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As filed with the Securities and Exchange Commission on February 4, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE RUBICON PROJECT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	7370	20-8881738
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

12181 Bluff Creek Drive, 4th Floor
Los Angeles, CA 90094
(310) 207-0272
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Todd Tappin
Chief Operating Officer and Chief Financial Officer
The Rubicon Project, Inc.
12181 Bluff Creek Drive, 4th Floor
Los Angeles, CA 90094
(310) 207-0272
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Bradford P. Weirick Stewart L. McDowell Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071 (213) 229-7000	Brian W. Copple General Counsel and Corporate Secretary The Rubicon Project, Inc. 12181 Bluff Creek Drive, 4th Floor Los Angeles, CA 90094 (310) 207-0272	Aaron J. Alter Michael E. Coke Wilson Sonsini Goodrich & Rosati P.C. 650 Page Mill Road Palo Alto, CA 94304 (650) 493-9300

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (do not check if a smaller reporting company)	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE
Common Stock, par value $0.00001 per share	$100,000,000	$12,880

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes shares which the underwriters have the option to purchase to cover over-allotments, if any.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to such section 8(a) may determine.

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PROSPECTUS
(Subject to Completion) Issued , 2014

Shares

COMMON STOCK

The Rubicon Project, Inc. is offering shares of common stock and the selling stockholders named in this prospectus are offering shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. This is our initial public offering and no public market currently exists for our common stock. We anticipate that the initial public offering price will be between $ and $ per share.

We expect to apply to list our common stock on the New York Stock Exchange under the symbol "RUBI."

We are an "emerging growth company" as defined under the federal securities laws and are subject to reduced public company reporting requirements. Investing in our common stock involves risks. See "Risk Factors" beginning on page 15.

PRICE $ PER SHARE

	Initial public offering price	***Underwriting discount***	***Proceeds to us (before expenses)***	***Proceeds to the selling stockholders (before expenses)***
Per Share	$	$	$	$
Total	$	$	$	$

We have granted the underwriters the right to purchase up to an additional shares of common stock to cover over-allotments.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2014.

MORGAN STANLEY *GOLDMAN, SACHS & CO.* *RBC CAPITAL MARKETS*

Needham & Company *Oppenheimer & Co.* *Luma Securities*

, 2014

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You should rely only on the information contained in this prospectus or in any free-writing prospectus we may authorize to be delivered or made available to you. We have not, and the selling stockholders and underwriters have not, authorized anyone to provide you with additional or different information. We and the selling stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus or any free-writing prospectus is accurate only as of its date, regardless of its time of delivery or of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Until , 2014 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: we have not, and the selling stockholders and underwriters have not done anything that would permit this offering, or possession or distribution of this prospectus, in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

"The Rubicon Project" is our primary registered trademark. The prospectus contains this trademark and some of our other trademarks, trade names and service marks. Each trademark, trade name or service mark of any other company appearing in this prospectus belongs to its respective holder.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. In this prospectus, "Rubicon Project," "we," "us" and the "company" refer to The Rubicon Project, Inc. and, where appropriate, its subsidiaries, unless expressly indicated or the context otherwise requires. In this prospectus, references to our common stock prior to the offering refer to our Class A common stock and our Class B common stock together, unless expressly indicated or the context otherwise requires, and references to our common stock after the offering refer to the single class of common stock that we will have outstanding upon consummation of this offering.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before deciding to invest in our common stock. You should read the entire prospectus carefully, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and notes to those consolidated financial statements before making an investment decision. Some of the statements in this prospectus constitute forward-looking statements. For more information, see "Special Note Regarding Forward-Looking Statements."

Overview

We are a global technology leader on a mission to automate the buying and selling of advertising. Our Advertising Automation Cloud is a highly scalable software platform that powers and optimizes a leading marketplace for the real time trading of digital advertising between buyers and sellers. Through the speed and big data analytics of our algorithm-based solution, we have transformed the cumbersome, complex process of buying and selling digital advertising into a seamless automated process that optimizes results for both buyers and sellers. Buyers of digital advertising use our platform to reach 96% of Internet users in the United States and over 550 million Internet users globally on some of the world's leading websites and applications. Sellers of digital advertising use our platform to maximize revenue from advertising, decrease costs and protect their brands and user experience, while accessing a global market of buyers representing over 100,000 brands since our inception. The benefits we provide to both buyers and sellers, and the time and effort spent by both buyers and sellers to integrate with our platform and associated applications, give us a critical position in the digital advertising ecosystem.

