COMSCORE, INC.
Form 4
November 07, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Abraham Magid M

(Last) (First) (Middle)

11950 DEMOCRACY DR., SUITE 600

(Street)

RESTON, VA 20190

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
COMSCORE, INC. [SCOR]

3. Date of Earliest Transaction (Month/Day/Year)
11/05/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President and CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/05/2008		M		150,000	A	$ 0.25	708,149	D	
Common Stock								27,070	I	By Wife
Common Stock								587,876 (1)	I	By Abraham Family Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount o Number o Shares
Common Stock Incetive Stock Option	$ 0.25	11/05/2008		M			150,000	(2)	10/15/2013	Common Stock	150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Abraham Magid M 11950 DEMOCRACY DR. SUITE 600 RESTON, VA 20190	X		President and CEO	

Signatures

/s/ Christiana L. Lin, Attorney in Fact	11/07/2008
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Reporting person and spouse disclaim beneficial ownership of such shares except to the extent of their respective pecuniary interest.

(2) Option Grant became fully vested on 10/24/07.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. in incremental expense compared with 2004;

- Industry conference sponsorships increased $0.3 million from 2004 to 2005;

- Professional fees totaling $0.3 million were incurred in 2005 related to the planned merger with another sourcing advisory firm which was ultimately not consummated.

Depreciation and Amortization Expense

During 2005, depreciation and amortization expenses increased $1.1 million to $1.9 million from $0.8 million in 2004. The principal driver was a $0.7 million increase in the amortization of intangible assets (principally client relations and data bases) attributable to the June 2005 acquisition of Gildner and Associates, Inc.

Other Income (Expense), Net

Other expense, net, totaled $3.8 million in 2005, an increase of $2.5 million from $1.3 million in 2004. The increase in 2005 was primarily due to the full year effect of interest expense resulting from a recapitalization related to the June 2004 purchase of a controlling interest in TPI by MCP-TPI Holdings, LLC. As part of the transaction, TPI s long and short term debt was significantly increased resulting in higher ($1.8 million) borrowing costs during 2005.

Income Tax Expense (Benefit)

Income tax expense increased $3.4 million to $5.2 million during 2005 from $1.8 million in 2004. The principal reasons for the increase in tax expense were higher income in 2005 and the effect of TPI s June 2004 conversion from an S-Corporation to a C-Corporation filing status. As a C-Corporation, TPI assumed responsibility for filing and paying Federal and State income taxes. The conversion was necessitated by the purchase of a controlling interest in TPI by MCP-TPI Holdings, LLC. TPI s effective tax rate for 2005 was 44% compared with 28% during 2004. The principal drivers for the increase included (1) a reversal of a Statement of Financial Accounting Standards No. 5 Accounting for Contingencies tax reserve in 2004, (2) higher non-deductible expenses in 2005 driven by a rapid expansion in TPI s employee count, (3) increased state income taxes in 2005 associated with TPI s June 2004 conversion to a C-Corporation and (4) changes in recognition of benefits for foreign tax credits. A complete analysis of TPI s effective tax rates for 2006, 2005 and 2004 is presented in Note 9 to TPI s consolidated financial statements appearing elsewhere in this proxy statement.

Liquidity and Capital Resources

TPI s primary sources of liquidity are cash flows from operations, existing cash and cash equivalents. In addition, TPI maintains senior secured debt facilities consisting of term loans and a revolving credit line. Operating assets and liabilities consist primarily of receivables from billed and unbilled services, accounts payable, accrued expenses, and accrued payroll and related benefits. The volume of billings and timing of collections and payments affect these account balances.

Six Month Period Ending June 30, 2007 Compared to June 30, 2006

Cash used in operating activities totaled $4.6 million for the six months ended June 30, 2007 compared to $4.2 million for the six months ended June 30, 2006. The higher usage of cash during the first half of 2007 was primarily due to an increase in accounts receivable balances ($1.8 million) resulting from increased revenues and longer collection cycles as well as non-cash charges aggregating $1.1 million related to expensing certain deferred financing costs and bad debts recorded during 2006 which had no 2007 counterpart. These variances were largely offset by lower compensation related accruals and higher net income for the first half of 2007 compared to the first half of 2006. Seasonal fluctuations in revenues and compensation expense discussed previously also contributed to lower cash balances during the first half of each year.

Cash used by investing activities totaled $0.7 million in the first half of 2007, compared with $0.2 million in the first half of 2006. The $0.5 million increase was attributable to cash received from the release of letter of credit deposits ($0.3 million) during the second quarter of 2006 and higher purchases of property and equipment ($0.2 million) during the first half of 2007.

TPI s financing activities have consisted principally of borrowings and repayments under the debt arrangements discussed above. Cash provided by financing activities aggregated $0.4 million in the first half of 2007, which consisted of $2.0 million in borrowings offset by principal payments of $1.6 million. During the first half of 2006, cash provided by financing activities totaled $4.6 million, which consisted of $4.7 million in borrowings offset by principal payments of $1.6 million. In addition, in the first half of 2006, TPI received contributed capital from MCP-TPI Holdings in the amount of $1.7 million in connection with the liquidation of a joint venture.

The Year Ended December 31, 2006 Compared to the Year Ended December 31, 2005

Cash provided by operating activities totaled $3.4 million for 2006, a decrease of $2.5 million from $5.9 million in 2005. The decrease in cash generated from 2005 to 2006 is attributable primarily to lower net income ($1.4 million), higher accounts receivable balances ($0.5 million) resulting from increased revenues, the one-time payment of $5.6 million in the first half of 2006 related to accrued 2005 advisor salaries discussed previously, and a $0.2 million decrease in deferred revenue. Items that partially offset these decreases in cash provided by operating activities primarily included: a decrease in prepaid expenses of $1.4 million reflecting the timing of corporate tax payments, an increase in accounts payable related to international value-added taxes (VAT), and a $0.5 million non-cash loss on the extinguishment of debt. Details of the extinguishment are included in Note 2 to TPI s consolidated financial statements included herein.

Cash used by investing activities totaled $0.8 million in 2006, a decrease of $4.7 million from $5.5 million in 2005. Purchases of property and equipment aggregated $1.2 million and $2.2 million during 2006 and 2005, respectively. Included in 2005 were payments of $1.0 million related to the implementation of upgraded financial systems, and $3.2 million for cash consideration associated with the acquisition of Gildner and Associates, Inc. During 2006, $0.4 million in cash was provided through a release of a 2004 letter of credit relating to TPI s expansion in Europe.

Cash provided by financing activities aggregated $0.3 million in 2006, which consisted of $4.7 million in borrowings offset by principal payments of $6.0 million. During 2006, TPI also received contributed capital from MCP-TPI Holdings, LLC in the amount of $1.7 million in connection with the liquidation of a joint venture. In 2005, cash provided by financing activities totaled $0.7 million, which consisted of $3.0 million in borrowings offset by principal payments of $2.3 million.

The Year Ended December 31, 2005 Compared to the Year Ended December 31, 2004

Cash provided by operating activities totaled $5.9 million in 2005, a decrease of $0.3 million from $6.2 million in 2004. The decrease in cash generated from 2004 to 2005 was primarily attributable to higher net income ($1.9 million) and higher accrued expenses ($9.3 million), which were more than offset by higher accounts receivable balances ($10.7 million), and higher prepaid expenses and other assets ($2.3 million). The increases in net income, liabilities, and receivable balances resulted from increased revenues. Prepaid expenses and other assets increased $2.3 million in 2005 as a result of the timing of corporate tax payments. Accounts payable and deferred revenue increased $0.9 million and $0.4 million, respectively as a result of increased revenues and business activity.

Cash used by investing activities totaled $5.5 million for the fiscal year 2005, primarily due to the acquisition of Gildner and Associates, Inc. ($3.2 million) and purchases of property and equipment ($2.2 million). During 2004, cash used by investing activities totaled $1.7 million, primarily due to purchases of equipment and the issuance of a letter of credit ($0.4 million) required to support TPI s expansion in Europe.

Cash provided by financing activities aggregated $0.7 million in 2005, which consisted of $3.0 million in borrowings offset by principal payments of $2.3 million. In 2004, net cash used in financing activities aggregated $3.0 million and primarily related to the recapitalization of TPI by MCP-TPI Holdings, LLC, and the change in tax filing status previously discussed. Details of the recapitalization are included in Note 1 to TPI s consolidated financial statements included herein.

Capital Resources

TPI maintains an $11 million senior secured revolving credit facility. TPI had drawn $2.9 million on the facility as of June 30, 2007. In conjunction with the purchase of a controlling interest of TPI by MCP-TPI and the subsequent recapitalization of TPI in 2004, TPI has also drawn $29.7 million under the terms of two senior term loans and one subordinated note. TPI s term loans mature in 2009 and 2010, and its subordinated note matures in 2012. TPI s has access to its revolving line of credit through June 2009.

TPI s credit facilities carry floating interest rates based on LIBOR, and are not subject to prepayment penalties. The credit facilities are collateralized by substantially all of TPI s assets, including equipment and trade accounts receivable. TPI s senior secured credit facilities contain covenants customary in agreements of this type, including limitations on incurring additional debt. As of the date of this proxy statement, there have been no uncured events of default under the covenants of TPI s senior credit facility. On August 16, 2007, TPI and its lenders agreed to amend TPI s senior credit agreement to eliminate a violation as of June 30, 2007. The violation resulted primarily from the timing of the recognition of certain operating expenses incurred in different quarters of 2006 and 2007 as well as approximately $1.7 million of severance expenses and costs related to the ISG transaction (which were not contemplated when the original credit agreement was executed). See footnote 8 on page F-32.

The following table summarizes TPI s contractual obligations as of December 31, 2006 and the timing and effect that such obligations are expected to have on TPI s liquidity and capital requirements in future periods.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Debt obligations, principal and interest	$ 43,522,623 (1)	$ 8,008,193 (1)	$ 22,667,723	$ 12,846,707	$
Operating lease obligations	742,833	567,337	175,496		
Total	**$ 44,265,456**	**$ 8,575,530**	**$ 22,843,219**	**$ 12,846,707**	

(1) As of December 31, 2006 and 2005, we held a non-interest bearing note payable of $750,000 to an executive officer who separated from TPI in 2002 (Note 8). The consideration for the $750,000 is contingent upon the fulfillment of the terms of the severance agreements by the executive and the occurrence of a change in control of TPI.

(2) Excluded from the above table is interest associated with borrowings under the revolving line of credit because both the amount borrowed and applicable interest rate are variable.

(3) Excluded from the above table is a $225,000 liability (or reserve) for uncertain tax positions TPI has taken or is expected to take on its tax returns. The reserve was created as a result of TPI s adoption of FIN 48 on January 1, 2007.

Future Needs

In April 2007, TPI agreed to be acquired by ISG. The acquisition by ISG is expected to substantially change TPI s financial position. Upon completion of the acquisition, TPI s current credit facilities as well as the $750,000 note discussed above will be paid off and cancelled by MCP-TPI.

TPI management believes that cash flows generated from operations, existing cash and cash equivalents and borrowing capacity contemplated in connection with the acquisition of TPI by ISG are

sufficient to finance the requirements of TPI s business during future periods. In the event that the acquisition by ISG is not consummated, TPI s management believes that existing cash and cash equivalents, cash flow generated from operations and borrowing capacity is sufficient to meet its current and future capital and operating requirements.

