LORUS THERAPEUTICS, INC.

The Next Major Oncology Player

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LORUS THERAPEUTICS, INC. (TSX – LOR.TO - $0.41, OTC:QB – LRUSF - $0.34)	
Price Target: $2.00	Rating: Speculative Buy

COMPANY SNAPSHOT

Lorus Therapeutics, Inc. is a discovery, research and clinical development stage company with a focus on novel cancer drugs. Lorus has a diversified, active portfolio, supported by a solid intellectual property portfolio, and representing billions in market potential. All of Lorus' products represent first-in-class compounds with unique validated targets and distinct mechanisms of action, including small molecules and an immunotherapy. Lorus' strategy is to discover and develop drugs and then out-license to pharmaceutical partners for later stage clinical development and beyond. Lorus has already partnered with key organizations such as Genentech to allow for further development and commercialization and advanced discussions are underway with other potential partners. Lorus also recently raised $6.6M to fund future R&D development.

KEY STATISTICS

Price as of 10/8/12	$0.41
52 Wk High – Low	$0.64 – 0.16
Est. Shares Outstanding	42.3M
Market Capitalization	$17.3M
3 Mo Avg Vol	6,300
Exchange	TSX / otcqb

COMPANY INFORMATION

Lorus Therapeutics, Inc.
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Toronto, Ontario, M9W 4Z7
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INVESTMENT HIGHLIGHTS

As a developer of multiple novel anti-cancer therapies using 2 distinct platforms, Lorus is poised to emerge as a leader in the oncology arena. The Company's strong pipeline of drugs in varying stages of development, all of which have indications for multiple forms of cancer, represent billions of dollars in market potential.

Lorus' strategy is based on drug discovery and early – mid stage clinical development, followed by out-licensing of products to pharma partners in deals that could each reach hundreds of millions of dollars in value.

With a diversified, active portfolio based upon 29 issued and 19 pending patents, Lorus' strength in discovery and development could deliver a perpetual pipeline of products. These therapies can be used either alone, or in combination with others, to successfully treat multiple forms of cancer.

Lorus has multiple first-in-class products in advancing development stages that are primed for attractive out-licensing and partnership deals. These include LOR-253, a unique and potentially blockbuster Phase I clinical trial stage proprietary small molecule drug that suppresses tumor growth, and IL-17E, a powerful and novel immunotherapy.

Genentech, a subsidiary of drug giant Roche Group, entered into a license agreement with Lorus regarding certain IL-17E patents, which is a huge positive for Lorus. In our opinion, the agreement demonstrates confidence in the vast potential of this immunotherapy and its potential commercial value to Lorus.

In our view, LOR is significantly undervalued relative to its peers, the value of its products, and future out-licensing and partnership potential. Furthermore, with many meaningful milestones in the near term, we believe that the stock could see major upside and be valued at $2.00 as these potential development and partnership milestones occur. We view LOR as an early stage version of $600M market cap Array BioPharma (NASDAQ –ARRY) with even greater potential. Thus we rate LOR Speculative Buy.

COMPANY OVERVIEW

Lorus Therapeutics Inc. is a biopharmaceutical company specializing in discovery, research and clinical development of novel anticancer products. Its pipeline consists of products in various stages of development ranging from discovery and pre-clinical to the Phase III clinical trial stage. A growing intellectual property portfolio consisting of 29 issued and 19 pending patents supports the Company's diverse, deep product pipeline.

Management has a focused approach to cancer therapy development. The future of cancer treatment and disease management lie in drugs that are effective, have minimal side effects, and therefore improve a patient's quality of life. Many of the drugs currently approved for the treatment and management of cancer are toxic with severe side effects. Lorus on the other hand engages in a product development philosophy that is based on the design and discovery of effective and safe drugs with broad applications in cancer treatment. Lorus' strategy is to pursue the development of its pipeline utilizing several therapeutic approaches; each of which is based on a different technology, which mitigates the development risks associated with a single technology platform.

The Lorus business model is based on three stages: Drug Discovery, Drug Development, Drug Partnership. Once a discovery is made and intellectual property is researched and filed, the Company drives product candidates from pre-clinical testing through to Phase I or Phase II clinical trials. Upon the achievement of relevant clinical milestones, management seeks to out-license or co-develop these drug candidates with the ultimate goal of achieving commercialization through a suitable partner. These partnering deals typically include upfront and milestone payments as well as royalties from future product sales, which support the continued development of other candidates in the product pipeline. While the characteristics of these partnerships are generally standard in the biopharmaceutical industry, the dollars invested by the larger players tend to be higher for anti-cancer products than other treatment categories, typically to the tune of hundreds of millions of dollars per transaction.