Our Advertising Automation Cloud incorporates proprietary machine-learning algorithms, sophisticated data processing, high volume storage, detailed analytics capabilities, and a distributed infrastructure. We analyze billions of data points in real time to enable our solution to make approximately 300 data-driven decisions per transaction in milliseconds, and to execute up to 2.1 million peak queries per second, approximately 25 billion transactions per week and 3 trillion bid requests per month. Our Advertising Automation Cloud features applications for digital advertising sellers, including websites, applications and other digital media properties, to sell their advertising inventory; applications for buyers, including demand side platforms, or DSPs, ad networks and advertising agencies, to buy advertising inventory; and an exchange over which such transactions are executed. Together, these features power and optimize a comprehensive, transparent, independent advertising marketplace that brings buyers and sellers together and facilitates intelligent decision-making and automated transaction execution for the advertising inventory we manage on our platform. We believe we help increase the volume and effectiveness of advertising, increasing revenue for sellers and improving return on advertising investment for buyers.

We have direct relationships built on technical integration with over 500 sellers of digital advertising, including approximately 40% of the U.S. comScore 100, which is a list of the top U.S. digital sellers by reach. We believe that our direct relationships and integration with sellers, which differentiate us from many other participants in the advertising ecosystem, make us a vital participant in the digital advertising industry. Our integration of sellers into our platform gives sellers the ability to monetize a full variety and volume of inventory. At the same time, buyers leverage our platform to manage their advertising spending, simplify order management and campaign tracking, obtain actionable insights into audiences for their advertising and access impression level purchasing from hundreds of sellers. We believe buyers need our platform because of our powerful solution and our direct relationships and integration with some of the world's largest websites and applications. Our solution is constantly self-optimizing based on our ability to analyze and learn from vast volumes of data. The additional data we obtain from the volume of transactions on our platform help make our machine-learning algorithms more intelligent, leading to higher quality matching between buyers and sellers, better return on investment for buyers and higher revenue for sellers. As a result of that high quality matching, we attract even more sellers which in turn attracts more buyers and vice versa. We believe this self-reinforcing dynamic creates a strong platform for growth. The historical and real time data we derive from the over 500 seller integrations, 25 billion transactions per week, 3 trillion bid requests per month and 550 million Internet users globally that interact with our platform per month inform our machine-learning algorithms to create a size, scale and capability that is difficult to replicate.

We believe we are positioned to take advantage of several trends in the advertising industry, including the shift in advertising spending from analog to digital advertising, the move towards automation and the convergence of media across multiple channels. The display, mobile and video digital advertising market is projected to grow to $90 billion by 2017, and the need for automation in this market is growing commensurately, with real time bidding alone projected to grow at a compounded annual growth rate of 57% from $1.4 billion in 2011 to $20.8 billion in 2017.

During the nine months ended September 30, 2013 our revenue was $55.7 million, a 48% increase over the same period in 2012. We recorded a net loss of $9.2 million and Adjusted EBITDA of $4.7 million for the nine months ended September 30, 2013, compared with a net loss of $4.4 million and Adjusted EBITDA of $3.5 million for the nine months ended September 30, 2012. In 2012, our revenue was $57.1 million, a 54% increase over 2011. We recorded a net loss of $2.4 million and Adjusted EBITDA of $9.2 million in 2012, and a net loss of $15.4 million and negative Adjusted EBITDA of $6.7 million in 2011. For information on Adjusted EBITDA, and a reconciliation of Adjusted EBITDA to net loss on the basis of accounting principles generally accepted in the United States, or GAAP, please refer to "Summary Consolidated Financial and Other Data."

