

the voice of technology

The Voice of Technology is a bi-monthly publication of the Northern Virginia Technology Council. www.nvfc.org

One HOT Summer ...
Hot Tickets!
Hot Party!
Hot Funding!

July/August 2007

NVTC

northern virginia technology council magazine

Inside:
11th Annual
Greater Washington
Technology CFO Awards
NVTC Hot Ticket Awards
Committee Connection

THE RIGHT TOOLS

DESIGNING THOROUGH, COST-EFFECTIVE

insurance protection and smart risk management programs requires the right resources. **All the best tools** for your business are found in one place: NVTC's member programs, RiskNet™ for property & casualty and BeneNet for employee benefits.

RISKNET

BENENET



Inquire today. **Call 800-648-4807**
or visit www.nvtc.org/insurance.htm.

CARPATHIA

HOSTING, INC

Proud Sponsors of NVTC

Carpattia Hosting provides enterprise application hosting for government agencies and businesses that require 100% application availability. Employing dynamic technologies that remove hardware dependencies and improve efficiencies, Carpathia Hosting solutions strive to reduce operational costs while surpassing SLA requirements.

Services we offer:

- ❖ Servers
- ❖ Virtual Servers
- ❖ Firewall & Load Balancing
- ❖ Backup
- ❖ Colocation
- ❖ Spam Firewall
- ❖ Monitoring

www.CarpattiaHosting.com

888.200.9494

features

Virginia: Filling the Gap for Entrepreneurs	p. 8
NVTC Hot Ticket Awards Finalists & Winners	p. 12
11th Annual Greater Washington Technology CFO Awards	p. 20
Events@nvtc	p. 22
<i>another voice</i> <i>Mergers & acquisitions after the new SBA rules</i>	p. 27
NVTC Golf Tournament <i>\$32,000 for Equal Footing Foundation youth educational programs</i>	p. 29
Koelemay's Kosmos	p. 30

council business

Message from the Board	p. 5
Bits & Bytes	p. 7
New and Renewing Members	p. 28

Northern Virginia Technology Council

2214 Rock Hill Road, Suite 300, Herndon, VA 20170
(703) 904-7878 / fax: (703) 904-8008

Mission

The Northern Virginia Technology Council (NVTC) is the membership and trade association for the technology community in Northern Virginia and is the largest technology council in the nation. NVTC has about 1,100 member companies representing more than 200,000 employees. Its membership includes companies from all sectors of the technology industry and the service providers that support those companies as well as universities, foreign embassies, non-profit organizations and governmental agencies. NVTC is recognized as the nation's leader in providing its technology community with networking and educational events, specialized services and benefits, public policy advocacy, branding of its region as a major global technology center, initiatives in targeted business sectors and in the international, entrepreneurship, workforce and education arenas, the Equal Footing Foundation that focuses on venture philanthropy and public/private partnerships and The Entrepreneur Center @NVTC to mentor new technology entrepreneurs.

The Voice of Technology is published six times per year by the Northern Virginia Technology Council. It is the official magazine of NVTC. ©Copyright 2007 by NVTC. All rights reserved. No part of this publication may be reproduced in part or whole without the express written consent of NVTC. For reprint information, contact *The Voice of Technology*, 2214 Rock Hill Road, Suite 300, Herndon, VA 20170 fax: (703) 904-8008. *The Voice of Technology* publishes articles authored by industry professionals. The opinions and/or positions expressed in these articles are not necessarily those of NVTC. NVTC encourages its members to submit story ideas and comments to: experts@nvtc.org.

NVTC Business Partners



EQUAL FOOTING FOUNDATION

*congratulates our award-winning
Computer Clubhouse 2007 Graduating Seniors*

These students, from eight area high schools in Northern Virginia, have regularly participated in the Computer Clubhouse program.

John Brownlee

Janaya Cannon

John Cherry

George Hamlett

Codero Holt

Chaya Jones

Irene Morrison-Moncure

Luis A. Oliva

Cornell Redfern

Courtney Rhodes

Andrew Shepperd

Johnetta Vaughn

Marcus Wade

Melinda Wright

Equal Footing Foundation supports educational and youth development programs through six Fairfax County Computer Clubhouses serving 1,500 students a week.

MESSAGE FROM THE BOARD

Entrepreneurship is rooted in innovation. Always has been, always will be. In introducing this edition of *The Voice of Technology*, I'll briefly address just a few of the traits of those successful businesspeople and companies who set out to shake foundations, to disrupt the status quo, and to create the products and services that consumers rush to embrace. Perhaps you'll see a bit of yourself in this picture.

Self-awareness is second nature to the entrepreneur. He or she can tell you in seconds flat who their company is, why they exist and how they ultimately benefit their customers. To be able to neatly encapsulate an entire *raison d'être* in a few sentences is a gift—to customers, employees, stakeholders and fellow “elevator riders” alike.

Also ingrained in the entrepreneurial mind is patience. No revolution—in business or otherwise—has ever happened overnight.

It helps greatly to have an immunity to negativity, as well. Business innovators chart their own course—and while they're always accepting of constructive criticism from trusted sources, they don't allow other companies and competitors to dictate to them what “success” actually means. When you're creating the road map as you go, proceeding confidently ahead on your own terms and enjoying the journey, reaching your next corporate milestone is that much more satisfying.

Similarly, having a tolerance for failure is also acceptable as long as you're failing in a positive direction. In uncharted territory, missteps will invariably occur, and despite your best efforts, you may not always make the most profitable or most prudent decision at any given time. The people who matter will be forgiving, as long as they are true believers in your mission and can see progress. Accepting the occasional setback as merely a cost of doing business is one of the hallmarks of a future-focused organization.

But perhaps the most important component of entrepreneurship and innovation, to me, is being able to stand for something. Visionaries know that the way to ensure business longevity is to offer a product or service that is truly meaningful in people's lives; profits will follow as a matter of course. To use my own company as an example, NeuStar was founded to meet the many technical and operational challenges the communications industry faced when the U.S. government mandated local number portability in 1996, but we didn't stop there. We had, and continue to have, a goal of connecting “anyone, anywhere, anytime” through converged, next-generation, mobile, feature-rich communications. Consumers will settle for nothing less than multi-billion point connectivity across thousands of networks around the world—and NeuStar is acting accordingly, every day.

It's been said that if you want better answers, you need to ask better questions. Some of the brightest and most innovative minds in America—some of them right here in Northern Virginia—are building tomorrow's world-class businesses today, and I believe that the one query they all have in common is “Why not?”

Jeff Ganek

Jeff Ganek
NVTC Board Member
Chairman and CEO, NeuStar



OFFICERS

Chairman

John C. Lee, IV, Lee Technologies
jlee@leetechnologies.com

Vice Chairman

Donna Morea, CGI
donna.morea@cgi.com

Vice Chairman

Jim Duffey, EDS
jim.duffey@eds.com

President & CEO

Bobbie Kilberg, Northern Virginia Technology Council
bkilberg@nvtc.org

Secretary

John Love, AH&T Insurance
jlove@ahnts.com

Treasurer

John Mendonca, KPMG LLP
jmendonca@kpmg.com

General Counsel

Scott Hommer, Venable LLP
shommer@venable.com

Public Relations Advisor

Doug Poretz, Qorvis Communications
dporetz@qorvis.com

PROFESSIONAL STAFF

Bobbie Kilberg

President & CEO, NVTC
bkilberg@nvtc.org

Christine Kallivokas

Chief Operating Officer
christine@nvtc.org

Josh Levi

Vice President for Policy
jlevi@nvtc.org

Randy Cisler

Controller
Human Resources Administrator
rcisler@nvtc.org

Colleen Hahn

President/Executive Director
Equal Footing Foundation
(formerly NVTC Foundation)
chahn@nvtc.org

John F. Cissel

Director
Membership Development
jcissel@nvtc.org

Pamela Covington

Director
Committee Activities
pcovington@nvtc.org

Tia Gibbs

Editor
Director
Production and Design
tgibbs@nvtc.org

Tarin Heilman

Director
Programs and Events
theilman@nvtc.org

Sandra Henderson

IT Manager and Web Master
shenderson@nvtc.org

Barbara Johnson

Receptionist
Administrative Assistant
bjohnson@nvtc.org

Tracy MacDonald

Membership Coordinator
tmacdonald@nvtc.org

Nicole Numbers

Event Coordinator
nnumbers@nvtc.org

Robin Randall

Director
Member Relations
rrandall@nvtc.org

Alison Saltys

Registration Coordinator
asaltrys@nvtc.org

Kristin Seitz

Public Policy Manager
Special Assistant to the President
kseitz@nvtc.org

Rita Sidhu

Staff Accountant
rsidhu@nvtc.org

Michelle Snyder

Director
Communications and Public Relations
msnyder@nvtc.org

Shelley Spencer

Graphic Designer
sspencer@nvtc.org

Ila Talwar

Project Coordinator
The Entrepreneur Center @NVTC
italwar@nvtc.org

BOARD OF DIRECTORS

Anne Altman, IBM

altmana@us.ibm.com

Panos Anastassiadis, Cyveillance

panos@cyveillance.com

Brad Antle, SI International, Inc.

brad.antle@si-intl.com

Janet Barnard, Cox Communications

Janet.barnard@cox.com

Greg Baroni, Unisys

greg.baroni@unisys.com

Peter Black, M&T Bank

pblack@mtb.com

John Burton, Update Partners

jburton@update.com

Chris Cantarella, Heidrick & Struggles

ccantarella@heidrick.com

Craig Chason, Pillsbury Winthrop Shaw

Pittman LLP
craig.chason@pillsburylaw.com

Bob Dinkel, JB Cubed

Bob.Dinkel@jbcubed.com

Mark Frantz, RedShift Ventures

mfrantz@redshiftventures.com

Jeffrey Ganek, NeuStar

jeff.ganek@neustar.biz

Dan Gonzalez, Scheer Partners

dgonzalez@scheerpartners.com

Stan Gutkowski, Accenture

stanley.j.gutkowski@accenture.com

Peter Harrison, GlobalLogic

peter.harrison@globallogic.com

Andy Harris, Deloitte

aharris@deloitte.com

Deepak Hathiramani, Vistrionix, Inc.

deepak.hathiramani@vistrionix.com

Ted Hengst, Harris Corporation

ted.hengst@harris.com

Bob Johnson, Sprint Nextel

bob.l.johnson@sprint.com

Hooks Johnston, Valhalla Partners

hooks@valhallapartners.com

Curt Kolcun, Microsoft

curtk@microsoft.com

Jim LeBlanc, American-Kuwaiti Alliance

jleblanc@american-kuwaitialliance.org

Jim Leto, GTSI

jim.letto@gtsi.com

Jack London, CACI International

jlondon@caci.com

Lisa Martin, LeapFrog Solutions, Inc.

lmartin@leapfrogit.com

TITI McNeill, TranTech, Inc.

titi.mcneill@trantech-inc.com

Alan Merten, George Mason University

amerten@gmu.edu

Champ Mitchell, Network Solutions

cmitchell@networksolutions.com

Jay Morse, The Washington Post Company

morsej@washpost.com

Kent Murphy, Luna Innovations

km@lunainnovations.com

Balan Nair, AOL

Balan.Nair@corp.aol.com

Gary Nakamoto, Base Technologies, Inc.

gnakamoto@basetech.com

Jim O'Neill, Northrop Grumman Corporation

Information Technology
james.oneill@ngc.com

Pat Otte, Micron Technologies

patotte@micron.com

Gary Pan, Panacea Consulting

gpan@panatech.com

Kevin Parker, Deltek, Inc.

