SYNCHRONOSS TECHNOLOGIES INC
Form 424B5
November 18, 2010

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As filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-164619

PROSPECTUS SUPPLEMENT
(To Prospectus dated March 10, 2010)

4,258,042 Shares

Common Stock

We are selling 3,775,000 shares of common stock and the selling stockholders are selling 483,042 shares of common stock. We will not receive any proceeds from the sale of shares by selling stockholders.

Our common stock is listed on the NASDAQ Global Select Market under the symbol SNCR. The closing price of the common stock on The NASDAQ Global Select Market on November 17, 2010 was $25.99 per share.

We have granted the underwriters an option to purchase a maximum of 638,706 additional shares to cover over-allotments of shares.

Investing in the common stock involves risk. See Risk Factors beginning on page S-3 of this prospectus supplement.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer	Proceeds to Selling Stockholders
Per Share	$25.4000	$1.1430	$24.2570	$24.2570
Total	$108,154,266.80	$4,866,942.00	$91,570,175.00	$11,717,149.79

Delivery of the shares of common stock will be made on or about November 23, 2010.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse
Deutsche Bank Securities
Goldman, Sachs & Co.

Stifel Nicolaus Weisel
Raymond James
Lazard Capital Markets
Wedbush Securities

The date of this prospectus supplement is November 17, 2010

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Prospectus Supplement

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the headings Where You Can Find More Information and Incorporation by Reference below.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. See Incorporation by Reference.

We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement, the accompanying prospectus and any such free writing prospectus is an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should not assume that the information in this prospectus supplement, the accompanying prospectus, any related free writing prospectus or any document incorporated or deemed incorporated herein by reference is accurate as of any date other than the date of this prospectus supplement. Also, you should not assume that there has been no change in the affairs of our company since the date of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since that date.

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STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, or which include words such as expects, anticipates, intends, plans, believes, estimates, or variations or negatives thereof or by similar or comparable words or phrases. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects and possible future actions by us that may be provided by management are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties, and assumptions about our company and economic and market factors in the countries in which we do business, among other things. These statements are not guarantees of future performance, and we have no specific intention to update these statements and undertake no obligation to do so.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include loss of customers, the deterioration of our relationship with any of our main customers, our failure to anticipate and adapt to future changes in our industry, lack of growth in communications services transactions on the Internet and a decline in subscribers to the wireless industry. These factors and other factors are discussed more fully herein under the heading Risk Factors and in our filings with the SEC incorporated in this prospectus by reference.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and our consolidated financial statements and notes thereto appearing elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before investing in our securities. You should read the entire prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference herein and therein, carefully.

Our Company

Overview

We are a leading provider of on-demand transaction management platforms that enable communications service providers (CSPs), cable operators / multi-service operators (MSOs), original equipment manufacturers (OEMs) with embedded connectivity (e.g. smartphones, laptops, netbooks and mobile Internet devices, among others), e-Tailers / retailers and other customers to accelerate and monetize their go-to-market strategies for connected devices. This includes automating subscriber activation, order management and service provisioning from any channel (e.g., e-commerce, telesales, customer stores, indirect and other retail outlets, etc.) to any communication service (e.g., wireless(2G, 3G, 4G), high speed access, local access, IPTV, cable, satellite TV, etc.) across any connected device type and content transfer. Our ConvergenceNow®, ConvergenceNow® Plus+ and InterconnectNow™ platforms provide end-to-end seamless integration between customer-facing channels/applications, communication services, or devices and back-office infrastructure-related systems and processes. Our customers rely on our cloud-based solutions and technology to automate the process of activating customers while delivering additional communication services, including new service offerings and ongoing customer care. Our platforms are designed to be flexible and scalable to enable multiple converged communication services to be managed across multiple distribution channels allowing us to meet the rapidly changing and converging services and connected devices offered by our customers. We enable our customers to acquire, retain and service subscribers quickly, reliably and cost-effectively by simplifying the processes associated with managing the customer experience for ordering and activating connected devices and services through the use of our platforms.

On July 19, 2010, we acquired fusionOne, Inc. (fusionOne). fusionOne provides internet synchronization technology and marketing services that make information access seamless and simple across multiple communications and computing devices across both compatible and traditionally incompatible systems. In addition, fusionOne has expanded its technology to provide personal content management applications for mobile phone users, which includes affordable backup of the user s address book, calendar, pictures and downloaded content.

Our customers include tier 1 service providers such as AT&T Inc., Verizon Wireless and Vodafone, tier 1 cable operators / MSOs like Cablevision, Charter Communications, Comcast and Time Warner Cable and large OEMs / e-Tailers such as Apple, Dell and Nokia. These customers utilize our platforms, technology and services to service both consumer and business customers.