Advertising spending transacted on our platform has grown significantly. Managed revenue is an operational measure that approximates this advertising spending. Managed revenue would represent our revenue if we were to record our revenue on a gross basis instead of a net basis. We review managed revenue for internal management purposes to assess market share and scale and to compare our performance to others in our industry that report revenue on a gross basis. Our managed revenue was $326.7 million for the nine months ended September 30, 2013, which represents a 44% increase over the $226.8 million in managed revenue we recorded for the same period in 2012. Our managed revenue was $338.9 million in 2012, a 42% percent increase over managed revenue of $238.8 million in 2011.

Our Industry

Shift Towards Digital Advertising. In response to consumers spending more time consuming digitally delivered content over the Internet, mobile networks and digital television, the advertising industry is in the midst of a decades-long shift from advertising in analog and print media, like print newspapers, magazines, broadcast radio and television, to digital advertising. As a result of the vast amount of audience data available, digital advertising has the potential to drive return on advertising investment for advertisers many times higher than print, broadcast radio and television. Technological advances are also enabling sellers to optimize and expand the monetization of their inventory.

Development of a Complex Digital Advertising Ecosystem Comprising a Large Number of Buyers, Sellers and Other Participants. Advertisers and sellers of advertising inventory have come to rely on a complex ecosystem made up of multiple technology and service providers, as described below.

Buyers: At one end of the ecosystem, spending begins with advertisers, who often engage advertising agencies to help plan and execute their digital advertising campaigns.

Buyers include agencies as well as advertiser aggregators through which agencies traditionally execute their digital advertising campaigns, including DSPs, ad networks and agency trading desks, or ATDs.

Sellers: At the other end of the ecosystem, sellers create websites and applications that contain viewable space for advertisements, or impressions, that can be delivered to users as they visit and navigate through websites and applications. These impressions can be sold to buyers either in advance via manual or automated direct sales efforts, or in real time on an impression-by-impression basis via a third-party through the digital advertising ecosystem.

Other Sell-Side Participants: Sellers may use additional sell-side representatives to connect with buyers, such as supply side platforms, or SSPs, and ad servers.

Exchanges: Buyers and sellers may sometimes come together through an exchange that matches and presents available impressions to buyers.

Costs, Inefficiencies and Lack of Transparency Inherent in Existing Ecosystem. This ecosystem of various buyers, sellers and other intermediaries has helped advertisers access digital media, but it is inefficient and has fallen short of truly enabling them to take advantage of the full potential of digital advertising. We believe, based on industry research, that only approximately $0.40 of every dollar spent by an advertiser is ultimately realized by the seller.

Complicated and Manual Workflow for Buying and Selling Digital Advertising. Despite significant technological advances with respect to delivery of digital advertising, the process of planning and executing a digital advertising campaign remains cumbersome and highly manual. These manual and complicated workflows lead to inefficiencies, wasted dollars for sellers and lost opportunities for advertisers to reach users. According to NextMark, it can cost an advertiser up to $40,000 and 480 man-hours to plan and execute a $500,000 advertising campaign.

Digital Advertising is Complex and Challenging to Automate

Due to the size and complexity of the advertising ecosystem and purchasing process, manual processes can no longer effectively optimize or manage digital advertising. This has created a need to automate the digital advertising industry and to simplify the process of buying and selling advertising. However, a number of factors make digital advertising complex and challenging to automate:

- ***Perishable Inventory.*** The inventory of available impressions is highly perishable due to the fact that each impression must be valued, auctioned, successfully purchased, and then the winning bidder must be notified and must serve the advertisement, all in the split second between the time a user types in a web-address or is redirected to a website or application and the time the page is loaded.
- ***Complex Impression Level Matching.*** In order for buyers to maximize their ability to target specific audiences and for sellers to optimize their revenue, there is a need for a technology solution that can match buyer and seller objectives at a large scale to optimize the delivery of advertising on an impression-by-impression basis.
- ***Large Multi-Variate Datasets.*** The volume of data available to optimize digital advertising is enormous, and buyers and sellers need a solution capable of analyzing, processing and interpreting these large amounts of data and executing buy and sell orders informed by such data, all in real time.
- ***Fragmented Buyer and Seller Base.*** The enormous variety of buyers and sellers in the digital advertising industry has created a need for a solution that is capable of seamlessly connecting a highly fragmented global buyer and seller base.
- ***Brand Security and User Experience Concerns.*** Both buyers and sellers need a solution that is capable of following specified rules established by buyers and sellers to maintain brand integrity and deliver relevant advertisements that create a positive user experience, while efficiently executing a large volume of transactions.