The Company recently raised $6.6M in units whose share price is comparable to the current stock price, in order to advance development of its active pipeline.

Cancer: A Primer

According to the American Cancer Society, Cancer is defined as a group of diseases characterized by uncontrolled growth and spread of abnormal cells. These uncontrolled mutations lead to the formation of tumors and if the spread is not controlled, can result in death. Cancer is caused by both external factors (tobacco, infectious organisms, chemicals, and radiation) and internal factors (inherited mutations, hormones, immune conditions, and mutations that occur from metabolism). These causal factors may act together or in sequence to initiate or promote the development of cancer. Ten or more years often pass between exposure to external factors and detectable cancer. While a number of different therapies for cancer exist, conventional cancer therapy has remained fundamentally unchanged for decades. Cancer is treated with surgery, radiation, chemotherapy, hormone therapy, biological therapy, immunotherapy, and targeted therapy.

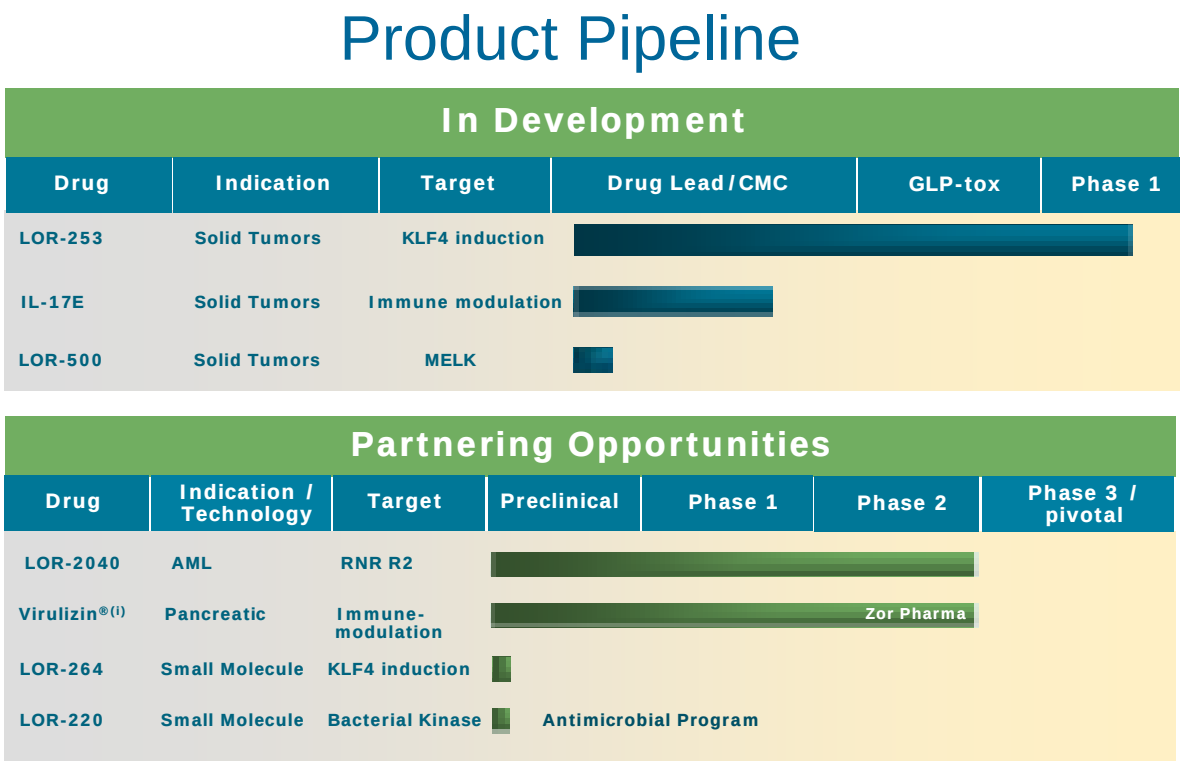
Roughly 2 million new cases of cancer are expected in North America in 2012 alone and cancer is now the leading cause of death on the continent. Based on years of statistics, 40% of women and 45% of men could develop cancer in their lifetimes. This increase translates into approximately 56% more cancer in men and 22% more cancer in women over the course of a single generation. The National Cancer Institute estimates that the number of cancer cases will increase still further because of the growth and aging of the population,

dramatically doubling by 2050. Despite decades of research and new treatment approaches, adverse side effects remain high, reversals in overall mortality rates have been minimal and overall five-year survival rates for all cancers have remained virtually static since 1970, from 49% - 54% for all races combined, despite the fact that we now spend tens of billions annually on anti-cancer treatments.