kevinparker@deltek.com

Tom Patterson, Command Information

patterson@commandinformation.com

Gerald Rubin, Janelia Farm Research Campus

of the Howard Hughes Medical Institute
rubing@janelia.hhmi.org

Jonathan Shames, Ernst & Young

jonathan.shames@ey.com

Stan Sloane, SRA International

stanton_sloane@sra.com

Terrie Spiro, First Horizon Bank

tgspiro@firsthorizon.com

Cory Starr, PricewaterhouseCoopers

cory.j.starr@us.pwc.com

David Steinberg, InPhonic

das@inphonic.com

Lydia Thomas, Noblis

lthomas@noblis.org

Steve Winings, CTPartners

swinings@ctnet.com

Russell Wright, Dimensions International

rtwright@dimen-intl.com

Chairman Emeritus

John Backus, Draper Atlantic

backus@draperatlantic.com

Dan Bannister, Bannister Enterprises

dbannister@mintex.net

Ed H. Bersoff, Advanced Technology Systems

ebersoff@atsva.com

Kathy Clark

katherineclark@cox.net

Mike A. Daniels, SAIC

michael.a.daniels@saic.com

David C. Lucien, DCL Associates

David.Lucien@comcast.net

Sudhakar Shenoy, IMC

ss1@imc.com

Honorary Members

Gerald Gordon, Fairfax County Economic

Development Authority
ggordon@fceda.org

Peter Jobse, Center for Innovative Technology

pjobse@cit.org

Gary Shapiro, Consumer Electronics

Association
gshapiro@ce.org

Senior Advisory

Mark Bisnow, Bisnow on Business

mark@bisnow.com

James Bundschuh, Marymount University

james.bundschuh@marymount.edu

Bob Kahn

Corporation for National Research Initiatives
rkahn@cnri.reston.va.us

Donald Lehman

The George Washington University
lehman@gwu.edu

Paul Lombardi, INpower

pvlombard@aol.com

Mario Morino, Morino Institute

mmorino@morino.org

George Newstrom, Lee Technologies

gnewstrom@leetechnologies.com

Len Pomata, GITIS

pomatalen@yahoo.com

Knox Singleton, Inova Health System

knox.singleton@inova.com

Esther T. Smith, Qorvis Communications

esmith@qorvis.com

Charles W. Steger, Virginia Tech

steger@vt.edu

Bob G. Templin, Northern Virginia

Community College
rtemplin@nvcc.edu

Earle Williams

ewillms@aol.com

Bob Wright, Dimensions International

rlwright@dimen-intl.com

Dendy Young

dendy.young@gmail.com

bits & bytes

At the NVTC Annual Meeting, held on June 22 at the Tower Club in Vienna, Virginia, the Council's general membership elected 13 members to its Board of Directors:

Janet Barnard - Cox Communications

Greg Baroni - Unisys

Chris Cantarella - Heidrick & Struggles

Craig Chason - Pillsbury Winthrop Shaw Pittman LLP

Bob Dinkel - JB Cubed

Mark Frantz - RedShift Ventures

Ted Hengst - Harris Corporation

Bob Johnson - Sprint Nextel

Jim Leto - GTSI

Alan Merten - George Mason University

Champ Mitchell - Network Solutions

Balan Nair - AOL

Stan Sloane - SRA International

Arlington-based **CACI International Inc.**, which provides IT and network services to defense, intelligence and government clients, announced that it will purchase Vienna-based Wexford Group International (WGI), an employee-owned consulting firm serving federal government clients, for an undisclosed sum. WGI, which has more than 190 employees and annual revenue of about \$100 million, serves clients such as the U.S. Army, Navy, Air Force and Defense Information Systems Agency. In addition, in mid-May, CACI announced plans to acquire the Fairfax-based Institute for Quality Management, a provider of performance management consulting and operational support services to the intelligence and homeland security markets. **Jack London**, Executive Chairman and Chairman of the Board of CACI, is an NVTC Board member. **Paul Cofoni**, President of CACI's U.S. operations, served previously on the NVTC Board of Directors. www.caci.com. ■ **Cybertrust**, a privately held provider of global information security services, whose CEO **John Becker** is a member of the NVTC Board of Directors, and **Verizon Business**, an NVTC member company, announced a definitive agreement in which Verizon Business will acquire Cybertrust. Financial terms were not disclosed. www.cybertrust.com ■ **Cyveillance**, a world leader in cyber intelligence, announced that **Terry Gudaitis**, Ph.D., has joined the company as Cyber Intelligence Director. In this role, Gudaitis will focus on the human psychology and security aspects of malicious Internet threats, leading Cyveillance's efforts in delivering real-time intelligence and forecasting. She comes to Cyveillance from Science Applications International Corporation, where she was Director of Open Source Monitoring Services. www.cyveillance.com. ■ **Deltek**, a Herndon-based maker of software designed to help companies better manage projects, has acquired Australia-based WST Pacific (WSTP), a longtime partner of the company. WSTP makes project and portfolio management software, and has provided development services for several of Deltek's products over the years. Financial terms of the deal were not disclosed. **Kevin Parker**, Deltek's President & CEO, serves on the NVTC Board of Directors. www.deltek.com. ■ Honeywell has announced that it has signed a definitive agreement to acquire defense logistics leader **Dimensions International** for \$230 million. The transaction is subject to regulatory requirements. Dimensions, headquartered in Alexandria, provides logistics support for the U.S. Army, Navy, Air Force, Marine Corps, Coast Guard and other defense agencies located at military facilities in the Middle East and throughout the world. The company employs 1,200 people and had 2006 sales of approximately \$180 million. **Russell Wright**, Chairman & CEO of Dimensions, serves on the NVTC Board of Directors. **Bob Wright**, Chairman Emeritus & Senior Advisor of Dimensions, is a member of the NVTC Senior Advisory Board. www.dimen-intl.com. ■ **Equinix, Inc.**, a provider of network-neutral data centers and Internet exchange services, announced that Netflix, Inc., the world's largest online movie rental service, has established operations supporting the company's new instant viewing feature at Equinix Internet Business Exchange™ (IBX®) centers in multiple markets across the United States. The move will give Netflix direct access to an aggregation of networks, including the broadband providers and transit networks that reach their end users. Equinix offers Netflix a high performance platform with a rich source for interconnection and robust network connectivity and the ability to scale its infrastructure in a more hands-on manner. www.equinix.com. ■

High Street Partners, Inc., a consulting firm providing finance, accounting, compliance and HR assistance to companies with international operations, announced that the company has reached several corporate milestones with the addition of its 75th customer, an expansion of services and the opening of a D.C. metro office. High Street Partners' new DC-area team is headed by **Nancy Wallace**, former Director of International Operations for the Maryland Department of Business and Economic Development. Wallace will spearhead the firm's new program to attract overseas clients entering the United States and manage the office's new hires focused on outbound services and client acquisition. The company has also hired **Karen Kim**, **Tim Lundin** and **Zak Rosen**. High Street Partners also plans to expand into the New York metro area over the next several months. www.highstreet-partners.com. ■ **InnoVest Group**, a technology investment and management consultant group based in Washington, D.C., recently announced its decision to establish technology business incubators in the Middle East and Eurasia. The International SME (Small- to Medium-sized Enterprises) Incubator House will provide certain common services to the SME occupants, such as access to venture funds, marketing, infrastructure, accounting, secretarial, security and general support services. The International SME Incubator House will play both venture capital and Angel investor roles with the SMEs in the region and cooperate closely with government ministries, universities and R&D centers. hd-innovest@cox.net. ■ **Bob Dinkel**, a member of the NVTC Board of Directors, has joined the firm of **JB Cubed**, a facilitator of IT innovation to the federal marketplace, as Executive Vice President. In this newly created role, Dinkel will drive the firm's federal business and will oversee the expansion of its federal client base. He possesses more than 25 years of software and services experience in senior leadership roles at CA (formerly Computer Associates), Johnson Systems and Dataware. Dinkel most recently served as Senior Alliances Director, Federal Division, at CA, where he built and managed a team dedicated to working with a broad spectrum of systems integrators. Previously, he was Senior Vice President in CA's Global Professional Services Division where he grew the CA Services Inc. unit to a staff of more than 400 with revenues exceeding \$75 million. www.jbcubed.com. ■ **Korn/Ferry International**, a global provider of talent management solutions, announced the promotion of **Kimberly McGovern Shanahan**, a member of the Technology Practice based in Northern Virginia, to Senior Client Partner. Shanahan helps technology clients ranging from start-up to Fortune 500 companies build high-impact executive leadership teams. She specializes in wireless communications, communications equipment, semiconductor and private equity Industries. Shanahan is also the HR/Talent Management lead for Korn/Ferry across the Mid-Atlantic Region. www.kornferry.com. ■ **Luna Innovations Incorporated** announced it has entered into an IP licensing, development and supply agreement with Intuitive Surgical, Inc., a global technology leader in robotic-assisted minimally invasive surgery. Under the terms of the multi-year agreement, Luna will develop and supply its fiber optic-based shape sensing and position tracking system for integration into Intuitive Surgical's products, which includes the da Vinci Surgical System. Luna CEO **Kent Murphy** is a member of the NVTC Board of Directors. www.lunainnovations.com. ■

Send YOUR bits & bytes to bits@nvtc.org.

Virginia: Filling the Gaps for ENTREPRENEURS

by Mildred Cooper

Entrepreneurs and small businesses have been widely acknowledged as a driving force of the American economy—at both the state and local level as well as on a national scale. The consensus is that entrepreneurs play a huge part in our nation's collective success. Whether as a source of jobs or as the origin of new technological innovation, the viability of our entrepreneurs—those willing to take on the risks of a new venture—can directly result in added strength, growth, and vibrancy of our economy.



Historically, entrepreneurs have utilized any and every funding source at their fingertips to get their ideas to market. Prior to the tech bubble burst, funding was relatively available, primarily coming from VCs and Angel investors—affluent individuals who provide funding for start-ups. Angel funding had filled that funding “gap” between seed capital (money from friends and family) and venture funding. Once that bubble burst, funding from Angels quickly dried up.

Noticing the need to fill the gap, the Commonwealth of Virginia appropriated the funds to set up the GAP Fund through the Center for Innovative Technology (CIT). Funding for CIT initiatives, including the GAP Fund, has been a longstanding NVTC priority.

CIT is a non-profit corporation that accelerates the next generation of technology and technology companies, and is home to this unique fund. Standing for “Growth Acceleration Program” the CIT GAP family of funds has supported more than 17 Virginia-based technology or life sciences companies, which have then used those investments to leverage more than \$10 million in private equity.

With the original CIT GAP Fund wrapping up as of July 2007, in March CIT announced a new fund, the CAP BioLife Fund, a seed stage venture fund to support emerging life science companies in Virginia. The launch of the new fund coincided with the receipt of a grant from corporate giant Johnson & Johnson of \$250,000, which has been matched by CIT.

CIT's GAP Funds have been investing in some very innovative new companies, including a renewable resources company in south Virginia that can produce fuel from switch grass and hybrid poplars. NVTC sat down with GAP Fund Manager and CIT Vice President Tom Weithman to find out more about CIT's GAP family of funds. Then we spoke with CEOs of two portfolio companies, South 49 and Piedmont BioProducts, to get a snapshot of their companies and experience with the CIT Gap Funds.



Interview with Tom Weithman

NVTC: Please share with us some history and background on CIT's GAP Fund.

TW: We announced the Gap Fund in December of 2003 and began deploying funds in mid-2004—so we've been at it for just about three years. We noticed that with the burst of the Internet bubble there were a number of high-potential companies that could be on a venture track and that could be large contributors to Virginia's economy that were going unfunded. We believed this anecdotally simply from moving around the state, talking to entrepreneurs, talking to other funding sources, and we were able to test this out with some empirical research done by Dr. Jeffrey Soule up at the University of New Hampshire, who identified two early stage funding gaps: in the \$0 to \$500k range and the \$500k to \$2 million range. Both gaps are earlier than most venture funds will participate. We sought to fill the gaps by establishing the CIT GAP Funds.

NVTC: Who makes up your Advisory Board?

TW: We are lucky that many major players in Virginia's early-state investment and venture communities are among our Investment Advisory Board. The Investment Committee guides CIT in making all GAP Program investment decisions. *[See advisory board list, right for names of Board members]*

NVTC: What are your goals for the GAP Funds?

TW: Two things we knew we wanted to accomplish: Number One: Help to solve that early-stage funding gap for high potential technology companies across the Commonwealth, and Number Two: Do it in such a way that would bring some of the angel money that had been waiting on the sidelines back into the game. In order to do that we believed we would need a solid due diligence product, such that if we had CIT's imprimatur on a company, it would lure investors back in. In addition, we set it up in such a way so as to create an evergreen funding capacity.

