available information with respect to, and to provide, subject to appropriate confidentiality provisions, copies of all presentations and filings to any Governmental Entity to the other party or its counsel.

(b) In addition to the agreements set forth in (a) above, Buyer shall ensure that the consents, approvals, waivers or other authorizations from Governmental Entities, including antitrust clearance under the HSR Act, are obtained as promptly as practicable and that any conditions set forth in or established by any such consents, approvals, waivers or other authorizations from Governmental Entities are wholly satisfied. In fulfillment of this covenant, Buyer agrees, among other steps or actions and without limiting the scope of Buyer s obligations, to:

(i) offer and agree to an order providing for the divestiture by Buyer and its Affiliates of such properties, assets, operations or businesses (including such properties, assets, or operations of the Company or any of its Subsidiaries) as are necessary to permit Buyer fully to complete the transactions contemplated hereby;

(ii) offer and agree to hold separate such properties, assets, operations or businesses, pending the satisfaction or termination of any such conditions, restrictions or agreements affecting Buyer s full rights of ownership of the Company or any of its Subsidiaries (or any portion thereof) as may be necessary to permit Buyer fully to complete the transactions contemplated hereby;

(iii) satisfy any additional conditions imposed by Governmental Entities with respect to the acquisition of the Company or any of its Subsidiaries; and

(iv) oppose fully and vigorously any litigation relating to this Agreement or the transactions contemplated hereby, including to appeal promptly any adverse decision or order by any Governmental Entity or, if reasonably requested by Seller, to commence or threaten to commence and to pursue vigorously litigation reasonably believed by Seller to be helpful in obtaining authorization from Governmental Entities or in terminating any outstanding proceedings, it being understood that the costs and expenses of all such legal action shall be borne by Buyer.

Section 4.8 Directors and Officers Indemnification and Insurance. From the Closing Date through the sixth anniversary of the Closing Date, Buyer shall cause the Company and its Subsidiaries and any successor to the Company and its Subsidaries to, indemnify and hold harmless each present (as of the Closing Date) and former officer or director of the Company and its Subsidiaries (the **D&O Indemnified Parties**), against all claims, losses, liabilities, damages, judgments, inquiries, fines and reasonable fees, costs and expenses, including reasonable attorneys fees and disbursements (collectively, **Costs**), incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions taken by them in their capacity as officers or directors at or prior to the Closing Date (including this Agreement and the transactions and actions contemplated hereby), whether asserted or claimed prior to, at or after the Closing Date, to the fullest extent permitted under applicable Law. Each D&O Indemnified Party will be entitled to advancement of reasonable expenses incurred in the defense of any claim, action, suit, proceeding or investigation from the Company and its Subsidiaries. From the Closing Date through the sixth anniversary of the Closing Date, Buyer shall cause the certificate of incorporation and bylaws (or equivalent governing documents) of the Company and its Subsidiaries, or any successor to the Company or any of its Subsidiaries, to contain provisions that are no less favorable with respect to indemnification, advancement of expenses and exculpation of former or present directors and officers as are set forth in the certificate of incorporation and bylaws (or equivalent governing documents) of the Company and its Subsidiaries as of the date of this Agreement. Prior to the Closing Date, the Buyer will arrange for the Company to purchase tail coverage for the six-year period following the Closing under the directors and officers liability insurance policies of the Company and/or its Subsidiaries in place prior to the Closing Date with respect to matters existing or occurring at or prior to the Closing Date that provides coverage substantially similar in scope and amount to the coverage provided by such policies on the date hereof. This Section 4.8 shall be for the benefit of, and shall be enforceable by, the D&O Indemnified Parties, or any of them, and their respective heirs or estates.

Section 4.9 Reasonable Best Efforts. Upon the terms and subject to the conditions herein provided, except as otherwise provided in this Agreement, and without limiting the obligations of the parties under Section 4.7, each of the parties hereto agrees to use its reasonable best efforts to take or cause to be taken all actions, to do or cause to be done and to assist and cooperate with the other party hereto in doing all things necessary, proper or advisable under applicable Laws to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, including: (i) the satisfaction of the conditions precedent to the obligations of any of the parties hereto; (ii) the obtaining of applicable consents, waivers or approvals of any third parties; (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the performance of the obligations hereunder; (iv) the execution and delivery of such instruments, and the taking of such other actions as the other party hereto may reasonably require in order to carry out the intent of this Agreement and (v) the preparation of the Proxy Statement. Notwithstanding the foregoing, neither Seller, the Company or any of their respective Affiliates shall be obligated to make any payments or otherwise pay any consideration to any third party to obtain any applicable consent, waiver or approval.

Section 4.10 Compliance with WARN Act and Similar Statutes. Buyer shall not, and shall cause the Company and its Subsidiaries not to, at any time within ninety days after the Closing Date, effectuate (i) a plant closing (as defined in the Worker Adjustment and Retraining Notification Act of 1988 (the **WARN Act**)) affecting any site of employment or one or more facilities or operating units within any site of employment or facility of the Company or any of its Subsidiaries or (ii) a mass layoff (as defined in the WARN Act) affecting any site of employment or facility of the Company and any of its Subsidiaries; or, in the case of clauses (i) and (ii), any similar action under applicable Law requiring notice to employees in the event of a plant closing or layoff. For the avoidance of doubt, Buyer shall be responsible for notices or payments due to any employees, and all notices, payments, fines or assessments due to any Governmental Entity pursuant to any applicable Law with respect to the employment, discharge or layoff of any employees by Buyer, the Company or any Subsidiary of the Company on or after the Closing, including the WARN Act or any comparable state or local law and any rules or regulations as have been issued in connection with the foregoing.

Section 4.11 Buyer s Financing Activities.

(a) Buyer shall use reasonable best efforts to (i) maintain in effect the Debt Commitment Letter and to satisfy on a timely basis the conditions to obtaining the financing set forth therein, (ii) negotiate and enter into definitive financing agreements on the terms and conditions contained in the Debt Commitment Letter (the **Debt Financing Agreements**) so that the Debt Financing Agreements are in effect promptly but in any event no later than the Closing Date, (iii) comply with its obligations under the Debt Commitment Letter, (iv) enforce its rights under the Debt Commitment Letter, and (v) consummate the financings contemplated by the Debt Commitment Letter at or prior to Closing.

(b) If (A) any of the Debt Commitment Letters or the Debt Financing Agreements expire or are terminated or otherwise become unavailable prior to the Closing, in whole or in part, for any reason, (B) if Deutsche Bank Trust Company Americas and Deutsche Bank Securities Inc. indicates that it is unwilling to fund the Debt Financing in accordance with the Debt Commitment Letter or if it breaches its commitments under the Debt Commitment Letter, (C) if any of the conditions of the Debt Commitment Letter become incapable of being satisfied or (D) in the event that Buyer becomes aware of any event or circumstance (including a breach by the Buyer of any of its commitments under the Debt Commitment Letter) that makes procurement of any portion of the Debt Financing unlikely to occur in the manner or from the sources contemplated in the Debt Commitment Letter (each, a **Debt Replacement Event**), Buyer shall (i) immediately notify the Company of such expiration or termination or unavailability and the reasons therefor and (ii) use its reasonable best efforts to as promptly as practicable arrange for alternative financing on such terms not less favorable to Buyer in the aggregate as the terms set forth in the Debt Commitment Letter to replace the financing contemplated by such expired or terminated or unavailable commitments or agreements, sufficient to consummate the transactions contemplated by this Agreement (the **Alternative Financing**). In such event, the term Debt Commitment Letter as used herein shall refer to the commitment letter with respect to the Alternative Financing, to the extent then in effect, and the term Debt Financing Agreements shall refer to the definitive financing agreements on the terms and conditions contained in the debt commitment letter with respect to the Alternative Financing. Buyer shall provide to the Company copies of all documents relating to the financing of the transactions contemplated hereby, shall keep the Company informed of the status of the financing process relating thereto and shall not permit any amendment or modification to be made to, or any waiver of any material provision or remedy under, the Debt Commitment Letter except as expressly provided in Section 3.2(g). Buyer shall give the Company prompt notice upon becoming aware of any material breach by any party of the Debt Commitment Letters or the Debt Financing Agreements or any termination thereof.

(c) The Seller shall, and shall cause the Company and its Subsidiaries to, provide such reasonable cooperation, as may be reasonably requested by Buyer in connection with the financings contemplated by the Debt Commitment Letter, including (i) upon reasonable advance notice by Buyer, and on a reasonable number of occasions, participation by appropriate officers in meetings, drafting sessions, due diligence sessions, management presentation sessions, road shows and sessions with rating agencies, (ii) using reasonable best efforts to assist Buyer to prepare offering memoranda, private placement memoranda and similar documents, (iii) using reasonable best efforts to compile the requisite financial information, (iv) granting Buyer and its accountants full and complete access to the books and records of the Company and its Subsidiaries and to any officer, director or employee knowledgeable about such books and records, in each case to the extent reasonably requested by Buyer, (v) using reasonable best efforts to furnish necessary financial information for interim periods subsequent to the date of the Financial Statements and prior to the Closing in connection with such financings, (vi) using reasonable best efforts to facilitate the pledge of collateral and obtain the release of collateral from existing lenders, (vii) using reasonable best efforts to assist in obtaining customary pay-off letters from existing lenders, (viii) using reasonable best efforts to assist in obtaining comfort letters, legal opinions, ratings from rating agencies and such other matters as may be reasonably requested by Buyer and (ix) using reasonable best efforts to assist in the negotiation and execution of the Debt Financing Agreements; *provided*, that neither the Seller not the Company shall be required to (x) provide any such assistance which would interfere unreasonably with the business or operations of the Company and its Subsidiaries or (y) enter into any commitment which is not conditioned on the Closing and does not terminate without liability to the Seller and the Company upon the termination of this Agreement; *provided* further that Buyer shall be

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solely responsible for all out-of-pocket expenses of the Seller, the Company and its Subsidiaries incurred in connection with the foregoing. Buyer shall indemnify and hold harmless the Seller, the Company, its Subsidiaries and their officers and directors from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred by them in connection with the arrangement of the financing of the transactions contemplated hereby and any information utilized in connection therewith (other than historical information relating to the Company or its Subsidiaries). In no event shall the Seller, the Company or any of its Subsidiaries be required to pay any commitment or other fee or incur any liability in connection with the financing of the transactions contemplated hereby prior to the Closing. Seller hereby consents to the use of the Company s name and logos in connection with the financing; provided that such name and logos are used solely in a manner that is not intended to or reasonably likely to harm or disparage the Company, its reputation or goodwill or its marks.

Section 4.12 [Reserved].

Section 4.13 Preparation of Tax Returns. Seller will prepare or cause to be prepared and file or cause to be filed all income Tax Returns for the Company for all periods ending on or prior to the Closing Date, whether filed before or after the Closing Date (the Seller Returns). All Seller Returns will be prepared on a basis consistent with the most recent Tax Returns of the Company unless the Seller determines that there is no reasonable basis for such position, and will be true, correct and complete in all material respects. Not later than thirty (30) days prior to the due date for filing of a Seller Return, Seller will provide Buyer with a copy of such Seller Return. If Buyer, within 15 days after the delivery of such Seller Return notifies Seller in writing that it objects to any of the items on such Seller Return, Seller and Buyer will attempt in good faith to resolve the dispute and, if they are unable to do so, the disputed items shall be resolved (within a reasonable time) by a nationally recognized independent accounting firm selected jointly by Seller and Buyer.

