



Driving New Issue Success



niadsystems.com

ABOUT NIAD SYSTEMS INC.



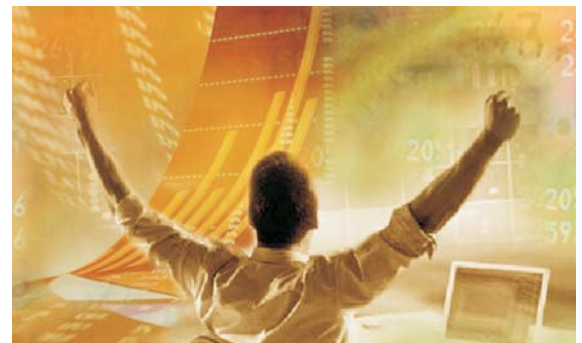
NIAD Systems Inc. is Canada's leader in providing new issue management solutions for Equity Capital Markets and Private Client Services. NIAD specializes in delivering cost effective syndication management solutions that address the new issue sales process.

Since 2002, NIAD has provided solutions to our clients enabling them to increase sales, reduce errors and streamline process flow. More than 3,000 deals have been processed using our system and we currently support more than 2,750 users in 180 branches across Canada. Our new issue management platform serves the needs of syndication, retail sales, institutional sales, investment banking, and investor clients across equity issues in public and private markets.

Our web-based solution is configurable to meet your specific broker dealer requirements with regards to new issue sales workflow, order tracking (input/approval/allotment/ticketing), document management, e-mail messaging, compliance tracking, report generation and data mining of current and historic issues.

NEEDS ADDRESSED BY NIAD

- Capture and track deal information** on all equity transactions.
- Communicate availability** of deals to various stakeholders through access to a personalized portal.
- Increase speed** of documentation flow to relevant stakeholders (Term Sheet, Prospectus, Greensheet, etc.).
- Reduce misrepresentations and "hearsay"** that result from requests to syndication via verbal handshakes.
- Minimize redundant and trivial phone calls and e-mails** from sales force requesting information and confirmation.
- Manage and track order book management activities** in real-time including retrieval of client interest, allocations, and ticketing.
- Straight-through processing of trade tickets** to the back-office.
- Audit trails** of all order activity to satisfy compliance risk.
- Transparency of allocation process** and other deal management activities.
- Promote accuracy of information** and ensure data is captured in a consistent manner with validation checks and business rule verifications.
- Ramp up** operational resources quickly without adding additional overhead costs
- Automated report generation** for various daily and compliance reporting





 **THE BENEFITS**

SALES MANAGEMENT

- Increased Bandwidth:**
Enable ECM and sales to handle greater volumes without sacrificing quality ensuring revenue growth and client service improvement.
- Effective Sales Tool:**
Disseminate information and product (i.e. distribution of shares) in "real time" with fair and equitable treatment for all branches.
- Research Historical Performance:**
Ad hoc reporting capability that measures the current and past results of the Firm, Institutional Sales, Branches, and Retail Investment Advisors.
- Capture Competitor Information:**
Run league tables to benchmark results.
- Attract Retail Brokers:**
Provide tools to help effectively manage and grow their business.
- Increase Client Satisfaction:**
Reduce errors and increase deal process efficiency.
- Document Distribution:**
Immediate dissemination of relevant documents to sales and other stakeholders throughout sales process.

**Sales Tools to
Drive New Issue
Performance**

BUSINESS MANAGEMENT

- ECM Control:**
Maintain complete control of syndication activities including communication with sales, standardization of workflow, order book tracking with audit trails, automated allocation algorithms, and real-time data to support decisions.
- End-to-End Process Automation:**
Manage the entire sales cycle including retrieving demand, allocations, client confirmations and ticketing to the back-office.
- Supportability:**
In-house legacy systems quickly become outdated and costly to maintain, whereas NIAD regularly updates its product to ensure industry and compliance standards are met.
- Delegation of Processing and Reporting Tasks:**
Standardization and validation within the system allows more freedom to delegate routine tasks to support resources.
- Streamline Communication:**
Reduce redundant communication through the use of automated e-mail triggers and online access to information.
- Secure Permissions:**
Enable authorized users access to information behind the firm's "Chinese Wall".

**Optimize Process
and
Tighten Controls**

COST CONTROL

- Error Reduction:**
Fewer points of failure mean significant cost savings can be achieved by reducing Transaction Management Errors, Remnant Positions due to Syndicate or Branch Errors or Unsold Positions, Inventory Balancing Errors and Process and Ticketing Errors.
- Time is of the Essence:**
Reduce time spent on manual tasks for stakeholders involved in ECM business activities.
- Administrative Burden Reduction:**
Reduce the need for additional resources that support syndication tasks such as data entry, ticketing, order confirmations, reporting, cancel and corrects, and many other manual tasks that can be eliminated.
- Adjust Rapidly to Market Cycles:**
Manage increased volume without adding resources.