Off-Balance Sheet Arrangements

TPI does not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets or any obligation arising out of a material variable interest in an unconsolidated entity.

Employee Retirement Plans

TPI maintains a qualified defined contribution profit-sharing plan (the Plan) for U.S.-based employees. Contributions to the Plan are made by TPI up to a maximum per eligible employee of 12.75% of total cash compensation or $25,500, whichever is less. Employees are generally eligible to participate in the Plan after six months of service, and are 100% vested upon entering the Plan. For the years ended December 31, 2006, 2005 and 2004, TPI contributed $6,352,589, $5,168,406 and $3,402,282, respectively, to the Plan. These amounts are invested by the participants in a variety of investment options under an arrangement with a third party asset manager. All current and future financial risks associated with the gains and losses on investments are borne by participants.

Seasonality and Quarterly Results

The negotiation of sourcing transactions, and as a result TPI s revenue and earnings, are subject to seasonal fluctuations. As a result of year-end holidays and client budget and spending patterns, TPI s revenues have historically been weighted toward the second half of each year. TPI s earnings track this revenue seasonality and are also impacted by the timing of the adoption of annual price increases and certain costs and, as a result, have historically been significantly higher in the second half of each year. Due to the seasonality of TPI s business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the appropriate application of certain accounting policies, many of which require management to make estimates and assumptions about future events and their impact on amounts reported in TPI s consolidated financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results may differ from estimates. Such differences may be material to the consolidated financial statements.

TPI believes the application of accounting policies, and the estimates inherently required therein, are reasonable. These accounting policies and estimates are periodically reevaluated, and adjustments are made when facts and circumstances dictate a change. Historically, TPI has found the application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

TPI s accounting policies are more fully described in Note 2 Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements, included elsewhere in this proxy statement. TPI has identified the following critical accounting policies:

Revenue Recognition

TPI principally derives revenues from fees for services generated on a project-by-project basis. Prior to the commencement of a project, TPI reaches agreement with the client on rates for services based upon the scope of the project, staffing requirements and the level of client involvement. It is TPI s policy to

obtain written agreements from new clients prior to performing services. In these agreements, the clients acknowledge that they will pay based upon the amount of time spent on the project and at the agreed upon fee structure. Revenues for services rendered are recognized on a time and materials basis or on a fixed-fee or capped-fee basis in accordance with Staff Accounting Bulletin (SAB) No. 104, Revenue Recognition.

TPI s accounts receivable includes revenue for services performed that have been invoiced but not collected as well as unbilled revenues. Deferred revenue includes billings in excess of revenues recognized, typically in cases where contracts permit TPI to invoice customers in advance of performing services.

Revenues for time and materials contracts are recognized based on the number of hours worked by TPI s consultants at an agreed upon rate per hour and are recognized in the period in which services are performed. Revenues for time and materials contracts are billed monthly, semimonthly or in accordance with the specific contractual terms of each project.

Revenues related to fixed-fee or capped-fee contracts are recognized on the proportional performance method of accounting based on the ratio of labor hours incurred to estimated total labor hours, which TPI considers to be the best available indication of the pattern and timing in which contract obligations are fulfilled. This percentage is multiplied by the contracted dollar amount of the project to determine the amount of revenue to recognize in an accounting period. The contracted amount used in this calculation excludes the amount the client pays for reimbursable expenses. There are situations where the number of hours to complete projects may exceed TPI s original estimate as a result of an increase in project scope or unforeseen events that arise. On an on-going basis, TPI s project team, along with risk management and accounting personnel review hours incurred and estimated total labor hours to complete. The results of any revisions in these estimates are reflected in the period in which they become known. TPI believes it has a demonstrated history of successfully estimating the total labor hours to complete a project.

If TPI does not accurately estimate the scope of the work to be performed, or does not manage the projects properly within the planned periods of time or does not meet the clients expectations under the contracts, then future consulting margins may be negatively affected or losses on existing contracts may need to be recognized. Any such resulting reductions in margins or contract losses could be material to TPI s results of operations.

The agreements entered into in connection with a project, whether on a time and materials basis or fixed-fee or capped-fee basis, typically allow TPI s clients to terminate early due to breach or for convenience with 30 days notice. In the event of termination, the client is contractually required to pay for all time, materials and expenses incurred by TPI through the effective date of the termination. In addition, from time to time TPI enters into agreements with clients that limit TPI s right to enter into business relationships with specific competitors of that client for a specific time period. These provisions typically prohibit TPI from performing a defined range of services that it might otherwise be willing to perform for potential clients. These provisions are generally limited to six to twelve months and usually apply only to specific employees or the specific project team.

Reimbursable Expenditures

TPI accounts for reimbursable expenditures in accordance with EITF 01-14 Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred. Amounts billed to clients for reimbursable expenditures are included in revenues and the associated costs incurred by TPI are included in direct costs and expenses for advisors in the period in which the expense is incurred.

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Allowance for Doubtful Accounts and Unbilled Services

TPI maintains an allowance for doubtful accounts for estimated losses resulting from the inability of clients to pay fees or for disputes that affect TPI s ability to fully collect billed accounts receivable. The allowance for these risks is prepared by reviewing the status of all accounts and recording reserves on a specific identification method based on previous experiences in these cases and historical bad debt expense. However, TPI s actual experience may vary significantly from these estimates. If the financial condition of TPI s clients were to deteriorate, resulting in their inability or unwillingness to pay their invoices, TPI may need to record additional allowances or write-offs in future periods.

The provision for doubtful accounts and unbilled services is recorded as a reduction to revenues to the extent the provision relates to fee adjustments and other discretionary pricing adjustments. To the extent the provision relates to a client s inability or unwillingness to make required payments, the provision is recorded as bad debt expense which is classified within selling, general and administrative expense.

Direct Costs and Expenses for Advisors

Direct costs and expenses for advisors include payroll expenses and advisory fees directly associated with the generation of revenues and other program expenses. Direct costs and expenses for advisors are expensed as incurred.

Direct costs and expenses for advisors also include expense accruals for discontinuous scheduled bonus payments. These bonuses represent a significant percentage of each advisor s total compensation and are adjusted throughout the year based on actual and projected individual and company performance.

Income Taxes

TPI accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, Accounting for Income Taxes. Under this method, deferred tax assets and liabilities are determined based upon differences between the financial statement and tax basis of assets and liabilities using enacted income tax rates in effect for the year in which the differences are expected to reverse. TPI records a valuation allowance to reduce deferred tax assets if it is more likely than not that some or all of the deferred tax assets will not be realized.

In addition, TPI adopted FIN 48, Accounting for Uncertainty in Income Taxes, on January 1, 2007. This interpretation requires TPI to recognize, present and disclose in its financial statements a reserve for all uncertain tax positions TPI has taken or is expected to take on its tax returns. Under FIN 48, TPI s financial statements will reflect expected future tax consequences of such positions assuming the taxing authorities full knowledge of the position and all relevant facts.

Foreign Currency Translation

During 2005, TPI made a prospective change to its accounting policy for foreign currency translation in accordance with SFAS No. 52, Foreign Currency Translation. Prior to January 1, 2005, TPI s foreign subsidiaries operated as an extension of TPI s United States operations. As of January 1, 2005, TPI determined that changes in the underlying economic facts and circumstances indicated that the functional currency of those operations had changed, as the foreign subsidiary operations began operating as self contained subsidiaries that are integrated within their respective countries. As such, beginning on January 1, 2005, the assets and liabilities of TPI s foreign subsidiaries have been translated into U.S. dollars using the exchange rates in effect at the balance sheet date as the functional currency is the local currency. Results of operations have been translated using the average exchange rates during the year. Resulting translation adjustments have been recorded as a component of other comprehensive income (loss) in the statement of stockholders equity (deficit). Foreign currency transaction gains and losses are included in the consolidated statements of income as they occur.

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Prior to 2005, the functional currency for TPI s non-U.S. based subsidiaries was the U.S. dollar. Amounts of on-hand cash, receivables and payables balances at period end not denominated in U.S. dollars were translated into U.S. dollars at the exchange rates in effect at the balance sheet date. Gains and losses on foreign currency translation and transactions prior to January 1, 2005, were reported directly in the consolidated statements of income.

Goodwill and Intangible Assets

TPI s goodwill and other intangible assets were generated from acquisitions completed since 2005. Other intangible assets include client relationships, covenant not-to compete, trademark and trade names, contract backlog and databases. TPI reviews the carrying value of goodwill and other long-lived assets annually to determine whether impairment has occurred from the date of relevant acquisition. In making these impairment assessments, TPI must make subjective judgments regarding estimated future cash flows and other factors to determine the fair value of the reporting units of the business that are associated with these assets. It is possible that these judgments may change over time as market conditions or TPI s strategies change, and these changes may cause the recording of impairment charges to adjust goodwill and other intangible assets to their estimated implied fair value or net realizable value.

TPI has elected to make December 31 the annual impairment assessment date and will perform additional impairment tests if a change in circumstances occurs that would more likely than not reduce the fair value of the long-lived assets below their carrying amount.

Stock-Based Compensation

TPI has stock-based employee compensation plans, which are more fully described in Note 10 to the consolidated financial statements. Prior to January 1, 2006, TPI applied the recognition and measurement principles of Accounting Principles Bulletin (APB) Opinion No. 25, Accounting for Stock Issued to Employees, (APB 25) and related interpretations to awards granted under those plans. Under APB 25, no compensation expense was reflected in net income for TPI s stock options or management share unit grants (collectively the awards), as all awards granted under those plans had an exercise price equal to the market value of the underlying shares on the date of grant. The pro forma effects on income for awards were instead disclosed in a footnote to the financial statements in accordance with by SFAS No. 148 Accounting for Stock-Based Compensation an Amendment to SFAS 123 (SFAS 148).

Effective January 1, 2006, TPI adopted the fair value recognition provisions of FASB Statement of Financial Accounting Standard No. 123(R), Share-Based Payment, (SFAS 123-R), using the prospective transition method. Under this transition method, only new awards (or awards modified, repurchased, or cancelled after the effective date) are accounted for under the provisions of FAS 123(R).

As discussed in Note 10 to TPI s consolidated financial statements, the awards granted under TPI s stock-based employee compensation plans are only fully vested and exercisable upon a liquidity event. Therefore, these awards do not have a measurement date and are contingent grants. As a result, there was no impact to TPI s consolidated financial statements related to the adoption of SFAS 123(R).

Recent Accounting Pronouncements

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes, which prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that we have taken or expects to take on a tax return. Under FIN 48, the financial statements will reflect expected future tax consequences of such positions presuming the taxing authorities full knowledge of the position and all relevant facts, but without considering time values. FIN 48 is likely to cause greater volatility in income statements as more items are recognized discretely within income tax expense. Application of FIN 48 is required in financial

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statements effective for periods beginning after December 15, 2006. FIN 48 revises disclosure requirements and will require an annual tabular roll-forward of unrecognized tax benefits. TPI adopted FIN 48 as of January 1, 2007, as disclosed in Note 2 to its consolidated financial statements included herein.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. This statement establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The provisions of SFAS 157 should be applied prospectively as of the beginning of the fiscal year in which SFAS 157 is initially applied, except in limited circumstances. We expect to adopt SFAS 157 beginning January 1, 2008, and are currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115 . This statement permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective as of the beginning of an entity s first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS No. 157. We expect to adopt SFAS 159 beginning January 1, 2008, and are currently evaluating the impact that this pronouncement may have on the consolidated financial statements.