Section 4.14 Proxy Statement.

(a) As promptly as practicable after the execution of this Agreement, the Buyer will prepare and file the Proxy Statement with the SEC. Prior to filing, the Seller shall be given the reasonable opportunity to review and comment the Proxy Statement, including those portions involving disclosure of the Company and its Subsidiaries. Buyer will respond to any comments of the SEC and use its commercially reasonable efforts to mail the Proxy Statement to its shareholders at the earliest practicable time and, prior to any response to such comments, Buyer shall reasonably consult with the Seller with respect thereto and the Seller shall be given the reasonable opportunity to review and comment thereon. As promptly as practicable after the execution of this Agreement, the Buyer will and the Seller will, or will cause the Company to, each prepare and file any other filings required under the Exchange Act, the Securities Act or any other federal, foreign or state blue sky laws relating to the Merger and the transactions contemplated by this Agreement (collectively, the **Other Filings**). Subject to the Seller s right to review and comment on the Proxy Statement set forth above, the Seller hereby consents to the disclosure of information regarding the Company, its Subsidiaries and the Business, as well as the terms of the transactions contemplated hereby in the Proxy Statement and the Other Filings. Each party will notify the other promptly upon the receipt of any comments from the SEC and of any request by the SEC or any other Governmental Entity for amendments or supplements to the Proxy Statement or any Other Filing or for additional information and will supply the other party with copies of all correspondence between such party or any of its representatives, on the one hand, and the SEC or other Governmental Entity, on the other hand, with respect to the Proxy Statement or any Other Filing. The Proxy Statement and the Other Filings will comply in all material respects with all applicable requirements of Law. Whenever any event occurs which is required to be set forth in an amendment or supplement to the Proxy Statement or any Other Filing, the Seller or Buyer, as the case may be, will promptly inform the other of such occurrence and cooperate in filing with the SEC or any other Governmental Entity and/or mailing to shareholders of

Buyer, such amendment or supplement. The proxy materials will be sent to the shareholders of Buyer for the purpose of soliciting proxies from holders of Buyer Common Stock to vote in favor of approving this Agreement and the transactions contemplated hereby (**Buyer Shareholder Approval**) at the Buyer Shareholders Meeting. Such proxy materials shall be in the form of a proxy statement to be used for the purpose of soliciting such proxies from holders of Buyer Common Stock (the **Proxy Statement**).

(b) In connection with the Proxy Statement, Seller shall (i) cause the Company to deliver to Buyer requisite annual audited financial statements and interim unaudited financial statements which meet the applicable requirements of Regulation S-X under the Securities Act for inclusion in the Proxy Statement and cause the Company to use reasonable best efforts to obtain customary comfort letters from its independent accountants with respect thereto and (ii) cause the Company to provide customary access and cooperation necessary to prepare the disclosures relating to the Company and its Subsidiaries (including description of the business, risk factors and MD&A).

(c) As soon as practicable following its approval by the SEC, Buyer shall distribute the Proxy Statement to the holders of Buyer Common Stock and, pursuant thereto, shall call the Buyer Shareholders Meeting in accordance with its certificate of incorporation, bylaws and the DGCL and, subject to the other provisions of this Agreement, solicit proxies from such holders to vote in favor of the adoption and approval of this Agreement and the other matters presented to the shareholders of Buyer for approval or adoption at the Buyer Shareholders Meeting.

(d) Buyer shall comply with all applicable provisions of and rules under the Exchange Act, all applicable provisions of its certificate of incorporation and bylaws and all applicable provisions of the DGCL in the preparation, filing and distribution of the Proxy Statement, the solicitation of proxies thereunder and the calling and holding of the Buyer Shareholders Meeting.

(e) Buyer, acting through its board of directors, shall include in the Proxy Statement the recommendation of its board of directors that the holders of Buyer Common Stock vote in favor of adoption of this Agreement, which recommendation shall not be withdrawn or otherwise modified.

Section 4.15 Trust Fund. Buyer shall make appropriate arrangements to have the Trust Fund made available to Buyer immediately upon the Closing.

Section 4.16 Exclusivity. From the date hereof until earlier of the Closing Date and the termination of this Agreement in accordance with Article VI hereof, the Seller agrees that the Seller shall not, and shall cause the Company and its Subsidiaries not to, directly or indirectly through any of their respective officers, directors, partners, employees, stockholders, agents or representatives, solicit, discuss or pursue a possible sale, merger or other disposition of the Company or any of its Subsidiaries, any equity securities or substantial portion of the assets of the Company or any of its Subsidiaries or any interest therein, with any Person other than Buyer or its representatives or provide any information to any Person other than Buyer or its representatives in connection therewith.

Section 4.17 Standstill. From the date of this Agreement until the earlier of the Closing Date or the date of termination of this Agreement in accordance with Article VI (the **Pre-Closing Period**), Buyer shall: (a) cease all existing discussions and negotiations concerning any acquisition by the Buyer, directly or indirectly, whether by merger, capital stock exchange, purchase of assets or securities (debt or equity) or other similar type of transaction or a combination of the foregoing, of one or more domestic or international businesses (each, an Acquisition); and (b) terminate any letter of intent or term sheet contemplating any Acquisition that is in effect as of the date of this Agreement. During the Pre-Closing Period, without the express prior written consent of the Seller, which consent shall not be unreasonably withheld, Buyer shall not and shall not permit its Representatives to enter into any confidentiality or non-disclosure agreement or any other similar type of agreement with any Person contemplating a possible Acquisition.

Explanation of Responses:

Section 4.18 Assignment of Rights. Prior to the Closing, the Seller shall assign to the Company its rights under the Contracts set forth in Section 4.18 of the Seller Disclosure Schedule.

ARTICLE V

CONDITIONS OF PURCHASE

Section 5.1 Conditions to Obligations of Buyer. The obligations of Buyer to effect the Closing shall be subject to the following conditions except to the extent waived in writing by Buyer:

(a) Representations and Warranties and Covenants of Seller.

(i) The representations and warranties of Seller contained in this Agreement, without giving effect to any materiality or Material Adverse Effect qualifications therein, shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties that expressly speak as of an earlier date, which representations and warranties shall be true as of such specified date), except for such failures to be true and correct as would not in the aggregate have a Material Adverse Effect; *provided*, however, that notwithstanding the foregoing, the Seller Specified Representations shall be true and correct in all material respects or, if qualified by materiality or Material Adverse Effect, shall be true and correct in all respects;

(ii) Seller shall have in all material respects performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it at or prior to the Closing;

(iii) Except as set forth in Section 3.1(m) of the Seller Disclosure Schedule and otherwise expressly contemplated hereby, there will not have occurred any Material Adverse Effect since the Balance Sheet Date;

(iv) Seller shall have delivered to Buyer a certificate of Seller, dated the Closing Date, to the effect of the foregoing clauses (i) and (ii); and

(v) Seller shall have delivered to Buyer a FIRPTA certificate issued by the Company pursuant to Treasury regulations section 1.897-2(h), certifying that interests in the Company are not U.S. real property interests and otherwise satisfying the requirements of Treasury regulations section 1.1445-2(c)(3).

(b) ***Waiting Periods.*** All waiting periods applicable under the HSR Act shall have expired or been terminated. All waiting periods applicable to the transaction under any other applicable antitrust or competition Laws shall have expired, except in jurisdictions in which the failure of such waiting periods to have expired or been terminated is not reasonably likely to (i) have a Material Adverse Effect or (ii) subject the parties hereto or any of their respective directors or officers to criminal liability if the transactions contemplated hereby were to be consummated (the **Excepted Jurisdictions**).

(c) ***No Prohibition.*** No statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity which prohibits the consummation of the transactions contemplated hereby, and there shall be no order or injunction of a court of competent jurisdiction in effect preventing the consummation of the transactions contemplated hereby.

(d) ***Buyer Shareholder Approval.*** Buyer shall have obtained the approval of its shareholders with respect to the execution, delivery and performance of this Agreement and the consummation of all transactions contemplated hereby, and holders of 20% or more the Buyer s common stock shall not have exercised the right to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the Trust Fund pursuant to the terms set forth in the Buyer s Fourth Amended and Restated Certificate of Incorporation in effect as of the date of this Agreement (the **Buyer Charter**).

Section 5.2 Conditions to Obligations of Seller. The obligations of Seller to effect the Closing shall be subject to the following conditions except to the extent waived in writing by Seller:

(a) ***Representations and Warranties and Covenants of Buyer.***

(i) The representations and warranties of Buyer contained in this Agreement, without giving effect to any materiality or similar qualifications therein, shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties that expressly speak as of an earlier date, such representations and warranties shall be true as of such specified date), except for such failures to be true and correct as would not in the aggregate prevent or materially delay consummation by Buyer of the transactions contemplated by this Agreement; *provided*, however, that notwithstanding the foregoing, the Buyer Specified Representations shall be true and correct in all material respects or, if qualified by materiality or material adverse effect, shall be true and correct in all respects;

(ii) Buyer shall have in all material respects performed all obligations and complied with all covenants required by this Agreement to be performed or complied with by it at or prior to the Closing; and

(iii) Buyer shall have delivered to Seller a certificate of Buyer, dated the Closing Date to the effect of the foregoing clauses (i) and (ii).

(b) ***Waiting Periods.*** All applicable waiting periods under the HSR Act shall have expired or been terminated. All waiting periods applicable to the transaction under any other applicable antitrust or competition Laws shall have expired or been terminated, except in the Excepted Jurisdictions.

(c) ***No Prohibition.*** No statute, rule or regulation shall have been enacted or promulgated by any Governmental Entity which prohibits the consummation of the transactions contemplated hereby, and there shall be no order or injunction of a court of competent jurisdiction in effect preventing the consummation of the transactions contemplated hereby.