NVTC: What are the sources of funding for the GAP Fund?

TW: The money for the Fund has historically come from the Commonwealth of Virginia through CIT. It is a part of CIT's line item allocation from the General Assembly. As you know, NVTC has been a strong advocate of CIT funding. Recently we have been able to augment Virginia funds through some corporate money from Johnson & Johnson. We have used a combination of Virginia and Johnson & Johnson money to launch the BioLife Fund.

NVTC: Please explain the relationship between the GAP Fund and Angel investors ...

TW: Angel investors do not invest in our Fund, they invest alongside of us in our portfolio companies. There was a lot of angel investment activity in the late nineties/early 2000 time frame before the bubble burst: high net-worth individuals and families that would put money into early-stage technology companies at a much earlier stage than conventional venture funds. With the burst of the bubble, a lot of that money pulled back and sat on the sidelines. We wanted to bring it back in the game, to induce that investment in Virginia's early-stage technology companies. And in order to achieve that, we put a little bit of money into these companies and provided a solid due diligence product to share with the Angel investors, who are often coming along into companies shortly after we invest. We've had a very good track record of catalyzing that investment.

NVTC: Can you describe the GAP Fund selection process?

TW: We have a two-stage selection process for companies in which we invest. My team internally at CIT does all sourcing and formal due diligence on the companies. We present them for a "thumbs up / thumbs down" investment decision by our Investment Advisory Board.

The CIT Gap Fund Advisory Board

Daniel Barchi

President and CEO, Carilion Biomedical Institute
Investment Advisory Board - August 2006 to Present
GAP BioLife Investment Committee Member

William Caragol

Chief Financial Officer, Government
Telecommunications, Inc.
Investment Advisory Board - November 2003 to September 2006

Charles Curran

General Partner, Valhalla Partners
Investment Advisory Board - August 2006 to May 2007

Hiram Ewald

Managing Partner, Tall Oaks Capital
Investment Advisory Board - August 2006 to Present
GAP BioLife Investment Committee Member

Tom Grossi

Associate, New Enterprise Associates (NEA) Investment
Advisory Board - August 2006 to Present
GAP Tech Investment Committee Member

Peter Jobse

President and CEO, Center for Innovative Technology
Investment Advisory Board - November 2003 to Present
GAP Tech Investment Committee Member
GAP BioLife Investment Committee Member

Suzanne King

Partner, New Enterprise Associates
Investment Advisory Board - November 2003 to June 2006

John May

Managing Partner, New Vantage Group
Investment Advisory Board - November 2003 to May 2007

Don Rainey

Partner, Intersouth Venture Partners
Investment Advisory Board - November 2003 to May 2007

Dr. Bruce Robertson

Managing Director, H.I.G Ventures
Investment Advisory Board - November 2003 to Present
GAP BioLife Investment Committee Member

Jill Stelfox

Co-founder, Chairman, CEO, Defywire
Investment Advisory Board - November 2003 to Present
GAP Tech Investment Committee Member

S. Tien Wong

Chief Executive Officer, Opus8
Investment Advisory Board - August 2006 to Present
GAP Tech Investment Committee Member

Continued on page 10.

NVTC: How many companies have you provided funding for?

TW: From the inception of the fund to date we have invested in 17 companies through the GAP Funds plus two more companies through a pilot program we run in Southwest and Southside Virginia, called the Virginia South Technology Acceleration Pilot Program.

NVTC: What’s on the horizon for the GAP Program?

TW: We are largely dependent on the Commonwealth’s allocation through CIT for funding. We are looking for ways to expand the amount of money that we have to invest in companies. Under GAP Fund 1, the initial fund from which we made 17 investments and which we wrapped up with the end of this fiscal year on June 30th, most of our investments were in the software/information technology space. That said, we did a nano investment, we did a sensor technology investment from that fund, and some life sciences technologies investments. But as of July 1st, we closed that fund and we will go forward with two separate seed funds: one for technology and one for life sciences.

NVTC: Any final thoughts you would like to share?

TW: At our stage of development we are probably one of the most effective seed-stage investors in this part of the country. When we were developing the Fund we looked at initiatives specifically in Maryland and Pennsylvania. Our goal was to catalyze private money—coming in early, accepting the risk and positioning things for investment by the private market. I think the manner in which we do that is probably a little bit different than in other states.

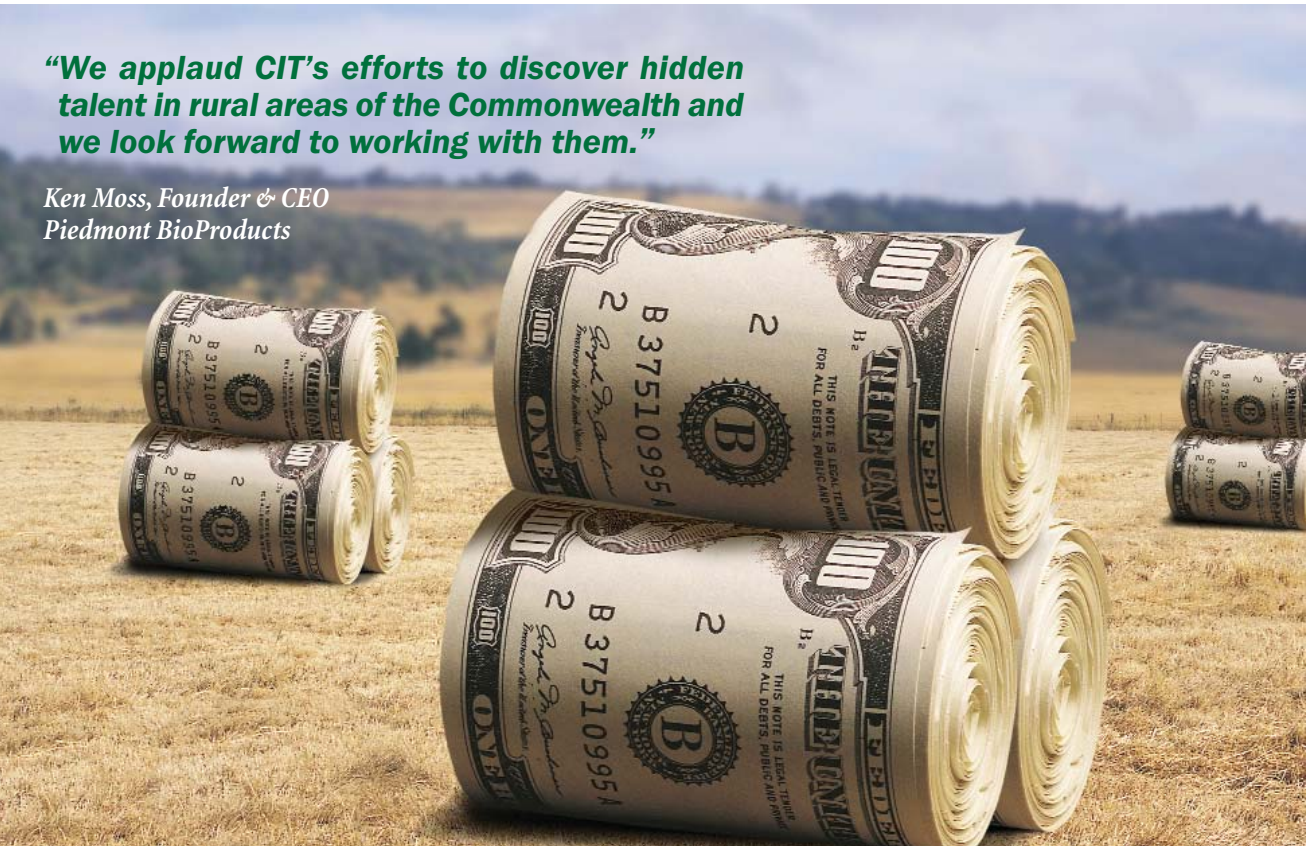
We invest in the very early stage, and groom companies and move them along to a point where they can get that next big funding round to help them grow. We realize our economic outcomes by making that happen. Our investment vehicle is a convertible debenture. We have had four companies that have gotten Series A financing. And we have had one company exit from the portfolio—an acquisition of one of our portfolio companies by Symantec Corporation. We have done that in a period of about two years. We think we’ve done some pretty good things!

Tom Weithman is Vice President of Entrepreneurship and Investment Services at the Center for Innovative Technology (CIT.) Weithman oversees CIT’s initiatives in assisting Virginia companies in obtaining both federal and private funding to launch and develop their early-stage technology businesses. He also manages CIT’s Growth Acceleration Program (GAP) Fund, which makes pre-seed and seed-level investments in high-potential technology start-ups.

www.cit.org

“We applaud CIT’s efforts to discover hidden talent in rural areas of the Commonwealth and we look forward to working with them.”

*Ken Moss, Founder & CEO
Piedmont BioProducts*



Piedmont BioProducts, based in Gretna, Virginia, is a renewable resource company that will generate products derived from energy crops grown by farmers in a closed loop system within a specified radius of its refinery. Piedmont BioProducts will use the GAP investment for establishing the pilot plant and commercialization.

NVTC Talks to South49 Solutions: A CIT GAP-Funded Company

South49 Solutions develops and markets proprietary task force management and data collection software for industries with widely distributed workforces. South49 Solutions' flagship product, NaturalInsight, a fully integrated suite of project management tools, allows for streamlined scheduling, tracking and reporting of large scale projects performed in many locations. The company's hosted solution model allows clients to minimize technology investment, while improving overall performance and accountability.



Stefan Midford
President & CEO
South49 Solutions
www.south49.com

“When I look at our relationship with CIT, it takes on a much more complicated nature as they provide more than just GAP Fund assistance. As we worked with the team at CIT, we found that the introductions to executives in the area played an equal or even more important role than the funding South49 Solutions received through the Fund. Of course having someone like CIT mentor us through the first outside investments in our company is a great benefit and our individual Angel investors benefit from the due diligence and oversight inherent in a CIT investment.

As you know, young companies can still fail even when they have the best product. It's the ability of the company to leverage very thin resources and build relationships that will help ensure success. We leverage contacts, relationships and internal resources at CIT on a constant basis and I'm always amazed how a quick introduction can lead to significant other benefits. Presenting at a CIT dinner resulted directly a new Angel investment in our company less than 30 days later. An introduction to a local area executive resulted in our nomination and acceptance to the Mindshare program this year.

As we ready ourselves for our next round of fundraising, CIT continues to play the advisor role and challenge us on the way we talk about our business, the best way to present our proposals and the best companies to approach. Many other for-profit companies offer similar advice, but it's great to leverage CIT and use our financial resources elsewhere. The end result for the state of course is our continued growth (more than 100 percent year over year) and hiring of staff with the investment funds available through the GAP Fund.” ■

A former VP of Corporate Communications for a Virginia company specializing in nanotechnology, Mildred Cooper has held senior positions in the federal government and at leading PR firms. Mildred does freelance writing and PR and can be reached at mamnecoop@comcast.net

“With Cox Business Services the amount of data we get from our network in a short period of time is amazing.”

-Rick R. Arnold, Senior Director of Information Technology;
Fairfax Radiological Consultants

\$9.50
per month*

Cox Digital Telephone
for \$9.50 per month.*

- A variety of phone packages.
- Reliable, redundant, and local.
- A single point of contact for all your telecommunication needs.
- Business-class service

Call 703.480.6456 today
or visit coxbusiness.com/spring

COX Business Services®

*Offer valid until 8/31/07 to existing subscribers of Cox Business Internet or Cox Business Video who subscribe to Cox Digital Telephone in Fairfax County Cox-wired, serviceable locations. Minimum 5-year service contract required for \$9.50 pricing. The \$9.50 pricing is for a message rate line and does not include the Subscriber Line Charge, Installation or Foreign Exchange charge. \$.08 usage charges apply to extended and intraLATA Toll calling areas and no long distance time is included. Offer does not include applicable taxes, surcharges or fees. Discounts are not valid in combination with or in addition to other promotions, and cannot be applied to any other Cox account. Services not available in all areas. Other restrictions apply. Telephone services are provided by an affiliate of Cox Communications, Inc. ©2007 Cox Communications, Inc. All rights reserved.