Quantitative and Qualitative Disclosures about Market Risk

TPI is exposed to financial market risks, primarily related to changes in interest rates. TPI manages these risks by employing a variety of debt instruments. TPI does not use derivatives to alter the interest characteristics of its financial instruments. TPI does not believe a change in interest rates will materially affect its financial position or results of financial operations. A one percent change in interest rates would result in an annual change in the results of operations of $0.3 million.

TPI operates in a number of international areas which exposes TPI to foreign currency exchange rate risk. TPI does not currently hold or issue forward exchange contracts or other derivative instruments for hedging or speculative purposes. TPI recorded foreign exchange transaction losses of $0.1 million and $0.4 million during 2006 and 2005, respectively. During 2004 TPI recorded foreign exchange transaction gains of $0.3 million. In addition, the percentage of revenues generated in future periods from operations outside the U.S. is expected to grow significantly, and as such, the impact of currency translation on TPI s reported results may increase. The percentage of total revenues generated outside the U.S. increased from 22% in 2004 to 35% during 2006. TPI has not invested in foreign operations in highly inflationary economies; however, it may do so in future periods.

Concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. All cash and cash equivalents are on deposit in fully liquid form in high quality commercial banks. Trade receivables potentially subject TPI to credit risk. TPI extends credit to its clients based on an evaluation of each client s financial condition and generally does not require collateral. Various business units of TPI s largest client accounted for greater than 10% of revenues and accounts receivable in the years 2006, 2005 and 2004. The loss of, or significant decrease in, the business from this client could adversely effect TPI s financial condition and results of operations. On December 1, 2006, this client divested certain significant portions of its business which is expected to decrease the client s concentration of TPI s revenues during 2007 and in the future. No other client accounted for more than 10% of TPI s revenue in 2006, 2005, or 2004. TPI maintains provisions for doubtful receivables. These provisions aggregated $0.5 million as of the end of 2006.

DIRECTORS AND EXECUTIVE OFFICERS OF ISG
FOLLOWING THE ACQUISITION

Board of Directors

Upon the completion of the acquisition, we expect the Board of Directors of ISG to continue to be as follows:

Name	Age	Position
Michael P. Connors	52	Chairman of the Board and Chief Executive Officer
Robert J. Chrenc	63	Director
R. Glenn Hubbard	49	Director
Robert E. Weissman	67	Director

Michael P. Connors has served as our Chairman of the Board and Chief Executive Officer since our inception. Mr. Connors also served as our Secretary and Treasurer from the date of our inception until December, 2006. Mr. Connors served as Chairman and CEO of VNU s Media Measurement and Information (MMI) Group from its creation in 2001 until his resignation in 2005. VNU is a leading global information and media company. Mr. Connors was instrumental in creating the MMI Group, which comprises VNU s media information, entertainment, software and internet businesses, including Nielsen Media Research, Nielsen Entertainment and NetRatings. In addition to leading the MMI Group, Mr. Connors served as chairman of VNU World Directories from 2003 to 2004, which included VNU s Yellow Pages and directory businesses operating in seven countries. Mr. Connors also served as a member of the VNU Executive Board. Prior to joining VNU, Mr. Connors was Vice Chairman of ACNielsen Corporation, one of the world s largest marketing information services companies, commencing November, 1996. Prior to that, as Senior Vice President of The Dun & Bradstreet Corporation (D&B), Mr. Connors played a key role in the breakup of D&B into three separate, publicly traded companies, including ACNielsen. Mr. Connors currently serves as a director of R.H. Donnelley Corporation and Eastman Chemical Company. In addition, Mr. Connors served until November 2005 as a member of the Board of Directors of NetRatings, Inc.

Robert J. Chrenc has served as our Director since August, 2006. Mr. Chrenc served as Executive Vice President and Chief Financial Officer of ACNielsen Corporation, a leading provider of marketing information, from June 1996 to February 2001. Mr. Chrenc was promoted to Executive Vice President and Chief Administrative Officer in February 2001 and served in this capacity until his retirement in December 2001. Since 2001, Mr. Chrenc has remained retired with the exception of certain director positions. Until January 2007 Mr. Chrenc served as a director of Symbol Technologies Inc., a leading provider of products and solutions that capture, move and manage information, and as non-executive Chairman of its Board of Directors. In April 2007, Mr. Chrenc was elected a member of the Board of Directors of Monster Worldwide, Inc., the parent company of Monster.com, a global online employment solution.

R. Glenn Hubbard has served as our Director since August, 2006. Dr. Hubbard has served as the Dean of Columbia University, Graduate School of Business since 2004. A Columbia faculty member since 1988, he is also the Russell L. Carson Professor of Finance and Economics in the Department of Economics and Graduate School of Business of Columbia University. Dr. Hubbard is a research associate at the National Bureau of Economic Research and is a visiting scholar and Director of the Tax Policy Program for the American Enterprise Institute. In addition, Dr. Hubbard was Chairman of the President s Council of Economic Advisers from 2001 to 2003. Dr. Hubbard currently serves as a director of ADP, Inc., Duke Realty Corporation, KKR Financial Corp. and Metropolitan Life Insurance Company.

Robert E. Weissman has served as our Director since August, 2006. Mr. Weissman retired in January 2001 after years of experience as Chief Executive Officer for several public corporations. Most

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recently, Mr. Weissman was Chairman of the Board of Directors of IMS Health Incorporated (IMS), a provider of information to the pharmaceutical and healthcare industries. He served as both Chairman and Chief Executive Officer of IMS until March 1999 and he continued to serve as Chairman until 2001. Prior to his position with IMS, Mr. Weissman was Chairman and Chief Executive Officer of Cognizant Corporation, the former parent company of IMS, Nielsen Media Research, a provider of media data, and Gartner Group, an information technology research and advisory company, and prior to that, was Chairman and Chief Executive Officer of The Dun & Bradstreet Corporation (D&B) from 1994 to 1996. Prior to his election as Chairman and Chief Executive Officer of D&B, he held the position of President and Chief Operating Officer of that company since 1985. From 2001 to 2005, Mr. Weissman was active as Chairman of Shelburne Partners, a private investment company that works with emerging companies in the United States and Europe. In addition, Mr. Weissman currently serves as a director of State Street Corporation, Pitney Bowes, Inc., and Cognizant Technology Solutions Corporation.

Executive Officers

Upon the completion of the acquisition, we expect the executive officers of ISG who are not also directors of ISG, to continue to be as follows:

Name	Age	Position
Frank Martell	48	Executive Vice President, Chief Financial Officer, and Treasurer
Earl H. Doppelt	54	Executive Vice President, General Counsel, and Corporate Secretary
Richard G. Gould	48	Executive Vice President

Frank Martell has served as our Executive Vice President, Chief Financial Officer and Treasurer since December, 2006. Until December 2006, Mr. Martell was the Chief Operating Officer of ACNielsen Corporation and Chief Executive Officer of ACNielsen Europe and Emerging Markets. He spent the previous 11 years with VNU, ACNielsen Corporation and The Dun & Bradstreet Corporation (D&B) serving in a series of global financial and senior operating positions. He joined D&B in 1995 as Head of Internal Audit, became Corporate Treasurer for ACNielsen worldwide after the spin-off from D&B in 1996 and held a series of executive positions residing in the U.S., Asia and Europe including Chief Financial Officer and President and CEO of ACNielsen Asia Pacific. Prior to joining D&B, Mr. Martell had a 15-year career at General Electric in financial management positions including GE corporate audit.

Earl H. Doppelt has served as our Executive Vice President, General Counsel and Corporate Secretary since December, 2006. Until November 2006, Mr. Doppelt served as Executive Vice President and Chief Legal Officer of VNU, a leading global information and media company. He spent the previous 12 years with VNU, ACNielsen Corporation and The Dun & Bradstreet Corporation (D&B). He joined D&B in 1994 as Senior Vice President and General Counsel and, in 1996, when D&B was broken up into three separate public companies, became Executive Vice President and General Counsel of ACNielsen. Mr. Doppelt was part of the executive team that led the turnaround of ACNielsen into a profitable company. When VNU acquired ACNielsen in 2001, Mr. Doppelt was named Executive Vice President and Chief Legal Officer of VNU. During his career at VNU, ACNielsen and D&B, Mr. Doppelt managed a number of complex M&A transactions including three ownership transitions from the break-up of D&B into three separate companies, the sale of ACNielsen to VNU and the sale of VNU to a private-equity consortium. Prior to joining D&B, Mr. Doppelt was Senior Vice President and Deputy General Counsel of Paramount Communications and earlier a litigator specializing in antitrust and securities matters for the law firm of Paul, Weiss, Rifkind, Wharton and Garrison.

Richard G. Gould has served as our Executive Vice President since December, 2006. Until October 2006, Mr. Gould was with Morgan Stanley where, during a 20-year career, he held several executive positions. His experience with Morgan Stanley included capital markets, global sales management, marketing and new product innovation. He initially joined Morgan Stanley s London office

as a sales manager of European Equity Derivatives to start the firm s options, futures and portfolio trading businesses in Europe. He was promoted to Vice President in 1988; Principal in 1990; and Managing Director in 1992. Mr. Gould then moved to Tokyo in October 1992 where he was responsible for equity derivative sales for the Asian Region, subsequently becoming head of the Japanese Equity Division. He moved to Morgan Stanley s New York headquarters in January 1996, where he held executive positions including head of the Global Pensions Group, head of Quantitative Research, head of Global Derivative Sales and later served as co-head of North American equity distribution.

Senior Advisors

ISG also may consult, from time to time, with certain individuals who have experience in the information services industry, which we call our senior advisors, each of whom is also a stockholder of our company, who may assist us in our search for and evaluation of our target business and other matters relating to our operations.

Francis B. Barker has served as one of our Senior Advisors since inception. Mr. Barker has led strategic and financial initiatives in the information, media, and communications industries for over 17 years, in roles including head of a corporation s M&A function, private equity investing, and investment banking. Most recently, he was Senior Vice President for Corporate Development and Strategy at Dex Media, Inc. In 2006, he led the management transaction team in the sale of Dex Media, at the time the largest publicly traded yellow pages company in the U.S., to R.H. Donnelley. Mr. Barker joined Dex Media in 2003 from The Carlyle Group, where he worked from 1999 to 2002. As Managing Director in Carlyle s Telecom and Media Group, he played a senior role in the acquisition of Dex Media from Qwest Communications in 2002, among other major investment transactions. Prior to joining The Carlyle Group, Barker spent nine years at Morgan Stanley leading major client relationships and transaction teams in publishing and information services; advertising; marketing services; education and training services; Internet content; broadband and cable communications; and TV and radio broadcasting.

Barry Holt has served as one of our Senior Advisors since inception. Mr. Holt has more than 35 years experience in corporate communications. Mr. Holt was Corporate Vice President, Global Communications of Whirlpool Corporation from 2000 to 2004. Prior to joining Whirlpool, from 1996 to 2000 he was Senior Vice President, Global Communications of ACNielsen Corporation, one of the world s largest marketing information services companies. While with ACNielsen, Mr. Holt developed and executed a global communications strategy to support ACNielsen s spin-off from The Dun & Bradstreet Corporation and public listing on the New York Stock Exchange, including the introduction of complete external and investor communication. Earlier he was Vice President, Corporate Communications, Philip Morris Companies, and before that, he held senior public relations and public affairs positions with Pepsi-Cola International and Pepsi-Cola USA. Before joining Pepsi-Cola, Mr. Holt was Vice President/Client Services Manager at Burson-Marsteller, where he managed such accounts as Burger King, General Foods, M&M Mars and Gillette Safety Razor Division, among others. Mr. Holt has been a communications consultant since his retirement in 2004 to companies including the Publicis Group and Wellpoint Health Systems.

