

Sale of a Company**CLIENT: MERIDIAN DATA, INC.**

The Client: Meridian Data is the leading provider of networked-CD and CD-Recordable (CD-R) solutions. As a CD system provider to business, Meridian is well positioned to provide a focal point for the growing CD information boom. Meridian has the software, products and reputation necessary to take full advantage of the coming confluence of inexpensive hardware and virtual “title wave” of commercial and corporate databases on CD.

Sequoia’s Challenge: Years of being on the leading edge of a market that never seemed to quite arrive left Meridian short of capital. New management from a board member turned the previously money losing company around by focusing on current product sales rather than futures. Meridian gave Sequoia the job of convincing prospective buyers of Meridian’s future potential.

Software companies had no interest in a systems company--the margins were too low. Hardware companies had uncertainties about this market vis-à-vis other opportunities. In the case of successful systems companies, they failed to see the same value as Sequoia and Meridian placed on these assets. Market feedback prompted us to change our target buyer profile to a cash-rich, product-poor systems company. Time, perseverance and a dynamic market coincided to resolve the assignment to everyone’s satisfaction.

Results: The buyer for Meridian fit our target profile. Newly public, they nevertheless were losing market share quickly. They needed a “new technology” play like Meridian. Their initial offer was disappointingly low. Through tough negotiation and complete synchronization with our client, we were able to double the initial offer and realize a price of over \$21 million, almost 50% higher than our internal target price. And all cash!! Both our clients and the buyers were very happy with the results. A true “Win-Win”.

“Sequoia stuck with us when things looked bleak. Then when business picked up, they leveraged our performance and potential into a deal we only dreamt of six months earlier.”

B. Allen Lay
President and CEO
Meridian Data, Inc.