Corporate Information

We were incorporated in Delaware in 2000. Our principal executive offices are located at 750 Route 202 South, Suite 600, Bridgewater, New Jersey 08807 and our telephone number is (866) 620-3940. Our Web site address is www.synchronoss.com. The information on, or that can be accessed through, our Web site is not part of this prospectus.

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THE OFFERING

Common stock offered by us	3,775,000
Common stock offered by the selling stockholders	483,042
Over-allotment option	We have granted the underwriters a 30-day option to purchase up to 638,706 additional shares of common stock to cover over allotment, if any.
Common stock to be outstanding after this offering	35,785,662 (or 36,424,368 if the underwriting over-allotment option is exercised in full)
Use of proceeds	We expect the net proceeds from the sale of the shares of common stock being offered by us under this prospectus supplement will be approximately $91.172 million (or approximately $106.665 million if the underwriters exercise their overallotment option in full), after deducting the underwriting fees and our estimated offering expenses. We will not receive any proceeds from the sale of shares in this offering by the selling stockholders. We intend to use the net proceeds from the sale of the shares of common stock for general corporate purposes, including, but not limited to, working capital and capital expenditures. We may also use a portion of the net proceeds to acquire other businesses or technologies. Our board of directors will have broad discretion in determining how any net proceeds will be used.
Dividend policy	Currently, we do not anticipate paying cash dividends.
Risk factors	You should read the Risk Factors beginning on page S-3 of this prospectus supplement as well as the risk factors that are described in the documents incorporated or deemed incorporated by reference in this prospectus supplement for a discussion of factors that you should consider carefully before deciding to invest in shares of our common stock.
NASDAQ Global Select Market symbol	SNCR

The number of shares of our common stock to be outstanding following this offering is based on 32,010,662 shares of common stock outstanding on November 9, 2010, and excludes:

- 5,429,043 shares of common stock issuable upon exercise of options outstanding as of November 9, 2010 at a weighted average exercise price of $15.21 per share; and
- 297,750 shares of common stock reserved as of November 9, 2010 for future issuance under our stock-based compensation plans.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- No exercise by the underwriters of their over-allotment option.

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RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described in the accompanying prospectus under Risk Factors, and all other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before you decide whether to purchase our common stock. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also become important factors that may harm our business. The occurrence of any of such risks could harm our business. The trading price of our common stock could decline due to any of these risks and uncertainties, and you may lose part or all of your investment.

Risks Related to the Offering

Our Stock Price May Be Volatile and You May Not Be Able to Resell Shares of Our Common Stock At or Above the Price You Paid.

The trading prices of the securities of technology companies have historically been highly volatile. Accordingly, the trading price of our common stock is likely to be subject to wide fluctuations in response to various factors, including, but not limited to: variations in our operating results; announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors; the gain or loss of significant customers; the recruitment or departure of key personnel; changes in the estimates of our operating results or changes in recommendations by any securities analysts that follow or elect to follow our common stock; market conditions in our industry, the industries of our customers and the economy as a whole; and the adoption or modification of regulations, policies, procedures or programs applicable to our business. Additionally, the price of our common stock may continue to fluctuate greatly in the future due to factors that are non-company specific, such as a decline in economic conditions in the United States or globally, acts of terror against the United States, war or due to a variety of company specific factors, including quarter to quarter variations in our operating results, shortfalls in revenue, gross margin or earnings from levels estimated or projected by securities analysts and the other factors discussed in these risk factors.

In addition, if the market for technology stocks or the stock market in general experiences continued or greater loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry, even if these events do not directly affect us. Each of these factors, among others, could have a material adverse effect on your investment in our common stock. Some companies that have had volatile market prices for their securities have had securities class actions filed against them. If a suit were filed against us, regardless of the outcome, it could result in substantial costs and a diversion of our management s attention and resources. This could have a material adverse effect on our business, prospects, financial condition and results of operations.

Future Sales of Shares of Common Stock in the Public Market by Existing Stockholders Could Cause Our Stock Price to Decline.

Sales of a substantial number of shares of common stock in the public market by our current stockholders, or the threat that substantial sales may occur, could cause the market price of our common stock to decrease significantly or make it difficult for us to raise additional capital by selling stock. Furthermore, we have various equity incentive plans that provide for awards in the form of stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. As of September 30, 2010, the aggregate number of shares of our common stock issuable pursuant to outstanding awards granted under these plans was approximately 5,375,381 shares (approximately 2,534,302 of which have vested). In addition, approximately 2,625,341 shares may be issued in connection with future awards under our equity incentive plans. Shares of common stock issued under these plans are freely transferable without further registration under the Securities Act, except for any shares held by an affiliate, as that term is defined in Rule 144 under the Securities Act. We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock.

