



**Two Step Software, Inc.**  
144 Gould Street, Suite 202  
Needham, MA 02494-2340  
Tel: (781) 972-5200  
Fax: (781) 972-5201  
Email: info@twostep.com

## **NEWS... FOR IMMEDIATE RELEASE**

*Visit Two Step at NASPP – Booth number 615*

### **Two Step Software to Unveil New Browser-Based FAS 123R Valuation Solution at NASPP Conference**

*Latest release of Corporate Focus will add option expensing to the industry's only fully-integrated stock plan administration and corporate governance system*

October 5, 2006, Needham, MA — Two Step Software, Inc., a leader in corporate governance and stock plan administration solutions, will introduce the latest release of its fully-integrated and browser-based software application Corporate Focus at next week's National Association of Stock Plan Professionals' (NASPP) 14<sup>th</sup> Annual Conference. The new version will include stock option expensing to meet FAS 123R valuation requirements. Under the new rules, the Financial Accounting Standards Board requires all companies to recognize in their income statement the fair value of stock options and other equity-based compensation issued to employees, instead of merely as a footnote, as done in the past. The new standards take effect for small business issuers and non-public companies this year and as a result many smaller companies have been prompted to move from spreadsheets to a more rigorous tracking and valuation system.

“According to FAS 123R, companies must include the ‘fair value’ of stock options in their income statements as an expense item. It is extremely challenging to calculate the ‘fair value’ of, for example, 2,500 stock options given out to 100 employees that vest monthly over the next 4 years. The latest release of Corporate Focus will add an option expensing feature that will provide companies with that calculation under the new FAS 123R rules,” said Two Step’s President and Founder, Gary D. Levine. “This new release is aimed at CFOs who are looking for an easier way to combine stock option administration with stock option expensing.”

“Recent SEC investigations into stock option backdating have brought attention to the care that is required for stock option administration beyond the mere calculation of numbers. This only adds to the original corporate governance concerns that led to the creation of Sarbanes-Oxley. Our software becomes more important to our customers as it is the only solution that brings together under one roof complex stock plan administration as well as detailed tracking of corporate governance documents. All other programs do only one of these. Corporate Focus is the industry’s only fully-integrated stock plan administration and corporate governance system,” Levine concluded.

Two Step Software’s Corporate Focus product simplifies stock plan administration and corporate governance for venture backed, pre-IPO and small cap public companies so that all their critical information and finalized documents are in one easy to use software application. Unlike other products that only focus on corporate governance or stock plan administration, Corporate Focus brings all the critical detail and legal documents together - helping companies

ensure proper records management so that they are both in compliance and ready for their next equity or liquidity event.

With Corporate Focus, stock plan professionals can easily view and manage complex capitalization information for their company or law firm's clients from a single screen. The Capitalization Dashboard provides a comprehensive snapshot of the total ownership picture where you can view capitalization tables, pie charts, and reports or drill through to more detailed lists of stock and option information and related documents. In addition to stock plan information, with Corporate Focus, all of the related governance and finalized minute book documents are instantly available, meaning there is no need to have multiple systems that often duplicate information.

The newest version of Corporate Focus, containing support for FAS 123R valuation, will be available November 30, 2006.

As a premier event for stock plan professionals, the NASPP conference brings together top consultants and attorneys, practicing accountants, experienced administrators, and other industry luminaries to deliver fresh perspectives and cutting-edge guidance on the latest issues in executive and stock compensation. This year's conference is to be held in Las Vegas from October 10-13, 2006. For more information about the NASPP conference, visit: [www.naspp.com/Conference2006](http://www.naspp.com/Conference2006). Two Step Software is exhibiting at booth number 615.

**About Two Step Software, Inc.**

Founded in 1995, Two Step Software, Inc. develops, markets and supports Corporate Focus, the market leading corporate governance and stock plan administration application used by the nation's leading law firms and corporate legal departments. Corporate Focus is the only software application that combines stock and option tracking with corporate governance information management so that all corporate records can be found in one place. Two Step Software is located in Needham, Massachusetts. For more information, visit their web site at: [www.twostep.com](http://www.twostep.com) or call (800) 223-8900.

###

*Two Step Software and Corporate Focus are trademarks of Two Step Software, Inc.*

*For more information contact:  
Donna Shervanian  
JKI Media  
Phone: 781-910-5153  
[johnkayinc@comcast.net](mailto:johnkayinc@comcast.net)*