



Contact: Emily Mendell, NVCA, 610-565-3904, emendell@nvca.org
Carol Sacks, Tenor Communications, 650-520- 8261, carol@tenorcom.com

VENTURE CAPITAL AND ENTREPRENEURIAL COMMUNITIES COMMEND CONGRESS ON PASSAGE OF THE JOBS ACT

NVCA Recognizes Supporters of IPO On-Ramp Which Will Smooth the IPO Path for Emerging Growth Companies

March 27, 2012, Washington D.C. -- The National Venture Capital Association (NVCA) praised the United States Congress for its decisive passage of the Jumpstart Our Business Startups (JOBS) Act today. The bill, which has now passed both the House of Representatives and the Senate, contains provisions that create a temporary regulatory and communications on-ramp for emerging growth companies that are pursuing an initial public offering (IPO). This on-ramp is viewed by the start-up ecosystem as much needed relief from the cumulative effect of costly regulations that were dissuading companies from entering the public markets. The JOBS Act now goes to President Obama who has indicated his intention to sign the bill into law.

“Emerging growth companies represent America’s best opportunity for long term economic growth and it is critical that they have access to capital at all phases of their lifecycle,” said Paul Maeder, general partner at Highland Capital Partners and chair of the NVCA. “The JOBS Act will help revitalize an IPO market that has suffered in recent years under the weight of market volatility and one-size-fits-all regulation. The passage of this legislation sends a strong and welcome signal to our most promising companies that the U.S. capital markets system is open for business.”

The NVCA has long supported regulatory relief for smaller companies seeking to go public, with advocacy efforts dating back over a decade. In the last ten years, research shows that venture-backed IPO volume has been just a fraction of what it was in the 1990’s. Given the IHS Global Insight statistic that 92 percent of job creation at venture-backed companies occurs after an IPO, the implications of a lackluster capital markets system went beyond the venture capital industry and became an issue of U.S. competitiveness and economic viability. As the economy continued to struggle, supporters of this legislation grew, according to NVCA President Mark Heesen:

“There are many individuals who were instrumental in enacting this bill into law,” said Heesen. “The bipartisan, bicameral leadership of Senators Schumer (D-NY) and Toomey (R-PA), with support from Senators Crapo (R-ID) and Warner (D-VA), and Representatives Fincher (R-TN) and Carney (D-DE) were critical to crafting, introducing, and championing the legislation through a comprehensive review process. There were thousands of entrepreneurs and venture capitalists who signed letters and personally reached out to their congressional representatives in

support of the bill. But the IPO Task Force, led by Scale Venture Partners managing director and former NVCA chairman Kate Mitchell, played perhaps the most critical role.”

Assembled in the summer of 2011, the IPO Task Force was comprised of private professionals operating in the capital markets ecosystem, including IPO buyers, and committed to identifying the challenges faced by emerging growth companies and developing recommendations on how to address these issues. The IPO On-Ramp report was released in October 2011 and helped inform key parts of the JOBS Act. Once signed by the President, the law will be effective immediately and thousands of companies will have access to the on-ramp when they are ready to go public.

“With the passage of the JOBS Act and specifically with the IPO On-Ramp provisions, U.S. companies such as ours that are committed to job creation and innovation now have a smoother path to access capital to grow their businesses and have a positive impact on the economy,” said Ben Wolin, chief executive officer and co-founder of Everyday Health, Inc, a new media company headquartered in New York City inspiring consumers to live healthier lives and helping doctors make more-informed decision for their patients. “Everyday Health helps people make healthy changes in their life, and thanks to the JOBS Act, emerging growth companies can be in a healthier position where they can contribute more economically than in the last decade. We look forward to the value created for consumers, clients, employees and investors.”

About the National Venture Capital Association

Venture capitalists are committed to funding America’s most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. According to a 2011 Global Insight study, venture-backed companies accounted for 12 million jobs and \$3.1 trillion in revenue in the United States in 2010. As the voice of the U.S. venture capital community, the National Venture Capital Association (NVCA) empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community’s preeminent trade association, NVCA serves as the definitive resource for venture capital data and unites its more than 400 members through a full range of professional services. For more information about the NVCA, please visit www.nvca.org.