ARTICLE VI

TERMINATION

Section 6.1 Termination of Agreement. This Agreement may be terminated at any time prior to the Closing Date as follows:

(a) by mutual written consent of Buyer and Seller;

(b) by the written notice of Seller to Buyer if the Closing shall not have occurred on or before February 24, 2008 (the **Outside Date**); provided, however, that the right to terminate this Agreement under this Section 6.1(b) shall not be available to Seller if the failure of Seller to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(c) by the written notice of Buyer to Seller if the Closing shall not have occurred on or before the Outside Date; provided, however, that the right to terminate this Agreement under this Section 6.1(c) shall not be available to Buyer if the failure of Buyer to fulfill any obligation under this

Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;

(d) by written notice of Seller to Buyer if a request for additional information and documentary material pursuant to the HSR Act has been received from either the Antitrust Division of the United States Department of Justice or the United States Federal Trade Commission or if an equivalent request has been received under any other antitrust or competition Laws (other than in the Excepted Jurisdictions); or

(e) by written notice of Seller to Buyer upon the occurrence of a Debt Replacement Event, *provided*, that, the Seller shall not have the right to terminate pursuant to this Section 6.1(e) if the Buyer delivers to the Seller a duly executed commitment letter for Alternative Financing in compliance with the terms set forth in Section 4.11(b) within 45 days of the occurrence of such Debt Replacement Event;

(f) by written notice of the Seller or Buyer, if the Buyer Shareholder Approval shall not have been obtained by reason of the failure to obtain such Buyer Shareholder Approval at a duly held meeting of the shareholders of the Buyer or at any adjournment or postponement thereof; *provided*, *however*, that the Buyer shall not have the right to terminate this Agreement under this Section 6.1(f) if the Buyer has failed to comply in any material respect with its obligations under Section 4.14;

(g) by written notice of the Seller or Buyer, if holders of 20% or more of the Buyer s common stock exercise the right to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the Trust Fund pursuant to the terms set forth in the Buyer Charter; *provided*, *however*, that the Buyer shall not have the right to terminate this Agreement under this Section 6.1(g) if the Buyer has failed to comply in any material respect with its obligations under Section 4.14; or

(h) by written notice of the Seller, if the Buyer has (i) materially breached or materially failed to perform any of its covenants or other agreements set forth in subsection (a), (c) or (d) of Section 4.14 or (ii) breached or failed to perform in any respect any of its covenants or other agreements set forth in subsection (e) of Section 4.14, *provided*, that, in the case of clause (i) above only, the Seller shall have given the Buyer written notice, delivered at least thirty (30) days prior to such termination, stating Seller s intention to terminate this Agreement pursuant to this Section 6.1(h) and, in reasonable detail, the basis for such termination and the Buyer shall have failed to cure such breach or failure within such thirty (30) day period.

Section 6.2 Effect of Termination.

(a) In the event of termination of this Agreement by a party hereto pursuant to, and in accordance with, Section 6.1 hereof, written notice thereof shall forthwith be given by the terminating party to the other party hereto, and this Agreement shall thereupon terminate and become void and have no effect, and the transactions contemplated hereby shall be abandoned without further action by the parties hereto, except that the provisions of Section 4.4, Section 6.2 and ARTICLE VIII shall survive the termination of this Agreement; provided, however, that such termination shall not relieve any party hereto of any liability for any willful and material breach of this Agreement prior to the time of such termination.

(b) In the event (x) this Agreement is terminated by the Seller pursuant to Section 6.1(f), (g) or (h) or (y) the Closing shall not have occurred within 10 days following the satisfaction of all of the conditions set forth in Section 5.1, the Buyer shall make a lump-sum payment to the Seller for expenses in the amount of $500,000 in cash in immediately available funds, to an account or accounts notified by the Seller.

(c) Notwithstanding anything to the contrary stated in this Agreement, in the event of termination of this Agreement by a party hereto pursuant to Section 6.1 hereof, (i) the maximum liability of the Buyer to the Seller arising under this Agreement or any of the transactions contemplated hereby shall not exceed $15,000,000 and (ii) the maximum liability of the Seller, the Company and its Subsidiaries, collectively, to the Buyer arising under this Agreement or any of the transactions contemplated hereby shall not exceed $15,000,000.

ARTICLE VII

NO INDEMNIFICATION

From and after the Closing, neither the Buyer nor the Seller shall have any remedy with respect to breaches of the representations and warranties or pre-Closing covenants contained in this Agreement and each the Buyer and the Seller hereby waives to the maximum extent permissible under applicable Law any and all such claims, whether or not known at the Closing, other than in respect of claims based on breaches of Section 4.4, Section 4.6, Section 4.8, Section 4.10, Section 4.13 or Section 4.18.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 No Survival. All representations and warranties contained in this Agreement shall expire at the Closing.

Section 8.2 Assignment; Binding Effect. This Agreement and the rights hereunder are not assignable unless such assignment is consented to in writing by both Buyer and Seller and, subject to the preceding clause, this Agreement and all the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that no such consent shall be required for an assignment by Buyer to any of its affiliates or financing sources so long as such assignment does not relieve the Buyer of any of its obligations hereunder.

Section 8.3 Choice of Law. This Agreement shall be governed by an interpreted and enforced in accordance with the Laws of the State of New York (other than any such Laws which would result in the application of the Laws of another jurisdiction).

Section 8.4 Consent to Jurisdiction and Service of Process. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR ANY OBLIGATIONS HEREUNDER, SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF NEW YORK, COUNTY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, THE PARTIES, IRREVOCABLY (I) ACCEPT GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF THESE COURTS; (II) WAIVE ANY OBJECTIONS WHICH SUCH PARTY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (I) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM; (III) AGREE THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO SUCH PARTY AT THEIR RESPECTIVE ADDRESSES PROVIDED IN ACCORDANCE WITH SECTION 8.5; AND (IV) AGREE THAT SERVICE AS PROVIDED IN CLAUSE (III) ABOVE IS SUFFICIENT TO

CONFER PERSONAL JURISDICTION OVER SUCH PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

Section 8.5 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, when sent by confirmed cable, telecopy, telegram or facsimile, when sent by overnight courier service or when mailed by certified or registered mail, return receipt requested, with postage prepaid to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to Buyer, to:

Information Services Group, Inc.
Four Stamford Plaza
107 Elm Street
Stamford, CT 06902
Attn: Earl H. Doppelt
Fax: 203-517-3199

with copies, in the case of notice to Buyer, to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, NY 10017
Attn: John Finley
Edward Chung
Fax: 212-455-2502

If to Seller, to:

MCP-TPI Holdings, LLC
c/o Monitor Clipper Partners, LLC
Two Canal Park
Cambridge, MA 02141
Attn: Mark Thomas
Charles Yoon
Fax: 617-252-2211

with copies, in the case of notice to Seller, to:

Ropes & Gray LLP
1211 Avenue of the Americas
New York, New York 10036
Attn: Chris Henry
Fax: 212-841-5725

Section 8.6 Headings. The headings contained in this Agreement are inserted for convenience only and shall not be considered in interpreting or construing any of the provisions contained in this Agreement.

Section 8.7 Fees and Expenses.

(a) Except as otherwise specified in this Agreement (including Section 4.11(c), Section 6.2 and clause (c) of this Section 8.7 below), all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby by the Company or the Seller (including investment advisory and legal fees and expenses and the payment obligation set forth in

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Section 8.7(a) of the Seller Disclosure Schedule) shall be borne by the Seller (excluding the Reimbursable Transaction Expenses, the **Seller Transaction Expenses**); *provided*, that upon the consummation of the transactions contemplated by this Agreement, all reasonable out-of-pocket fees and expenses incurred by the Seller or the Company in connection with (x) their cooperation in the preparation of the Proxy Statement and (y) any employment related arrangements (including any equity incentive, roll-over or other compensation arrangements) contemplated or requested by the Buyer with respect to the current or future employees of the Company (including, in the case of clause (x) and (y) above, all travel, legal and accounting and other out-of-pocket fees and expenses), shall be paid by the Buyer or the Company (the **Reimbursable Transaction Expenses**) at the Closing.

(b) Except as otherwise specified in this Agreement (including Section 4.11(c), Section 6.2 and paragraphs (a) and (c) of this Section 8.7), all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby by the Buyer (including investment advisory and legal fees and expenses) shall be borne by the Buyer.

(c) The Buyer and the Seller shall each be responsible for one-half of all the Transfer Taxes and each party will, at their own expense, file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, fees and charges if required by applicable Law.

Section 8.8 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) and the Ancillary Agreements constitute the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to such subject matter; provided, however, this Agreement shall not supersede the terms and provisions of the Confidentiality Agreement, which shall survive and remain in effect until expiration or termination thereof in accordance with its terms and this Agreement.

Section 8.9 Interpretation.

(a) When a reference is made to an Article, Section or Schedule, such reference shall be to an Article, Section or Schedule of or to this Agreement unless otherwise indicated.

(b) Whenever the words include, includes or including are used in this Agreement, they shall be deemed to be followed by the words without limitation.

(c) Unless the context requires otherwise, words using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders.

(d) References to dollars or $ are to U.S. dollars.

(e) The terms hereof, herein, hereby, hereto and derivative or similar words refer to this entire Agreement.

(f) This Agreement was prepared jointly by the parties hereto and no rule that it be construed against the drafter will have any application in its construction or interpretation.

Section 8.10 Disclosure. Any matter disclosed in any Section of the Seller Disclosure Schedule shall be considered disclosed with respect to each other Section of such Schedule to the extent the applicability thereto is reasonably apparent. The inclusion of information in any Section of the Seller Disclosure Schedule shall not be construed as an admission that such information is material.

Section 8.11 Waiver and Amendment. This Agreement may be amended, modified or supplemented only by a written mutual agreement executed and delivered by Seller and Buyer. Except as otherwise provided in this Agreement, any failure of any party to comply with any obligation, covenant, agreement or condition herein may be waived by the party entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict

compliance with such obligations, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

Section 8.12 Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder; provided, however, that each of the D&O Indemnified Parties are express third party beneficiaries of Section 4.8.

Section 8.13 Specific Performance. The parties hereto agree that if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity, without having to post a bond or other security.

Section 8.14 Severability. If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 8.15 [Reserved].

Section 8.16 Negotiation of Agreement. Each of Buyer and Seller acknowledges that it has been represented by independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with consent and upon the advice of said independent counsel. Each party and its counsel cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the party that drafted it is of no application and is hereby expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intentions of the parties and this Agreement.

Section 8.17 Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Agreement, facsimile signatures shall be deemed originals, and the parties agree to exchange original signatures as promptly as possible.

Section 8.18 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LEGAL REQUIREMENTS WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES, AND AGREES TO CAUSE EACH OF ITS SUBSIDIARIES TO WAIVE, AND COVENANTS THAT NEITHER IT NOR ANY OF ITS SUBSIDIARIES WILL ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE OR ACTION, CLAIM, CAUSE OF ACTION OR SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. THE BUYER ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY THE COMPANY THAT THIS Section 8.18 CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THE COMPANY IS RELYING AND WILL RELY IN ENTERING INTO THIS

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AGREEMENT AND ANY OTHER AGREEMENTS RELATING HERETO OR CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS Section 8.18 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 8.19 Waiver of Claims to Trust Account. Seller acknowledges and understands that Buyer is a special purpose acquisition corporation and that the proceeds of the offering of shares of its stock have been designated for completing a business combination with one or more target businesses and that if the transactions contemplated by this Agreement are not consummated by Buyer by August 9, 2008 (which may be extended to February 9, 2009 if certain extension criteria are satisfied), Buyer will be obligated to return to its shareholders the amounts being held in the Trust Fund. If the Closing does not occur, the sole remedy for any claim by Seller against Buyer for any monetary claims or otherwise, for any reason whatsoever, including breaches of this Agreement by Buyer or any negotiations, agreements or understandings in connection herewith, shall, except as otherwise provided in Section 6.2, be limited to the termination of this Agreement pursuant to Section 6.1 hereof. Seller hereby waives any and all right, title, interest and claim of any kind it may have in or to any moneys in the Trust Fund.

