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MEDIA CONTACTS:

Chris McCoin or Richard Smith
McCoin & Smith Communications LLC
508-429-5988 (Chris) or 978-433-3304 (Rick)
chris@mccoinsmith.com or rick@mccoinsmith.com

Two Step Software President Gary Levine to Lead FAS 123R Workshop at the National Association of Stock Plan Professionals' Annual Conference

Workshop will address the unique issues non-public companies must address for a FAS 123R Valuation Audit

August 27, 2007, Needham, MA — Two Step Software, Inc., a leader in corporate governance and stock plan administration solutions, announced today that its President and Founder, Gary D. Levine, has been invited to lead a workshop at the premier annual event for stock plan professionals. This year's National Association of Stock Plan Professionals (NASPP) Annual Conference – which promises to deliver both high-level strategies and practical guidance related to new accounting developments, tax law changes, and increased scrutiny of stock plan administration -- takes place October 9-12, 2007 in San Francisco.

“FAS 123R and IRS Section 409A have exponentially increased the difficulty and risk involved in administering stock option plans for private companies,” said Levine. “Under Sec. 409A, mistakes in calculating fair market value can have a devastating downstream impact on employees. At the same time, private companies now face the burden of predicting stock price volatility for FAS 123R valuation purposes based on properly selecting peer companies. It puts CFOs, controllers, and stock plan administrators between a rock and a hard place as they prepare for an annual audit.”

Mr. Levine will examine these issues in a workshop entitled "Surviving a FAS 123R Valuation Audit for Nonpublic Companies: Integrating Expected Volatility under 123R, Exercise Price under 409A, and a Complete Corporate Governance Document Trail." The expert panel will include Brock Benson, Founding Partner of iComp LLC, Kim Diemer, Principal of Take Stock LLC, and Michelle Murcia, Director of Corporate Financial Services at Battelle, who each bring a breadth of diverse experience as well as practical guidance to the audience.

Specific discussion points planned for the workshop include: transitioning from spreadsheets, preparing for an audit, goals when the auditor arrives, handling information requests, stock plan administration best practices, documenting good corporate governance, valuation assumptions, the interdependence of Sec. 409A and FAS 123R, and amortizing equity compensation expense.

“This session will present real-life strategies for addressing the industry’s rapidly shifting regulatory landscape — and explain how to deal with higher levels of auditor scrutiny of supporting

documentation,” Levine said. “Our aim is to help CFOs, controllers, and other financial executives of privately-held, venture-backed companies to be better prepared for their next audit cycle and ensure there are no gaps in compliance that could raise red flags.”

The NASPP conference brings together top consultants and attorneys, practicing accountants, experienced administrators, and other industry leaders to deliver fresh perspectives and cutting-edge guidance on the latest trends in executive and equity-based compensation. Mr. Levine’s workshop is scheduled for Thursday, October 11th during the afternoon session.

About Gary D. Levine

Gary D. Levine is the President and Founder of Two Step Software, Inc. which he started in 1995 following the sale of Pilot Software, Inc. where he was its General Counsel. Before Pilot, Mr. Levine was a corporate and securities attorney at a major Boston law firm and specialized in private equity and venture capital work. Mr. Levine graduated from Boston College Law School and MIT’s Sloan School of Management with a concentration in Finance. He has authored numerous articles and is a frequent speaker on corporate governance and capitalization management. His popular blog is called “Capitalization Matters.”

About Two Step Software, Inc.

Founded in 1995, Two Step Software, Inc. develops, markets, and supports Corporate Focus™ and Equity Focus™, market leading corporate governance and stock plan administration solutions used by financial executives, stock plan administrators, law firms, and corporate legal departments. Two Step Software offers the only software applications that combine 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 or call: (800) 223-8900.

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