Our Board of Directors Will Have Broad Discretion Over the Use of the Proceeds We Receive in This Offering and Might Not Apply the Proceeds in Ways That Increase the Value of Your Investment.

Our board of directors will have broad discretion to use the net proceeds from any offerings under this prospectus supplement, and you will be relying on the judgment of our board of directors regarding the application of these proceeds. They might not apply the net proceeds of this offering in ways that increase the value of your investment. We expect to use the net proceeds from this offering for working capital and general corporate purposes, including potential acquisitions. You will not have the opportunity to influence our decisions on how to use the proceeds.

If Securities or Industry Analysts Do Not Publish Research or Reports or Publish Unfavorable Research About Our Business, Our Stock Price and Trading Volume Could Decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We currently have research coverage by securities and industry analysts. If one or more of the analysts who covers us downgrades our stock, our stock price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, interest in the purchase of our stock could decrease, which could cause our stock price or trading volume to decline.

Delaware Law and Provisions in Our Amended and Restated Certificate of Incorporation and Bylaws Could Make a Merger, Tender Offer or Proxy Contest Difficult, Therefore Depressing the Trading Price of Our Common Stock.

We are a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and bylaws may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Our amended and restated certificate of incorporation and bylaws:

- authorize the issuance of blank check preferred stock that could be issued by our board of directors to thwart a takeover attempt;
- prohibit cumulative voting in the election of directors, which would otherwise allow holders of less than a majority of the stock to elect some directors;
- establish a classified board of directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following election;
- require that directors only be removed from office for cause;
- provide that vacancies on the board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office;
- limit who may call special meetings of stockholders;
- prohibit stockholder action by written consent, requiring all actions to be taken at a meeting of the stockholders; and

establish advance notice requirements for nominating candidates for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

For information regarding these and other provisions, please see Description of Securities in the accompanying prospectus.

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We may incur significant fluctuations in acquisition-related costs (credits) associated with changes in fair value of contingent consideration liability in connection with the fusionOne acquisition. Any changes would be recognized in our earnings, which may affect the price of our common stock.

The accounting principle for business combinations requires us to estimate the fair value of contingent consideration as of the acquisition date. Subsequent to the acquisition date, any change in the estimate of the fair value of the contingent consideration is recognized in earnings in the period of the change in estimate. Each reporting period, we will estimate the change in the fair value of the contingent consideration and any change in fair value will be recognized in our statement of income. The estimate of the fair value of the contingent consideration requires subjective assumptions to be made of various potential operating result scenarios. Future revisions to these assumptions could materially change the estimate of the fair value of the contingent consideration and therefore materially affect our future financial results. Any change in earnings could affect the price of our common stock.

We may engage in future acquisitions that could disrupt our business and cause dilution to our stockholders.

In July 2010, we acquired fusionOne. In the future we may acquire other businesses, products or technologies. Our experience in integrating acquisitions is limited. Our acquisition of fusionOne and any acquisitions that we complete may not ultimately strengthen our competitive position or achieve our goals, or the acquisition may be viewed negatively by customers, financial markets or investors. In addition, we may encounter difficulties in integrating personnel, operations, technologies or products from fusionOne and any other acquired businesses and in retaining and motivating key personnel from these businesses. Acquisitions may disrupt our ongoing operations, divert management from day-to-day responsibilities and increase our expenses. Acquisitions may reduce our cash available for operations and other uses and could result in an increase in amortization expense related to identifiable assets acquired, potentially dilutive issuances of equity securities or the incurrence of debt.

We have no current plans to pay dividends on our common stock, and our ability to pay dividends on our shares of common stock may be limited.

We have no current plans to commence payment of a dividend on our common stock. Our payment of dividends, if any, on our common stock in the future will be determined by our board of directors in its discretion and will depend on many factors, including, among other things, business conditions, our financial condition, earnings and liquidity, and contractual and other legal restrictions.

Our ability to use net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, a corporation that undergoes an ownership change is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. Our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Internal Revenue Code. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we maintain profitability.

USE OF PROCEEDS

We expect the net proceeds from the sale of the shares of common stock being offered by us under this prospectus supplement will be approximately $91.172 million (or approximately $106.665 million if the underwriters exercise their overallotment option in full), after deducting the underwriting fees and our estimated offering expenses. We will not receive any proceeds from the sale of shares in this offering by the selling stockholders. We intend to use the net proceeds from the sale of the shares of common stock for general corporate purposes, including, but not limited to, working capital and capital expenditures. We may also use a portion of the net proceeds to acquire other businesses or technologies. Our board of directors will have broad discretion in determining how any net proceeds will be used.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2010:

on an actual basis; and

on as adjusted basis to give effect to the common stock we are selling in this offering (3,775,000 shares).