Section 8.20 Waiver of Conflict. In the event the Seller or any of its equity holders desires to engage Ropes & Gray LLP to represent them in connection any post-Closing dispute with respect to this Agreement or any of the matters contemplated hereby, Buyer hereby consents to such representation and agrees to sign and deliver (and to cause the Company and its Subsidiaries to sign and deliver) such consent and/or waivers of conflict with respect to such matters as may reasonably be requested of Buyer, the Company or any of the Company s Subsidiaries.

Section 8.21 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of Seller, Buyer or their respective Affiliates shall have any liability for any obligations or liabilities of Seller or Buyer (as applicable) under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

[The remainder of this page has been intentionally left blank. Signature pages follow.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

MCP-TPI HOLDINGS, LLC	
By:	/s/ MARK THOMAS
	Name: Mark Thomas
	Title: Managing Director
INFORMATION SERVICES GROUP, INC.	
By:	/s/ MICHAEL P. CONNORS
	Name: Michael P. Connors
	Title: Chairman & CEO

Exhibit A

Material Economic Terms of Seller Warrant

Number of shares of common stock subject to warrant:	5,000,000, subject to adjustment for stock divisions or combinations prior to issuance
Exercise Price	$9.18 per share
Exercise Period	Exercisable at any time following the 1 year anniversary of the issuance date and prior to the Expiration Date
Expiration Date	5 years following the issuance date

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Annex B

2007 INFORMATION SERVICES GROUP, INC.

EQUITY INCENTIVE PLAN

1. Purpose of the Plan

The purpose of the Plan is to aid Information Services Group, Inc., a Delaware corporation (ISG) and its Affiliates in recruiting and retaining key employees, directors or other independent contractors and to motivate such employees, directors or independent contractors to exert their best efforts on behalf of ISG and its Affiliates by providing incentives through the granting of Awards. ISG expects that it will benefit from the added interest which such key employees, directors or independent contractors will have in the welfare of ISG as a result of their proprietary interest in ISG s success.

2. Definitions

The following capitalized terms used in the Plan have the respective meanings set forth in this Section:

(a) *Act:* The Securities Exchange Act of 1934, as amended, or any successor thereto.

(b) *Affiliate:* With respect to ISG, any entity directly or indirectly controlling, controlled by, or under common control with, ISG or any other entity designated by the Board in which ISG or an Affiliate has an interest.

(c) *Award:* An Option, Stock Appreciation Right or Other Stock-Based Award granted pursuant to the Plan.

(d) *Beneficial Owner:* A beneficial owner , as such term is defined in Rule 13d-3 under the Act (or any successor rule thereto).

(e) *Board:* The Board of Directors of ISG.

(f) *Change in Control:* The occurrence of any of the following events:

(i) the sale or disposition, in one or a series of related transactions, of all or substantially all, of the assets of ISG to any person or group (as such terms are defined in Sections 13(d)(3) or 14(d)(2) of the Act or any successor sections thereto) other than the Permitted Holders;

(ii) any person or group, other than the Permitted Holders, is or becomes the Beneficial Owner (except that a person shall be deemed to have beneficial ownership of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the voting stock of ISG (or any entity which controls ISG), including by way of merger, consolidation, tender or exchange offer or otherwise;

(iii) a reorganization, recapitalization, merger or consolidation (a Corporate Transaction) involving ISG, unless securities representing 66⅔% or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of ISG or the corporation resulting from such Corporate Transaction (or the parent of such corporation) are held subsequent to such transaction by the person or persons who were the Beneficial Owners of the outstanding voting securities entitled to vote generally in the election of directors of ISG immediately prior to such Corporate Transaction; or

(iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the shareholders of ISG was approved by a vote of a majority of the directors of ISG, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board, then in office.

(g) *Code:* The Internal Revenue Code of 1986, as amended, or any successor thereto.

(h) *Committee:* The Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

(i) *Company:* ISG, a Delaware corporation.

(j) *Disability:* Inability of a Participant to perform in all material respects his duties and responsibilities to ISG, or any Subsidiary of ISG, by reason of a physical or mental disability or infirmity which inability is reasonably expected to be permanent and has continued (i) for a period of six consecutive months or (ii) such shorter period as the Committee may reasonably determine in good faith. The Disability determination shall be in the sole discretion of the Committee and a Participant (or his representative) shall furnish the Committee with medical evidence documenting the Participant s disability or infirmity which is satisfactory to the Committee.

(k) *Effective Date:* The date the Board approves the Plan, or such later date as is designated by the Board.

(l) *Employment:* The term Employment as used herein shall be deemed to refer to (i) a Participant s employment, if the Participant is an employee of ISG or any of its Affiliates, (ii) a Participant s services as an independent contractor, if the Participant is an independent contractor to ISG or its Affiliates, and (iii) a Participant s services as an non-employee director, if the Participant is a non-employee member of the Board.

(m) *Fair Market Value:* On a given date, if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading.

(n) *ISO:* An Option that is also an incentive stock option granted pursuant to Section 6(d) of the Plan.

(o) *Option:* A stock option granted pursuant to Section 6 of the Plan.

(p) *Option Price:* The purchase price per Share of an Option, as determined pursuant to Section 6(a) of the Plan.

(q) *Other Stock-Based Awards:* Awards granted pursuant to Section 8 of the Plan.

(r) *Participant:* An employee, director or independent contractor who is selected by the Committee to participate in the Plan.

(s) *Permitted Holder:* Any and all of an employee benefit plan (or trust forming a part thereof) maintained by (A) ISG or (B) any corporation or other Person of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by ISG.

(t) *Performance-Based Awards:* Certain Other Stock-Based Awards granted pursuant to Section 8(b) of the Plan.

(u) *Plan:* The 2007 Information Services Group, Inc. Equity Incentive Plan.

(v) *Shares:* Shares of common stock of ISG.

(w) *Stock Appreciation Right:* A stock appreciation right granted pursuant to Section 7 of the Plan.

(x) *Subsidiary:* A subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

3. Shares Subject to the Plan

Subject to Section 9, the total number of Shares which may be issued under the Plan is 4,000,000, of which the maximum number of Shares for which Options and Stock Appreciation Rights may be granted to any one participant in any given calendar year is 750,000. The Shares may consist, in whole or in part, of unissued Shares or treasury Shares. The issuance of Shares or the payment of cash upon the exercise of an Award or in consideration of the cancellation or termination of an Award shall reduce the total number of Shares available under the Plan, as applicable. Shares which are subject to Awards which terminate or lapse without the payment of consideration may be granted again under the Plan.

4. Administration

(a) *Delegation.* The Plan shall be administered by the Committee, which may delegate its duties and powers in whole or in part to any subcommittee thereof consisting solely of at least two individuals who are intended to qualify as Non-Employee Directors within the meaning of Rule 16b-3 under the Act (or any successor rule thereto), independent directors within the meaning of the applicable principal national exchange listed company rules and outside directors within the meaning of Section 162(m) of the Code (or any successor section thereto). Additionally, the Committee may delegate the authority to grant Awards under the Plan to any employee or group of employees of ISG or an Affiliate; *provided that* such delegation and grants are consistent with applicable law and guidelines established by the Board from time to time.

(b) *Substitute Awards.* Awards may, in the discretion of the Committee, be made under the Plan in assumption of, or in substitution for, outstanding awards previously granted by ISG or its affiliates or a company acquired by ISG or with which ISG combines. The number of Shares underlying such substitute awards shall be counted against the aggregate number of Shares available for Awards under the Plan.

(c) *Interpretation.* The Committee is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems necessary or desirable. Any decision of the Committee in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Participants and their beneficiaries or successors).

(d) *Terms.* The Committee shall have the full power and authority to establish the terms and conditions of any Award consistent with the provisions of the Plan and to waive any such terms and conditions at any time (including, without limitation, accelerating or waiving any vesting conditions).

(e) *Taxes.* The Committee shall require payment of any amount it may determine to be necessary to withhold for federal, state, local or other taxes as a result of the exercise, grant or vesting of an Award. Unless the Committee specifies in an Award agreement or otherwise, and subject to limitations as the Committee may impose (including due to applicable law or accounting rules), the Participant may elect to pay a portion or all of such withholding taxes by (i) delivery in Shares or (ii) having Shares withheld by ISG from any Shares that would have otherwise been received by the Participant under the Award.

5. Limitations

No Award may be granted under the Plan after the fifth anniversary of the Effective Date, but Awards theretofore granted may extend beyond that date.

6. Terms and Conditions of Options

Options granted under the Plan shall be, as determined by the Committee, non-qualified or incentive stock options for federal income tax purposes, as evidenced by the related Award agreements, and shall be subject to the foregoing and the following terms and conditions and to such other terms and conditions, not inconsistent therewith, as the Committee shall determine:

(a) *Option Price.* The Option Price per Share shall be determined by the Committee, but shall not be less than 100% of the Fair Market Value of a Share on the date an Option is granted (other than in the case of Options granted in substitution of previously granted awards, as described in Section 4).

(b) *Exercisability.* Options granted under the Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Committee, but in no event shall an Option be exercisable more than ten years after the date it is granted.

(c) *Exercise of Options.* Except as otherwise provided in the Plan or in an Award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. For purposes of Section 6 of the Plan, the exercise date of an Option shall be the later of the date a notice of exercise is received by ISG and, if applicable, the date payment is received by ISG pursuant to clauses (i), (ii), (iii) or (iv) in the following sentence. The purchase price for the Shares as to which an Option is exercised shall be paid to ISG as designated by the Committee, pursuant to one or more of the following methods: (i) in cash or its equivalent (e.g., by personal check), (ii) in Shares having a Fair Market Value equal to the aggregate Option Price for the Shares being purchased and satisfying such other requirements as may be imposed by the Committee; *provided that* such Shares have been held by the Participant for such period, if any, as established from time to time by the Committee in order to avoid adverse accounting treatment applying generally accepted accounting principles, (iii) partly in cash and partly in such Shares or (iv) if there is a public market for the Shares at such time, through the delivery of irrevocable instructions to a broker to sell Shares obtained upon the exercise of the Option and to deliver promptly to ISG an amount out of the proceeds of such Sale equal to the aggregate Option Price for the Shares being purchased or (v) through net settlement in Shares as described in Section 4(e)(ii) above. No Participant shall have any rights to dividends or other rights of a stockholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid in full for such Shares and, if applicable, has satisfied any other conditions imposed by the Committee pursuant to the Plan.

(d) *ISOs.* The Committee may grant Options under the Plan that are intended to be ISOs. Such ISOs shall comply with the requirements of Section 422 of the Code (or any successor section thereto). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of stock of ISG or of any Subsidiary, unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two years after the date of grant of such ISO or (ii) within one year after the transfer of such Shares to the Participant, shall notify ISG of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options, unless the applicable Award agreement expressly states that the Option is intended to be an ISO. If an Option is intended to be an ISO, and if for any reason such Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a nonqualified stock option granted under the Plan; *provided* that such Option (or portion thereof) otherwise complies with the Plan s requirements relating to nonqualified stock options. In no event shall any member of the Committee, ISG or any of its Affiliates (or their respective employees, officers or directors) have any liability to any Participant (or any other Person) due to the failure of an Option to qualify for any reason as an ISO.

