



Corporate Trust **CONNECTION**

Fall 2012

OMG: U.S. Bank and Partners Devise Creative Financing Solutions for Social Media Start-ups

Social media start-ups are among the fastest-growing companies today, and many face financing challenges, particularly if they are not ready or willing to go public. Pressures may build if the handful of early investors want liquidity and some institutional investors seek to invest, but there is no easy way to facilitate transactions. That's where private tender transactions, initiated by social media start-ups and their attorneys and administered through U.S. Bank, have filled a void.

Responding to a Need

Jamie Hutchinson, a partner with Goodwin Procter LLP in Washington, DC, explains the dilemma faced by some young social media companies.

"Many growing private technology companies have angel and venture capital investors, as well as employees who own shares and would like liquidity. But the difficulty arises when the company is not ready to go public and there is no other way for investors to exit," Hutchinson says. "A few years ago, Facebook® was facing this issue and decided to do a private tender offer allowing early investors and employees to sell a portion of their holdings to larger institutional investors.

"We were working with a large international investor to structure the purchase of shares from hundreds of Facebook employees who wanted to sell shares and trying to figure out how we could efficiently process such a transaction without having legal costs go through the roof. A tender and exchange transaction offered a way for institutional investors to buy in and Facebook to offer some liquidity to shareholders without going through an initial public offering. So I called Greg Jordan, a Business Development Officer with U.S. Bank Global Corporate Trust Services, to see if he could help."

Jordan, who had worked on a variety of other financing and mergers and acquisitions deals with Hutchinson over many years, was happy to respond. "U.S. Bank had the infrastructure to accommodate this and other social media tender and exchange transactions very efficiently and cost-effectively," he says. "U.S. Bank can serve as tender, exchange and paying agent. We facilitate the tender offers, collect and review the documents, ensure that proper payment instructions are in place, certificate numbers are accurate and options are consistent with company records."

continued on page 2

Did You Know?

- U.S. Bancorp ranked 35th out of 100 on *Barron's* "World's Most Respected Companies" survey of money managers, released in June 2012. The majority of respondents either "respect" or "highly respect" U.S. Bancorp.
- U.S. Bancorp is ranked among the world's most valuable brands, ranking No. 72 in the annual BrandZ study by market researcher Millward Brown. U.S. Bancorp gained 12 spots from last year's study and has a brand value of \$11.49 billion, according to the study. The top 10 brands in the study are dominated by tech and telecom companies such as Apple Inc., No. 1 with a brand value of \$183 billion, followed by IBM and Google.
- *Fortune* recently released its 2012 "Fortune 500" rankings of America's largest corporations based on revenue, and U.S. Bancorp came in at No. 132. Among the Fortune 500, U.S. Bancorp ranked No. 27 for return on revenues, No. 35 overall for profitability, No. 37 as measured by equity and No. 46 in market value.
- U.S. Bank was honored earlier this year along with other winners of the 2011 Community Service Leadership Award. The award is presented by The Financial Services Roundtable to companies based on their philanthropic efforts.

inside

2 U.S. Bank Offers Solutions Packaged to Fit Your Needs 3 Spotlight on the Nashville Office 4 London Office Receives SCI Awards





U.S. Bank Offers Solutions Packaged to Fit Your Needs

With increasing regularity, we are finding that our customers have needs for securities products and services that are outside the scope of U.S. Bank Global Corporate Trust Services. Look to one of U.S. Bank's other two Securities Services, U.S. Bancorp Funds Services and U.S. Bank Institutional Trust & Custody, to leverage products and services unique to your needs.

"We often find that customers are unaware of the broader capabilities available through our other business lines, especially if they are new to U.S. Bank through an acquisition," states Kevin M. Breen, Senior Vice President. "The recent rapid growth of Global Corporate Trust Services through acquisitions provided an impetus to foster greater awareness of our capabilities, both internally and externally."

Internal Strategy and Development Team Provides a Solution

"With the introduction of an internal strategy and development team in fall 2011, we are focusing more intently on the holistic needs of our clients," Breen continues. "Our team was created to leverage the strengths of each business line for the collective good of our entire client base."

A major goal of the team is to encourage and facilitate greater collaboration throughout the division, allowing personnel from all three services to more effectively work together to ensure that the needs of each client are met. "In support of greater collaboration, we've created a robust training curriculum," Breen says. "For example, through training, Global Corporate Trust Services account managers, relationship managers and business development officers are more aware of services offered by Funds Services and Institutional Trust & Custody. This allows them to introduce their customers to colleagues in the other business lines who will be able to deliver appropriate solutions."

Saving You Time and Money

Breen cites this example: A municipal customer of Global Corporate Trust Services needed a provider of OPEB (other post-employment benefits) trusts to meet the reporting requirements imposed by GASB 45, an accounting and financial reporting rule change that affects government employers. The customer was in the process of hiring a consultant to conduct a search for OPEB

trust providers when their account manager at Global Corporate Trust Services learned of this need. Thanks to the increased awareness of capabilities across the division, the customer was introduced to U.S. Bank Institutional Trust & Custody, which administers OPEB trust services. The customer appreciated the convenience of a bundled solution that included custody, trustee and investment management services at a consolidated and competitive price. As a result of the training curriculum, the customer saved both time and money and enjoyed increased convenience.

"Our customers benefit from working with account and relationship managers who are knowledgeable and focused on their diverse needs," Breen comments. "By expanding their relationship with U.S. Bank, our customers gain efficiencies in their work flow and vendor management systems through the convenience of one-stop shopping. And by working with a large provider committed to constantly investing in its people, products and technology, they are assured they can rely on our broad capabilities to help them solve their challenges."