HOT TICKET AWARDS FINALISTS

For six years, the NVTC Hot Ticket Awards have celebrated the efforts of the rising stars in the region's technology community—entrepreneurs or entrepreneurial companies and individuals in the National Capitol region's technology community that have exhibited that special something that makes them "hot"—great vision, the ability to implement and deliver, innovative management approach and/or star-quality charisma. Actually the awards program has been around longer than 2002; originally called the "Anti-Establishment Awards" and founded in 2000. Same concept, just a different name.

On the evening of June 27, 2007, more than 500 guests braved the extreme heat—appropriate in a way, as these are the HOT Ticket Awards—to gather poolside at the home of NVTC President & CEO Bobbie Kilberg to network in a very casual atmosphere (Hawaiian shirts and sandals were the attire of choice) and learn which companies made the cut as finalists and winners in the five following categories: "Hottest Bootstrap," "Hottest Buzz," "Hottest Exit," "Hottest Management Team" and "Hottest Venture Capital Deal." For the first time since the inception of the awards, the names of the finalists were not released prior to the party to add just a little more excitement to an already electric night. Also this year, a new award was launched: the Hall of Fame Award. The award judges determined that after six years, the awards program is mature enough to honor a company that has been nominated and won numerous Hot Ticket Awards in the past and represents a true success story for the region's technology community.

The judges for the 2007 NVTC Hot Ticket Awards were:

Siki Giunta, Managed Objects Solutions
Arun Gupta, Columbia Capital
John Hurley, DLA Piper—
(Hurley was the Chairman of the 2007 NVTC Hot Ticket Awards. DLA Piper was a "Smoking Hot" sponsor)
Hooks Johnston, Valhalla Partners
Kathy Penny, Excitations, Inc.
Ken Tarpey, ObjectVideo
Steve Winings, CTPartners (—Winings was the Co-Chairman of the 2007 NVTC Hot Ticket Awards.)
CTPartners was a "Smoking Hot" sponsor.

This year, NVTC received 90 nominations for the five original award categories. An independent panel of judges carefully reviewed each submission, conducted due diligence research, selected five finalists in each category and chose one winner for each award. This was not an easy task because all of the nominees were extraordinary in their own way. The 2007 NVTC Hot Ticket Awards cover the business activity period of January 2006 to March 2007.

Hottest Bootstrap



“Bootstrapping” is the ability to do more with less. This award goes to a company that has built a significant presence or shown tremendous growth potential without relying on institutional investors. These companies certainly have unique stories to tell, with innovative technologies or business models, quantifiable traction in the marketplace and high-profile, very dedicated management teams willing to make sacrifices for success.

Excitations provides gift buyers with an easy and simple way to give innovative and memorable life experiences as gifts. Excitations offers a full range of experience options in several markets, including Washington D.C., Boston, Chicago, New York, Philadelphia and San Francisco. Excitations has managed to grow without outside investment by maintaining a modest, core nucleus of staff while leveraging an expanding network of partners in markets where its services are offered. The company's revenues are up 400 percent compared to the same time last year.
www.excitations.com

LanceSoft provides advanced information technology solutions and consulting services to a host of corporate clients in the BFSI (banking, financial, security and insurance), life sciences, health care, telecommunications, manufacturing, technology and retail industries and to various federal, state and local government agencies and operates out of 15 locations in the U.S. and abroad. After its inception in 2000, the company was fully profitable by 2002, with revenues growing from \$1.7 million in 2002 to \$50.6 million in 2006. www.lancesoft.com

Mobile Posse has created a breakthrough mobile (PDA) advertising solution which enables the highest reach possible while minimizing delivery costs and personalizing the experience for the consumer. In less than a year, Mobile Posse took an idea and turned it into a commercial product that thousands of people interact with daily and signed three carrier deals, including one with a top five carrier. www.mobileposse.com

Network Alliance provides IT infrastructure solutions for small businesses. The company was launched in the basement of its founder in 1997. While many companies were “going under” during the dot com crash, Network Alliance set up its infrastructure by purchasing equipment sold at auctions. Later, when cash flow dried up, and among myriad other sacrifices, the company's founder suspended his salary to pay those of his employees. Today, the company is profitable and its customer base extends to many parts of the world. www.networkalliance.net

Rollstream is a ground-breaking business community management solution that enables a program owner to manage a collaborative deployment or process across hundreds or thousands of constituents. The company was created in 2005 and by the end of 2006, Rollstream signed the world's fourth largest retailer, the eighth largest retailer in the U.S. and one of the largest healthcare companies as customers.
www.rollstream.com

Hottest Buzz



The “Hottest Buzz” celebrates the company or individual who has received the best, or in some cases the most, media coverage and whose name is at the forefront of business discussions around town.

Athena Technologies, Inc., is a leading provider of flight control and navigation systems to unmanned aerial vehicles (UAVs) and civilian aircraft. Its GuideStar family of flight control and navigation products incorporate a full suite of control and navigation sensors, including inertial, navigation and full air-data sensors, all integrated into a single package designed to operate in demanding temperature, shock and vibration environments. Athena's CEO, Dr. David Vos, has become a recognized thought leader by the media, and the company has received extensive coverage of its products and services in the aviation, technology and business media. www.athenati.com

Continued on page 14.

Clearspring Technologies is the leading provider of cross-platform widget services. With its flagship service, digital content and service providers can easily package, distribute, and analyze the performance of widgets via a single platform. The company's widgets are the foundational building blocks of the new online distribution network for content, commerce and advertising. Top brands, like the NBA, the Indianapolis Colts, Universal Pictures and RockYou have worked with the company. www.clearspring.com

Command Information is the largest next generation Internet solutions provider in America, offering strategy, tactical direction integration and applications development services for Fortune 1000 companies and government organizations seeking to move to the new, fast-emerging version of Internet protocol or IPv6. The company focuses on six areas: IPv6 strategy, application development, application and infrastructure security, mobile convergence and telematics, business and information strategy, and network architecture and implementation. Command Information has received a tremendous amount of attention from the media—both locally and nationally.

www.commandinformation.com

GetWell Network provides a comprehensive solution to hospital patient education and entertainment by turning an in-room television monitor into an interactive experience for patients and families, caregivers and administrators. The company has received a great amount of attention from the media, analysts, investors and hospital administrators. Industry recognition has included an exclusive endorsement from the American Hospital Association.

www.getwellnetwork.com

Platinum Solutions, Inc., is a leader in systems integration and collaborative solutions for the federal government. With particular expertise in law enforcement, health care, intelligence, defense and national security, Platinum Solutions creates software that helps monitor terrorist communications, arrest violent criminals and improve the safety of prescription drugs. Platinum Solutions has received “buzz” due to its high growth rate as a government contractor—and its employee-centric corporate culture. The company has received a ton of attention by the media and has won numerous industry awards.

www.platinumsolutions.com

Hottest Exit



“Hottest Exit” goes to a company that was acquired, merged or went public. Each nominated company was judged based on end results of the “exit” ... does the newly formed company possess a stronger competitive advantage in its targeted market? Was the post-deal transition and potential marriage of corporate cultures as smooth as could be expected? Is the new entity firmly entrenched on a track of success? Did the deal receive positive coverage in the media?

Finetre Solutions provides transaction processing and compliance automation in the financial services industry. The company was the market leader in annuity transaction processing with revenue of around \$8 million annually, and was acquired by Ebix, Inc., in October 2006 via a merger. www.finetra.com

Liquidity Services, Inc. provides an online auction marketplace for the sale of wholesale, surplus and salvage assets. Since the company went public in 2006, it has almost doubled revenues to \$147 million, while posting a little better than a 21 percent return on equity to investors. Liquidity Services completed its \$77 million IPO in February 2006. www.liquidityservicesinc.com

Mobile 365 was formed from the merger of the two leaders in the mobile messaging world: InphoMatch and Mobileway and delivers mobile data and messaging, premium content and value-added services for the leading mobile operators, content providers, global brands, media companies and financial institutions worldwide. The company was purchased by Sybase for \$417 million in cash—and the new company is called Sybase 365. www.mobile365.com

Network Solutions is the original domain name registrar and the leading provider of Internet services, including Web hosting, Web site design, online marketing, e-mail and more. Founded in 1979, the company was acquired by the private equity firm General Atlantic Partners. As this is a privately held company, the actual dollar amounts of the sale were not disclosed. However, investors were returned more than 3,000 percent on their investment over the three years they owned the company. www.networksolutions.com

Hottest Management Team



This award honors the “best of the best” of management teams who possess a sound business strategy and approach. The members of these “dream teams” work exceptionally well together, complement each other professionally and have the greatest potential to carry out their companies’ core missions—to the benefit of their employees, customers and investors.

Approva is the leading provider of continuous controls monitoring and audit software. The company’s management team of seven C-level executives possesses a diverse array of talents and many years of solid experience. Approva’s management team keeps spirits high both inside and outside the company . . . and this spirit has been a critical ingredient to the company’s success. The company was rated among the “Best Places to Work,” by the *Washington Business Journal* in 2007.

www.approva.net

BroadSoft creates VoIP (Voice over Internet Protocol) application software that lets fixed and mobile service providers offer the most advanced calling features to their enterprise and residential customers. The company’s management team of telecom veterans brings leadership, creativity and experience to the success of its staff, company and products. BroadSoft’s founders know the service provider environment and its challenges, inside and out, and all of its executives add complementary strengths and talents to the management team.

www.broadsoft.com

DigitalBridge Communications Corporation

provides broadband wireless services to consumers in underserved, rural, suburban, military and university communities. Two of its founders have worked together for more than 10 years. The company’s management team brings a broad range of talents and experience, and shares a singular focus on building a company culture that remains fast, focused and flexible.

www.digitalbridgecommunications.com

Managed Objects introduced the concept of “Business Service Management,” along with the software concept to deliver it, when founded in 1997. The company possesses an outstanding leadership team that brings a wealth of enterprise management experience. Its innovative and proactive approach has enabled Managed Objects to develop software that’s ahead of the curve.

www.managedobjects.com

RealOps, Inc., a leader and pioneer in IT process automation and run book automation, delivers powerful and proven automation software that streamlines and accelerates execution of critical service functions, while containing opex growth and ever-expanding custom integration. Its executive “team of three” has brought to the company senior-level knowledge and vision stemming from unique backgrounds that encompass the perspectives of buyers, developers, implementers and users of enterprise software systems.

www.realops.com

SkyBitz delivers real-time tracking and information solutions that provide a clear line of sight to mobile assets anytime, anywhere. The company has quickly established itself as an industry leader in technology, business solutions and customer service. SkyBitz is run by a solid and very distinguished management team that possesses 27 years of management and financial experience. Members of the core management team have worked together for nearly four years.

www.skybitz.com

Continued on page 18.



1. Emcees for the evening: **Steve Winings**, CTPartners, Co-Chairman of the 2007 Hot Ticket Awards, and **John Hurley**, DLA Piper, Chairman of the 2007 NVTC Hot Ticket Awards. DLA Piper and CTPartners were the event's "Smoking Hot" sponsors.
2. **Mawe Takyi** of Dent Asset Management and **Joe E. Ordia**, Ordia Solutions, Inc.
3. NVTC Board Member **Bob Dinkel**, JCubed, NVTC's **John Cissel**, and **Susan** and **Paul Unger**, Paul Unger NBS Search, Inc.
4. Hawaiian attire was the fashion of the day.
5. **Bradley Rosenberg** and NVTC Chairman Emeritus **Kathy Clark**.
6. Nearly 500 guests braved the heat for the poolside party at the home of NVTC President & CEO **Bobbie Kilberg**.
7. **Rob Caskey** and **Steve Woda** of buySAFE, and **Kelly Dunne** of Hot Ticket finalist DigitalBridge Communications
8. **Wayne Jackson**, **Marty Roesch** and **Todd Headley**, Source-Fire
9. **Nancy Lamberton**, of Hot Ticket finalist Excitations, **Derek Symer** and **John Ribble**, AH&T Insurance
10. NVTC President & CEO **Bobbie Kilberg** with emcees (l) **Steve Winings**, CTPartners, and (r) **John Hurley**, DLA Piper.
11. **Mike Ferraro**, TRAINING SOLUTIONS, INC., NVTC Board Member **Jim LeBlanc** and **Elizabeth Wadle**, American-Kuwaiti Alliance.