(e) *Attestation.* Wherever in this Plan or any agreement evidencing an Award a Participant is permitted to pay the exercise price of an Option or taxes relating to the exercise of an Option by delivering Shares, the Participant may, subject to procedures satisfactory to the Committee, satisfy such delivery requirement by presenting proof of beneficial ownership of such Shares, in which case ISG shall treat the Option as exercised without further payment and/or shall withhold such number of Shares from the Shares acquired by the exercise of the Option, as appropriate.

7. Terms and Conditions of Stock Appreciation Rights

(a) *Grants.* The Committee may grant (i) a Stock Appreciation Right independent of an Option or (ii) a Stock Appreciation Right in connection with an Option, or a portion thereof. A Stock Appreciation Right granted pursuant to clause (ii) of the preceding sentence (A) may be granted at the time the related Option is granted or at any time prior to the exercise or cancellation of the related Option, (B) shall cover the same number of Shares covered by an Option (or such lesser number of Shares as the Committee may determine) and (C) shall be subject to the same terms and conditions as such Option except for such additional limitations as are contemplated by this Section 7 (or such additional limitations as may be included in an Award agreement).

(b) *Terms.* The exercise price per Share of a Stock Appreciation Right shall be an amount determined by the Committee but in no event shall such amount be less than the Fair Market Value of a Share on the date the Stock Appreciation Right is granted (other than in the case of Stock Appreciation Rights granted in substitution of previously granted awards, as described in Section 4); *provided*, *however*, that in the case of a Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, the exercise price may not be less than the Option Price of the related Option. Each Stock Appreciation Right granted independent of an Option shall entitle a Participant upon exercise to an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the exercise price per Share, times (ii) the number of Shares covered by the Stock Appreciation Right. Each Stock Appreciation Right granted in conjunction with an Option, or a portion thereof, shall entitle a Participant to surrender to ISG the unexercised Option, or any portion thereof, and to receive from ISG in exchange therefore an amount equal to (i) the excess of (A) the Fair Market Value on the exercise date of one Share over (B) the Option Price per Share, times (ii) the number of Shares covered by the Option, or portion thereof, which is surrendered. Payment shall be made in Shares or in cash, or partly in Shares and partly in cash (any such Shares valued at such Fair Market Value), all as shall be determined by the Committee. Stock Appreciation Rights may be exercised from time to time upon actual receipt by ISG of written notice of exercise stating the number of Shares with respect to which the Stock Appreciation Right is being exercised. The date a notice of exercise is received by ISG shall be the exercise date. No fractional Shares will be issued in payment for Stock Appreciation Rights, but instead cash will be paid for a fraction or, if the Committee should so determine, the number of Shares will be rounded downward to the next whole Share.

(c) *Limitations.* The Committee may impose, in its discretion, such conditions upon the exercisability of Stock Appreciation Rights as it may deem fit, but in no event shall a Stock Appreciation Right be exercisable more than ten years after the date it is granted.

8. Other Stock-Based Awards

(a) *Generally.* The Committee, in its sole discretion, may grant or sell Awards of Shares, Awards of restricted Shares and Awards that are valued in whole or in part by reference to, or are otherwise based on the Fair Market Value of, Shares (Other Stock-Based Awards). Such Other Stock-Based Awards shall be in such form, and dependent on such conditions, as the Committee shall determine, including, without limitation, the right to receive, or vest with respect to, one or more Shares (or the equivalent cash value of such Shares) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Other Stock-Based Awards may be granted alone or in addition to any other Awards granted under the Plan. Subject to the provisions of the Plan, the Committee shall determine to whom and when Other Stock-Based Awards will be made, the number of Shares to be awarded under (or otherwise related to) such Other Stock-Based Awards; whether such Other

Stock-Based Awards shall be settled in cash, Shares or a combination of cash and Shares; and all other terms and conditions of such Awards (including, without limitation, the vesting provisions thereof and provisions ensuring that all Shares so awarded and issued shall be fully paid and non-assessable).

(b) *Performance-Based Awards.* Notwithstanding anything to the contrary herein, certain Other Stock-Based Awards granted under this Section 8 may be granted in a manner which is intended to be deductible by ISG under Section 162(m) of the Code (or any successor section thereto) (Performance-Based Awards). A Participant s Performance-Based Award shall be determined based on the attainment of written performance goals approved by the Committee for a performance period established by the Committee (i) while the outcome for that performance period is substantially uncertain and (ii) no more than 90 days after the commencement of the performance period to which the performance goal relates or, if less, the number of days which is equal to 25 percent of the relevant performance period. The performance goals, which must be objective, shall be based upon one or more of the following criteria: (i) consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization); (ii) net income; (iii) operating income; (iv) earnings per Share; (v) book value per Share; (vi) return on shareholders equity; (vii) expense management; (viii) return on investment; (ix) improvements in capital structure; (x) profitability of an identifiable business unit or product; (xi) maintenance or improvement of profit margins; (xii) stock price; (xiii) market share; (xiv) revenues or sales; (xv) costs; (xvi) cash flow; (xvii) working capital (xviii) return on assets and (xix) total shareholder return. The foregoing criteria may relate to ISG, one or more of its Affiliates or one or more of its or their divisions or units, or any combination of the foregoing, and may be applied on an absolute basis and/or be relative to one or more peer group companies or indices, or any combination thereof, all as the Committee shall determine. In addition, to the degree consistent with Section 162(m) of the Code (or any successor section thereto), the performance goals may be calculated without regard to extraordinary items. The maximum amount of a Performance-Based Award during a calendar year to any Participant shall be: (x) with respect to Performance-Based Awards that are denominated in Shares, 500,000 Shares and (y) with respect to Performance-Based Awards that are not denominated in Shares, $5,000,000. The Committee shall determine whether, with respect to a performance period, the applicable performance goals have been met with respect to a given Participant and, if they have, shall so certify and ascertain the amount of the applicable Performance-Based Award. No Performance-Based Awards will be paid for such performance period until such certification is made by the Committee. The amount of the Performance-Based Award actually paid to a given Participant may be less than the amount determined by the applicable performance goal formula, at the discretion of the Committee. The amount of the Performance-Based Award determined by the Committee for a performance period shall be paid to the Participant at such time as determined by the Committee in its sole discretion after the end of such performance period; provided, however, that a Participant may, if and to the extent permitted by the Committee and consistent with the provisions of Section 162(m) of the Code, elect to defer payment of a Performance-Based Award.

9. Adjustments Upon Certain Events

Notwithstanding any other provisions in the Plan to the contrary, the following provisions shall apply to all Awards granted under the Plan:

(a) *Generally.* In the event of any change in the outstanding Shares after the Effective Date by reason of any Share dividend or split, or in the event of any reorganization, recapitalization, merger, consolidation, spin-off, combination, combination or transaction or exchange of Shares or other corporate exchange, or any distribution to shareholders of Shares other than regular cash dividends, or any transaction similar to the foregoing, the Committee in its sole discretion and without liability to any person shall make such substitution or adjustment, if any, as it deems to be equitable (subject to Section 17 below), as to (i) the number or kind of Shares or other securities issued or reserved for issuance pursuant to the Plan or pursuant to outstanding Awards, (ii) the maximum number of Shares for which Options or Stock Appreciation Rights may be granted during a calendar year to any Participant (iii) the maximum amount of a Performance-Based Award that may be granted during a calendar year to any Participant, (iv) the Option Price or exercise price of any stock appreciation right and/or (v) any other affected terms of such Awards.

(b) *Change in Control.* In the event of a Change in Control after the Effective Date, (i) if determined by the Committee in the applicable Award agreement or otherwise at the time of the Change in Control, any outstanding Awards then held by Participants which are unexercisable or otherwise unvested or subject to lapse restrictions shall automatically be deemed exercisable or otherwise vested or no longer subject to lapse restrictions, as the case may be, as of immediately prior to such Change of Control and (ii) the Committee may (subject to Section 17 below), but shall not be obligated to, (A) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award, (B) cancel such Awards for fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, may equal the excess, if any, of value of the consideration to be paid in the Change in Control transaction to holders of the same number of Shares subject to such Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the Shares subject to such Options or Stock Appreciation Rights) over the aggregate exercise price of such Options or Stock Appreciation Rights, (C) provide for the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted hereunder as determined by the Committee in its sole discretion or (D) provide that for a period of at least ten (10) business days prior to the Change in Control, such Options shall be exercisable as to all shares subject thereto and that upon the occurrence of the Change in Control, such Options shall terminate and be of no further force and effect.

10. No Right to Employment or Awards

The granting of an Award under the Plan shall impose no obligation on ISG or any Affiliate to continue the Employment of a Participant and shall not lessen or affect ISG s or Affiliate s right to terminate the Employment of such Participant. No Participant or other Person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment of Participants, or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee s determinations and interpretations with respect thereto need not be the same with respect to each Participant (whether or not such Participants are similarly situated).

11. Successors and Assigns

The Plan shall be binding on all successors and assigns of ISG and a Participant, including without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant s creditors.

12. Nontransferability of Awards

Unless otherwise determined by the Committee, an Award shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Award exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

13. Amendments or Termination

The Board may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made, (a) without the approval of the shareholders of ISG, if such action would (except as is provided in Section 9 of the Plan), increase the total number of Shares reserved for the purposes of the Plan or change the maximum number of Shares for which Awards may be granted to any Participant or (b) without the consent of a Participant, if such action would materially diminish any of the rights of the Participant under any Award theretofore granted to such Participant under the Plan; *provided*, *however*, that the Committee may amend the Plan in such manner as it deems necessary to permit the granting of Awards meeting the requirements of the Code or other applicable laws (including, without limitation, to avoid adverse tax consequences to ISG or to Participants).

Without limiting the generality of the foregoing, to the extent applicable, notwithstanding anything herein to the contrary, this Plan and Awards issued hereunder shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code and related Department of Treasury guidance prior to payment to such Participant of such amount, ISG may (a) adopt such amendments to the Plan and Awards and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (b) take such other actions as the Committee determines necessary or appropriate to avoid the imposition of an additional tax under Section 409A of the Code.

14. International Participants

With respect to Participants who reside or work outside the United States of America and who are not (and who are not expected to be) covered employees within the meaning of Section 162(m) of the Code, the Committee may, in its sole discretion, amend the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, ISG or an Affiliate.

15. *Governing Law.*

This Plan shall be governed by applicable laws of the State of Delaware without regard to conflict of laws.

16. Effectiveness of the Plan

The Plan shall be effective as of the Effective Date, subject to the approval of the shareholders of ISG.

17 Section 409A Delay of Payment

Notwithstanding other provisions of the Plan or any Award agreements thereunder, no Award shall be granted, deferred, accelerated, extended, paid out or modified under this Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant. In the event that it is reasonably determined by the Committee that, as a result of Section 409A of the Code, payments in respect of any Award under the Plan may not be made at the time contemplated by the terms of the Plan or the relevant Award agreement, as the case may be, without causing the Participant holding such Award to be subject to taxation under Section 409A of the Code, ISG will make such payment on the first day that would not result in the Participant incurring any tax liability under Section 409A of the Code which, with respect to any Participant that is a specified employee within the meaning of Section 409A of the Code, will be no earlier than the first day following six months after termination of Employment (other than due to death), if such payment is payable in respect of such termination. ISG shall use commercially reasonable efforts to implement the provisions of this Section 17 in good faith; *provided* that neither ISG, the Committee nor any of ISG s employees, directors or representatives shall have any liability to Participants with respect to this Section 17.