- ***Large and Highly Unpredictable Traffic Volumes.*** Sellers need a platform that can effectively respond to and monetize inventory during unpredictable spikes in user volumes.
- ***Lack of Standardized Ad Formats and Data.*** An available advertising impression can vary based on a variety of factors, and buyers and sellers require a platform that can on a real time basis match the large assortment of available advertising impressions with potential buyers.

Rubicon Project: Our Advertising Automation Cloud Enables the Digital Advertising Marketplace

Rubicon Project was founded to address the challenges associated with the digital advertising ecosystem and to enable a marketplace where buyers and sellers of advertising can readily buy and sell advertising on an automated basis. Our Advertising Automation Cloud optimizes the sale and purchase of advertising across a full spectrum of inventory for all types of buyers and sellers and across all devices. We believe there are few market participants that are directly integrated with sellers in a way that allows sellers to make a wide range and volume of advertising inventory readily available in the marketplace. Our solution enables buyers and sellers to transact through our comprehensive automation offerings including real time bidding, or RTB, static bidding and direct orders. Our solution integrates RTB, static bidding and direct order offerings into a unified auction across all types of buyers, while matching available impressions with advertisements based upon various criteria. Our solution can complete the many steps and analyses required to execute a typical digital advertising transaction within an average of approximately 80 milliseconds.

Big Data Analytics and Machine-Learning Algorithms. We have developed proprietary machine-learning algorithms that analyze billions of data points from our massive data repositories to enable our solution to make approximately 300 real time data-driven decisions per transaction and to execute approximately 3 trillion bid requests per month.

Dual Network Effects Drive an Efficient and Self-Optimizing Marketplace. Our solution is constantly self-optimizing based on our ability to analyze and learn from vast volumes of data. The additional data we obtain from the volume of transactions on our platform helps make our machine-learning algorithms more intelligent, leading to higher quality matching between buyers and sellers, better return on investment for buyers and higher revenue for sellers. As a result of that high quality matching, we attract even more sellers, which in turn attracts more buyers, and vice versa. We believe this self-reinforcing dynamic creates a strong platform for growth.

Critical Position in Digital Advertising Ecosystem. In order to maximize the monetization of the full range and volume of their advertising inventory through our platform, gain actionable insights from the data we have amassed and consolidate and compile payments and billing, sellers integrate into our platform in a way that we believe would cause them to experience high switching costs to move large volumes of their inventory to a new platform. At the same time, we believe that buyers need our platform to benefit from our powerful solution and our direct relationships and integration with some of the world's largest websites and applications. The benefits we provide to both buyers and sellers, and the time and effort spent by both buyers and sellers to integrate with our applications, give Rubicon Project a critical position in the digital advertising ecosystem.

Platform Applications

To enhance the value our Advertising Automation Cloud brings to the marketplace, we offer a growing set of applications to address the critical needs of buyers and sellers:

Applications for Sellers. We have direct relationships and integration with the sellers on our platform and provide applications to help them increase their digital advertising revenue, reduce costs, protect their brands and user experience, and reach more buyers efficiently. Sellers realize the following benefits from our platform:

- Maximized revenue for a broad range of digital advertising inventory without volume or geographic constraints.

- Automated sales with leading buyers via RTB, static bidding and direct orders.
- Integrated solution for digital advertising needs.
- Significantly streamlined sales, operations and finance workflow.
- Brand security.
- Enhanced user experience through delivery of relevant advertisements.
- Advanced reporting and analytics and actionable insights.
- Consolidated payments and transparent tracking and billing system.