OMG: U.S. Bank and Partners Devise Creative Financing Solutions for Social Media Start-ups *continued from front*

Hutchinson explains that these deals are important to companies and their employees. "Retaining valuable employees is critical to a start-up's success, and incentive stock awards are often part of the benefit package," he says. "Tender solutions help ensure employees remain happy because otherwise they might need to wait years until a company goes public before being able to sell their shares."

Claude Acoba, Relationship Manager, Global Corporate Trust Services San Francisco, adds, "These tender offers also provide companies with an alternative to having employees or shareholders sell their shares in an uncontrolled fashion on the secondary market at sites such as SharesPost. Companies can also control the number of shareholders who own their stock."

Spotlight on the Nashville Office

Known as “Music City” because of its abundance of musicians, music venues and top-caliber performances, Nashville is also a major center for the banking industry. The U.S. Bank Global Corporate Trust Services Nashville office is harmoniously ensconced within U.S. Bank Plaza, in the heart of all of this rich local history.

“We share this location with other U.S. Bank divisions, which include commercial, community banking, treasury, commercial real estate, health care and government bankers,” says Donna L. Williams, Vice President, Alabama, Arkansas and Tennessee State Manager. “This proximity to our colleagues in other business lines helps us to build deeper relationships with our clients. Information is shared among our teams, ensuring we provide the right person and solution to help the client meet their needs.”

Williams describes the Nashville office’s staff of eight as “well-seasoned.” They average 21 years of corporate trust experience apiece. The office includes four account managers, a trust finance management analyst, a trust review analyst and two account set-up personnel who support the account managers.



From L to R: Wally Jones, Jennifer Bethea, Czarina Farmer, Connie Jaco and Donna Williams of the Nashville office. Not pictured – Sandra Moyers and Patty Smith

Keeping the Beat

“We service a well-rounded portfolio of business among our 600-plus accounts,” Williams says. Our responsibilities span several different product types such as municipal and corporate transactions, as well as corporate escrow services. Municipal clients include health care, educational, airport authorities, state housing authorities, multifamily projects and other governmental entities. The corporate client base covers technology, retail, communications and other industries.

“In addition, we have an abundance of expertise as a key provider in the delivery of corporate escrow services for all types of corporate escrows. That includes

mergers and acquisitions, litigation and qualified court settlement escrows,” continues Williams.

Hitting a High Note

A point of pride within the Nashville office centers around three of the eight employees who hold active roles on the Middle Tennessee Development Network board at U.S. Bank. “We’re proud of that commitment, and of our consistent record of volunteering in support of various local events throughout Nashville,” Williams says.

If you’re in Nashville, please stop by our office. We’ll be happy to see you! For questions about corporate trust products or services, please contact your Account Manager.



“Not only do we have the technology, experience and expertise to successfully manage these transactions, but starting with Facebook we added an outreach component,” Jordan adds. “Normally we work behind the scenes, but in these transactions, we’ve held sessions on site at the companies, met with shareholders and employees and walked them through the process of filling out the documents they needed to complete.”

National Reach, Local Expertise

U.S. Bank closed the first of its social media tenders with Facebook in August 2009 (Facebook went public in May 2012) and has

completed more than a dozen tender transactions with other prominent social media companies, such as Yelp, Zynga, Twitter and Foursquare, since then.

“Since we offer trust services throughout the U.S., we are able to provide local expertise and responsive service to help our financial partners and customers meet their transactional needs. Social media may be all about online interactions, but when it comes to developing a solid relationship with customers, having a local presence makes a huge difference,” Jordan says.

London Office Receives SCI Awards

The U.S. Bank Global Corporate Trust Services London office received the No. 1 trustee rating in two categories – collateralized mortgage-backed securities (CMBS) and auto asset-backed securities (ABS) – in the 2012 European Structured Finance Corporate Trust Survey. The second annual survey was conducted by SCI (Structured Credit Investor), a leading industry news publisher. Survey results were based on questionnaires sent to corporate trust services customers.

In addition to the two first-place product categories, U.S. Bank Global Corporate Trust Services placed third in the overall rankings.

Awards were formally announced at the Global ABS 2012 conference in Brussels in June. Congratulations to everyone in the London office as well as the support personnel in the Dublin office for your superior service and results.



U.S. Bank Global Corporate Trust Services London team members at the Global ABS 2012 conference in Brussels.



Tom Cubitt (left), Head of Corporate Trust Europe, accepts the SCI award at the Global ABS 2012 conference.

| INVESTMENT PRODUCTS ARE: | | |
|--------------------------|------------------|--|
| NOT A DEPOSIT | NOT FDIC INSURED | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY |
| MAY LOSE VALUE | | NOT GUARANTEED BY THE BANK |

The articles and information included in this newsletter are for your information and are not intended as legal, accounting or tax advice. U.S. Bank and its representatives do not provide legal, accounting and/or tax advice. Clients are encouraged to contact their legal, accounting and/or tax advisor regarding their particular situation. While the information is intended to be accurate, neither U.S. Bank Global Corporate Trust Services nor the publisher accepts responsibility for relying on the information provided. U.S. Bank is not responsible for and does not guarantee the products, services or performance of its affiliates and third party providers. Images may be from one or more of these sources: ©Thinkstock, ©iStock, ©Forolia. ©2012 U.S. Bank Global Corporate Trust Services. Member FDIC.



Comments and suggestions for the newsletter are welcome and should be forwarded to Daika Ismail, *Corporate Trust Connection*, U.S. Bank Global Corporate Trust Services, (651) 466-5606 (phone) or marketing.corporatetrust@usbank.com (email). For more information, visit our website at usbank.com/corporatetrust.

60 Livingston Avenue
EP-MN-WS3W
St. Paul, MN 55107