You should read the information in this table in conjunction with Use of Proceeds, and under the heading Management s Discussion and Analysis of and Financial Condition and Results of Operations and in our consolidated financial statements and notes thereto, included in our Annual Report on Form 10-K for the year ended December 31, 2009 and in our Quarterly Report for the nine months ended September 30, 2010 and incorporated by reference in this prospectus supplement.

	As of September 30, 2010	
	Actual	As Adjusted
	(unaudited) (In thousands)	
Cash and cash equivalents(1)	$ 63,116	$ 154,288
Long term obligations:		
Lease financing obligation	$ 9,194	$ 9,194
Contingent consideration obligation	11,317	11,317
Long term liabilities	1,195	1,195
Total long term obligations	21,706	21,706
Shareholders equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized, 0 shares issued and outstanding at September 30, 2010		
Common stock, $0.0001 par value; 100,000 shares authorized, 33,810 shares issued, and 31,810 outstanding at September 30, 2010, actual; and 35,585 outstanding, as adjusted	3	4
Additional paid-in capital	137,114	228,181
Treasury stock, at cost (2,000 shares at September 30, 2010)	(23,713)	(23,713)
Accumulated other comprehensive income	91	91
Retained earnings	60,212	60,212
Total stockholders equity	173,707	264,775
Total capitalization	$ 195,413	$ 286,481

(1) Assumes that net proceeds of common stock we are selling will be held initially as cash and cash equivalents.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is listed on the Nasdaq Global Select Market under the symbol SNCR. As of November 9, 2010, we had 32,010,662 common stock issued and outstanding.

We have not historically paid or declared dividends. We currently intend to retain earnings for acquisitions, working capital, capital expenditures and general corporate purposes. We have no current plans to pay dividends.

High and low sales prices (as reported by the Nasdaq Global Select Market) for our common stock for each quarter during 2010, 2009 and 2008 are as follows:

	High	Low
Year ended December 31, 2010		
Fourth Quarter (through November 17, 2010)	$ 28.14	$ 17.54
Third Quarter	20.27	14.63
Second Quarter	22.07	18.20
First Quarter	20.89	15.65
Year ended December 31, 2009		
Fourth Quarter	$ 16.07	$ 11.30
Third Quarter	13.91	10.02
Second Quarter	14.45	10.65
First Quarter	13.45	7.92
Year ended December 31, 2008		
Fourth Quarter	$ 10.95	$ 5.52
Third Quarter	13.98	8.18
Second Quarter	23.54	8.93
First Quarter	37.75	15.15

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SELLING STOCKHOLDERS

The table below sets forth the following information regarding the selling stockholders as of November 9, 2010: the number and percentage of total outstanding shares of common stock beneficially owned by each selling stockholder prior to this offering; the number of common stock to be offered by each selling stockholder; and the number and percentage of total outstanding common stock to be beneficially owned by each selling stockholder after completion of this offering (assuming the underwriter s over-allotment option is not exercised and assuming the underwriter s over-allotment option is exercised in full). The number of shares of common stock outstanding and the percentage of common stock beneficially owned are based on 32,010,662 shares of common stock outstanding at November 9, 2010.

	Shares Beneficially Owned Prior to this Offering		Number of Shares Offered	Shares Beneficially Owned After this Offering		
Name of Selling Stockholder	Number	Pct.		Number	Without Over-Allotment Pct.	With Full Over-Allotment Pct.
Stephen Waldis	1,988,881(1)	6.11%	350,000	1,588,881(1)	4.45%	4.08%
Waldis Family Partnership, L.P.	223,606(2)	*	50,000	173,606(2)	*	*
Lawrence Irving	331,157(3)	1.03%	10,000	321,157(3)	*	*
Robert Garcia	319,084(4)	*	20,000	299,084(4)	*	*
Ronald Prague	129,068(5)	*	5,000	124,068(5)	*	*
Patrick Doran	87,456(6)	*	5,500	81,956(6)	*	*
Daniel Rizer	135,002(7)	*	22,000	113,002(7)	*	*
Mark Mendes	148,831(8)	*	20,542	128,289(8)	*	*

(1) Mr. Waldis is President and Chief Executive Officer of the Company. Includes 223,606 shares held by the Waldis Family Partnership, L.P. and 173,606 shares held by the Waldis Family Partnership, L.P. after giving effect to the sales indicated in the table above. Includes 10,000 restricted shares granted on October 2, 2006, all of such shares have vested. Includes 7,094 restricted shares granted on December 5, 2006, 25% of such shares vested on December 5, 2007, and 1/48th of such shares will vest for each month of continuous service by Mr. Waldis thereafter. Includes 6,477 restricted shares granted on December 4, 2007, 25% of such shares vested on December 4, 2008, and 1/48th of such shares will vest for each month of continuous service by Mr. Waldis thereafter. Includes 10,000 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Waldis thereafter. Includes 257,986 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 156,885 shares subject to options not exercisable within 60 days of November 10, 2010.