Applications for Buyers. Buyers leverage our applications to access a large audience and to purchase advertising inventory based on their key demographic, economic, and timing criteria, allowing them to streamline their purchasing operations, increase the efficiency of their spending and the effectiveness of their advertising campaigns. Buyers realize the following benefits from our platform:

- Direct access to a global audience and hundreds of premium sellers.
- Ability to purchase via RTB, static bidding or direct orders.
- Ability to integrate existing buying technologies or buy directly through us.
- Optimized return on investment by consolidating spending on one platform.
- Simplified order management and campaign tracking.
- Transparency and control over advertising spending.
- Brand security.

Our Market Opportunity

We believe that important trends greatly enhance our market opportunity, namely: the shift in advertising spending to digital advertising, the move towards automation and the convergence of media across multiple channels.

Rapid Growth in Digital Advertising Spending. As media consumption shifts to digital delivery via the Internet, digital television and mobile devices, digital advertising spending is growing at a significantly faster rate than advertising spending on analog and print media. We believe that there will be continued expansion of digital advertising as advertising spending "catches up" to time spent on the Internet and mobile devices. According to the PwC Entertainment and Media Global Outlook: 2013-2017, published in June 2013, display, mobile and video digital advertising are forecasted to grow from approximately $43 billion in 2012 to $90 billion in 2017, a 16% compounded annual growth rate, and our calculations based on data from eMarketer indicate that the current opportunity for monetizing online media consumption is over $32 billion annually in the United States.

Increasing Demand for Automation and Real Time Purchase and Sale of Advertising. As digital advertising has grown in complexity, the need for automation has increased commensurately. According to International Data Corporation, or IDC (October 2013), global RTB spending by advertisers is expected to grow from $1.4 billion in 2011 to $20.8 billion in 2017, a compounded annual growth rate of 57%. RTB is just one aspect of advertising automation, and static bidding and direct orders can also benefit significantly from automation.

Trend Towards Automation of Analog and Print Advertising Markets. Over time, we also expect analog and print advertising markets to automate, and we view our long-term mission, and opportunity, as the automation of all buying and selling of advertising. As more content is being delivered digitally, and with the continued shift of consumption patterns to Internet and mobile devices, television and Internet content are beginning to converge, blurring the historical distinctions between analog and print media and digital media, and requiring advertisers to consider their advertising strategies over multiple media. We believe these trends give us the opportunity to automate a portion of the larger advertising market.

Competitive Strengths

We believe the following key strengths differentiate us from our competitors and strategically position us within the digital advertising marketplace:

- ***Technology Platform with Differentiated Scalability and Real Time Processing Speed.*** Our specially engineered hardware, our software infrastructure technology and our database enable us to process many complex calculations per transaction in milliseconds. The speed and scale of our platform provide buyers and sellers with increased market liquidity and access, optimal pricing and reduced latency, limited loss of perishable inventory, better matching and increased efficacy of advertisements.

- ***Highly Evolved Machine-Learning Algorithms that Leverage Big Data.*** Utilizing our highly sophisticated algorithms, we are able to optimize sellers' monetization of their inventory and to offer more sophisticated targeting options to buyers that allow them to maximize the impact of their advertising spend.

- ***Dual Network Effects.*** As we process more volume on our automated platform, we accumulate more data, such as pricing, geographic and preference information, data on how best to optimize yield for sellers and more. This additional data helps make our machine-learning algorithms more intelligent and this leads to more effective matching between buyers and sellers. As a result, more buyers and sellers are attracted to our platform, from which we get more data, which further reinforces the network effect and thereby increases market liquidity, which benefits both buyers and sellers.

- ***Direct Relationships and Integration with High Quality Sellers.*** Our Advertising Automation Cloud builds on our direct relationships and integration with our seller base. We believe that these direct relationships make us a critical participant in the digital advertising ecosystem, and make our solution one that would be difficult and time consuming for sellers to replicate, resulting in low seller attrition.

- ***Leading User Reach and Significant Scale.*** According to comScore (September 2013), we reach 96% of Internet users in the United States, which establishes us as a leader in digital advertising. Our reach of over 550 million Internet users globally enables us to provide buyers with the ability to execute their largest campaigns and easily reach their target audiences.