Mr. Barker and Mr. Holt provide merger and acquisition and investor relations advice to us. ISG expects them to play a role in identifying and analyzing potential acquisition candidates for us. The senior advisors are independent contractors and, as such, do not owe us any fiduciary duties with respect to the execution of their duties. No compensation of any kind, including finder s and consulting fees, will be paid by us, Oenoke Partners, LLC or any of our respective affiliates to any of our senior advisors, or any of their affiliates, for services rendered to us prior to or in connection with the consummation of our initial business combination.

ISG may identify, from time to time, additional individuals to serve as senior advisors if those individuals possess a level of experience that we believe may be beneficial to us. ISG will not compensate

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individuals for their service as a senior advisor, other than providing reimbursement for any out-of-pocket expenses incurred in connection with activities on our behalf, such as identifying potential target businesses and performing due diligence on suitable business combinations.

Board of Directors and Committees of the Board

After the acquisition, the ISG Board of Directors will consist of at least four members, and it is anticipated that a majority will continue to be considered independent. The members of the Board of Directors will serve until the earlier of their resignation or their successor is duly qualified and elected. Elections of directors are expected to take place at each annual meeting of stockholders.

Audit Committee

Our audit committee will continue to consist of Mr. Chrenc, as Chairman, Dr. Hubbard and Mr. Weissman. The audit committee reviews the professional services and independence of our independent registered public accounting firm and our accounts, procedures and internal controls. The audit committee also selects the firm that will serve as our independent registered public accounting firm, reviews and approves the scope of the annual audit, reviews and evaluates with the independent public accounting firm our annual audit and annual financial statements, reviews with management the status of internal accounting controls, evaluates problem areas having a potential financial impact on us that may be brought to the committee s attention by management, the independent registered public accounting firm or the Board of Directors, and evaluates all of our public financial reporting documents. We have agreed that our audit committee will review and approve all expense reimbursements made to our officers, directors or senior advisors and that any expense reimbursement payable to members of our audit committee will be reviewed and approved by our board of directors, with the interested director or directors abstaining from such review and approval.

In accordance with applicable federal securities laws and the rules of the American Stock Exchange, we have adopted an audit committee charter that incorporates these duties and responsibilities.

Financial Experts on Audit Committee

The audit committee will at all times be composed exclusively of independent directors who are financially literate as defined under the American Stock Exchange listing standards. The American Stock Exchange listing standards define financially literate as being able to read and understand fundamental financial statements, including a company s balance sheet, income statement and cash flow statement. In addition, we must certify to the American Stock Exchange that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual s financial sophistication. The Board of Directors has determined that Mr. Chrenc satisfies the American Stock Exchange s definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the SEC.

Audit Committee Report

We have reviewed and discussed with management ISG s audited financial statements as of and for the period ended December 31, 2006.

We have discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from the independent auditors required by Independence Standard No. 1, Independence Discussions with Audit Committees, as amended, by the Independence Standards Board, and have discussed with the auditors the auditors independence.

Based on the reviews and discussions referred to above, we have recommended to the Board of Directors that the financial statements referred to above be included in this proxy statement.

THE AUDIT COMMITTEE
Mr. Robert J. Chrenc (Chairman)
Mr. Robert E. Weissman
Dr. R. Glenn Hubbard

Nominating Committee

ISG s nominating committee is responsible for overseeing the selection of persons to be nominated to serve on the Board of Directors. The nominating committee also supervises the Board of Directors annual review of director independence and the Board of Directors performance evaluations. In accordance with applicable federal securities laws and the rules of the American Stock Exchange, ISG has adopted a nominating committee charter that delineates these duties and responsibilities. The nominating committee will continue to consist of Dr. Hubbard, as chairman, Mr. Chrenc and Mr. Weissman, each of whom is an independent director under the American Stock Exchange listing standards.

Executive Compensation

No compensation of any kind, including finder s and consulting fees, will be paid by us, Oenoke Partners, LLC or any of our respective affiliates to any of our officers, directors, senior advisors, or any of their respective affiliates, for services rendered prior to or in connection with a business combination. However, we will reimburse such persons for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations, although they will not be reimbursed for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount not held in the trust account unless the business combination is consummated.

Following an initial business combination and to the extent our current executive officers continue to be involved in management of our business, they will be entitled to receive such compensation as our Compensation Committee may approve.

ISG currently maintains no equity compensation plans for the benefit of our officers or directors, or any of their respective affiliates.

Compensation Committee

The compensation committee will continue to consist of Mr. Weissman, as chairman, Mr. Chrenc and Dr. Hubbard, each of whom is an independent director under the American Stock Exchange listing standards.

No executive officer of ISG has served on the compensation committee of any other entity, nor has any executive officer of ISG served as a director of another entity, whose executive officer has also served on ISG s compensation committee.

Compensation Discussion and Analysis

As described above, none of our executive officers or senior advisors will be entitled to receive compensation prior to such time, if any, as a business combination is effectuated.

At such time as ISG is able to consummate a business combination, our Compensation Committee will consider and adopt appropriate executive compensation policies in light of such factors as it deems appropriate.

Compensation Committee Report

The Compensation Committee has submitted the following report for inclusion in this proxy statement.

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this proxy statement with management. Based on our Committee s review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to ISG s Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

The foregoing report is provided by the following directors, who constitute the Committee:

THE COMPENSATION COMMITTEE
Mr. Robert E. Weissman (Chairman)
Mr. Robert J. Chernc
Dr. R. Glenn Hubbard

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of October 5, 2007 by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our officers and directors; and
- all our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Approximate Percentage of Outstanding Common Stock
Eric Semler(2)	3,979,300	9.80 %
Fir Tree, Inc.(3)	3,430,000	8.57 %
Oppenheimer Funds, Inc.(4)	2,572,550	6.37 %
Michael Zimmerman(5)	2,550,000	6.31 %
HBK Investments L.P.(6)	2,049,360	5.07 %
Michael P. Connors(7)(8)(9)	7,410,937	18.33 %
Frank Martell(10)(11)	7,410,937	18.33 %
Earl H. Doppelt(11)(12)	7,410,937	18.33 %
Richard G. Gould(11)(13)	7,410,937	18.33 %
Robert J. Chrenc(8)	93,750	*
R. Glenn Hubbard(8)	93,750	*
Robert E. Weissman(8)	93,750	*
Oenoke Partners, LLC	7,410,937	18.33 %
All directors and executive officers as a group (7 individuals)	7,692,187	19.03 %

* Less than 1%.

(1) Unless otherwise noted, the business address of each of the individuals is c/o Information Services Group, Inc., Four Stamford Plaza, 107 Elm Street, Stamford, CT 06902.

(2) Includes 3,979,300 shares of common stock owned by TCS Capital GP, LLC. Eric Semler may be deemed to have beneficial ownership of these shares as a result of his being the principal of TCS Capital GP, LLC. The business address of TCS Capital GP, LLC and Eric Semler is 888 Seventh Avenue, Suite 1504, New York, NY 10019. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on April 27, 2007 and a Schedule 13F-HR, as filed with the Securities and Exchange Commission on August 14, 2007.

(3) Includes 3,480,000 shares of common stock owned by Fir Tree Recovery Master Fund, L.P. Fir Tree, Inc. may be deemed to have beneficial ownership of these shares as a result of being the investment manager of Sapling, LLC and Fir Tree Recovery Master Fund, L.P. The business address of Fir Tree, Inc. is 505 Fifth Avenue, 23rd Floor, New York, NY 10017 and the business address of Fir Tree Recovery Master Fund, L.P. is c/o Admiral Administration Ltd., Admiral Financial Center, 5th Floor, 90 Fort Street, Box 32021 SMB, Grand Cayman, Cayman Islands. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 9, 2007, and a Schedule 13F-HR, as filed with the Securities and Exchange Commission

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on August 14, 2007. The natural person(s) having voting or control power over Fir Tree, Inc. are not known to ISG.

(4) Includes 2,572,550 shares of common stock owned by Oppenheimer Funds, Inc. The business address of Oppenheimer Funds, Inc. is 6803 S. Tucson Way, Centennial, CO 80112-3924. The foregoing information was derived from a Schedule 13F, as filed with the Securities and Exchange Commission on August 13, 2007. The natural person(s) having voting or control power over Oppenheimer Funds, Inc. are not known to ISG.

(5) Includes 2,550,000 shares of common stock beneficially owned by Prentice Capital Management, LP. Michael Zimmerman may be deemed to have beneficial ownership of these shares as a result of being the managing member of Prentice Management GP, LLC, the general partner of Prentice Capital Management, LP. The business address of Michael Zimmerman and Prentice Capital Management, LP is 623 Fifth Avenue, 32nd Floor, New York, NY 10022. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 9, 2007 and a Schedule 13F-HR, as filed with the Securities and Exchange Commission on August 14, 2007.

(6) Includes 2,049,360 shares of common stock beneficially owned by HBK Investments L.P., HBK Services LLC, HBK Partners II L.P., HBK Management LLC, and HBK Master Fund L.P. HBK Investments L.P. has delegated discretion to vote and dispose of the Securities to HBK Services LLC. HBK Services LLC may, from time to time, delegate discretion to vote and dispose of certain of these securities to HBK New York LLC, HBK Virginia LLC, HBK Europe Management LLP and/or HBK Hong Kong Ltd. Each of HBK Services LLC and these other entities is under common control with HBK Investments L.P. Jamiel A. Akhtar, Richard L. Booth, David C. Haley, Lawrence H. Lebowitz and William E. Rose are each managing members of HBK Management LLC. The address for these entities is c/o HBK Services LLC, 300 Crescent Court, Suite 700, Dallas, Texas 75201. The foregoing information was derived from the Schedule 13G, as filed with the Securities and Exchange Commission on August 9, 2007.

(7) Mr. Connors serves as Chairman of the Board and Chief Executive Officer.

(8) Each of these individuals is a director.

(9) These shares represent one hundred percent of our shares of common stock held by Oenoke Partners, LLC. Mr. Connors owns twenty-five percent of the outstanding membership interests in Oenoke Partners, LLC and has beneficial ownership of the remaining seventy-five percent of the outstanding membership interests as a result of being the managing member of Oenoke Partners, LLC.

(10) Mr. Martell serves as Executive Vice President, Chief Financial Officer and Treasurer.

(11) Includes 7,410,937 shares of common stock owned by Oenoke Partners, LLC. Each of Mr. Martell, Mr. Doppelt and Mr. Gould own twenty-five percent of the outstanding membership interest in Oenoke Partners, LLC and has beneficial ownership of the remaining seventy-five percent of outstanding membership interests as a result of having approval rights with respect to a sale of all or substantially all of the assets of Oenoke Partners, LLC.

(12) Mr. Doppelt serves as Executive Vice President, General Secretary and Corporate Secretary.

(13) Mr. Gould serves as Executive Vice President

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Past Transactions

ISG engaged in past transactions with related parties that were all on terms at least as favorable to ISG as those available from unaffiliated parties.