THE LORUS PIPELINE

Lorus' active pipeline has product candidates in the small molecule and immunotherapeutics classes. In the small molecule category, the Company's proprietary therapies have demonstrated anti-proliferative and anti-metastatic properties and act as novel, cancer specific targeted therapies. The Company's immunotherapies stimulate anticancer properties in the body's immune system and also act by direct tumor cell killing.

Most anticancer chemotherapeutic treatments are DNA-damaging cytotoxic agents, designed to act on rapidly dividing cells. Treatment with these drugs is typically associated with unwanted or even serious side effects due to the inability of these drugs to differentiate between normal and cancer cells and/or due to a lack of high specificity for the targeted protein. In addition, treatment with these drugs often leads to the development of tumor-acquired drug resistance. As a result of these limitations, a need exists for more effective and safer anticancer drugs. One of Lorus' approaches to overcome the shortcomings of traditional chemotherapy is to develop small molecule drugs such as those in the Lorus pipeline that appear to have greater target specificity and selectivity against cancer cells.



(i) Virulizin® intellectual property not owned by Lorus; Lorus maintains certain rights to Virulizin®

Table I. Lorus Product Pipeline

As noted above, Lorus' lead small molecule drug, LOR-253, currently in a Phase I clinical trial, is a compound with characteristics such as its unique structure, targeted mode of action, and a high safety profile, that could offer a much improved treatment option for cancer patients.

LOR-253 Highlights

LOR-253 is a proprietary, first-in-class small molecule anticancer drug that is **the only known drug under development that induces the expression of Krüppel-like factor 4 (KLF-4) to suppress tumor growth. T**he relevance KLF-4 in cancers has been demonstrated in more than 200 publications to date. The current 36-patient, Phase I dose-escalation study is in patients with advanced or metastatic solid tumors who are unresponsive to conventional therapy or for which no effective therapy is available. The study is being conducted at Memorial Sloan-Kettering Cancer Center in New York and MD Anderson Cancer Center in Houston. Objectives of the study include determination or characterization of the safety profile, maximum tolerated or target dose, and antitumor activity of LOR-253, as well as pharmacokinetics and recommended Phase II dose for subsequent clinical trials.

In April 2012, Lorus announced the presentation of new preclinical data for LOR-253 at the AACR annual meeting. The data supports the treatment of lung and colon cancers with LOR-253 in combination with a variety of chemotherapy agents. The studies examined the anticancer activities of LOR-253, given in combination with approved anticancer agents, at different doses and schedules. The preclinical data showed that initial treatment of non-small cell lung cancer (NSCLC) cells with chemotherapy drugs, docetaxel, paclitaxel, or cisplatin, followed by treatment with LOR-253, had significant and synergistic anticancer activity compared to either drug given alone.

Lorus has multiple patents on the LOR-253 compound, including a U.S. patent which does not expire until 2026. The Company plans to release maximum dose tolerability and safety data in Q4 and complete the Phase I clinical trial by year-end. A further clinical study including a biomarker study could be conducted sometime in the first half of 2013. **All of these clinical milestones could serve as catalysts to drive the stock higher.**

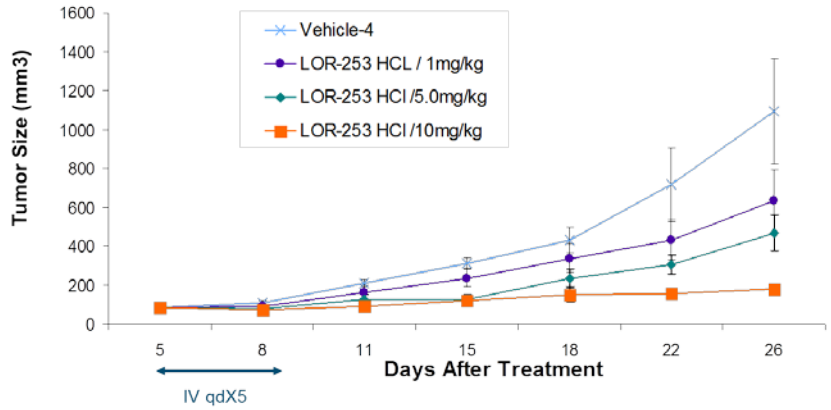


Image I. Preclinical Growth Inhibition Study of Human Lung Cancer Cells
Source: Lorus Therapeutics, Inc.