(2) Affiliated with Mr. Waldis who is President and Chief Executive Officer of the Company and General Partner of the Waldis Family Partnership, L.P.

(3) Mr. Irving is Executive Vice President and Chief Financial Officer of the Company. Includes 5,625 restricted shares granted on October 2, 2006, all of such shares have vested. Includes 4,256 restricted shares granted on December 5, 2006, 25% of such shares vested on December 5, 2007, and 1/48th of such shares will vest for each month of continuous service by Mr. Irving thereafter. Includes 3,818 restricted shares granted on December 4, 2007, 25% of such shares vested on December 5, 2008 and 1/48th of such shares shall vest each month of continuous service by Mr. Irving thereafter. Includes 5,600 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Irving thereafter. Includes 190,840 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 68,607 shares subject to options not exercisable within 60 days of November 10, 2010.

(4) Mr. Garcia is Executive Vice President and Chief Operating Officer of the Company. Includes 10,323 restricted shares granted on April 3, 2006, all of such shares have vested. Includes 5,625 restricted shares

granted on October 2, 2006, all of such shares have vested. Includes 4,256 restricted shares granted on December 5, 2006, 25% of such shares vested on December 5, 2007, and 1/48th of such shares will vest for each month of continuous service by Mr. Garcia thereafter. Includes 4,091 restricted shares granted on December 4, 2007, 25% of such shares vested on December 4, 2008, and 1/48th of such shares will vest for each month of continuous service by Mr. Garcia thereafter. Includes 9,800 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Garcia thereafter. Includes 284,989 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 115,468 shares subject to options not exercisable within 60 days of November 10, 2010.

(5) Mr. Prague is Senior Vice President and General Counsel of the Company. Includes 2,270 restricted shares granted on December 5, 2006, 25% of such shares vested on December 5, 2007, and 1/48th of such shares will vest for each month of continuous service by Mr. Prague thereafter. Includes 1,818 restricted shares granted on December 4, 2007, 25% of such shares vested on December 4, 2008, and 1/48th of such shares will vest for each month of continuous service by Mr. Prague thereafter. Includes 3,000 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Prague thereafter. Includes 120,980 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 41,776 shares subject to options not exercisable within 60 days of November 10, 2010.

(6) Mr. Doran is Executive Vice President and Chief Technology Officer of the Company. Includes 188 restricted shares granted on April 5, 2006, all of such shares have vested. Includes 1,412 restricted shares granted on December 5, 2006, 25% of such shares vested on December 5, 2007, and 1/48th of such shares will vest for each month of continuous service by Mr. Doran thereafter. Includes 773 restricted shares granted on December 4, 2007, 25% of such shares vested on December 4, 2008, and 1/48th of such shares will vest for each month of continuous service by Mr. Doran thereafter. Includes 3,000 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Doran thereafter. Includes 5,000 restricted shares granted on August 18, 2009, 25% of such shares vested on August 18, 2010, and 1/48th of such shares will vest for each month of continuous service by Mr. Doran thereafter. Includes 77,278 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 61,255 shares subject to options not exercisable within 60 days of November 10, 2010.

(7) Mr. Rizer is Executive Vice President of Business Development of the Company. Includes 25,000 restricted shares granted on November 18, 2008, 25% of such shares vested on November 18, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Rizer thereafter. Includes 113,466 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 105,484 shares subject to options not exercisable within 60 days of November 10, 2010.

(8) Mr. Mendes is Executive Vice President of InterconnectNow. Includes 25,000 restricted shares granted on September 12, 2008, 25% of such shares vested on September 12, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Mendes thereafter. Includes 1,483 restricted shares granted on December 19, 2008, 25% of such shares vested on December 2, 2009, and 1/48th of such shares will vest for each month of continuous service by Mr. Mendes thereafter. Includes 122,368 shares subject to options exercisable within 60 days of November 10, 2010. Excludes 109,184 shares subject to options not exercisable within 60 days of November 10, 2010.

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