Annex C

INFORMATION SERVICES GROUP, INC.

2007 EMPLOYEE STOCK PURCHASE PLAN

The following constitute the provisions of the 2007 Employee Stock Purchase Plan of Information Services Group, Inc.

1. ***Purpose.*** The purpose of the Plan is to provide employees of the Company and its Designated Subsidiaries with an opportunity to purchase Common Stock of the Company. The Company intends that the Plan qualify as an Employee Stock Purchase Plan under Section 423 of the Code. The provisions of the Plan shall, accordingly, be construed so as to extend and limit participation in a manner consistent with the requirements of that section of the Code.

2. ***Definitions.***

(a) ***Applicable Law*** means the legal requirements relating to the administration of an employee stock purchase plan under applicable U.S. state corporate and securities laws, U.S. federal securities laws, the Code, any stock exchange rules or regulations, and the applicable laws of any other country or jurisdiction, as such laws, rules, regulations and requirements shall be in place from time to time.

(b) ***Beneficial Owner*** means a beneficial owner , as such term is defined in Rule 13d-3 under the Exchange Act (or any successor rule thereto).

(c) ***Board*** means the board of directors of the Company.

(d) ***Code*** means the Internal Revenue Code of 1986, as amended from time to time.

(e) ***Committee*** means the Compensation Committee of the Board (or a subcommittee thereof), or such other committee of the Board (including, without limitation, the full Board) to which the Board has delegated power to act under or pursuant to the provisions of the Plan.

(f) ***Common Stock*** means the common stock of the Company, par value $0.001 per Share, or any securities into which such stock may be converted.

(g) ***Company*** means Information Services Group, Inc., a Delaware corporation.

(h) ***Compensation*** means base cash compensation and commissions earned by an Employee from the Company or a Designated Subsidiary, but excluding overtime, shift differentials, bonuses, incentive compensation, relocation, expense reimbursements, tuition and other reimbursements and income realized as a result of participation in any stock option, stock purchase, or similar plan of the Company or any Designated Subsidiary, and other forms of extraordinary compensation. The Committee shall have the authority to determine and approve all forms of pay to be included in the definition of Compensation and may change the definition on a prospective basis.

(i) ***Continuous Status as an Employee*** means the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of (i) sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Committee, provided that such leave is for a period of not more than three (3) months, unless reemployment upon the expiration of such leave is guaranteed by contract (including Company policy) or statute; or (iv) transfers between the Company and its Designated Subsidiaries.

(j) ***Contributions*** means all amounts credited to the account of a Participant pursuant to the Plan.

(k) ***Change in Control*** means the occurrence of any of the following events:

(i) the sale or disposition, in one or a series of related transactions, of all or substantially all, of the assets of the Company to any person or group (as such terms are defined in Sections 13(d)(3) or 14(d)(2) of the Exchange Act or any successor sections thereto) other than the Permitted Holders;

(ii) any person or group, other than the Permitted Holders, is or becomes the Beneficial Owner (except that a person shall be deemed to have beneficial ownership of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the voting stock of the Company (or any entity which controls the Company), including by way of merger, consolidation, tender or exchange offer or otherwise;

(iii) a reorganization, recapitalization, merger or consolidation (a *Corporate Transaction*) involving the Company, unless securities representing 66 2⁄3% or more of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the Company or the corporation resulting from such Corporate Transaction (or the parent of such corporation) are held subsequent to such transaction by the person or persons who were the Beneficial Owners of the outstanding voting securities entitled to vote generally in the election of directors of the Company immediately prior to such Corporate Transaction; or

(iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the shareholders of the Company was approved by a vote of a majority of the directors of the Company, then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board, then in office.

(l) ***Designated Subsidiary*** means a Subsidiary that has been designated by the Committee in its sole discretion, from time to time, as eligible to participate in the Plan with respect to its Employees.

(m) ***Effective Date*** means the date the Board and the shareholders of the Company approve the Plan.

(n) ***Employee*** means any person, including an Officer, who is an employee of the Company or one of its Designated Subsidiaries for tax purposes and who is customarily employed for at least twenty (20) hours per week and more than five (5) months in a calendar year by the Company or one of its Designated Subsidiaries; provided, however, that the Committee may establish administrative rules requiring that employment commence some minimum period (not to exceed thirty (30) days) prior to an Offering Date in order to be eligible to participate in the Offering Period beginning on that Offering Date.

(o) ***Exchange Act*** means the Securities Exchange Act of 1934, as amended from time to time.

(p) ***Fair Market Value*** means, as of a given date, (x) if there should be a public market for the Shares on such date, the closing price of the Shares as reported on such date on the Composite Tape of the principal national securities exchange on which such Shares are listed or admitted to trading; and (y) if there should not be a public market for the Shares on such date, the Fair Market Value shall be the value established by the Board in good faith.

(q) ***Offering Date*** means the first Trading Day of each Offering Period of the Plan.

(r) ***Offering Period*** means a period of time established by the Committee from time to time not to exceed twelve (12) months. The Offering Period may be evidenced by such documents are may be determined by the Committee in its sole discretion.

(s) ***Officer*** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(t) ***Participant*** shall mean an Employee who is eligible to, and elects to, be a participant in the Plan as provided in Section 5 and whose participation has not terminated in accordance with the terms of the Plan; provided however, that an Employee shall not be eligible to be a Participant in the Plan if, immediately after the grant of an option under the Plan, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary.

(u) ***Permitted Holder*** means any and all of an employee benefit plan (or trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other person (as such term is defined in Section 13(d)(3) or 14(d)(2) of the Exchange Act or any successor sections thereto) of which a majority of its voting power of its voting equity securities or equity interest is owned, directly or indirectly, by the Company.

(v) ***Plan*** means this Information Services Group, Inc. 2007 Employee Stock Purchase Plan.

(w) ***Purchase Date*** means the last Trading Day of each Offering Period of the Plan, or such earlier date as determined by the Committee in its sole discretion.

(x) ***Purchase Price*** means, with respect to an Offering Period, an amount equal to a percentage (not less than 90%) established by the Committee (the *Designated Percentage*) of the Fair Market Value of a Share on the Purchase Date, as adjusted by the Committee pursuant to Section 18 in accordance with Section 424(a) of the Code. The Committee may change the Designated Percentage with respect to any future Offering Period.

(y) ***Securities Act*** shall mean the Securities Act of 1933, as amended from time to time.

(z) ***Share*** means a share of Common Stock, as adjusted in accordance with Section 18 of the Plan.

(aa) ***Subsidiary*** means any entity treated as a corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, within the meaning of Section 424(f) of the Code, whether or not such corporation now exists or is hereafter organized or acquired by the Company or a Subsidiary.

(bb) ***Trading Day*** shall mean a day on which U.S. national stock exchanges are open for trading and the Common Stock is being publicly traded on one or more of such markets.

3. ***Eligibility.***

(a) Any person who is an Employee as of the Offering Date of a given Offering Period shall be eligible to participate in such Offering Period under the Plan, subject to the requirements of this Section 3, Section 5(a) and the limitations imposed by Section 423(b) of the Code.

(b) Any provisions of the Plan to the contrary notwithstanding, no Employee shall be granted an option under the Plan (i) if, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding options to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary, or (ii) if such option would permit his or her rights to purchase Common Stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds Twenty-Five Thousand Dollars ($25,000) of the Fair Market Value of such Common Stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

(c) All Employees who participate in the Plan shall have the same rights and privileges under the Plan, except for differences that may be mandated by local law and that are consistent with Section 423(b)(5) of the Code; provided that individuals participations in a sub-plan adopted pursuant to Section 24 which is not designed to qualify under Section 423 of the Code need not have the same rights and privileges as Employees participating in the Plan as established to qualify under Section 423 of the Code.

4. ***Offering Periods.*** The Plan shall be implemented by a series of Offering Periods of approximately six (6) months duration. The Committee shall have the power to change the duration and/or the frequency of Offering Periods with respect to future Offering Periods if such change is announced at least five (5) days prior to the scheduled beginning of the first Offering Period to be affected, subject to compliance with Applicable Laws.

5. ***Participation.***

(a) An eligible Employee may become a Participant in the Plan by completing a subscription agreement and any other required documents (all such documents, the *Enrollment Documents*) provided by the Company and submitting them to the Company or, as applicable, the stock brokerage or other financial services firm designated by the Company (the *Designated Broker*) within the period set by the Committee with respect to a given Offering Period. The Enrollment Documents and their submission may be electronic, as directed by the Company.

(b) Payroll deductions shall commence on the date of the first paycheck paid on or after the Offering Date and shall end on the date of the last paycheck paid on or prior to the Purchase Date of the Offering Period to which the Enrollment Documents are applicable, unless sooner terminated by the Participant as provided in Section 10.

(c) Once an eligible Employee becomes a Participant in the Plan, he or she will automatically participate in all subsequent Offering Periods at the same Contribution rate, unless he or she (i) submits new Enrollment Documents or (ii) withdraws from participation in the Plan as provided in Section 10.

6. ***Method of Payment of Contributions.***

(a) A Participant shall elect to have payroll deductions made on each payday during the Offering Period at the rate of any whole percentage of the Participant s Compensation not less than one percent (1%) and not more than ten percent (10%) (or such greater percentage as the Committee may establish from time to time before an Offering Date). All Contributions made by a Participant will be credited to a bookkeeping account in his or her name under the Plan. A Participant may not make any additional payments into the Plan. Notwithstanding the foregoing, in locations in which Applicable Law prohibits payroll deductions, an eligible Employee may elect to participate through contributions to his or her account under the Plan in a form acceptable to the Committee, and such Employees shall be deemed to be participating in a sub-plan, unless the Committee otherwise expressly provides that such Employees shall be treated as participating in the Plan.

(b) The Committee may establish rules pertaining to the changes to the rate of a Participant s Contributions, limiting the frequency with which Participants may change his or her rate of participation, the timing of the elections for such changes, and whether or not changes may effectuate an increase in Contributions or only a decrease in Contributions. A Participant may change his or her rate of Contributions with respect to current or future Offering Periods by filing new Enrollment Documents at such times and on such terms as specified by the Committee.

(c) To the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b) herein, a Participant s payroll deductions may be decreased by the Company to 0% during any Offering Period scheduled to end during the current calendar year. Payroll deductions shall re-commence at the rate provided in such Participant s then-effective Enrollment Documents at the beginning of the first Offering Period that is scheduled to end in the following calendar year. In addition, a Participant s payroll deductions may be decreased by the Company to 0% at any time during an Offering Period in order to avoid unnecessary payroll contributions as a result of application of the maximum share limit set forth in Section 8, in which case payroll deductions shall re-commence at the rate provided in such Participant s then-effective Enrollment Documents at the beginning of the next Offering Period.

7. ***Grant of Option.*** On the Offering Date of each Offering Period, each eligible Employee shall be granted an option to purchase on each Purchase Date a number of Shares determined by dividing the accumulated Contributions credited to the Participant s account as of the Purchase Date by the applicable Purchase Price. An option will expire upon the earliest to occur of (i) the failure of a newly eligible Employee to complete and submit the Enrollment Documents by the date determined by the Committee with respect to that Offering Period, (ii) the termination of a Participant s participation in the Plan, (iii) the exercise of the option on the Purchase Date or (iv) the termination of the Offering Period or the Plan as provided in the Plan.

