

## Sale of a Subsidiary

### Client: TenFold Corporation

**The Client:** TenFold Corporation is a provider of large-scale business applications for customers in communications, energy, financial services, healthcare, insurance and other industries. Using its patented Universal Application™, TenFold delivers dynamic packaged applications that meet customers' needs in rapidly changing business environments, and that are flexible to adapt to changing needs over time. Its wholly owned subsidiary LongView Group was acquired from Barclays' Bank in 1999. The LongView Group develops and markets the premier trade order management system for buy-side financial institutions.

**Sequoia's Challenge:** TenFold Corporation had suffered significant and accelerating operating losses throughout the year 2000. Its auditors were calling into question its viability as an ongoing business. Efforts to secure outside financing had met with little success. An alternative strategy of selling off some of its major software application businesses was developed as a way of refocusing the Company and raising cash reserves. However, being forced to sell anything in the depressed economic environment of March 2001 was challenging at best and downright scary at worst.

**Results:** LongView has a good reputation in the marketplace and attracted significant interest from several software vendors to financial institutions. The challenge wasn't so much the receipt of reasonable offers, as it was the closing of the deal at the negotiated price. In this market the buyer had all the leverage. Nevertheless, the deal was closed at exactly the price and terms negotiated in the Letter of Intent. TenFold has its \$30 million cash infusion (plus another \$10 million from contingent follow-on transactions) and is taking the necessary steps to strategically align itself for the future.

*"In a very tough market I knew I needed smart and focused representation. That is why I called Sequoia Partners. I look forward to working with them again."*

Jeffrey Walker  
Chairman  
TenFold Corporation