COMPLIANCE MANAGEMENT

- Reduce Risk of Fines:**
Reduce Internal Factor Risk by effectively prioritizing, assessing, monitoring and managing business requirements.
- Compliance Features:**
 - Audit trails contain time and date stamps on all order activity
 - Enable account restrictions for pro ticketing, jurisdiction, trade indicator, and eligibility
 - Communicate trading restrictions to sales force
 - Communicate essential dates to sales force
 - Capture deal approval work flow
 - Document storage
 - Compliance reporting for IDA

COMPONENTS

ISSUE MANAGEMENT

Setup and manage all information on a deal:

Issuer Profiles: capture company description, CUSIP, sector, exchange, symbol, and parent/sub relationships.

Terms: capture size, pricing, issue type, security type, options, process, yields, warrants, out clauses, etc.

Timing: track dates for announcement, pricing, closing, marketing period, prospectus, etc.

Deal Status: show current deal statuses and enable/restrict order activities.

Contacts: enter investment bankers, analysts/associates, issuer council, underwriter's council.

Commentaries: by syndication, compliance, finance, settlements, retail.

Fees: track expenses and economics via fixed (standard economics), based on sales, and jumpball fee structures.

Jurisdictions and Eligibility: restrict orders based on jurisdiction and eligibility of accounts.

Attachments: store and access term sheets, prospectuses, offering memorandums, greensheets, subscription agreements, etc.

The screenshot displays a comprehensive form for managing a new issue. It is divided into several sections:

- Deal Status:** Includes fields for Order Book Open, Price/Trading Restrictions, and Take Pro Orders.
- Terms:** Captures key deal parameters such as Issue Size, Security Offered, and Issue Price.
- Timing:** Tracks critical dates including Announcement Date, Pricing Date, and Closing Date.
- Contacts:** Lists investment bankers, analysts, and issuer council members.
- Commentaries:** Provides a space for notes related to syndication, compliance, and finance.
- Fees:** Details various fee structures, including Mark Fee, Agency LTV Fee, and Gross Fee Percentage.
- Issuer Profile:** Shows CUSIP, Exchange, and Industry Sector information.

SYNDICATE BOOK

Manage deal book and dealer orders:

Manage book size and allocation by sales channel (firm retail, institutional, dealer).

Exercise Underwriter's and/or Over-allotment options.

Manage syndicate members and associated deal % and work %.

Capture interest and allocations for each syndicate member. Manage selling group members orders.

The screenshot shows the Syndicate Book interface, which includes:

- Allocation Summary:** A table showing Primary (285,386), Adjustments (0), and Current (285,386) allocations, with a Last Auto Allocation of 219,700 and 53,686 Outstanding.
- Contract Syndicate Table:** Lists syndicate members with columns for Name, Total Amount, and Work %.
- Allocation Summary Table:** Provides a detailed breakdown of allocations by name, amount, and status.

RETAIL BOOK

Bookbuilding at the syndication, branch, IA, and client levels:

Retail Syndication Book:

- Manage Branch allocations and "drill down" into Branch and IA books.
- Automated Pullback of allocations in excess of demand.

Branch Order Book:

- Enter branch bulk interest and track IA books by bulk interest, assigned interest, confirmed, and contracted orders.
- Perform manual and automated allocations to IAs.

IA Order Book:

- Enter bulk interest, track client interest and perform allocation to client accounts with features for auto-fills.
- View client profile and client new issue activity.
- Sales assistant access and joint RR code order management between permissioned users.

The screenshot displays the Allocation Engine interface, featuring:

- Allocation Summary:** Shows Primary (285,386), Adjustments (0), and Current (285,386) allocations, with a Last Auto Allocation of 219,700 and 53,686 Outstanding.
- Allocation Table:** A detailed table with columns for Name, Interest, Last Auto Allocation, Adjustments, Current Allocation, Available Pullback, Allocated (%), Assigned, Contracted, and Balance To.
- Summary Row:** Totals Interest at 302,046, Last Auto Allocation at 219,700, Adjustments at 11,000, Current Allocation at 236,746, Available Pullback at 15,000, Allocated (%) at 16,000, Assigned at 271,046, Contracted at 276,700, and Balance To at 276,700.