On August 2, 2006, ISG issued 4,687,500 units, consisting of 4,687,500 shares of our common stock and 4,687,500 warrants to purchase a share of our common stock, to Oenoke Partners, LLC for an aggregate of $9,375 in cash, at an aggregate purchase price of $0.002 per unit. At such date, Mr. Connors was the beneficial owner of Oenoke Partners, LLC.

On September 29, 2006, ISG redeemed the 4,687,500 warrants held by Oenoke Partners, LLC, for an aggregate redemption price of $4,687.50 in cash, or a redemption price of $0.001 per warrant.

On December 21, 2006, ISG issued 703,125 shares of our common stock to Oenoke Partners, LLC for an aggregate of $703.125, at an aggregate purchase price of $0.001 per share. At such date, Mr. Connors was the beneficial owner of Oenoke Partners, LLC. On December 21, 2006, following such issuance, Mr. Connors transferred to each of Mr. Martell, Mr. Doppelt and Mr. Gould membership interests representing 25% of the outstanding equity interests of Oenoke Partners, LLC.

On December 21, 2006, Oenoke Partners, LLC conveyed to Robert J. Chrenc, Dr. R. Glenn Hubbard and Robert E. Weissman an aggregate of 187,500 shares of common stock.

On December 21, 2006, Oenoke Partners, LLC conveyed to Francis B. Barker, Barry Holt and a leasing consultant an aggregate of 262,500 shares of common stock.

On January 29, 2007, ISG effected a 1 for 2 stock dividend.

The holders of the majority of these shares are entitled to make up to two demands that we register the resale of their shares and warrants and shares underlying the warrants. The holders of the majority of these shares may elect to exercise these registration rights at any time after completion of our initial business combination, subject to the transfer restrictions imposed by the lock-up agreements. In addition, these stockholders have certain piggy-back registration rights on registration statements filed subsequent to the completion of our initial business combination, subject to the transfer restrictions imposed by the lock-up agreements. ISG will bear the expenses incurred in connection with the filing of any such registration statements.

Oenoke Partners, LLC, which is an affiliate of our officers, has advanced to ISG, pursuant to two separate loans, a total of $250,000, which was used to pay a portion of the expenses of the IPO. The first loan, for $100,000, bears interest at a rate of 5% per annum, compounded semiannually, and is due on the earlier of August 1, 2007 and the consummation of the IPO. The second loan, for $150,000, also bears interest at a rate of 5% per annum, compounded semiannually, and is due on the earlier of October 3, 2007 and the consummation of the IPO. The loans were repaid out of the proceeds of the IPO not being placed in the trust account.

Conflicts of Interest

Potential investors should be aware of the following potential conflicts of interest:

- None of our officers, directors and senior advisors is required to commit his full time to our business and, accordingly, our officers, directors and senior advisors may have conflicts of interest in allocating management time among various business activities.

- In the course of their other business activities, our officers, directors and senior advisors may become aware of investment and business opportunities which may be appropriate for presentation

to us as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented. For a more complete description of our management s other affiliations, see Management Directors and Executive Officers of ISG Following the Transaction.

- Our officers, directors and senior advisors may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us.

- Since our officers, directors and senior advisors indirectly own shares of our common stock that will become transferable only if a business combination is completed and warrants that will expire worthless if a business combination is not consummated, our officers, directors and senior advisors may have a conflict of interest in determining whether a particular target business is appropriate to effect a business combination. Additionally they may enter into consulting or employment agreements with ISG as part of a business combination.

- The personal and financial interests of our officers, directors and senior advisors may influence their motivation in identifying and selecting target businesses and completing a business combination in a timely manner. These interests may include their equity interests in ISG, reimbursements for expenses to the extent we have access to insufficient proceeds outside of the trust account for such reimbursement, and any interest in employment with potential target businesses.

- Officers, directors and senior advisors will receive reimbursement for out-of-pocket expenses incident to the offering and identifying, investigating and implementing a suitable business combination.

In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;

- the opportunity is within the corporation s line of business; and

- it would not be fair to the corporation and its stockholders for the opportunity not to be brought to the attention of the corporation.

Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our board evaluates a particular business opportunity with respect to the above-listed criteria. We cannot assure you that any of the above-mentioned conflicts will be resolved in our favor.

In connection with the vote required for the initial business combination Oenoke Partners, LLC and all of our officers, directors and senior advisors have agreed to vote the shares of common stock then owned by them in accordance with the majority of the shares of our common stock voted by our public stockholders. In addition, they have agreed to waive their rights to conversion of their shares in connection with the vote on our initial business combination and to participate in any liquidation distribution, but only with respect to those shares of common stock acquired by them prior to the IPO including shares underlying the warrants acquired in the private placement.

To further minimize potential conflicts of interest, we have agreed not to consummate a business combination with an entity that is affiliated with Oenoke Partners, LLC or our officers, directors or senior advisors unless we obtain an opinion from an independent investment banking firm that the business combination is fair to our stockholders from a financial point of view.

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ISG will reimburse our officers, directors, senior advisors and their respective affiliates for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf such as identifying, investigating and implementing possible target businesses and business combinations, although they will not be reimbursed for any out-of-pocket expenses incurred by them to the extent that such expenses exceed the amount not held in the trust account unless the business combination is consummated. There is no limit on the amount of such out-of-pocket expenses that are reimbursable by us, subject to review by our audit committee.

Other than reimbursable out-of-pocket expenses payable to our officers, directors and senior advisors, no compensation or fees of any kind, including finders and consulting fees, will be paid by ISG, Oenoke Partners, LLC or any of our respective affiliates to any of our officers directors or senior advisors, or their affiliated entities prior to the IPO, or to any of their respective affiliates, for services rendered to ISG prior to or with respect to the business combination.

In addition to the protections in place to minimize potential conflicts of interest, as described above, ISG s Board of Directors adopted a Code of Ethics, which is fully described in the Other Information Related to ISG Code of Conduct and Ethics section of this proxy statement. This Code requires that all directors, officers and employees of ISG should avoid activities that give the appearance of a conflict of interest, and if such a conflict of interest is discovered, any director, officer or employee must bring it to the attention of a supervisor, manager or other appropriate personnel.

Review, Approval or Ratification of Transactions with Related Persons

ISG s policy is to require that any transaction with a related party required to be reported under applicable SEC rules, other than compensation-related matters, be reviewed and approved or ratified by a majority of independent, disinterested directors. ISG has not adopted procedures for review of, or standards for approval of, these transactions, but instead reviews such transactions on a case by case basis. ISG s policy is to require that all compensation-related matters be recommended for board approval by the compensation committee. During the last fiscal year, no transactions with a related party have occurred that required a waiver of ISG s policy nor have any transactions with a related party occurred in which ISG did not follow our policy.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Act of 1934, ISG s directors and executive officers, and any persons holding 10% or more of its common stock, are required to report their beneficial ownership and any changes therein to the SEC and ISG. Specific due dates for those reports have been established, and ISG is required to report herein any failure to file such reports by those due dates. Based on ISG s review of Forms 3, 4 and 5 filed by such persons, it believes that during the year ended December 31, 2007, all Section 16(a) filing requirements applicable to such persons were met in a timely manner.

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PRICE RANGE OF ISG SECURITIES AND DIVIDENDS

Price Range of Common Stock

ISG s units, which consist of one share of our common stock, par value $.001 per share, and one warrant, each to purchase an additional share of our common stock, are listed on the American Stock Exchange under the symbol III.U. Our common stock is listed separately on the American Stock Exchange under the symbol III and commenced trading separately on February 12, 2007. Our warrants are listed separately on the American Stock Exchange under the symbol III.WS and commenced trading separately on February 12, 2007. Each warrant entitles the holder to purchase from us one share of our common stock at an exercise price of $6.00 commencing the later of the completion of a business combination or January 31, 2008. Our warrants will expire at 5:00 p.m., New York City time, on January 31, 2011, or earlier upon redemption.

The following tables set forth, for the calendar quarter indicated, the quarterly high and low closing prices of ISG s units, common stock and warrants, respectively, as reported on the American Stock Exchange.

Units

Quarter Ended	High	Low
March 31, 2007 (since February 1, 2007)	$ 8.15	$ 8.00
June 30, 2007	$ 8.79	$ 8.05
September 30, 2007	$8.76	$8.16

Common Stock

Quarter Ended	High	Low
March 31, 2007 (since February 12, 2007)	$ 7.54	$ 7.26
June 30, 2007	$ 8.30	$ 7.40
September 30, 2007	$7.84	$7.50

Warrants

Quarter Ended	High	Low
March 31, 2007 (since February 12, 2007)	$ 0.80	$ 0.56
June 30, 2007	$ 1.10	$ 0.60
September 30, 2007	$1.04	$0.73

Holders of ISG common stock, warrants and units should obtain current market quotations for their securities. The market price of ISG common stock, warrants and units could vary at any time before the acquisition.

Holders

As of October 5, 2007, there were one holder of record of ISG units, eight holders of record of ISG common stock and one holder of record of ISG warrants. ISG believes that the total number of beneficial holders of the units, common stock and warrants to be in excess of 1,100 persons.

Dividends

ISG has not paid any dividends on our common stock to date and does not intend to pay dividends prior to the completion of the acquisition. It is the current intention of ISG s Board of Directors to retain all earnings, if any, for use in our business operations and, accordingly, our board does not anticipate declaring any dividends in the foreseeable future. The payment of dividends subsequent to the acquisition

Explanation of Responses:

will be within the discretion of our then Board of Directors and will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of the acquisition.

APPRAISAL RIGHTS

ISG stockholders do not have appraisal rights in connection with the acquisition under the DGCL.

INDEPENDENT ACCOUNTANTS

The financial statements of ISG at December 31, 2006 and the period from July 20, 2006 (inception) to December 31, 2006, included in this proxy statement have been audited by Rothstein, Kass & Company, P.C., independent registered public accounting firm, as set forth in their report appearing elsewhere herein.

The consolidated financial statements of TPI at December 31, 2005 and December 31, 2006, and for each of the three years in the period ended December 31, 2006, appearing in this proxy statement have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, as set forth in their report appearing elsewhere herein.

WHERE YOU CAN FIND MORE INFORMATION

ISG files reports, proxy statements and other information with the SEC as required by the Securities Exchange Act of 1934, as amended. You may read and copy reports, proxy statements and other information filed by ISG with the SEC at the SEC public reference room located at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also obtain copies of the materials described above at prescribed rates by writing to the Securities and Exchange Commission, Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549. You may access information regarding ISG at the SEC web site containing reports, proxy statements and other information at: http://www.sec.gov.

Information and statements contained in this proxy statement or any annex to this proxy statement are qualified in all respects by reference to the copy of the relevant contract or other annex filed as an exhibit to this proxy statement.

All information contained in this document relating to ISG has been supplied by ISG, and all such information relating to TPI has been supplied by TPI. Information provided by one another does not constitute any representation, estimate or projection of the other.

Only one proxy statement is being delivered to multiple securityholders who share an address. However, if you would like an additional separate copy, please contact us at the address set forth below and an additional copy will be sent to you free of charge.

If you would like additional copies of this document or if you have questions about the acquisition, you should contact via phone or in writing:

Michael P. Connors
Chairman and Chief Executive Officer
Four Stamford Plaza
107 Elm Street
Stamford, CT 06902
(203) 517-3100

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STOCKHOLDER PROPOSALS

If you are a stockholder and you want to include a proposal in the proxy statement for ISG s first annual meeting, presently expected to be held in April 2008, under applicable rules of the SEC, a stockholder proposal must be received a reasonable time before a company begins to print and mail its annual meeting proxy materials.