Our take: First-in-class small molecule drugs similar to LOR-253 are highly desirable in-licensing targets and have in the past achieved attractive partnership deals with substantial upfront and milestone payments and double digit royalties for licensors.

At this stage, the therapy seems best suited to treat NSCLC, but it also has potential as a treatment for colorectal cancer and acute myeloid leukemia (AML), all cancers with high unmet medical need. Lung cancer is diagnosed in around 220,000 Americans each year, and approximately 160,000 people annually succumb to the disease in the U.S. NSCLC accounts for around 85% of all lung cancer diagnoses and deaths. Despite advances in medical therapy, the prognosis for NSCLC remains poor with the 5-year survival rate at around 1% for cancer diagnosed at stage IV.

Colorectal cancer represents a large patient population with more than 140,000 new cases in the U.S. each year. Prognosis in colorectal cancer patients diagnosed at a later stage remains poor, with only 6% of patients expected to survive five years. AML is a relatively rare cancer accounting for an estimated 13,000 new cases in the U.S. each year. AML is the deadliest of all leukemia with around 9,000 deaths in the U.S. annually.

LOR-253 represents a novel therapeutic approach in these otherwise hard-to-treat cancers and Lorus' management believes that the market for LOR-253 in solid tumors and leukemia could be in excess of $2.5 billion.

Given the unique, novel nature of the drug, its unique mechanism of action, and the likely strong safety profile, we believe that LOR-253 is an attractive candidate for out-licensing and partnering, which could generate an upfront and milestone arrangement well in excess of $100M.

Separately, LOR-264, the novel oral formulation, which is the second generation KLF-4 inducer, has demonstrated strong in vitro test results and we would not be surprised to see this product emerge as an exciting out-licensing candidate down the road as well.

IL-17E Highlights

Immunotherapy is a treatment that uses certain parts of the immune system, the body's natural defense system, which protects us to fight diseases such as cancer. This is accomplished by either stimulating the immune system to work harder or smarter to attack cancer cells, or by giving the immune system components, such as man-made immune system proteins. Lorus' research suggests that immunotherapy may help the immune system to fight cancer by improving recognition of differences between healthy cells and cancer cells. Additionally, it may stimulate the production of specific cancer fighting cells.

Lorus' IL-17E is a novel immunotherapy based on stimulating anticancer properties of the immune system and by direct tumor cell killing. It has an excellent therapeutic index and is currently in preclinical development. Lorus scientists were the first to discover the anticancer properties of IL-17E against a range of solid tumors, including human melanoma, pancreatic, colon, lung, ovarian and breast tumor models with very low toxicity. As such, Lorus owns the patents for the anti-cancer use of IL-17E.

IL-17 E is highly potent and does not require further optimization to proceed to the formal IND-enabling preclinical studies planned to support advancing the drug into the clinic. Lorus has selected pancreatic cancer and malignant melanoma as the initial lead cancer indications for this compound.

Lorus published an article in a peer reviewed journal highlighting favorable in vivo studies conducted using IL-17E. The studies showed that IL-17E alone had potent antitumor activity in a number of solid tumors, including melanoma, breast, colon, pancreatic, and non-small cell lung cancers. In combination studies, IL-17E was compatible with a wide variety of existing anticancer drugs, including Avastin, Tarceva, Taxol, Cisplatin, Dacarbazine, Irinotecan, and Gemzar. Furthermore, the combination of IL-17E with each of these anticancer agents showed greater anti-cancer efficacy than either agent alone without additional toxicity. The article also provided data on the mechanism of anticancer activity for IL-17E, showing that IL-17E activates the immune system, specifically acting on eosinophils and B cells.