Congratulations to the 2007 N

Hottest Buzz



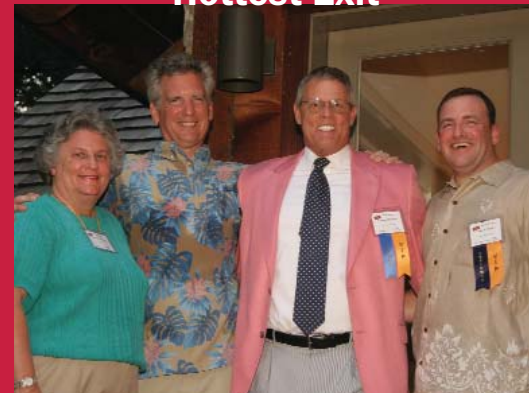
Athena Technologies

Hottest Bootstrap



Network Alliance

Hottest Exit



Network Solutions



3



4



6



7



9



10



11



Smoking Hot Sponsor

CTPartners



Smoking Hot Sponsor



NVTC Hot Ticket Award Winners

Hottest Management Team



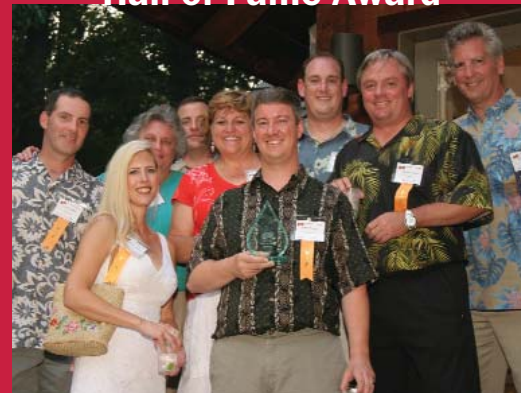
Broadsoft

Hottest Venture Capital Deal



Parature

Hall of Fame Award



Sourcefire

Hottest Venture Capital Deal



The "Hottest Venture Capital Deal" recognizes a company that raised institutional money last year, had competing term sheets from inside the region and outside the region and offers the most all-around potential, including a solid management team, great product and right growth model.

Arxan Technologies, Inc., protects intellectual property from software piracy, reverse engineering and tampering. Its mission is to provide resilient and flexible IP protection to enable companies to safeguard their brand, competitive advantage and revenue streams. In March 2007, Arxan announced its \$13 million Series C funding deal. The valuation of the deal was up more than 400 percent over the last round. www.arxan.com

Freewebs, founded in 2001, is the developer of a do-it-yourself Web site builder. The company's solution is designed so that anyone can create and share a complete, high-quality Web site through its Web publishing platform. Last fall, Freewebs announced an \$11 million Series A round that included Columbia Capital and Novak Biddle.

www.freewebs.com

GlobalLogic (formerly Induslogic) is a leading pure play global product development company, offering a portfolio of software product life cycle solutions. The services offered by GlobalLogic include product conceptualization, product realization, product testing/QA, migration and testing, product maintenance and support, product extension, and professional services. The company's Series B VC deal was valued at \$24 million pre-deal and \$36.5 million post, and closed in April 2006. www.globallogic.com

Harmony Information Systems provides products and consulting services designed exclusively to the human services industry and develops software to collect information, process paperwork, and manage cases. In December 2006, the company announced a \$7.5 million round from JMI Equity and Udata Partners.

www.harmonyis.com

Parature provides complete, on-demand and affordable customer service and help desk software solutions to deliver customer service 24 hours a day, seven days a week. One of the most talked about venture deals in the region in 2006, Parature raised \$13.5 million in its Series A round from Valhalla Partners and Sierra Ventures.

www.parature.com

Hall of Fame Award



The winner of the first-ever Hall of Fame Award is ...

Sourcefire! The company was founded with the goal of delivering effective and efficient security solutions that solve real-world needs. Today, Sourcefire is considered one of the most innovative firms in the security industry, garnering more than 20 awards in two years for its technology and business successes. Its success has culminated in a successful IPO in March 2007 at 5.77 million shares, priced at \$15 a share, totaling \$86.6 million. Sourcefire was the first security IPO since 2002 and the first open source IPO since 1998. In June, the company announced that its stock had been picked to join the Russell 3000 Index, which includes the 3,000 largest U.S. stocks ranked by total market capitalization. www.sourcefire.com

NVTC EVENTS

Northern Virginia's Premier Events
for the Technology Community

Visit www.nvtc.org
for NVTC's exciting fall line
up of programs and events.

N e w N V T C B e n e f i t

Northwest Federal Credit Union

proudly serving members of the
Northern Virginia Technology Council



Earn more
when you
save...

...and pay
less when
you borrow.

VISIT US & JOIN TODAY

CHANTILLY 14419 Chantilly Crossing Lane
HERNDON 200 Spring Street at Herndon Parkway
VIENNA 231 Maple Avenue, East, Glyndon Shopping Center



FEDERAL CREDIT UNION

Your first choice for financial services



"A Member to Member Discount Program"

To join, call: 703-709-8901

To enroll your entire company, call: 703-925-5105

www.northwestfcu.org



NCUA
USEGAD074

Membership eligibility required.

NVTC Media Partner

WashingtonTechnology
Business Intelligence for Government Systems Integrators

NVTC Community Champion

WEST  GROUP

11th Annual Greater Washington TECHNOLOGY CFO Awards

On Tuesday, June 5, the Northern Virginia Technology Council (NVTC) and the Tech Council of Maryland, with participation from the DC Tech Council, hosted the 2007 Greater Washington Technology CFO Awards Banquet to honor chief financial officers, financiers and leaders for extraordinary achievement and excellence in promoting the development of the region's technology community. The banquet, held at the Hilton McLean, was attended by 834 technology executives from the region.

The Greater Washington Technology CFO Awards are a joint endeavor of the four accounting firms of Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers. The chairman of this year's awards program was Andy Harris, Regional Managing Partner of Deloitte's Technology, Media and Telecommunications Practice.

Platinum Sponsor

Deloitte.

With special thanks to
Andy Harris, Deloitte

Gold Sponsors

ePlus Group, Inc.
Ernst & Young
KPMG
M&T Bank
Marsh Inc.
Pillsbury Winthrop Shaw Pittman
PricewaterhouseCoopers
Qorvis Communications

Kick-off Reception Sponsors

Beers & Cutler
Houlihan Lokey
Resources Global Professionals

Nominee Reception Sponsors

Silicon Valley Bank
WilmerHale

Banquet Reception Sponsors

Comerica Bank
The Mergis Group
Update

Silver Sponsors

AdamsGrayson
AH&T Insurance
BB&T Capital Markets/Windsor Group
Bowne Financial Communications
Capital Search Group/KenRay Partners
Cooley Godward Kronish LLP
Financial Executives International
Grant Thornton LLP
Jefferson Wells
Lockton
Morrison & Foerster LLP
PNC Bank
Principal Financial Group
SC&H Group, LLC
Tatum LLC
UK Trade & Investment
United Bank

Media Sponsors

Cox Business Services
Government Executive
PR Newswire
Washington Business Journal



Mark R. Warner, Virginia Governor 2002-2006
MICHAEL G. DEVINE HALL OF FAME AWARD

The Honorable Mark R. Warner, former Governor of the Commonwealth of Virginia and Founding Partner of Columbia Capital, was honored with the Michael G. Devine Hall of Fame Award. This award recognizes an extraordinary leader whose contributions have significantly and uniquely impacted the region's technology business community during the course of his or her career. Governor Warner served as the 69th Governor of the Commonwealth of Virginia from January 2002 to January 2006. In the private sector, he co-founded the company that became Nextel, as well as Columbia Capital, a leading venture capital fund. Governor Warner has been a strong advocate for the technology industry and has promoted the growth of our region as a global technology center by championing education, entrepreneurship, research and innovation.

Jeffrey Babka, NeuStar
PUBLIC COMPANY CFO OF THE YEAR AWARD

Since 2004, Jeff Babka has served as Senior Vice President and CFO of NeuStar, leading the company's efforts in support of its Initial Public Offering and listing on the New York Stock Exchange. In December 2005, NeuStar was awarded "IPO of the Year" for the year by International Financing Review and Renaissance Capital. Babka's 30-year career includes a wide variety of financial and operational management and executive positions with a concentration in telecommunications, including a long tenure at AT&T, Lucent Technologies and Concert.



Zack E. Gaddy, Defense Finance and Accounting Service, U.S. Department of Defense
PHOENIX AWARD

The Phoenix Award is a new award category for 2007, presented to a CFO from a federal agency or public or private corporation who has displayed great leadership, talent, innovation and determination in achieving success through finance and technology transformation in recent years. Zack Gaddy oversees the day-to-day accounting and finance activities of the U.S. Department of Defense. The Defense Finance and Accounting Service employs about 13,000 civilian and military personnel at 22 locations throughout the United States, Europe and the Pacific. Prior to his current position, Gaddy was the director for accounting services for the U.S. Air Force and selected unified commands and defense agencies.



Marilyn Crouther, EDS Corporation
COMMUNITY SERVICE AWARD

Marilyn Crouther has been essential in building the Hoop Dreams Scholarship Fund, a grassroots organization that has sent more than 800 Washington, D.C., public school students to college. She has been instrumental in recruiting corporate sponsors for Hoop Dreams, obtaining its 501 (c)(3) status and ensuring that the organization's annual reports and tax forms are filed to maintain its non-profit status. She also has raised the profile of Hoop Dreams within EDS and has ensured that the company remains a significant and high-profile corporate supporter of the organization.



Robert J. Baer, Institutional Shareholder Services (ISS)
PRIVATE COMPANY CFO OF THE YEAR AWARD

Bob Baer is Executive Vice President and CFO of Institutional Shareholder Services (ISS). During his four-year tenure at ISS, Baer was responsible for all financial operations of the company and guided it through exponential growth, rapid expansion of its global footprint, re-engineering of its operations and, ultimately, its sale to RiskMetrics Group. Prior to joining ISS, Baer spent 18 years at General Electric serving in a variety of financial management roles across five of GE's businesses.



NVTC Tech Execs Tour Southside Virginia with Governor Kaine

Virginia Governor **Tim Kaine**, Secretary of Technology **Aneesh Chopra** and Secretary of Commerce and Trade **Pat Gottschalk** on June 7 led a Northern Virginia Technology Council (NVTC) delegation of 19 technology and investment executives to Southside Virginia to tour several local technology companies and meet political, community and business leaders from that part of the state.



Virginia Governor Tim Kaine, Secretary of Technology Aneesh Chopra, Secretary of Commerce and Trade Pat Gottschalk and members of the NVTC Southside delegation

Delegation were most impressed with the quality and sophistication of the region's cutting-edge technology and research facilities and with the warm and generous reception we received. We look forward to continuing to build a mutually advantageous relationship between businesses in the two regions."



NVTC President & CEO Bobbie Kilberg and Virginia Governor Tim Kaine confer during the NVTC Delegation's visit to the Luna Nanoworks facility in Danville.

Photo courtesy of Chatham Star-Tribune

The NVTC Delegation began its tour in Bassett at EMI Imaging, where the members heard remarks from Governor Kaine, Secretary Chopra, Member of the Senate of Virginia **Roscoe Reynolds** (D-Martinsville) and Minority Leader of the Virginia House of Delegates **Ward Armstrong** (D-Martinsville) and had the opportunity to meet with members of the Governor's cabinet and local business and political leaders. The second stop was the Virginia Museum of Natural History in Martinsville, where the Delegation was provided regional economic development overviews from Martinsville/Henry County, Danville and Pittsylvania County of-

The tour was organized in cooperation with the Virginia Economic Development Partnership and hosted by Southside business leaders **Ben J. Davenport, Jr.**, Chairman, First Piedmont Corporation; **Charles H. Majors**, President & CEO, American National Bank & Trust Company and American National Bankshares, Inc.; and **Walter C. "Charlie" Mattox**, General Manager, Applied Felts, Inc.