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INFORMATION SERVICES GROUP, INC.
(a development stage company)

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TECHNOLOGY PARTNERS INTERNATIONAL, INC.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Information Services Group, Inc.

We have audited the accompanying balance sheet of Information Services Group, Inc. (a corporation in the development stage) (the Company) as of December 31, 2006 and the related statements of operations, stockholders deficit and cash flows for the period July 20, 2006 (date of inception) to December 31, 2006. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Information Services Group, Inc. (a corporation in the development stage) as of December 31, 2006 and the results of its operations and its cash flows for the period July 20, 2006 (date of inception) to December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

/s/ ROTHSTEIN, KASS & COMPANY, P.C.

Roseland, New Jersey
March 28, 2007, except for Note K,
which is as of April 24, 2007

INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

BALANCE SHEETS

	June 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,270,779	$ 88,911
Prepaid expense and other current assets	427,348	10,384
Total current assets	2,698,127	99,295
Office equipment, net of accumulated depreciation of $6,495 and $1,664, respectively	41,810	46,641
Other assets		
Cash and cash equivalents held in trust fund	254,052,815	
Deferred offering costs		670,807
Deferred acquisition costs	1,021,768	
Total other assets	255,074,583	670,807
	$ 257,814,520	$ 816,743
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current liabilities		
Accrued expenses	$ 628,500	$ 612,219
Notes payable, stockholder, including accrued interest of $3,952		253,952
Total current liabilities	628,500	866,171
Long-term liabilities, deferred underwriters fee	8,262,500	
Common stock, subject to possible redemption, 6,468,750 shares at redemption value	50,812,813	
Stockholders equity (deficit)		
Preferred stock, $.001 par value; 10,000,000 shares authorized; none issued		
Common stock, $.001 par value, 100,000,000 shares authorized; 40,429,687 shares issued and outstanding at June 30, 2007 (including 6,468,750 shares subject to possible redemption) and 8,085,937 shares issued and outstanding at December 31, 2006.	40,430	8,086
Additional paid-in-capital	195,463,930	(2,695)
Retained earnings (deficit) accumulated during the development stage	2,606,347	(54,819)
Total stockholders equity (deficit)	198,110,707	(49,428)
	$ 257,814,520	$ 816,743

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF OPERATIONS

	For the three months ended June 30, 2007 (unaudited)	For the six months ended June 30, 2007 (unaudited)	For the period July 20, 2006 (inception) to December 31, 2006	For the period July 20, 2006 (inception) to June 30, 2007 (unaudited)
Revenue	$	$	$	$
Formation, general and administrative expense	330,198	544,073	51,161	595,234
Loss from operations	(330,198)	(544,073)	(51,161)	(595,234)
Other income (expenses)				
Interest and dividend income	3,297,464	5,255,016	294	5,255,310
Interest expense		(2,527)	(3,952)	(6,479)
Income (loss) before income taxes	2,967,266	4,708,416	(54,819)	4,653,597
Income taxes	1,366,930	2,047,250		2,047,250
Net income (loss)	1,600,336	2,661,166	(54,819)	2,606,347
Accretion of Trust Fund relating to Common Stock subject to possible conversion	(2,815)	(2,815)		(2,815)
Net income (loss) attributable to common stockholders	$ 1,597,521	$ 2,658,351	$ (54,819)	$ 2,603,532
Weighted average shares outstanding, basic and diluted	40,429,687	33,960,937	7,095,560	21,115,149
Net income (loss) per share, basic and diluted	$ 0.04	$ 0.08	$ (0.01)	$ 0.12

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)
For the period July 20, 2006 (date of inception) to June 30, 2007

	Common Stock Shares	Amount	Additional Paid-in-Capital	Retained Earnings (Deficit) Accumulated During the Development Stage	Total Stockholders Equity (Deficit)
Sale of 7,031,250 units on August 2, 2006 at a price of $.002 per unit to the initial shareholders (each unit consists of 1 share of commn stock and one warrant to purchase a share of comon stock)	7,031,250	$ 7,031	$ 2,344	$	$ 9,375
Redemption of 7,031,250 warrants on September 29, 2006 issued to the initial shareholders at a redemption price of $.001 per warant			(4,687)		(4,687)
Sale of 1,054,687 shares of common stock to the initial shareholders at $.001 per share on December 21, 2006	1,054,687	1,055	(352)		703
Net loss from July 20, 2006 (inception) to December 31, 2006				(54,819)	(54,819)
Balance, December 31, 2006	8,085,937	8,086	(2,695)	(54,819)	(49,428)
Unaudited:					
Sale of 32,343,750 units on February 6, 2007 at a price of $8 per unit, net underwriters discount and offering costs (including 6,468,750 shares subject to possible redemption)	32,343,750	32,344	239,779,338		239,811,682
Proceeds subject to possible redemption 6,468,750 shares			(50,809,998)		(50,809,998)
Sale of 6,500,000 warrants at $1 per warrant on February 6, 2007 to Oenoke Partners, LLC			6,500,000		6,500,000
Proceeds from issuance of an option to underwriters on February 6, 2007 to purchase 1,406,250 units			100		100
Accretion of Trust Fund income for the period relating to common stock subject to redemption, net of taxes			(2,815)		(2,815)
Net income for the six months ended June 30, 2007				2,661,166	2,661,166
Balance, June 30, 2007(unaudited)	40,429,687	$ 40,430	$ 195,463,930	$ 2,606,347	$ 198,110,707

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

STATEMENTS OF CASH FLOWS

	For the six months ended June 30, 2007 (unaudited)	For the period July 20, 2006 (inception) to December 31, 2006	For the period July 20, 2006 (inception) to June 30, 2007 (unaudited)
Cash flows from operating activities			
Net income (loss)	$ 2,661,166	$ (54,819)	$ 2,606,347
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	4,831	1,664	6,495
Increase (decrease) in cash attributable to changes in operating assets and liabilities			
Prepaid expense and other current assets	(416,964)	(10,384)	(427,348)
Accrued expenses	116,829	16,671	133,500
Net cash provided by (used in) operating activities	2,365,862	(46,868)	2,318,994
Cash flows from investing activities			
Purchase of equipment		(48,305)	(48,305)
Payments of deferred acquisition costs	(526,768)		(526,768)
Cash and cash equivalents held in trust	(254,052,815)		(254,052,815)
Net cash used in investing activities	(254,579,583)	(48,305)	(254,627,888)
Cash flows from financing activities			
Proceeds from notes payable, stockholder		250,000	250,000
Payment of notes payable, stockholder	(250,000)		(250,000)
Redemption of warrants		(4,687)	(4,687)
Proceeds from issuance of common stock		10,078	10,078
Proceeds from issuance of warrants in private placement	6,500,000		6,500,000
Gross proceeds from public offering	258,750,000		258,750,000
Payments for underwriters discount and offering cost	(10,604,511)	(71,307)	(10,675,818)
Proceeds from issuance of option	100		100
Net cash provided by financing activities	254,395,589	184,084	254,579,673
Net increase in cash and cash equivalents	2,181,868	88,911	2,270,779
Cash and cash equivalents, beginning of period	88,911		
Cash and cash equivalents, end of period	$ 2,270,779	$ 88,911	$ 2,270,779
Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest	$ 6,479	$	$ 6,479
Taxes	$ 2,134,000	$	$ 2,134,000
Supplemental schedule of non-cash investing and financing activities:			
Accrued offering costs	$	$ 599,500	$
Accrued deferred acquisition costs	$ 495,000	$	$ 495,000
Deferred underwriters fees	$ 8,262,500	$	$ 8,262,500

See notes to financial statements.

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INFORMATION SERVICES GROUP, INC.
(a corporation in the development stage)

Notes to Financial Statements
(unaudited for the period January 1, 2007 to June 30, 2007)

NOTE A DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Information Services Group, Inc. (a corporation in the development stage) (the Company) was incorporated in Delaware on July 20, 2006. The Company was formed to acquire, through a merger, capital stock exchange, asset or stock acquisition or other similar business combination one or more domestic or international operating businesses. The Company has neither engaged in any operations nor generated significant revenue to date. The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards (SFAS) No. 7, Accounting and Reporting By Development Stage Enterprises, and is subject to the risks associated with activities of development stage companies. The Company has selected December 31st as its fiscal year end.

The registration statement for the Company s initial public offering (the Offering) (as described in Note C) was declared effective on January 31, 2007. The Company consummated the Offering on February 6, 2007, and preceding the consummation of the Offering, an affiliate of the Company s officers purchased 6,500,000 warrants at $1 per warrant in a private placement (the Private Placement) (see Note G). The Company received net proceeds of $254,550,000 from the Private Placement and the Offering.

The Company s management has broad discretion with respect to the specific application of the net proceeds of the Offering, although substantially all of the net proceeds of the Offering are intended to be generally applied toward consummating a business combination with (or acquisition of) an operating business in the information services industry (Business Combination). Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. Since the closing of the Offering, approximately 98.1% ($254,050,000) of the aggregate gross proceeds from units offered to the public, after payment of certain amounts to the underwriters, offering costs and funding of working capital, is held in a trust account (Trust Account). The Trust Account will be invested in government securities having a maturity of 180 days or less or money market funds meeting the conditions specified in Rule 2a-7 under the Investment Company Act of 1940 until the earlier of (i) the consummation of its first Business Combination or (ii) the distribution of the Trust Account as described below. Under the Trust Account agreement, up to $3 million of the interest earned on the Trust Account (net of taxes) can be used for the Company s operating activities. As of June 30, 2007, the balance in the Trust Account was approximately $254,052,000, which included approximately $5,236,000 of interest earned, net of approximately $5,233,000 funds disbursed for taxes and operating activities. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

The Company will seek stockholder approval before it will effect any Business Combination, even if the Business Combination would not ordinarily require stockholder approval under applicable state law. In connection with the stockholder vote required to approve any Business Combination, the Company s existing stockholders prior to the Offering have agreed to vote the shares of common stock owned by them immediately before the Offering in accordance with the majority of the shares of common stock voted by the Public Stockholders. Public Stockholders is defined as the holders of common stock sold as part of the Units in the Offering or in the aftermarket. The Company will proceed with a Business Combination only if a majority of the shares of common stock voted by the Public Stockholders are voted in favor of the Business Combination and Public Stockholders owning less than 20% of the shares sold in the Offering exercise their conversion rights.

In the event that the Company does not consummate a Business Combination within 18 months from the date of the consummation of the Offering, or 24 months from the consummation of the Offering if

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certain extension criteria have been satisfied, the proceeds held in the Trust Account will be distributed to the Company s public stockholders, excluding the existing stockholders to the extent of their initial stock holdings.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation:

The accompanying financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC).

Development stage company:

The Company complies with the reporting requirements of SFAS No. 7, Accounting and Reporting by Development Stage Enterprises.

Common stock:

On January 30, 2007, the Company effected a one-for-two stock dividend for each issued and outstanding share of the Company s common stock, par value $0.001 per share. All transactions and disclosures in the financial statements related to the Company s common stock have been adjusted to reflect the effect of the stock dividend. Stockholders have no conversion, preemptive or other subscription rights and there are no redemption provisions applicable to the common stock, except that Public Stockholders have the right to have their shares of common stock converted to cash equal to the conversion price if they vote against the Business Combination and the Business Combination is approved and completed.