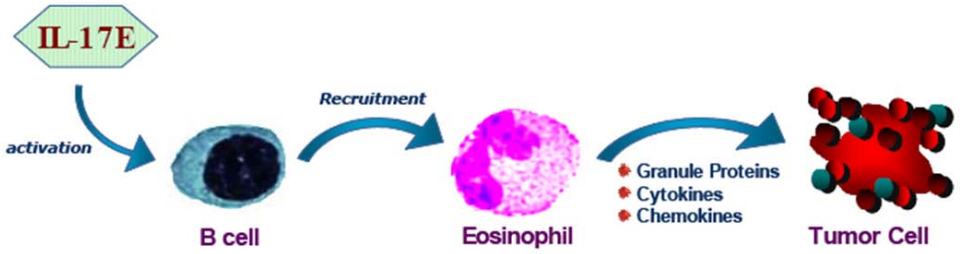


Image II. IL-17E Mechanism of Action
Source: Lorus Therapeutics, Inc.

The likely lead indication for this drug is pancreatic cancer, given the strong anti-tumor efficacy of IL-17E in preclinical studies and minimal cytokine-based competition.

Pancreatic cancer is the fourth most common cause of cancer death in the U.S., with 37,390 Americans expected to succumb to the disease this year. It is a difficult-to-treat tumor type with an overall five-year survival rate of 6%, the lowest for any cancer. Another potential indication for IL-17E is melanoma, which is the fifth most common cancer in the U.S. with 76,250 new cases being diagnosed this year. An estimated 9,180 deaths will be caused by melanoma in the U.S. in 2012.

There is an urgent need for safe and effective therapies for both pancreatic cancer and malignant melanoma. Although other cytokines are being studied as cancer therapies, they often need to be further optimized to reduce toxicity or enhance efficacy. Lorus' IL-17E has a major advantage in that it already has an acceptable therapeutic index suitable for further development as a systemic therapy without the need for further optimization or modification.

In May, 2012, Lorus announced that it had entered into a global license with Genentech, a member of the Roche Group, in respect of the in-licensing of certain patents owned by Genentech for IL-17E. The Genentech license clears the way for Lorus to develop this program as a novel and exciting treatment for a large number of important cancers.

Our Take:

There is intense interest in developing an improved cytokine-based immunotherapy that is made less toxic through modification of existing drugs. IL-17E already appears to have a highly acceptable therapeutic index,

meaning a large safety margin at effective doses. As a result, IL-17E should be suitable as a systemic therapy without the need for further optimization or modification.

Based on IL-17E's potent anticancer properties against a range of solid tumors, it is well positioned for success in multiple cancer indications. Lorus also plans to explore the potential of IL-17E receptor expression as a predictive biomarker in a patient selection strategy.

The deal with Genentech puts Lorus back on the map. The agreement lends significant confidence to the Company regarding the therapeutic potential and partnering and commercial prospects of IL-17E. Going forward, we expect to see IL-17E in Phase I trials within two years, and we could see additional partnership deals, perhaps as early as the release of top-line trial data. Clearly, there is the potential for tremendous value in this therapy.

Other Products under Development

LOR-500 is a real sleeper in the Company's pipeline, in our opinion. The therapy has been implicated in tumor initiating activity as Maternal Embryonic Leucine Zipper Kinase (MELK) is highly expressed in cancer cells while having minimal expression in normal tissue. It is therefore possible that MELK could be a potential prognostic factor for patient survival. LOR-500 appears to significantly inhibit the growth of tumor cell lines especially against breast cancer and glioblastoma cells.

Several compounds targeting MELK have been identified by the Company and a lead drug candidate will be ready for preclinical evaluation within 3-4 months. Breast cancer and malignant glioma have been identified as highly relevant potential indications. Breast cancer is the most common cancer in women and in the U.S., with roughly 230,000 women diagnosed with invasive breast cancer each year. Despite improvements in early detection and advances in the treatment, breast cancer still claims the lives of around 40,000 women in the U.S. each year. Glioblastoma multiforme (GBM) is the most lethal primary cancer of the central nervous system, with patient survival after 5 years being less than 5%.

Cancer associated kinases as drug targets are a very active area for R&D globally and kinase inhibitors are some of the best selling drugs in oncology with Imatinib, Sunitinib, Sorafenib and Erlotinib whose annual global sales are in the billions of dollars. Much of the current focus is on the development of selective kinase inhibitors that hit specific targets in cancer cells and cause less toxicity associated with off-target effect. There are no known selective inhibitors reported for MELK and Lorus believes that the LOR-500 program will produce the first selective MELK inhibitor in development for cancer treatment.