"I am pleased we had this opportunity to introduce the Northern Virginia technology community to many of the exciting things going on in Southside Virginia," said Governor Kaine. "This region features some cutting-edge science, world-class research, good schools and an extraordinary quality of life. I believe the NVTC Delegation saw first-hand that Southside is well-positioned to leverage these assets in order to compete in the global economy."

"The NVTC Delegation's trip to Southside Virginia provided an important update for Northern Virginia technology business executives on the economy of that region and initiated a dialogue with business and community leaders about potential business opportunities for Northern Virginia-based companies in that region," said **Dendy Young**, Chairman of the NVTC Delegation and CEO of McLean Capital LLC. "The members of the

The members of the NVTC Delegation were:

- ***Dendy Young**, Chairman, NVTC delegation to Southside; CEO, McLean Capital LLC; and NVTC Board Member
- ***Dan Bannister**, President, Bannister Enterprises and Chairman Emeritus, NVTC
- ***Greg Baroni**, President, Global Sector, Unisys and NVTC Board Member
- ***Mike Daniels**, SAIC and Chairman Emeritus, NVTC
- ***Jim Duffey**, Vice President & General Manager, Global Sales and Client Solutions-U.S. Government, EDS, and Vice Chairman, NVTC Board of Directors
- ***Kelley Dunne**, CEO, DigitalBridge Communications
- ***Mark Frantz**, General Partner, RedShift Ventures and NVTC Board Member
- ***Bobbie Kilberg**, President & CEO, NVTC
- ***Curt Kolcun**, Vice President, Federal, Microsoft and NVTC Board Member
- ***John Love**, Principal, AH&T Insurance and Secretary, NVTC Board of Directors
- ***Gary Pan**, President & CEO, Panacea Consulting and NVTC Board Member
- ***Tom Patterson**, CEO, Command Information and NVTC Board Member
- ***Len Pomata**, Chairman & CEO, GITIS and NVTC Board Member
- ***Venkatapathi (P.V.) Puvvada**, Vice President & Chief Technology Officer, Federal Systems, Unisys (NVTC Board member company)
- ***Caroline Rapking**, Vice President, CGI (NVTC Board member company)
- ***Andrew Sachs**, Founder, Sachs Capital
- ***Sudhakar Shenoy**, Founder, Chairman & CEO, IMC, Inc., and Chairman Emeritus, NVTC
- ***Hugh Taylor**, President, Commercial, State and Local Group, Northrop Grumman Information Technology (NVTC Board member company)
- ***Rick Webb**, Chief Technology Officer, State and Local Government, Accenture (NVTC Board member company)

*Pictured, above left.

EVENTS@NVTC

ficials. The NVTC executives then traveled to Danville, where they had a briefing at and toured the Institute of Advanced Learning and Research (IALR). IALR was established to foster the development of a new economic base in the region, attract and develop an innovation economy workforce in Southside Virginia, prepare the region to leverage leading-edge information technology, and promote Southside as a destination location. The group also was updated on the progress of the Mid-Atlantic Broadband Cooperative (MABC). The Delegation then traveled to the Danville Science Center, where the Governor and the NVTC executives listened to a presentation on Piedmont Bioproducts—a company that will produce "green" oil and coal and be based in Southside, supported by financial backing by the Center for Innovative Technology and the Virginia Tobacco Commission. The visit to Southside Virginia concluded with a tour of the state-of-the-art Luna Nanoworks facility with the Governor and Secretary of Technology. **Kent Murphy**, CEO, Luna Innovations, is a member of the NVTC Board of Directors.



(l-r) P.V. Puvvada of Unisys, Governor Tim Kaine and NVTC Board Member Greg Baroni of Unisys share a laugh at a stop during the NVTC Delegation's visit to Southside Virginia.

Photo courtesy of Chatham Star-Tribune



(l-r) Dendy Young, Chairman of the NVTC Business Delegation to Southside Virginia and CEO of McLean Capital LLC, joins Governor Tim Kaine to address the tour attendees.

Photo courtesy of Chatham Star-Tribune

NVTC Members Tapped to Advise General Assembly on Tech Issues

The Virginia General Assembly's Joint Commission on Technology and Science (JCOTS) has enlisted the advice and expertise of 33 NVTC members this year to assist in its continuing study of science and technology policy in Virginia. Each year, NVTC provides the General Assembly with a list of qualified experts from among its membership who have expressed an interest in serving on the advisory committees. Following are the NVTC members who have been appointed to serve on JCOTS 2007 Advisory Committees:

Nanotechnology Authority Advisory Committee: Charles B. Gause, Luna Nanoworks; Richard Gregory, Old Dominion University; Donald Leo, Virginia Tech; Terry Leslie, Micron Technology; Dennis Manos, College of William & Mary; Kathleen Meehan, Virginia Tech; and Nancy Vorona, Center for Innovative Technology.

Underground Transmission Lines Advisory Committee: Michael Aisenberg, VeriSign; Kevin Curtis, Dominion; and Irene Leech, Virginia Tech.

eCycling Advisory Committee: Parker Brugge, Consumer Electronics Association; Jeremy Farber, PC Recycler; Paul Liberty; Fran Valluzzo, Dell; and Elizabeth Wilmot, Turtle Wings.

Wireless Broadband Advisory Committee: Kelley Dunne, DigitalBridge Communications; Michael King, Northrop Grumman; Darryl Ladd, Cox Communications; Joe Ordia, Ordia Solutions; and Gerald Stegmaier, Wilson Sonsini Goodrich & Rosati.

Aerospace Advisory Committee: H. Hollister Cantus, The ILEX Group; and Christopher Hall, Virginia Tech.

Open Education Resources

Eric Finkbeiner, McGuire Woods Consulting; Anne H. Moore, Virginia Tech; and Karen Richardson, College of William & Mary.

Electronic Medical Records: Jean-Pierre Auffret, George Mason University; Robert Cothren, Northrop Grumman; Brian Deasy, CapTech Ventures; Kevin McFarling, EDS; Joel Hinzman, Oracle; Rob Robertson, CGI; and Louis Zeidman, SYMANTEC Corporation.

NVTC helped push legislation through the General Assembly in 1997 that resulted in the creation of JCOTS, which studies all aspects of technology and science and stimulates, encourages, promotes and assists in the development of technology and science in Virginia through sound public policies. JCOTS, which is chaired by technology champion Delegate Joe May (R-Leesburg), forms advisory committees composed of legislators and a select group of stakeholders, citizens, tech executives, attorneys, lobbyists and others with an interest in the issues being studied. More information about JCOTS can be found at: <http://jcots.state.va.us>.

Attorney General McDonnell Takes "Tech Tour of Northern Virginia"



(l-r) Todd House, Micron Technology; Attorney General Bob McDonnell; Wayne Allan, Micron Technology, and Bobbie Kilberg, NVTC President & CEO during the tech tour.

On May 16, Attorney General **Bob McDonnell** traveled to Northern Virginia to learn more about the area's technology industry. He was joined by **Bobbie Kilberg**, NVTC President & CEO. McDonnell visited the facilities of three NVTC member companies: Micron Technology in Manassas, Symantec's Security Operations Center in Alexandria and AOL headquarters in Loudon County.

Speaking about the visit, McDonnell remarked: "Virginia's technology industry, anchored in Northern Virginia, is a world leader in innovation and advancement. Thanks to Virginia's nationally acclaimed fiscal and regulatory environment, many of the world's leading high tech companies have made Virginia their home. Virginians have benefited enormously from these developments."

"Attorney General McDonnell is a strong supporter of the technology industry and I am delighted to join him on this tour," Kilberg said. "NVTC is the largest technology council in the nation with 1,100 member companies. These companies exemplify the strength and diversity of technology innovation in this region. Technology is the economic engine that drives the economy of the Commonwealth and the heart of that industry is in Northern Virginia."



(l-r) NVTC TechPAC Trustee Todd House of Micron Technology, Lieutenant Governor Bill Bolling, and TechPAC Trustees Paul Liberty of GTSI Corp., and Jim Lewis of Holland & Knight, LLP, chat before the NVTC TechPAC meeting on Wednesday.

NVTC TechPAC Meets with Lieutenant Governor Bill Bolling

On May 23, NVTC TechPAC hosted Lieutenant Governor **Bill Bolling** (R-Virginia) at a meeting to discuss his successes as Lieutenant Governor and his upcoming initiatives, including his newest project, "100 Ideas for the Future of Virginia." The meeting also provided the opportunity for NVTC TechPAC members to discuss

NVTC's legislative priorities with the Lieutenant Governor.

The NVTC TechPAC executives in attendance at the meeting included **Nicholas Evans** of CGI; **Michael Ferraro** of TRAINING SOLUTIONS, INC.; **David Gentry** of Lee Technologies; **Todd House** of Micron Technology; **Bobbie Kilberg**, NVTC President & CEO; **Jim Lewis** of Holland & Knight, LLP; **Paul Liberty** of GTSI; and **Dendy Young**, NVTC TechPAC Chairman.



Lieutenant Governor Bill Bolling (center) entertains a question from a TechPAC Trustee. NVTC TechPAC Chairman Dendy Young (left) and NVTC Vice President of Policy Josh Levi (right) were at the meeting.

NVTC TechPAC Meets with House Democratic Leaders

NVTC TechPAC on May 17 hosted newly elected House Minority Leader **Ward Armstrong** (D-Martinsville) and House Minority Caucus Vice Chair **Kris Amundson** (D-Mt. Vernon) at a meeting to discuss the legislators' new leadership roles within the House Democratic Caucus, their priorities moving forward, their views on issues of interest to the technology industry and their perspectives on the political climate heading into the 2007 elections. The meeting also provided the opportunity for NVTC TechPAC leaders to acquaint the legislators with NVTC's legislative priorities.



Delegate Kris Amundson answers questions posed by the NVTC TechPAC Board. (l-r) Dan Hoydysh, Unisys Corporation; Delegate Ward Armstrong; Delegate Amundson; Doug Koelmay, Qorvis Communications; and David Gentry, Lee Technologies.

The NVTC TechPAC executives in attendance at the meeting included **Dendy Young**, NVTC TechPAC Chairman; **Nicholas Evans** of CGI; **Michael Ferraro** of TRAINING SOLUTIONS, INC.; **Anne Gavin** of Microsoft Corporation; **David Gentry** of Lee Technologies; **Dan Hoydysh** of Unisys Corporation; **John Love** of AH&T Insurance; and **Duffy Mazan**.

To learn more about NVTC TechPAC, the Northern Virginia technology community's state-level political action committee, visit www.nvtc.org.

“Strategic Investing for the U.S. Intelligence Community” was presented by the **NVTC Business to Government** and **Capital Formation** committees on April 19. Keynote speaker **Chris Darby**, President and CEO of In-Q-Tel, discussed news from the independent strategic venture capital fund that identifies innovative technologies to support the missions of the CIA and the larger U.S. intelligence community.

“Bootstrapping: Forget the Fancy Stuff: It’s Basic Block and Tackle” was presented on April 24 by the **NVTC Emerging Business and Entrepreneur Committee**. The panel shared personal experience and advice on starting your own business, venture funding, business structuring and creating a plan to accelerate your business. Speakers included **Jim Wolfe** of J Street Consulting and Entrepreneur in Residence at the School of Management at George Mason University, **Andy Forbes**, owner of The Andy Forbes Files.com, and **Brandon Labman** of R.O.C.S. Staffing. The moderator was **Ian Mooers**, Coordinator for Entrepreneurial and Business Development Programs at George Mason University.

On May 3, the **NVTC Capital Formation Committee** presented “2007: Investing in the Software Industry.” A discussion on the state of the software industry was given by panelists **Vispi Daver** of Sierra Ventures and **Charlie Thomas** of Razorsight. The panelists discussed investing in and building a SaaS (Software as a Service) company and what they have been seeing across the software industry landscape. The panel was moderated by **Mark Esposito** of PricewaterhouseCoopers.

