

FOR IMMEDIATE RELEASE

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## **Merlin Securities announces \$20mm investment from Sequoia Capital**

San Francisco and New York -- Merlin Securities, a broker dealer specializing in technology driven prime brokerage services, announced today that Sequoia Capital has made a \$20mm investment in an expansion round of financing.

The investment by Sequoia Capital comes after a year of tremendous growth and recognition for Merlin Securities. In 2007, Merlin was ranked the #1 Prime Broker in surveys of hedge fund managers including the Global Custodian Magazine Survey of Prime Brokers and Institutional Investor's Alpha Awards.

"The investment by Sequoia Capital marks a significant milestone in the evolution of Merlin Securities," said Stephan P. Vermut, Managing Partner of Merlin Securities. "We formed Merlin with a vision of the future of prime brokerage and services to investment managers. The investment by Sequoia Capital validates that vision and gives us the resources to continue to pursue it. We are very excited to be able to leverage their knowledge and expertise to build our business. We could not have asked for a better partner."

Sequoia Capital's Scott Carter said, "We took a close look at the financial technology, prime brokerage and hedge fund spaces and believe that Merlin's model of delivering superior reporting and trading technology combined with outstanding customer service to the hedge fund industry is the way of the future. As the hedge fund industry continues to be dominated by institutional investors, the reporting technologies, dedication to service and tight product integration offered by Merlin will provide an increasingly compelling value proposition."

Founded by industry pioneer Stephan Vermut, the former Founder, President and CEO of Bank of America Prime Brokerage, Merlin Securities provides the hedge fund manager with the most advanced and user-friendly transparency tools. Merlin's award winning products include multi-prime, multi-currency, attribution (absolute and relative) and risk solutions for investment managers. Merlin currently boasts over 200 hedge fund clients globally and has exhibited over 100% revenue growth year over year since inception in 2004. Merlin's technology has won several industry awards and was named an InfoWorld 100 company in 2006.

### **About Sequoia Capital**

Since 1972, Sequoia Capital has provided early stage and growth stage venture capital for very smart founders and executives who have turned great ideas into sustainable companies of enduring value. As the "Entrepreneurs Behind the Entrepreneurs," Sequoia Capital's Partners have worked with accomplished innovators and operators who built great franchises such as Apple Computer, Cisco Systems, Flextronics, Google, LSI Logic, PayPal, Yahoo!, and YouTube.

To learn more about Sequoia Capital visit <http://www.sequoiacap.com/>

### **About Merlin Securities**

Merlin Securities is a broker dealer providing advanced reporting, trading, and operational services to hedge funds through technology driven Prime Brokerage Services. Merlin's advanced reporting platform for single and multi-primed hedge funds provides managers with a dynamic fund transparency reporting tool that includes customizable reporting, performance attribution models (absolute and relative), risk management components and multi-prime portfolio

aggregation. The firm has both Agency and Outsourced trading desks that provide clients with trading flexibility and access to all markets. Merlin Securities was named the number one Prime Broker in North America, the number one Prime Broker for single strategy funds and the number one Prime Broker for funds under \$100mm in the Global Custodian 2007 Prime Brokerage Survey. Merlin was also named the number one Prime Broker for funds less than \$1B by Alpha Magazine in their 2007 Hedge Fund Service Provider Survey.

Merlin has offices in New York and San Francisco. For more information, see the Merlin Securities' website at <http://www.merlinsecurities.com>.

Merlin Securities is a member of FINRA and SIPC.