We envision further IND-enabling studies to be initiated in 1H13.

Lorus' has three programs available for partnering, namely the two late-stage compounds, LOR-2040 and Virulizin, and the research stage antimicrobial program, LOR-220.

LOR-2040 is an antisense ribonucleotide reductase (R2) synthesis inhibitor in development for treatment of acute myeloid leukemia as its most advanced indication. The cellular target of LOR-2040 is R2, also known as RRM2, a subunit of ribonucleotide reductase that is essential for DNA synthesis and repair in all cells, but when elevated in cancer cells is a malignant determinant and is associated with resistance to many chemotherapeutic drugs. Lorus has completed the safety and efficacy Phase II studies for proof-of-concept in

refractory/relapsed(R/R) AML, a hard to treat patient population with high unmet medical need. A Phase IIb and a Phase III protocol and adaptive statistical plan are in place. Also, LOR-2040 was awarded an orphan drug status from the FDA for AML. At present, Lorus is seeking global or regional partner(s) to advance the clinical development of LOR-2040 through the registration study and eventual commercialization.

Virulizin® is a novel immunotherapy agent that stimulates the body's immune system through several mechanisms, including the activation of macrophages and the infiltration of natural killer cells into tumors. Virulizin® also induces the expression of several cytokine proteins such as IL-12 and IL-17E, which act as chemical messengers to boost the cellular immune response against cancer. These combined activities have significant antitumor effects, while showing a high margin of safety. Virulizin is licensed to Zor Pharmaceuticals for North, Central, and South America, Europe, and Israel. The holder of the Virulizin IP portfolio is The Erin Mills Investment Corporation (TEMIC), and Lorus holds certain rights associated with the value of any transaction completed in territories not covered by the Zor license agreement. Virulizin was approved in Mexico in September 2011 for the treatment of malignant melanoma and Zor Pharmaceuticals is actively pursuing commercialization throughout Latin America. Zor is also currently planning for additional clinical studies to confirm the survival benefit associated with Virulizin® in a predefined subpopulation of pancreatic cancer patients. These clinical trials will be designed to support approval of Virulizin® in jurisdictions covered under the Zor license agreement. Lorus and TEMIC are actively looking for partners in non-Zor territories.

LOR-220 is a novel small molecule that targets a class of novel bacterial serine/threonine kinases, which has recently emerged as critical signaling molecules in bacteria. LOR-220 is active against multi-drug resistant Gram-positive bacteria such as methicillin-resistant staphylococcus aureus (MRSA), vancomycin-resistant enterococci (VRE), and other infections produced by important emerging pathogens. In preclinical studies, LOR-220 has demonstrated strong antimicrobial activity in animal models of sepsis without significant toxicity.
A field study conducted with hundreds of clinical bacterial isolates demonstrated higher antimicrobial activity of LOR-220 compared with approved first line antimicrobial drugs. LOR-220 is currently in preclinical development and Lorus is seeking a suitable partner to advance development into the clinic and beyond.

THE LORUS THERAPEUTICS TEAM

Dr. Aiping H. Young, MD, PhD, President and Chief Executive Officer

Dr. Aiping Young has served as President and CEO as well as a board member of Lorus since October 2006. Prior to this, she held several progressive positions at Lorus (1999-2006), including Senior VP, Chief Technology Officer and Chief Operating Officer. In 1996, Dr. Young was cofounder, with Dr. Wright, of GeneSense Technologies Inc. and served as VP of R&D until its merger with Lorus in 1999. Dr. Young previously held the positions of Senior Scientist, Group Leader and Medical and Scientific Advisor for Pias Corporation in Japan. Dr. Young has published two books and numerous scientific papers in diverse bioscience areas (e.g. physiology, molecular biology, pharmacology and cell biology) and has co-authored several key patents that have come out of Lorus' research activities. She holds a medical degree from Jiangxi Medical College in China (1979), and a Ph.D. in Pharmacology from Toyama Medical & Pharmaceutical University in Japan (1989). Dr. Young has been a Research Associate at the University of Manitoba and held the position of an Adjunct Scientist at the Manitoba Institute of Cell Biology in The Manitoba Cancer Treatment and Research Foundation in Winnipeg, Manitoba.