On May 4, the Vonage case and its breach upon Verizon patents was discussed in “Wham! What Vonage’s \$58 Million Surprise Means to YOU,” presented by the **NVTC New Media Technologies, Tech Emergence** and **General Counsel** committees. Speakers **Jim Kohlenberger** of VON (Voice on the Net) Coalition; **Barry Goldsmith** of Womble Carlyle Sandridge & Rice PLLC; and **Marco Rubin** of Ex-venture Associates, LLC, looked at the case and its implications. The panelists gave an overview of the case and described how the decision would impact tech companies and investors.

“Not Just a Name: Rebranding and Brand Revitalization” was presented by the **NVTC Business Development, Marketing and Sales Committee** on May 10. A panel of marketing experts discussed successes, challenges and lessons learned in building and re-building a brand. The panel included **Todd Forest** of Jobfox; **Mark Meudt** of General Dynamics Information Technology; **Bob Ragsdale** of Erickson Barnett; and **Dean Wiltse** of Vovici. The program featured short presentations by each panelist followed by audience Q&A. Attendees learned when to change a company’s name and how to spread the word, what to do when a brand loses steam, how to measure brand equity, how to reposition a brand, best practices when a brand is merged or acquired, and other helpful marketing advice. The panel was moderated by **Elizabeth Shea**, President of Speakerbox.

The **NVTC CFO Series Committee** presented “Preparing for a Successful Liquidity” on May 11. Areas of focus for management in grooming a company for an exit; considerations in evaluating various exit alternatives; challenges presented by the state of the regulatory environment and recent market conditions for companies considering an IPO; and the current trends in M&A activity were discussed. A panel of experts shared their extensive experience and provided unique perspectives on these and other related issues. The panel included **Todd Healy** of Sourcefire; **Joseph Kuhn** of Nextone; Gene Riechers of Valhalla Partners; and **Alan Stewart** of ICF Consulting. The event was moderated by **Matthew Swartz** of Pillsbury Winthrop Shaw Pittman.

On May 15, the **NVTC Emerging Business and Entrepreneur Committee** hosted “Things That Keep Owners Awake at Night,” focused on the anxiety and unexpected circumstances entrepreneurs may come across as they move their enterprise forward. The event was moderated by **David Linthicum** of Access National Bank. Speakers included **Hilton Augustine** of Global Management Systems, Inc., **Celestino M. Beltran** of Comprehensive Technologies International, Inc., and **Katharine Sleep** of List Innovative Solutions.

Delegate **David Poisson** (D-Sterling) was the featured guest at the first joint meeting of the **NVTC Public Policy Steering Committee** and **Workforce Committee** which met to talk about technology education and workforce issues and public policy initiatives that pertain to these topics. Delegate Poisson discussed his views about the Commonwealth’s educational challenges. Also meeting with the group was **Tim Priest**, Executive Director of the Greater Washington Initiative (GWI), who presented some of the findings from GWI’s latest study on human capital and the knowledge workforce in the Greater Washington region.

To find out more about committee events or participation, visit www.nvtc.org or contact NVTC Committee Activities Director Pam Covington at pcovington@nvtc.org.

NVTC Launches Health Technology Committee

The NVTC Board of Directors in May 2007 approved the formation of the **NVTC Health Technology Committee** to provide NVTC members with education, networking, and business and government opportunities to participate in and benefit from the increasing use of electronic health information and technology in the delivery of and payment for health care. Among the areas of focus of the new committee are using computer technology for health information, improving the quality and efficiency of health care, growing Northern Virginia’s health care technology workforce, and interfacing with NoVa-HealthFORCE. Members of the Health Technology Committee will include vendors, suppliers, health care providers, hospitals, payors, consultants, technologists, educational institutions, public charities, and employers providing workforce health care benefits.

To learn more visit www.nvtc.org.

Board Reception Series Continues with Jim Leto at GTSI

In May, NVTC held the fourth in its Board Reception Series, developed to bring together C-level executives of its smaller technology member companies and provide them with an opportunity to network with members of the NVTC Board of Directors in an intimate setting. The most recent event was hosted by Board Member **Jim Leto**, President & CEO of GTSI, which is celebrating its 24th year in business. Leto welcomed the group of more than 30 member company chief executives and introduced 13 members of his senior management team. Along with NVTC Chairman of the Board **John C. Lee, IV**, President & CEO of Lee Technologies, and NVTC President & CEO **Bobbie Kilberg**, Board Members **John Love**, Principal, AH&T Insurance; **Deepak Hathiramani**, President & CEO, Vistronix; and **Jonathan Shames**, Partner, Ernst & Young, were also in attendance.



NVTC Chairman of the Board **John C. Lee IV** introduces Board Reception host **Jim Leto**, President & CEO, GTSI.



NVTC Board of Directors Vice Chairman **Jim Duffey** of EDS (l) and Board Member **Jim Leto** (r) of GTSI chat before their welcoming remarks at the May Connection event.

Members Find Their Match at Committee Connections New Event Draws Crowd of 250 to Join NVTC Committees

On June 13, more than 250 NVTC members attended the first "Committee Connection" event. Attendees gathered in the sun-filled atrium of the CIT Building in Herndon to find out more about NVTC committees and to network with committee leaders and other technology executives while enjoying a continental breakfast buffet. NVTC Board of Directors Vice Chairman **Jim Duffey** of EDS and Board Member **Jim Leto** of GTSI joined NVTC President & CEO **Bobbie Kilberg** in welcoming the attendees and encouraging them to find out more about the work of the NVTC committees and how they add value to NVTC membership. NVTC Board Member **Bob Dinkel** of JB Cubed also attended.

Nearly all of the participants signed up for one or more industry-specific committees, including BioMedTech; Business Development, Marketing & Sales; Business to Government (B2G); Capital Formation; CFO Forum; Emerging Business & Entrepreneur (EB&E); Executive Forum; General Counsel; Health Technology; International; Membership Development; Nanotechnology; New Media Technologies; Private Equity; Public Policy Steering; Security; Tech Emergence; and Workforce; and the Telework Task Force.

Committee participation is an exclusive benefit of membership and all members are encouraged to join the committee(s) of their choice. There is no obligation as a committee member and work of the committees is voluntary. With 18 member-driven committees, participation provides NVTC members every opportunity to meet the people who share similar professional interests and with whom they want to do business. Active participation in committee meetings and programs, and sponsorships can provide members with solid networking opportunities, increased brand exposure, committee leadership potential, and possible presentation and panel opportunities.

For more information about NVTC committees, please visit www.nvtc.org/committees or e-mail Pam Covington, NVTC Director of Committee Activities, at pcovington@nvtc.org.



A majority of the attendees at the Committee Connection event signed up to join an NVTC committee.

Northrop Grumman Hosts Executive Forum CXO Dinner on May 8

On May 8, the NVTC Executive Forum Committee presented the Executive Forum CXO Dinner. The event was hosted by **James R. O'Neill**, President of Northrop Grumman Information Technology at Northrop Grumman's offices in McLean, VA. The CXO dinners provide an intimate and interactive format for attendees to ask questions and get advice from the host and fellow executives on business issues facing their organizations.

The Platinum Sponsors of the CXO Dinner series are AH&T Insurance; Beers & Cutler PLLC; CEO Project LLC; DC Rainmakers, LLC; and McGuire Woods LLP.



CXO Dinner host **Jim O'Neill** with **Madan Kondayyagari** of USM Business Systems, Inc.

Mergers and Acquisitions After the New Small Business Rules

by *Manik K. Rath and Tamara Jack, LMI*

The new U.S. Small Business Administration's (SBA) rules on small business size recertification, effective July 1, 2007, will have tremendous impacts not only on how federal contracting is done, but also on merger and acquisition activities.

The new rule applies to new federal contracts that last for more than five years, to any contract in existence when the new rule goes into effect regardless of term, as well as to all contracts where a novation, acquisition or merger has taken place. The new rule requires contracting officers to request companies to recertify their small size status prior to the end of the fifth year and prior to the exercising of any option year thereafter. In addition, recertification will be required within 30 days of the finalization of any novation and any merger and acquisition activity. However, if a business is unable to recertify after a novation or merger, the contracting officer will have the right (but not the obligation) to terminate the contract. The new rule only applies to the prime contractors, not to subcontractors.

The new rule has many practical effects. First are its implications on future revenues. If a business is unable to recertify that it is "small," it will not change the terms and conditions of the contract. However, the procuring agency will not be able to take credit for the contract as having been awarded to a small business. Therefore, the contracting officer will have discretion to continue or terminate performance or to award or withhold options. This may create uncertainty for small businesses and potential acquirers as to what future revenues will be. In turn, a potential acquirer may look at this uncertainty as a risk to be reflected in the purchase value of the business.

There are implications to a small business seeking to be acquired, and to companies seeking to acquire a small business. If a company contemplates acquiring a small business, there are several issues it should consider when conducting its due diligence review. First, an ac-

quirer should consider whether the procuring agency is meeting its small business goals, and whether it could meet those goals without counting the target business's funding. Also, the acquirer should consider whether the target has unique skills. Additionally, the acquirer should consider the target's past performance on the contract, and the relationship with the procuring agency. Understanding these areas may mitigate the uncertainty as to what the contracting officer may do if the target is unable to recertify as to its "small" size following an acquisition.

Already, the requirements of the new rule have impacted the value of small businesses. The rule may lower potential value of a small business by creating uncertainty on projected revenue. In assessing the deal value, acquirers will contemplate possible scenarios, such as the administrative burden associated with re-certification, potential loss of revenue from current contracts, and uncertainty of future orders.

There are various liquidity options that mitigate risks associated with the small business status.

Small businesses may consider avoiding revenue and staff growth if loss of business is anticipated as a result of upcoming re-certification. Growth avoidance may preserve enterprise value. Small businesses should also maintain excellent relationships with the government clients, unique of their products and services, and an unblemished past performance history. These steps will also enhance enterprise value as potential acquirers examine the business's small business contracts. Small businesses should consider selling to their own management or employees who are familiar with the company and may value the enterprise more highly. Also, high net-worth individuals interested in the public service and the net income associated with small business ownership may be willing to acquire the business and not grow it beyond the size standard. Also, a small business may consider selling to another small

business that will appreciate the myriad ways in which the risks of exceeding the size standard can be handled.

Companies interested in acquiring small businesses should make SBA re-certification requirements part of any M&A due diligence activity. Such acquirers should examine whether the business is performing small business contracts, and the bases of the awards. Acquirers should also consider all the reporting obligations and make all the required disclosures. To mitigate the risk of purchasing revenues that could evaporate when the acquiree fails to recertify, an acquirer could structure the purchase price with an "earnout" component. An earnout could condition payment of part of the purchase price on the seller successfully transitioning its small business funding to full-and-open competitive funding, or on developing new funding that is awarded on a full-and-open competition. Under such a payment structure, the acquirer only pays a portion of the purchase price at closing, and the remainder only if it captures the small business's pre-sale revenues. Conversely, the small target under such a structure may sell for the value of all of its revenues, but only if it works after the sale to deliver all pre-sale revenues to the acquirer.

The new SBA regulations will significantly impact mergers and acquisitions in the government contracting market. They will affect the liquidity options available for small businesses and create new business risks for potential acquirers. However, strategies exist to ensure that such deals can still be accomplished to the benefit of buyers, sellers and the government customers which they serve.

Manik K. Rath is Vice President, General Counsel and Corporate Secretary of LMI, a federal contractor headquartered in Tysons Corner, Virginia. Tamara Jack is the Associate General Counsel at LMI.