8. ***Exercise of Option.***

(a) Unless a Participant withdraws from the Plan as provided in Section 10, and except as otherwise provided in Sections 7, 18, 19 or 21, the Participant s option for the purchase of Shares will be exercised automatically on the Purchase Date of the Offering Period for the purchase of that number of whole Shares that can be purchased under the option with the accumulated Contributions credited to the Participant s account at the applicable Purchase Price. Notwithstanding the foregoing, and in addition to any other limitations set forth in the Plan and under Applicable Law, no Participant shall be granted an option under the Plan if such option would permit his or her rights to purchase Common Stock under all employee stock purchase plans (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate that exceeds Twenty-Five Thousand Dollars ($25,000) of the Fair Market Value of such Common Stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time, in each case subject to any adjustment pursuant to Section 18 below. The Company shall retain the full amount of Contributions used to purchase Common Stock as payment for the Common Stock.

(b) For tax purposes, the Shares purchased upon exercise of an option hereunder shall be deemed to be sold to the Participant on the Purchase Date. The Company or its designee may make such provisions and take such action as it deems necessary or appropriate for the withholding of taxes and/or social insurance or other payroll deductions as required by Applicable Law. Each Participant is responsible for the payment of all individual tax liabilities arising under the Plan, including with respect to the sale or other disposition of Shares acquired under the Plan.

9. ***Delivery.***

(a) The Company will deliver Shares purchased under the Plan (or a record thereof) as promptly as possible. The Committee may permit or require that Shares purchased under the Plan be deposited directly with the Designated Broker, and the Committee may utilize electronic or automated methods of Share transfer; *provided*, *however*, the Participant s Shares shall be subject to a transfer restriction during the six month period immediately following the Purchase Date. The Committee may require that Shares be retained with the Designated Broker for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such Shares. A disqualifying disposition is any sale or other disposition which is made within two years after the Offering Date or within one year after the Purchase Date. A qualifying disposition will occur if the sale or other disposition of the Shares is made after the Shares have been held for more than two years after the Offering Date and more than one year after the Purchase Date. Participants are urged to consult their personal tax advisors regarding the specific U.S. federal, state, local and foreign income and other tax consequences applicable to dispositions.

(b) The Committee may in its discretion direct the Company to retain in a Participant s account for the subsequent Offering Period any payroll deductions which are not sufficient to purchase a whole Share of Common Stock or return such amount to the Participant. Any other amounts left over in a Participant s account after a Purchase Date shall be returned to the Participant.

(c) No Participant shall have any voting, dividend, or other stockholder rights with respect to Shares subject to any option granted under the Plan until the Shares subject to the option have been purchased and delivered to the Participant as provided in this Section 9.

10. ***Voluntary Withdrawal; Termination of Employment.***

(a) A Participant may terminate his or her participation in the Plan and withdraw all of the Contributions credited to his or her account under the Plan prior to a Purchase Date by submitting a completed Notice of Withdrawal form to the Company (or, as applicable, the Designated Broker). As soon as practicable following the Company s receipt of the Notice of Withdrawal, all of the Participant s Contributions credited to his or her account will be returned without any interest thereon, and no further Contributions for the purchase of Shares will be made during the Offering Period. The Committee may establish rules (i) pertaining to the timing of withdrawals, (ii) limiting the frequency with which Participants may withdraw and re-enroll and (iii) imposing a waiting period on Participants wishing to re-enroll following withdrawal.

(b) Upon termination of the Participant s Continuous Status as an Employee prior to the Purchase Date of an Offering Period for any reason, the Contributions credited to his or her account will be returned to him or her or, in the case of his or her death, to the person or persons entitled thereto, and his or her option will be automatically terminated.

(c) The Committee may establish rules regarding when leaves of absence or changes of employment status will be considered to be a termination of employment, and the Committee may establish termination-of-employment procedures for this Plan that are independent of similar rules established under other benefit plans of the Company and its Designated Subsidiaries; provided that such procedures are not in conflict with the requirements of Section 423 of the Code.

11. ***Interest.*** No interest shall accrue on the Contributions of a Participant in the Plan.

12. ***Stock.***

(a) Subject to adjustment as provided in Section 18, the maximum number of Shares that may be made available for sale and which may be issued under the Plan shall be 1,200,000 Shares. The Shares may consist, in whole or in part, of unissued Shares, treasury Shares, or Shares purchased by the Company on the open market. The issuance of Shares pursuant to the Plan shall reduce the total number of Shares that may be made available for sale and which may be issued under the Plan.

(b) If the Committee determines that, on a given Purchase Date, the number of Shares with respect to which options are to be exercised may exceed (1) the number of Shares that were available for sale under the Plan as of the Offering Date, or (2) the number of Shares available for sale under the Plan with respect to that Offering Period, the Committee may in its sole discretion provide for a pro rata allocation of the Shares available for purchase in that Offering Period in as uniform a manner as shall be practicable and equitable among all Participants in that Offering Period and either (i) continue the Plan or (ii) terminate the Plan pursuant to Section 19 below.

13. ***Administration.***

(a) The Committee will have the authority and responsibility for the day-to-day administration of the Plan as well as the authority and responsibility specifically provided in this Plan, in addition to any other duties, responsibilities and authority delegated to the Committee by the Board. The Committee may delegate to one or more individuals the day-to-day administration of the Plan. The Committee shall have full power and authority to (i) adopt, amend and rescind any Plan rules which it deems desirable and appropriate for the proper administration of the Plan, (ii) construe and interpret the provisions of the Plan, (iii) supervise the administration of the Plan, (iv) make factual determinations relevant to Plan entitlements and (v) take all other actions in connection with administration of the Plan as it deems necessary or advisable, consistent with any delegation from the Board. Decisions of the Board and the Committee shall be final and binding upon all Participants.

(b) Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, the Committee shall be entitled to change the timing of future Offering Periods, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company s processing of properly completed withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant s Compensation, and establish such other limitations or procedures as the Committee determines in its sole discretion advisable that are consistent with the Plan.

14. ***Designation of Beneficiary.*** The Committee may establish rules pertaining to the designation by the Participant of a beneficiary who is to receive any Shares and cash, if any, from the Participant s account under the Plan in the event of such Participant s death subsequent to the end of an Offering Period.

15. ***Transferability.*** During his or her lifetime, a Participant s option to purchase Shares hereunder is exercisable only by him or her. Neither Contributions credited to a Participant s account nor any rights with regard to the exercise of an option or the receipt of Shares under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution, or as provided in Section 14) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan in accordance with Section 10.

16. ***Use of Funds.*** All Contributions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such Contributions.

17. ***Reports.*** Individual accounts will be maintained for each Participant in the Plan. Statements of account will be provided to Participants by the Company or the Designated Broker at least annually, which statements will set forth the amounts of Contributions, the per Share Purchase Price, the number of Shares purchased and the remaining cash balance, if any.

18. ***Adjustments Upon Changes in Capitalization; Corporate Transactions.***

(a) ***Adjustment.*** Subject to any required action by the stockholders of the Company, in the event of any change in the Common Stock subject to the Plan or subject to or underlying any outstanding option, by reason of any stock dividend, stock split, reverse stock split, reorganization, recapitalization, merger, consolidation, spin-off, combination, exchange of Shares or other corporate exchange, or any distribution or dividend to stockholders of Common Stock (whether paid in cash or otherwise) or any transaction similar to the foregoing, the Board in its sole discretion and without liability to any person may make such substitution or adjustment, if any, as it deems to be equitable to (i) the number and kind of Shares or other securities that have been authorized for issuance under the Plan but have not yet been placed under option, including the number of Shares set forth in Section 12(a) above, (ii) the maximum number of Shares that may be purchased by a Participant and/or by all Participants in an Offering Period as set forth in Section 8, (iii) the number and kind of Shares or other securities covered by each option under the Plan that has not yet been exercised, (iv) the Purchase Price per Share covered by each option under the Plan that has not yet been exercised and (v) any other affected terms of the Plan or any outstanding option. Such adjustment shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issue by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an option.

(b) ***Corporate Transactions.*** In addition to the provisions of Section 18(a) above:

(i) In the event of a dissolution or liquidation of the Company, and unless otherwise provided by the Board, (x) any Offering Period then in progress, and any options outstanding thereunder will terminate prior to the consummation of such transaction and (y) all Contributions will be refunded to the Participants.

(ii) In the event of a Change in Control, the Board may provide, in its sole discretion, for any of the following: (1) each option shall be assumed or an equivalent option shall be substituted by the successor corporation or parent or subsidiary of such successor entity, (2) a date established by the Board on or before the date of consummation of such Change in Control shall be treated as a Purchase Date, and all outstanding options shall be exercised on such date, (3) all outstanding options shall terminate and all Contributions will be refunded to the Participants, and/or (4) all outstanding options shall continue unchanged.

19. ***Amendment or Termination.*** The Board may, at any time and for any reason, terminate, suspend or amend the Plan; provided, however, that no such actions may adversely affect outstanding options except as provided in Section 18 and this Section 19. Notwithstanding the foregoing, the Board may terminate or suspend the Plan and/or an on-going Offering Period if the Board determines that such action is in the best interests of the Company and the stockholders. Upon a termination or suspension of the Plan, the Board may in its discretion (i) return without interest, the Contributions credited to Participants accounts to such Participants or (ii) set an earlier Purchase Date with respect to an Offering Period then in progress. The Company shall obtain stockholder approval of any amendments or terminations in such a manner and to such a degree as required by Applicable Law.

20. ***Notices.*** All notices or other communications by an Employee to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. ***Conditions Upon Issuance of Shares.*** Shares shall not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance. In connection with the granting or exercise of an option, the Company may require a Participant to make such representations and warranties which, in the opinion of counsel for the Company, are required by Applicable Law.

22. ***Term of Plan; Effective Date.*** This Plan shall be effective on the Effective Date. It shall continue in effect for a term of ten (10) years from the Effective Date unless sooner terminated under Section 19.

23. ***Additional Restrictions of Rule 16b-3.*** The terms and conditions of options granted hereunder to, and the purchase of Shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b-3. This Plan shall be deemed to contain, and such options shall contain, and the Shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

24. ***Rules for Foreign Jurisdictions.*** The Committee may adopt rules or procedures relating to the operation and administration of the Plan to accommodate the specific requirements of Applicable Laws. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules and procedures regarding handling of payroll deductions or other contributions by Participants, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates which vary with local requirements; however, if such varying provisions are not in accordance with the provisions of Section 423(b) of the Code, including but not limited to the requirement of Section 423(b)(5) of the Code that all options granted under the Plan shall have the same rights and privileges unless otherwise provided under the Code and the regulations promulgated thereunder, then the individuals affected by such varying provisions shall be deemed to be participating under a sub-plan and not the Plan. The Committee may also adopt sub-plans applicable to particular Designated Subsidiaries or locations, which sub-plans may be designed to be outside the scope of Section 423 of the Code. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of Section 12, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

25. ***No Enlargement of Rights.*** Nothing contained in this Plan shall be deemed to give any Employee or other individual the right to be retained in the employ or service of the Company or any Subsidiary or to interfere with the right of the Company or any Subsidiary to discharge any Employee or other individual at any time, for any reason or no reason, with or without notice.