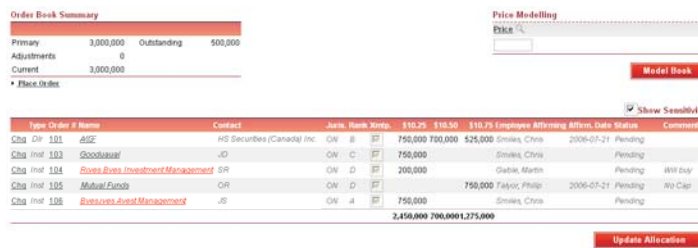
Allocation Engine:

- Perform automated allotments based on pro rata interest or past performance.
- Performance ratio algorithm can set criteria based on trailing new issue sales, trailing total sales, number of advisors in a branch, and bought deal multiplier.

COMPONENTS

INSTITUTIONALBOOK

- Bookbuilding for marketed and bought deals:
- Enter client interest at various price thresholds.
- Capture exempt purchaser details including time/date stamp and employee affirming allocation.
- Capture client information including contact, ranking, and comments.
- Execute co-lead client orders for dealers.
- Rapid order entry for bought deals with features for auto-fill.
- Perform demand modeling and show price sensitivities.
- Perform automated allocations based on client ranking algorithms.
- Perform ticketing to client sub-accounts after final allocation.



The image shows two screenshots from the NIAD system. The top screenshot is the 'Order Book Summary' showing a table with columns for Primary, Adjustments, and Current, with values 3,000,000, 0, and 3,000,000 respectively. The bottom screenshot is the 'Order Book Summary' showing a table with columns for Order #, Client Name, Contact, and various deal details. It lists several orders for clients like 'RBC Securities (Canada) Inc.', 'Goodstar', 'Renaissance Investment Management', 'Mutual Funds', and 'Investors Asset Management'.

REPORTING

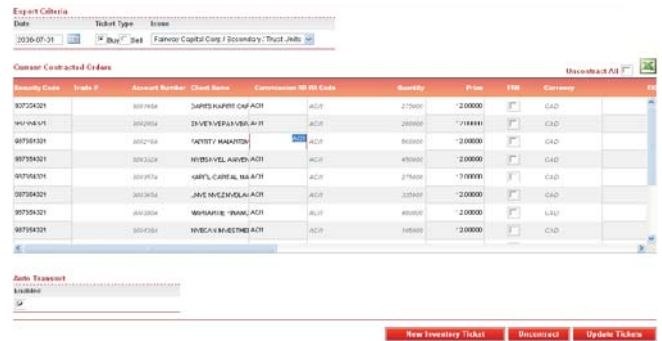
- Automatic generation of reports:
- Compliance Reports:** Distribution Certificate, Schedule A, Form2E, IDA Pre-marketing Certificate, Purchasers List.
- Deal Reports:** Deal Sheet, P&L Statement, Buyers/Exempt List.
- Finance Reports:** Capital Report.
- Performance Reports:** by client, by branch, by advisor, and by dealer.
- Search Engine:** ad hoc searching of issues by various deal criteria.

KEY USERS

- Components are accessible through various user defined roles and are customized to the following users:
- ECM Retail,
 - ECM Institutional,
 - Retail Branch Manager,
 - Retail Broker,
 - Institutional Sales Desk,
 - Institutional Sales Reps/Traders,
 - Investment Banking,
 - Compliance,
 - Finance,
 - Operations.

TICKETING

- Perform straight-through processing of contracted orders:
- Settlements:** enter details including CUSIPs, inventories, settlement type, trade basis, depository, transfer agent, and coded trailers.
- Ticketing:** ticket buys and sells to retail, institutional, dealer, inventory, and issuer.
- Export:** transmission tickets to back-office.
- Back-Office Support:** ADP, Dataphile, ISM



The image shows a screenshot of the 'Contracted Orders' interface. It displays a table with columns for Order #, Client Name, Commission, and various deal details. The table lists several orders for clients like 'SAPPHIRE CAPITAL', 'SUNNY HANOVER', 'NIBS VEST ADVISORS', 'GARY CARTEL REALTY', 'JAY HENNINGER', 'MERRILL LYNCH', and 'NIBS INVESTMENT'. The interface includes search filters and buttons for 'New Inventory Ticket', 'Uncontract', and 'Update Tickets'.

CALENDARS

- Roadshow:**
 - Enter roadshow events and view by month, week, and day.
 - Download events to MS Outlook calendar.
 - Register for events and view event registration reports.
- Critical Dates:**
 - View deal dates including Announcement, Pricing, and Closing and navigate into a deal from the calendar view.



The image shows a screenshot of the 'Calendar' interface. It displays a weekly view of deal dates for August 2008. The calendar shows dates from Monday, July 24, to Friday, August 29. The interface includes a search bar and a table of deal dates with columns for Announcement Date (AN), Commitment Date (CM), Pricing Date (PD), Closing Date (CL), and Book Closing Date (BC).

To obtain more information or to arrange a demonstration please e-mail us at info@niadsystems.com

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