TECHNOLOGY COMPANIES

BroadSoft
www.broadsoft.com

Capital Advanced Technology Services, Inc.
www.capitalats.net

Claraview, Inc.
www.claraview.com

Clear Registered Traveler
www.flyclear.com

DLC Solutions, LLC
www.dlc-solutions.com

Encrisp LLC
www.encrisp.com

Enterprise Collaboration Strategies
www.enterprisecollaboration.com

Excitations
www.excitations.com

EXOSTAR LLC
www.exostar.com

Fiore Industries, Inc.
www.fiore-ind.com

Honeywell Building Solutions
www.buildingsolutions.honeywell.com

India Business Strategy Group

Inscite Inc.
www.inscite.com

JB Cubed
www.jbcubed.com

Kaulkin Information Systems (KIS)
www.kistrack.com

Marketing Deliverables, Inc.
www.marketingdeliverablesinc.com

Microfinish IT
www.mf-it.com

NETE
www.nete.com

NIS Solutions
www.nissolutions.com

Panasonic Computer Solutions Company

Panscient, Inc.
www.panscient.com

QlikTech Inc.
www.qliktech.com

Serco, Inc.
www.serco-na.com

Softential, Inc.
www.softential.com

SolaCom Technologies USA
www.solacom.com

SPADAC
www.spadac.com

SyCom Technologies
www.sycomtech.com

The ACI Group
www.aci.com

The Boeing Company
www.boeing.com

The TRIZ Group LLC
www.trizgroup.com

Valador
www.valador.com

Vianix, LLC
www.vianix.com

videoNEXT
www.videoNEXT.com

ASSOCIATE COMPANIES

Export Strategies, LLC
www.exportstrategies.com

KG Communications
www.kgcom.com

The Pomerantz Agency
www.pomagency.com

Quality Point Intefrating Systems LLC
www.qualitypoint.org

Red Team Review
www.redteamreview.com

Studley, Inc.
www.studley.com

TurnAround, LLC
www.turnaroundllc.com

Watkins, Meegan, Drury & Company
www.watkinsmeegan.com

AFFILIATE COMPANIES

Korea Industrial Technology Foundation (KOTEF)
www.kotef.or.kr

Republic of Tatarstan Russian Federation
www.tatar.ru

RENEWING MEMBERS

4Wave, Inc.
Accenture
Access Systems
Angel.com
AOL
Approva Corporation
Arlington Economic Development
Athena Group, The
Automation Technologies, Inc.
Avitecture, Inc.
Bank Street Group LLC
Bartholdi Partners
BB&T Capital Markets | Windsor Group
Bio IT Coalition
Booz Allen Hamilton
Bowhead Technical & Professional Services
buySafe, Inc.
CEO Project LLC
Cernium Corporation
Cilutions
Command Information
Core Capital Partners, LP
CSC (Corporation Service Company)
CTS Services
Defywire
DeVry University
DLA Piper US LLP
Dumbfind Inc.

EDS
Enterprise Elements, Inc.
Everest Software Inc.
Exchange Group, Inc.
First Horizon Bank
Focus Technology Consulting
Fredericksburg Regional Alliance
FreeSoft International, Inc.
Global Link Solutions
GlobalLogic
GTSI, Corp.
Heidrick & Struggles, Inc.
HireStrategy
Holland & Knight
Inova Health Systems
Insystech, Inc.
Intelligent Decisions
Issue Dynamics, Inc.
Itochu International Inc.
Kenyon & Kenyon LLP
LeapFrog Solutions, Inc.
Leros Technologies, Inc.
Merritt Group, Inc.
MicroAutomation, Inc.
Micron Technology
MKS Software, Inc.
Mobile Satellite Ventures
Morino Ventures LLC
Morrison & Foerster
nanoTITAN, Inc.
Netuitive
NeuStar, Inc.
North Bridge Venture Partners
Paul Unger NBS Search, Inc.
Project Performance Corporation
Qorvis Communications
Quebec Delegation
Recovery Point Systems
RightMind Technology Management
Ryan, Sharkey & Crutchfield, LLP
Sensoft International, Inc.
Shenandoah University
Silicon Valley Bank
SkyBitz, Inc.
Software AG
Sourcefire, Inc.
Stanley Associates, Inc.
SWSOFT
Sybase
Tech Council of Maryland
The Mergis Group A division of Spherion
TNI Solutions
VeriSign
Virginia Economic Development Partnership
Vivum Group LLC
Vovici
Washington Metropolitan Area Transit Authority
Washington Resource Associates
Washington SmartCEO
William Gallagher Associates
Zipzone Limited

NVTC Golf Tournament Raises Nearly \$32,000 for Equal Footing Foundation



April 30th was a great day for golf and a great day for the Equal Footing Foundation! One hundred and ten players hit the links at the Belle Haven Country Club in Alexandria for 18 holes under bright blue skies and gathered afterward for the dinner, awards program, silent auction and raffle. The tournament raised nearly \$32,000 for the Equal Footing Foundation's youth education programs.

Congratulations to the winners of the 2007 NVTC Golf Tournament!



1st Place

Steve Breisth, Inscope Solutions
Caulley Deringer, Transwestern General Agency
Betty Hartmann, M3Com
Sean Stone, Silicon Valley Bank

2nd Place (tie)

John Daley, Sprint Nextel
Andy Greig, Sprint Nextel
Rick Hausman, Sprint Nextel
John Muscarella, Sprint Nextel

2nd Place (tie)

Doug Jackson, Technology Finance Specialists, Inc.
John Kraft, ServerVault
Arick Levine, Sun Financial Services
Jamie Walton, Computer Science Corporation

3rd Place

Tom Kennedy, GTSI Corp.
Jim Leto, GTSI Corp.
Bob Mitchell, GTSI Corp.
Mark Smith, GTSI Corp.

Closest to the Pin: Men
Mark Walsh

Longest Drive: Men
Tom Kennedy, GTSI Corp.

Longest Drive: Women
Alissa Curry, First Horizon Bank

THANK YOU TO OUR SPONSORS

Tournament Sponsors:
Deutsche Bank Alex Brown
Wirefly.com *powered by InPhonic

Club Sponsors:
GTSI Corp.
TARGUSinfo

Beverage Sponsors:
Dimensions International
Northrop Grumman IT

Hole in One Sponsors:
Scheer Partners
Technology Finance Specialists, Inc.

Mulligan Sponsor:
Sprint Nextel

Closest to the Pin Sponsor:
Principal Financial Group

Longest Drive Sponsor:
KPMG

Hole Sponsors:
Chubb; Command Information; KPMG;
LeapFrog Solutions; Michael Smith Business
Development; Noblis; Northern Virginia Massage
Center; PC Recycler Inc.; RER Solutions, Inc.;
Saforian, Inc; SI International; Strelmark, LLC

Fast Forward 50 Years

There were more than a couple of significant developments involving Northern Virginia 50 years ago. CBS News Anchor Katie Couric was born in Arlington. George Mason University began as the Northern Virginia branch of the University of Virginia (UVA). Author William Faulkner took up his post as Writer-in Residence at UVA. The Fairfax County Board of Supervisors created Fairfax Water, which now serves 1.3 million customers from Potomac River and Occoquan Reservoir sources. Future singer and songwriter for The Doors, Jim Morrison, began to wonder what high school in Alexandria was going to be like. About 40 leaders from the District of Columbia, Maryland and Virginia got together in 1957 to exchange ideas and work on issues, such as transportation and public safety, that cried out for wider, more sustained responses.

Out of those regional discussions came a decision by localities to form the Metropolitan Washington Council of Governments (COG.) And so it was appropriate that COG again convened regional leaders on May 30 of this year, at The George Washington University, to look back at 1957 and fast forward to 2057. MedStar Health Executive Vice President Michael Rogers, a former Executive Director of COG, reviewed a Tysons Corner grocery store standing alone in 1957, 24 cents-per-gallon gasoline, bedroom communities, a space race, the 3-cent stamp, racial segregation, and a region without Dulles Airport, Metrorail or the Capitol Beltway. Two percent of residents had a college degree. Four percent were born in another country.

Interject the civil rights movement, computers, databases, IM, Tivo, iPod, streaming video, immigration, NVTC and the wireless technology revolution. The region in 2007 sports more tech workers than federal government employees, 23 million annual passengers at Dulles, 206 million Metro trips in 2006 and Tysons as a national commercial and retail center. Thirty percent of the population, now centered in Fairfax, Montgomery and Prince Georges counties, has at least a college degree, 21 percent have three or more cars and 20 percent are foreign-born. Smart, mobile, diverse populations are a regional strength and a magnet for business.

Many, NBC-4 Anchor Jim Vance suggested as panel moderator, could see at least some of the changes coming in a new century, even though the investments in education, transportation, housing and public safety weren't perfect. But Vance asked what could the group see now? What challenges are emerging? Which responses could we shape and how quickly?

Fast forward to 2057: Stephen Fuller, Professor of Public Policy and Regional Development at George Mason University, and Robert Lang, Director of the Metropolitan Institute at Virginia Tech, suggest up to 9.9 million people could live in Greater Washington. 8.8 million could work here. The gross regional product could total \$1.762 trillion. The average price of a house could be \$14 million. Only about 6.5 percent of workers are likely to be federal employees. "Labor force shortages can jeopardize that healthy future," Fuller suggested, "because even greater reliance on non-local workers could divert \$370 billion in 2057 (about the size of the regional economy now) to workers outside the region."

"Workers need to live closer to where they work," Fuller said, "therefore, local governments need to approve more density and encourage builders to build up to 55,000 more housing units a year." Lang wondered aloud why commercial builders aren't being encouraged to participate in providing affordable housing for the average income workers who staff and serve their office complexes.

Lang also predicted a Baltimore-Washington-Northern Virginia-Richmond "megapolitan" region he called "Chesapeake," in which energy, transportation, economic development and environmental investments will be weighed region-wide. "Richmond can go somewhere with Washington," Lang concluded, "if high-speed links from the fastest growing to the more mature areas of the region can be constructed." Within the megapolitan region, Lang said, semi-autonomous urban realms will maintain their identities.

The conclusion of the forum was that the region is still moving forward fast, but also that it is not likely to realize its potential over the next 50 years by responding in the same way to new challenges. The issues that executives, leaders and people care about—housing costs, transportation options, energy use and environmental concerns—are converging, and that means new opportunities to shape the region. In the end, the next half-century will require new versions of the revolutions—social and technological—that rocketed 1957 into 2007.



Douglas Koelemay is a Senior Advisor to NVTC and Managing Director at Qorvis Communications, LLC



Saforian, Inc. is an interactive design firm headquartered in Virginia. We have been in business since 2001 and are made up of individuals who met at a previous dot.com consultancy company during the heyday of the Internet boom.

Every day the use of the Internet increases; people are now going to the Web first, for all types of information, before ever picking up the phone and talking to someone. In this information age we are constantly being bombarded with messaging. It is becoming increasingly important that compa-

nies' messages are conveyed properly on the Web. With competitors just a click away, companies have to make sure they are capturing the attention they deserve and then converting that attention into real business.

Saforian understands this and has witnessed the transition of the Internet, from the early days where companies put anything and everything up on the Web in hopes that something would work, to today where companies are focusing more attention on the Web and creating highly engaging interactive experiences.

Saforian specializes in providing superior design skills to help organizations take advantage of the Internet by leveraging the latest in technologies and visual trends. Our focus is on traditional Web site design, along with Web application design, providing solutions that allow our customers to leverage the Internet effectively.

Saforian provides the techniques and the know-how to help companies create that compelling creative solution needed to bring them to the next level with their customers.

Whether you're in the market for some creative support with the development of a highly effective printed marketing piece or are getting ready to launch a new Web site or online application, Saforian has the creative talents and experience necessary to ensure the end result is successful.

Visit us at www.weliketocreate.com or contact us at info@saforian.com or 877.723.6742.

Attach Your Company's Name to the **Most Well-Recognized Events**
for the Tech Community in Our Region ...

Sponsorships Are Now Available

for the 2007-2008 NVTC Event Season!

Put your name **front and center** on these premier events:

- **Titans Breakfast Series**
- **Presidential Series**
- **Fusion Fest**
- **TECHCelebration: NVTC Banquet**
- **Committee Events (too many to list!)**

To reserve your sponsorship, contact sponsorships@nvtc.org or
John F. Cissel, Director of Membership Development,
at (703) 904-7878 ext. 208 / jcissel@nvtc.org for more information.

Northern Virginia Technology Council
2214 Rock Hill Road
Suite 300
Herndon, VA 20170
www.nvtc.org