26. ***Lock-Up.*** By electing to participate in the Plan, the Participant agrees that the Company (or a representative of the underwriter(s)) may, in connection with any underwritten registration of the offering of any securities of the Company under the Securities Act, require that the Participant not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company held by the Participant (including but not limited to any Shares purchased under the Plan), for a period of time specified by the underwriter(s) following the effective date of the registration statement of the Company filed under the Securities Act. The Participant further agrees to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop transfer instructions with respect to Shares of Common Stock until the end of such period. The underwriters of the Company s stock are intended third party beneficiaries of this section and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

27. ***Governing Law***. This Plan shall be governed by applicable laws of the State of Delaware without regard to conflict of laws.

Annex D

EVERCORE GROUP L.L.C.

April 24, 2007

Members of the Board of Directors
Information Services Group, Inc.
Four Stamford Plaza
107 Elm Street
Stamford, CT 06902

Members of the Board of Directors:

We understand that Information Services Group, Inc., a Delaware corporation (ISG or the Company), proposes to enter into a Purchase Agreement, dated as of the date hereof (the Purchase Agreement), with MCP-TPI Holdings, LLC, a Texas limited liability company (MCP), which beneficially owns all of the issued and outstanding shares of capital stock (the Shares) of TPI Advisory Services Americas, Inc., a Texas corporation (TPI), pursuant to which ISG will purchase the Shares from MCP (the Transaction). We further understand that the purchase price is to be $280 million in cash plus an amount equal to the normalized cash and cash equivalents of TPI and its Subsidiaries as of 11:59 p.m. Central Time on the day immediately prior to the date hereof (the Consideration). The terms and conditions of the Transaction are more fully set forth in the Purchase Agreement and terms used herein and not defined shall have the meanings ascribed in the Purchase Agreement.

You have asked us for our opinion as to whether the Consideration to be paid in the Transaction is fair, from a financial point of view, to ISG.

In connection with rendering our opinion, we have, among other things:

(i) Reviewed the Purchase Agreement dated as of April 24, 2007;

(ii) Reviewed certain non-public internal financial statements and other non-public financial and operating data relating to TPI that were prepared and furnished to us by the management of TPI;

(iii) Reviewed certain financial projections relating to TPI that were provided to us for use in connection with this opinion by the management of the Company;

(iv) Discussed the past and current operations, financial projections and current financial condition of TPI with the management of TPI;

(v) Compared the financial performance of TPI with that of certain publicly-traded companies and their securities that we deemed relevant;

(vi) Reviewed the financial terms of certain publicly available transactions that we deemed relevant; and

(vii) Performed such other analyses and examinations and considered such other factors that we deemed appropriate.

For purposes of our analysis and opinion, we have assumed and relied upon, without undertaking any responsibility for independent verification of, the accuracy and completeness of the information publicly available, and the information supplied or otherwise made available to, discussed with, or reviewed by us, and assume no liability therefor. For purposes of rendering this opinion, members of the management of the Company have provided us certain financial projections relating to TPI. With respect to the financial projections, we have assumed that they have been reasonably prepared on bases reflecting the best available estimates and good faith judgments of the future competitive, operating and regulatory environments and related financial performance of TPI.

For purposes of rendering our opinion, we have assumed, with your consent, that the representations and warranties of each party contained in the Purchase Agreement are true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the Purchase Agreement and that all conditions to the consummation of the Purchase will be satisfied without waiver or modification thereof, except, in each case, as would not be material to our analysis. We have further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the Transaction will be obtained without any delay, limitation, restriction or condition that would, in any respect material to our analysis, have an adverse effect on TPI or ISG or the consummation of the Transaction.

We have not made, nor assumed any responsibility for making, any independent valuation or appraisal of the assets or liabilities of TPI or any of its subsidiaries, nor have we been furnished with any such appraisals, nor have we evaluated the solvency or fair value of TPI or any of its subsidiaries under any state or federal laws relating to bankruptcy, insolvency or similar matters. Our opinion is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It is understood that subsequent developments may affect this opinion and that we do not have any obligation to update, revise or reaffirm this opinion. Our opinion does not constitute a recommendation to any holder of ISG Common Stock as to how such holder vote his or her common stock in connection with the Transaction.

We have not been asked to pass upon, and express no opinion with respect to, any matter other than the fairness from a financial point of view, as of the date hereof, of the Consideration to be paid in the Transaction, to ISG. We have assumed that any modification to the structure of the transaction will not vary in any respect material to our analysis. Our opinion does not address the relative merits of the Transaction as compared to other business or financial strategies that might be available to the Company, nor does it address the underlying business decision of the Company to engage in the Transaction. We are not legal, regulatory, accounting or tax experts and have assumed the accuracy and completeness of assessments by the Company and its advisors with respect to legal, regulatory, accounting and tax matters.

We have acted as financial advisor to the Board of Directors in connection with the Transaction and will receive a fee for rendering this opinion. We will receive an additional fee, which represents the principal portion of the total fee that we may receive from the Company, that is conditioned on the consummation of the Transaction. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us for certain liabilities arising out of our engagement.

It is understood that this letter and the opinion expressed herein is for the information of the Board of Directors in connection with and for the purposes of their evaluation of the Transaction, and is not to be used or relied upon for any other purpose. This opinion may not be disclosed, quoted, referred to or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written consent, except a copy of this opinion may be included in its entirety in any filing the Company is required to make with the Securities and Exchange Commission in connection with this Transaction if such inclusion is required by applicable law, provided that this opinion is reproduced in such filing in full and any description of or reference to us or summary of this opinion and the related analyses in such filing is in a form reasonably acceptable to us and our counsel.

[Signature page follows]

April 24, 2007
Page 3

Based upon and subject to the foregoing, it is our opinion that as of the date hereof, the Consideration to paid in the Transaction is fair, from a financial point of view, to the Company.

Very truly yours,
EVERCORE GROUP L.L

By:

D-3

Information Services Group, Inc.

COMMON STOCK

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS
FOR THE SPECIAL MEETING OF STOCKHOLDERS NOVEMBER 13, 2007

The undersigned, a stockholder of INFORMATION SERVICES GROUP, INC. (the Company), does hereby appoint Earl Doppelt and Frank Martell, or either of them, proxies with full power of substitution, for and in the name of the undersigned to attend the Special Meeting of stockholders of the Company to be held at the offices of the Company, Four Stamford Plaza, 107 Elm Street, Stamford, Connecticut 06902, on November 13, 2007 at 10:00 a.m. Eastern Time, or at any adjournment or postponement thereof, and there to vote, as designated on the reverse side, all shares of Common Stock of said Company which the undersigned would be entitled to vote if personally present at said meeting. The undersigned hereby revokes any proxy heretofore given and acknowledges receipt of the Notice of Special Meeting and Proxy Statement dated October 17.

This proxy is revocable and will be voted as directed by the undersigned. The Board of Directors of Information Services Group, Inc. recommends a vote FOR proposals 1, 2, 3, and 4. If this proxy is signed and returned but does not specify a vote on any proposal, this proxy will be voted FOR any such proposal.

YOUR VOTE IS IMPORTANT!

PLEASE MARK, SIGN, DATE, AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on the reverse side)

SEE REVERSE SIDE TO CAST VOTE

SPECIAL MEETING OF STOCKHOLDERS OF

Information Services Group, Inc.

COMMON STOCK

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS FOR THE SPECIAL MEETING OF STOCKHOLDERS NOVEMBER 13, 2007

Please sign, date and mail

your proxy card in the

envelope provided

as soon as possible.

Please detach along perforated line and mail in the envelope provided.

PLEASE MARK, SIGN, DATE AND MAIL YOUR PROXY CARD PROMPTLY Votes MUST be indicated (x) in Blue or Black Ink as shown here x

The Board of Directors recommends a vote FOR proposal 1.

1. Approval of the Acquisition Proposal a proposal to adopt the Purchase Agreement, dated as of April 24, 2007 (and amended as of September 30, 2007), by and between MCP-TPI Holdings, LLC and Information Services Group, Inc. (ISG), and to approve the acquisition contemplated thereby, pursuant to which ISG will acquire all of the outstanding shares of capital stock of TPI Advisory Services Americas, Inc. for approximately $230 million in cash plus warrants exercisable into 5 million shares of ISG common stock at an exercise price of $9.18 per share.

For	Against	Abstain
o	o	o

If you voted AGAINST the acquisition proposal and you hold shares of ISG common stock issued as part of the units issued in the ISG initial public offering, you may exercise your conversion rights and demand that ISG convert your shares of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of ISG s initial public offering are held, by marking the Exercise Conversion Rights box below. You must affirmatively vote against the acquisition proposal and demand that ISG convert your shares into cash no later than the close of the vote on the acquisition proposal in order to exercise your conversion rights.

If you exercise your conversion rights, then you will be exchanging your shares of ISG common stock for cash and will no longer own these shares. You will only be entitled to receive cash in connection with the conversion of these shares if the acquisition is completed and you continue to hold these shares through the closing date of the acquisition and tender your physical stock certificate to our stock transfer agent. Failure to (a) vote against the adoption of the acquisition proposal, (b) check the following box or, alternatively, demand conversion in writing, (c) continue to hold your shares of common stock through the closing date and tender your physical stock certificate to our stock transfer agent or (d) submit this proxy in a timely manner will result in the loss of your conversion rights. If you return your proxy card without an indication of how you wish to vote, your shares will be voted for the adoption of the acquisition proposal and you will not be eligible to have your shares converted. If you hold the shares in street name and wish to tender your shares in connection with the exercise of your conversion rights, you will need to instruct your bank or broker to withdraw the shares from your account and request that a physical stock certificate be issued in your name. Please call Earl Doppelt at ISG at 203-517-3100 for additional information on exercising your conversion rights.

I Hereby Exercise My Conversion Rights

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The Board of Directors recommends a vote FOR proposal 2.

2. Approval of the Equity Incentive Plan Proposal a proposal to approve the 2007 Equity Incentive Plan.

For	Against	Abstain
o	o	o

The Board of Directors recommends a vote FOR proposal 3.

3. Approval of the Employee Stock Purchase Plan Proposal a proposal to approve the 2007 Employee Stock Purchase Plan.

For	Against	Abstain
o	o	o

The Board of Directors recommends a vote FOR proposal 4.

4. Approval of the Adjournment Proposal a proposal to authorize the adjournment of the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event there are insufficient votes for, or otherwise in connection with, the adoption of the acquisition proposal and the transactions contemplated thereby, the equity incentive plan proposal or the employee stock purchase plan proposal.

For	Against	Abstain
o	o	o

I PLAN TO ATTEND THE SPECIAL MEETING. o

Note: Please sign exactly as name or names appear hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Date

Signature

Co-Owner Sign Here

Title(s)

TO CHANGE YOUR ADDRESS, PLEASE MARK THIS BOX o

AND INDICATE YOUR NEW ADDRESS IN THE SPACE ABOVE