Dr. Yoon Lee, PhD, Vice President, Research

Dr. Lee is currently Vice President of Research. Dr. Lee has been with Lorus for ten years, most recently serving as the Director of Research. In these roles he has been responsible for overseeing research discovery and product development programs, including anticancer RNA-targeted therapeutics and small molecules. Dr. Lee received his Ph.D. degree in Molecular Biology and Genetics from the University of Guelph and completed a three-year post-doctoral training program at the University of Michigan. He joined Lorus in 1999 through the merger with GeneSense Technologies Inc., where he was a Research Scientist integrally involved in the development of GeneSense oligonucleotide therapeutics program. He has authored many scientific publications and numerous patents and conference proceedings.

Elizabeth Williams, CA, Director of Finance and Administration (Acting CFO)

Ms. Williams joined Lorus in 2004 as Corporate Controller and became Director of Finance in 2005. Prior to joining Lorus, Ms. Williams was Audit Manager for Ernst & Young LLP providing audit services to a large number of SEC traded companies and others. Ms. Williams, a graduate of Wilfrid Laurier University in 2000, received her designation as a Chartered Accountant in 2002. Since joining Lorus, she has taken on progressively increasing responsibilities in the financial management, planning and corporate governance of the corporation.

Peter Murray, Director, Clinical Development

Mr. Murray joined Lorus in 2002 as Director, Clinical Development, bringing more than 30 years of clinical development experience in biotechnology and pharmaceutical research including almost 20 years in Big Pharma. From a background in microbiology and biophysics, his former positions included Senior Clinical Scientist and head of Clinical Pharmaceutical Operations for Parke Davis Canada, Manager of International Clinical Research in Parke Davis Global Research, and Manager International Clinical Research in Pfizer Global Research and Development. Prior drug development experience spans multiple therapeutic areas including oncology and as clinical representative on New Product Development and New Business Development committees. Since joining Lorus he has been integrally involved in the clinical development planning and positioning of the Lorus product portfolio.

RISK FACTORS

In our view, Lorus' biggest risk factors are the typical issues facing biopharmaceutical companies. The Company could receive less than expected clinical trial results from lead therapies, difficulty or delays in closing development partnerships and out-licensing deals, or delays in fulfilling the financing needs necessary to pursue future research and development. However, at this stage, we do not believe that these issues appear to be serious threats to Lorus' future. Competition from larger firms or even from newer entrants with new therapies is another typical concern and is also consistent with firms of Lorus' size and standing.

VALUATION AND CONCLUSION

In our view, the Lorus advantages are crystal clear. First, Lorus is not a one-trick pony. In fact, given that the Company has multiple products with multiple cancer indications on two disparate technology platforms, the risk

is minimized for investors and partners alike. Furthermore, the Company has multiple shots on goal with products in varying stages of development, yet all---with a significant intellectual property portfolio behind them.

If the Company continues to develop drugs with ground-breaking tumor-killing activity and no lethal toxicity, and with potential in multiple cancer indications, the Company could be rewarded with multiple licensing and royalty agreements worth hundreds of millions of dollars, and investors could thus be richly rewarded as well.

From the valuation standpoint, it is abundantly clear that Lorus has fallen under the radar of investors and we believe is trading at a ridiculously low valuation. A number of biopharmaceutical firms with fewer and what we see as weaker products, or products in the earliest of stages with little IP, are trading at higher valuations. As a rule of thumb, many investors assign a value to a biopharmaceutical's pipeline based upon the development stage of the products and the number of products currently active, such as a range of $10M - $20M per product with a single indication in Phase I or $20-40Mper product with a single indication in Phase II. We believe that based upon LOR-253 and IL-17E alone, the stock should be at least $1.00 per share, today.
In our view, based on the similar models and types of platforms, we believe that the best comparable for Lorus' shares is Array BioPharma (NASDAQ – ARRY). Array has an unusually large number of drugs in Phase II and Phase I clinical trials. Array has four core proprietary clinical programs, which include treatment for cancer, pain, and asthma. In addition, Array has 10 partner-funded clinical programs with some of the biggest names in the pharmaceutical business. It also has a market cap of nearly $600M.

We believe that investors buying LOR stock today are buying an early stage ARRY with multiple products, great IP, a strong cash position with a minimal burn rate, and a number of meaningful development milestones in the next few months that should drive the stock higher. We rate LOR Speculative Buy with a $2.00 price target.

Recent Trading History For LOR

(Source: Stockta.com)

Analyst: Robert Goldman

Rob Goldman has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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