Redeemable common stock:

The public stockholders have the right to have their shares converted to cash equal to the conversion price prior to the approval of a business combination. The conversion rights do not apply to shares outstanding prior to the Offering. The actual per-share conversion price will be equal to the amount in the Trust Account, including a pro rata share of the deferred underwriting discount and net of (i) income taxes payable on the interest income on the trust account and (ii) up to $3 million of interest income earned on the Trust Account balance, net of income taxes payable on this amount, released to the Company to fund working capital requirements, each calculated as of two business days prior to the consummation of the actual business combination, divided by the number of shares sold in the Offering. Redemption price is determined at each balance sheet date.

Net income (loss) per common share:

The Company complies with SFAS No. 128, Earnings Per Share. SFAS No. 128 requires dual presentation of basic and diluted income per share for all periods presented. Basic income per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted income per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then share in the income of the Company. At December 31, 2006, the Company did not have any contracts to issue common stock. At June 30, 2007, and for the three and six months then ended, the effect of the 38,843,750 warrants (including 6,500,000 outstanding warrants issued in connection with the Private Placement described in Note G) have not been considered in the diluted net income per share since the warrants are contingently exercisable. The effect of the 1,406,250 Units included in the underwriters purchase option, described in Note C, along with the warrants underlying such Units, has not been considered in the diluted earnings per

share calculation, since the market price of the Units was less than the exercise price during the period in the computation as the effect of the outstanding options and warrants would be anti-dilutive.

Cash and cash equivalents:

For financial statement purposes, the Company considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents, including certain money market funds. The Company maintains its cash in bank deposit accounts in the United States of America which, at times, may exceed applicable insurance limits. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Property and equipment:

Property and equipment, comprised of computer and communications equipment, are stated at cost less accumulated depreciation. The Company provides for depreciation using the straight line method over the assets estimated useful lives, generally 5 years.

Concentration of credit risk:

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, exceeds the Federal depository insurance coverage of $100,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Fair value of financial instruments:

The fair value of the Company s assets and liabilities, which qualify as financial instruments under SFAS No. 107, Disclosure About Fair Value of Financial Instruments, approximates the carrying amounts represented in the balance sheet.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred offering costs:

The Company complies with the requirements of the SEC Staff Accounting Bulletin (SAB) Topic 5A Expenses of Offering . Deferred offering costs of approximately $826,000 (approximately $671,000 at December 31, 2006) consist principally of legal, accounting, and printing fees incurred through the date of the Offering (see Note C). These costs, together with the underwriter discount, were charged to capital upon the completion of the Offering.

Income tax:

The Company complies with SFAS 109, Accounting for Income Taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Effective January 1, 2007, the Company adopted the provisions of the Financial Accounting Standards Board (FASB) Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48). There were no unrecognized tax benefits as of January 1, 2007 and as of June 30, 2007. FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. No amounts were accrued for the payment of interest and penalties at January 1, 2007. There was no change to this balance at June 30, 2007. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position. The adoption of the provisions of FIN 48 did not have a material impact on the Company s financial position, results of operations and cash flows.

Preferred stock:

The Company is authorized to issue 10,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

Recently issued accounting pronouncements:

In September 2006, the FASB issued SFAS No. 157 Fair Value Measurements (SFAS No. 157). SFAS No. 157 provides guidance for, among other things, the definition of fair value and the methods used to measure fair value. The provisions of SFAS No. 157 are effective for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of this new standard to have a material impact on the financial position, operating results and cash flows of the Company.

In February 2007, the FASB issued SFAS No. 159 The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115 (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The provisions of SFAS No. 159 are effective for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of this new standard to have a material impact on the financial position, operating results and cash flows of the Company.

NOTE C OFFERING

On February 6, 2007, the Company sold 28,125,000 units (Units) at a price of $8.00 per Unit in the Offering. Each Unit consists of one share of the Company s common stock, $0.001 par value, and one redeemable common stock purchase warrant (Warrants). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of $6.00 commencing on the later of (i) one year from the date of the final prospectus for the Offering or (ii) the completion of a Business Combination with a target business, and will expire four years from the date of the prospectus. The Warrants are redeemable at a price of $0.01 per Warrant, upon 30 days prior notice, after the Warrants become exercisable, only in the event that the last sale price of the common stock is at least $11.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the date on which notice of redemption is given. If the Company is unable to deliver registered shares of common stock to the holder upon exercise of warrants during the exercise period, there will be no cash settlement of the warrants and the warrants will expire worthless.

On February 5, 2007, the underwriters for the Company s initial public offering exercised their over-allotment option and on February 6, 2007 purchased an additional 4,218,750 units at a price of $8.00 per Unit.

In connection with the Offering, the Company paid an underwriting discount of approximately 3.78% ($9,850,000) of the public unit offering price to the underwriters at the closing of the Offering and

Over-Allotment Option Exercise, with an additional fee of approximately 3.22% ($8,262,500) of the gross offering proceeds payable upon the Company s consummation of a Business Combination. The underwriters will not be entitled to any interest accrued on the deferred discount.

On February 6, 2007, the Company sold to the underwriters, for $100, a four-year option to purchase up to a total of 1,406,250 units at a per-unit price of $9.60. The units issuable upon exercise of this option are also identical to those offered in the Offering except that warrants included in the option have an exercise price of $7.50. The Company has accounted for the fair value of the option, inclusive of the receipt of the $100 cash payment, as an expense of the Public Offering resulting in a charge directly to stockholder s equity.

The Company has determined, based upon a Black-Scholes model, that the fair value of the underwriters option on the date of sale would be approximately $3.58 per unit, or approximately $5.0 million in total, using an expected life of four years, volatility of 58.8% and a risk-free interest rate of 4.87%.

The volatility calculation of 58.8% is based on the most recent trading day average volatility of a representative sample of nine (9) companies with market capitalizations of approximately $65 million to $645 million that management believes to be engaged in the business of information services (the Sample Companies). Because the Company does not have a trading history, the Company needed to estimate the potential volatility of its common stock price, which will depend on a number of factors which cannot be ascertained at this time. The Company referred to the average volatility of the Sample Companies because management believes that the average volatility of such companies is a reasonable benchmark to use in estimating the expected volatility of the Company s common stock post-business combination. Although an expected life of four years was taken into account for purposes of assigning a fair value to the option, if the Company does not consummate a business combination within the prescribed time period and liquidates, the option would become worthless.

NOTE D PREPAID EXPENSE AND OTHER CURRENT ASSETS

Prepaid expense and other current assets consist of the following:

	June 30, 2007 (unaudited)	**December 31, 2006**
Prepaid rent	$ 10,911	$ 10,384
Prepaid insurance	295,834	
Prepaid transfer agent fees	23,400	
Prepaid income taxes	87,000	
Security deposit	10,203	
	$ 427,348	$ 10,384

NOTE E DEFERRED ACQUISITION COSTS

As of June 30, 2007, the Company has accumulated approximately $1,022,000 in deferred costs related to the proposed acquisition of TPI Advisory Services America, Inc. (TPI) (see Note K). These costs will be capitalized contingent upon the completion of the Acquisition following the required approval by the Company s stockholders and the fulfillment of certain other conditions. If the Acquisition is not completed these costs will be recorded as expense. Deferred acquisition costs are comprised of costs incurred for financial advisory services, due diligence and proxy services, legal, consulting and other costs directly related to the Acquisition of TPI.

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NOTE F ACCRUED EXPENSES

Accrued expenses consist of the following:

	June 30, 2007 (unaudited)	December 31, 2006
Accured offering costs	$	$ 599,500
Accrued acquisition costs	495,000	
Accrued professional fees	100,500	
Accrued other	33,000	13,219
	$ 628,500	$ 612,719

NOTE G RELATED PARTY TRANSACTIONS

The Company issued two unsecured promissory notes to a principal stockholder and affiliate of the Company s officer, Oenoke Partners, LLC, in August and October 2006. The notes, which aggregate $250,000, not including accrued interest, bore interest at 5% per annum and were payable on the earlier of 1 year from its origination or the consummation of the Offering. The principal stockholder of the Company extended the first due date of the notes until such time as there was sufficient operating cash flow. These notes were repaid on March 15, 2007.

On February 6, 2007, Oenoke Partners, LLC purchased, in a Private Placement, 6,500,000 warrants at $1 per warrant. As discussed in Note B, the proceeds from the Private Placement of $6.5 million are held in trust. The warrants can be exercised on a cashless basis and have terms and provisions that are identical to those of the warrants sold in the Offering (see Note C), except that these warrants will not be subject to redemption. Oenoke Partners, LLC also agreed that it will not sell or otherwise transfer the warrants until one year after the Company consummates a Business Combination.

In August and December 2006, the Company issued 7,031,250 Units and 1,054,687 shares of common stock, respectively, to Oenoke Partners, LLC, for aggregate proceeds of approximately $10,078. In September 2006, the warrants underlying the Units were redeemed in full at a redemption price of $4,687.

NOTE H INCOME TAXES

For the three and six months ended June 30, 2007 (unaudited) the tax provision consisted of approximately $1,367,000 and 2,047,000, respectively related to the federal and state tax provision.

The Company has not begun its trade or business for U.S. tax purposes. Accordingly, it could not yet recognize losses for start-up expenditures. As a result, a deferred tax asset of approximately $213,000 and $21,000 at June 30, 2007 (unaudited) and December 31, 2006, respectively, was established for these start-up expenditures as well as a fully offsetting valuation allowance. The change in the valuation allowance for the six months ended June 30, 2007 was $192,000.

The effective tax rate differs from the statutory rate for the periods presented due to the establishment and increase of the valuation allowance.

NOTE I COMMITMENT

In September 2006, the Company entered into a lease agreement for office space that extends through September 2007, requiring monthly payments of $10,203. The lease may be extended through September 2008, for monthly payments of $13,203, under two (2) six-month extensions, upon proper notice as defined in the agreement. Aggregate amounts due under this lease agreement through September 2007 are approximately $122,000.

NOTE J INTERIM FINANCIAL STATEMENTS

The interim financial statements at June 30, 2007 and for the six months ended June 30, 2007 and for the period July 20, 2006 (inception) to June 30, 2007 are unaudited; however, in the opinion of management, all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation have been included. Results of interim periods are not necessarily indicative of results to be expected for the entire year.

NOTE K SUBSEQUENT EVENT

On April 24, 2007, the Company announced that it signed a definitive agreement (Purchase Agreement) with MCP-TPI Holdings, LLC, pursuant to which the Company will acquire 100% of the shares of TPI. The Purchase Agreement was amended on September 30, 2007. TPI is a world-wide independent sourcing advisory firm that focuses on the design, implementation and management of sourcing strategies for major corporate clients. The purchase price for the shares of TPI is $230 million in cash, plus warrants exercisable into 5 million shares of ISG common stock at an exercise price of $9.18 per share. In addition, MCP-TPI will receive TPI s normalized cash balance on April 23, 2007, which the parties agree shall equal $5 million. The cash generated by TPI operations between the signing of the Purchase Agreement and the closing date will remain in TPI for the benefit of the Company. The warrants were valued at $2.72 per warrant or an aggregate of $13.6 million based on a Black-Scholes model using an expected life of 5 years, volatility of 40.1% and a risk-free interest rate of 4.25%.

The Purchase Agreement may be terminated at any time prior to the closing, as follows: (i) by mutual written consent of each party; (ii) by either party if the proposed transaction has not been consummated by February 24, 2008; (iii) by MCP-TPI if the Deutsche Bank debt commitment letter has been terminated or becomes unavailable and ISG can not obtain replacement financing commitments within 45 days; (iv) by either party, if the ISG stockholders do not approve the Purchase Agreement at the stockholders meeting (or if holders of 20% or more of ISG s common stock exercise their conversion rights); or (v) by MCP-TPI, if ISG materially breaches the covenants relating to the proxy statement (which remains uncured for 30 days). If the Purchase Agreement is terminated due to ISG stockholders not approving the proposed transaction (or due to the exercise of conversion rights by the stockholders), or due to a material breach by ISG of the covenant relating to the proxy statement, or if ISG fails to effect the closing within 10 days after all of the closing conditions have been satisfied, ISG will pay $500,000 to MCP-TPI for its expenses.

Technology Partners International, Inc. and Subsidiaries

Consolidated Financial Statements

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Report of Independent Auditors

To the Board of Directors and Shareholders of
Technology Partners International, Inc. and Subsidiaries

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders equity (deficit) and cash flows present fairly, in all material respects, the financial position of Technology Partners International, Inc. and subsidiaries at December 31, 2006 and 2005, and the results of their operations and their case flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment*, using the prospective transition period.

/s/ PRICEWATERHOUSECOOPERS, LLP
Houston, Texas
March 30, 2007, except for Note 16, for which the date is
April 24, 2007.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Balance Sheets

	June 30, 2007 (unaudited)	December 31, 2006	December 31, 2005
Assets			
Current assets			
Cash and cash equivalents	$ 4,730,536	$ 9,454,164	$ 5,938,701
Restricted cash			376,955
Accounts receivable, net of allowance for doubtful accounts of $448,305 (unaudited), $459,784 and $405,128, respectively	36,765,691	28,652,269	28,023,693
Receivables from related parties	130,691	438,190	258,827
Prepaid expenses and other assets	1,044,964	1,608,086	2,967,929
Total current assets	42,671,882	40,152,709	37,566,105
Furniture, fixtures and equipment, net of accumulated depreciation of $4,160,648 (unaudited), $3,890,610 and $3,146,312, respectively	2,727,484	2,657,426	2,798,490
Goodwill	2,805,400	2,805,400	2,805,400
Intangible assets, net of amortization of $2,449,862 (unaudited), $2,005,528 and $863,528	1,242,638	1,686,973	2,828,972
Deferred tax asset	741,811	685,536	223,961
Other assets	770,524	832,945	1,456,598
Total assets	$ 50,959,739	$ 48,820,989	$ 47,679,526
Liabilities and Stockholders Equity (Deficit)			
Current liabilities			
Accounts payable	$ 3,106,998	$ 2,325,120	$ 1,851,137
Accrued liabilities	10,894,634	13,306,163	18,901,311
Deferred revenue	288,287	143,019	375,253
Deferred tax liability	337,157	337,157	666,061
Current maturities of long-term debt	6,871,331	4,463,211	3,164,660
Total current liabilities	21,498,407	20,574,670	24,958,422
Long-term debt, net of current maturities	25,672,928	27,674,208	30,239,805
Total liabilities	47,171,335	48,248,878	55,198,227
Commitments and contingencies			
Stockholders equity (deficit)			
Common stock, $.01 par value; 16,500,000 shares authorized, 6,394,094 shares issued and outstanding	63,941	63,941	63,941
Additional paid-in capital	5,997,897	5,967,235	4,240,951
Accumulated other comprehensive income (loss)	1,307,670	791,154	(486,882)
Accumulated deficit	(3,581,104)	(6,250,219)	(11,336,711)
Total stockholders equity (deficit)	3,788,404	572,111	(7,518,701)
Total liabilities and stockholders equity (deficit)	$ 50,959,739	$ 48,820,989	$ 47,679,526

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Operations

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006	December 31, 2005	December 31, 2004
Revenue	$ 85,566,616	$ 83,381,587	$ 161,502,799	$ 146,127,702	$ 97,150,113
Operating expenses					
Direct costs and expenses for advisors	51,140,560	49,058,673	95,561,830	83,689,832	58,492,992
Selling, general and administrative	26,911,535	26,298,106	50,585,367	45,099,906	30,173,340
Depreciation and amortization	1,087,156	1,407,446	2,436,490	1,929,619	829,309
Operating income	6,427,365	6,617,362	12,919,112	15,408,345	7,654,472
Interest income	127,270	17,856	107,636	44,486	20,220
Interest expense	(1,809,339)	(1,976,112)	(3,820,925)	(3,398,447)	(1,643,334)
Loss on extinguishment of debt		(526,823)	(526,823)		
Foreign currency transaction gain (loss)	220,269	85,675	(135,780)	(411,335)	334,001
Income before taxes	4,965,565	4,217,958	8,543,220	11,643,049	6,365,359
Income tax provision	(2,071,450)	(1,687,183)	(3,456,728)	(5,175,968)	(1,805,943)
Net income	$ 2,894,115	$ 2,530,775	$ 5,086,492	$ 6,467,081	$ 4,559,416

The accompanying notes are an integral part of these consolidated financial statements.

Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Stockholders Equity (Deficit)

	Common Stock		Additional Paid-In	Deferred	Treasury Stock		Accumulated Other Comprehensive	Retained Earnings (Accumulated	Total Stockholders Equity
	Shares	**Amount**	**Capital**	**Compensation**	**Shares**	**Amount**	**Income (Loss)**	**Deficit)**	**(Deficit)**
Balances at December 31, 2003	9,155,170	$ 91,552	$ 2,631,590	$ (634,558)	11,256	$ (74,290)	$	$ 3,737,788	$ 5,752,082
Compensation expense related to common stock options			1,379,344	(1,379,344)					
Issuance of treasury stock upon stock option exercise			(23,807)		(10,201)	77,327			53,520
Issuance of common stock (net of $1,176,449 transaction costs)	6,394,094	63,941	26,083,734						26,147,675
Cancellation of common stock		(91,541)	91,541						
Acquisition of subsidiary			57,666						57,666
Issuance of equity to lenders			1,047,947						1,047,947
Amortization of deferred compensation				2,013,902					2,013,902
Purchase of common stock options, net of tax benefit of $1,998,751			(5,009,438)						(5,009,438)
Purchase of treasury stock					9,154,115	(47,362,621)			(47,362,621)
Retirement and cancellation of treasury stock	(9,155,170)	(11)	(26,258,577)		(9,155,170)	47,359,584		(21,100,996)	
Distributions to stockholders								(5,000,000)	(5,000,000)
Net income								4,559,416	4,559,416
Balances at December 31, 2004	6,394,094	63,941						(17,803,792)	(17,739,851)
Comprehensive income:									
Net income								6,467,081	6,467,081
Translation adjustment							(486,882)		(486,882)
Total comprehensive income									5,980,199
Exchange of Parent Company stock in consideration for Gildner acquisition			4,342,691						4,342,691
Issuance of equity to lenders			66,807						66,807
Cancellation of equity to lenders			(168,547)						(168,547)
Balances at December 31, 2005	6,394,094	$ 63,941	4,240,951				(486,882)	(11,336,711)	(7,518,701)
Comprehensive income:									
Net income								5,086,492	5,086,492
Translation adjustment							1,278,036		1,278,036
Total comprehensive income									6,364,528
Contributed capital from MCP-TPI Holdings, LLC			1,665,346						1,665,346
Issuance of equity to lenders			60,946						60,946
Forfeited management share units			(8)						(8)
Balances at December 31, 2006	6,394,094	$ 63,941	$ 5,967,235	$		$	$ 791,154	$ (6,250,219)	$ 572,111
Comprehensive income:									

Net income (unaudited)							2,894,115	2,894,115
Translation adjustment (unaudited)						516,516		516,516
Total comprehensive income (unaudited)								3,410,631
Adjustment to adopt FIN 48 on January 1, 2007 (unaudited)							(225,000)	(225,000)
Issuance of equity to lenders (unaudited)			30,665					30,665
Forfeited management share units (unaudited)			(3)					(3)
Balances at June 30, 2007 (unaudited)	6,394,094	$ 63,941	$ 5,997,897	$	$	$ 1,307,670	$ (3,581,104)	$ 3,788,404

The accompanying notes are an integral part of these consolidated financial statements.

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Technology Partners International, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006	December 31, 2005	December 31, 2004
Cash flows from operating activities					
Net income	$ 2,894,115	$ 2,530,775	$ 5,086,492	$ 6,467,081	$ 4,559,416
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation	642,822	667,279	1,294,491	1,066,091	668,513
Amortization of intangibles	444,333	740,167	1,141,999	863,528	160,796
Amortization of debt discount	54,385	47,675	95,349	72,419	36,953
Amortization of deferred financing costs	62,421	124,617	188,281	255,416	127,708
Loss on extinguishment of debt		526,823	526,823		
Bad debt expense	13,489	529,053	411,713	324,123	27,228
Amortization of deferred compensation					2,013,902
Deferred tax provision	(56,275)		(790,479)	(584,430)	1,026,530
Tax benefit from purchase of common stock options					1,998,751
Loss on disposal of fixed assets	11,964	1,588	663		2,808
Changes in assets and liabilities					
Increase in accounts receivable	(7,444,188)	(5,411,780)	(356,630)	(10,424,998)	(6,300,661)
(Increase) decrease in receivables from related parties	(45,618)	(245,934)	(179,363)	(258,827)	32,417
(Increase) decrease in prepaid expenses and other assets	563,124	552,843	1,371,280	(2,313,446)	(208,061)
Increase (decrease) in accounts payable	781,878	712,459	473,983	848,565	(303,146)
Increase (decrease) in accrued liabilities	(2,636,529)	(4,866,441)	(5,595,148)	9,253,519	2,322,438
Increase (decrease) in deferred revenue	145,268	(130,559)	(232,234)	375,253	
Net cash provided by (used in) operating activities	(4,568,811)	(4,221,435)	3,437,220	5,944,294	6,165,592
Cash flows from investing activities					
Purchases of furniture, fixtures and equipment	(724,844)	(539,854)	(1,154,090)	(2,245,565)	(1,306,623)
Acquisition of subsidiary, net of cash acquired				(3,212,620)	4,647
Net (increase) decrease in restricted cash		376,955	376,955	(10,655)	(366,300)
Net cash used in investing activities	(724,844)	(162,899)	(777,135)	(5,468,840)	(1,668,276)
Cash flows from financing activities					
Proceeds from borrowings	2,008,120	4,662,681	4,663,210	3,000,000	36,551,731
Principal payments on borrowings	(1,625,000)	(1,639,660)	(5,964,660)	(2,300,000)	(4,986,798)
Principal payments on capital and direct financing lease obligations					(35,463)
Issuance of treasury stock upon stock option issuance					53,520
Purchase of treasury stock					(47,362,621)
Purchase of options					(7,008,189)
Forfeited management share units	(3)		(8)		
Deferred financing costs		(102,887)	(102,887)		(1,382,866)
Sale of common stock					26,147,675
Contributed capital from MCP-TPI Holdings, LLC		1,676,783	1,665,346		
Distributions to stockholders					(5,000,000)
Net cash provided by (used in) financing activities	383,117	4,596,917	261,001	700,000	(3,023,011)
Effect of exchange rate changes on cash	186,910	374,131			