- ***Comprehensive Solution Covering All Types of Inventory and Demand.*** We enable sellers to offer a full range and volume of their advertising inventory through several types of transactions, including RTB, static bidding and direct orders. The availability of this wide range and volume of inventory, together with the multiple ways of purchasing, attracts a similarly wide variety of buyers, giving us access to a wider digital advertising market.

- ***Scalable Business Model.*** As we bring buyers and sellers onto our platform, they transact in an automated fashion without additional sales and marketing efforts from us, allowing us to grow the managed revenue on our platform without a proportional increase in our sales and marketing expenses.

- ***Brand Security***. We believe that the rules that we establish on our platform, together with the scalability and speed of our platform, allow us to uniquely incorporate brand security for both buyers and sellers in a manner that allows them to buy and sell inventory safely despite the challenges presented by the volume of content and dynamic nature of digital advertising.

- ***Independence.*** We believe our independent market position enables us to better serve buyers and sellers because we are not burdened with any structural conflicts arising from owning and operating digital media properties while offering advertising purchasing solutions to buyers.

Growth Strategies

Our goal is to be the leading marketplace for digital advertising and ultimately drive automation throughout the advertising industry. The core elements of that growth strategy include:

- Growing our business with existing buyers and attracting new buyers to our platform.
- Increasing penetration of existing sellers and attracting new sellers.
- Enhancing our leadership position by investing in innovation and expansion.
- Accelerating our global expansion and entering new markets.
- Bringing automation to additional media.

Risks Affecting Us

Investing in our common stock involves significant risks. You should carefully consider the risks described in “Risk Factors” before making a decision to invest in our common stock. The occurrence of any of these risks could have a material adverse effect upon our business, financial condition or results of operations. In such case, the trading price of our common stock would likely decline, and you may lose part or all of your investment. Below is a summary of some of the principal risks we face.

- We must grow rapidly to remain a market leader and to accomplish our strategic objectives. If we fail to grow, or fail to manage our growth effectively, our value may decline.
- In order to meet our growth objectives, we will need to rely upon our ability to innovate, the continued adoption of our solution by buyers and sellers, the extension of the reach of our solution into evolving digital media and growth in new geographic markets.
- Our technology development effort may be inefficient or ineffective, which may harm our ability to attract and retain buyers and sellers.
- We must scale our technology infrastructure to support our growth and transaction volumes. If we fail to do so, we may lose buyers, sellers and revenue from transactions.
- Our limited operating history makes it difficult to evaluate our business and prospects and may increase the risks associated with your investment; we have a history of losses and may not achieve and sustain profitability in the future.
- The digital advertising market is relatively new and dependent on growth in various digital advertising channels, and has been highly volatile in the past. If this market develops more slowly or differently than we expect, our business, growth prospects and financial condition would be adversely affected.
- We operate in an intensely competitive market that includes companies that have greater financial, technical and marketing resources than we do.
- Our business depends on our ability to collect and use data to deliver advertisements, and to disclose data relating to the performance of our ads, and any limitation on the collection, use or disclosure of this data, such as limitations on the use of “cookies,” could significantly diminish the value of our services and cause us to lose sellers, buyers and revenue.
- We depend on owners of digital media properties for advertising inventory to deliver advertising campaigns, and any decline in the supply of advertising inventory from these sellers could hurt our business.

- Our contracts with buyers are generally not exclusive and generally do not require minimum volumes or long-term commitments. If a buyer, or group of buyers, representing a significant portion of our business decides to materially reduce the use of our solution, we could experience an immediate and significant decline in our revenue and gross profit, which would harm our business.

Corporate Information

We were incorporated in 2007 in Delaware. Our principal executive offices are located at 12181 Bluff Creek Drive, 4th Floor, Los Angeles, CA 90094. Our telephone number is (310) 207-0272. Our website is *www.rubiconproject.com*. The information on, or that can be accessed through, our website is not part of this prospectus.

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THE OFFERING

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Total common stock offered	shares
Over-allotment option	shares (with all shares being offered by us)
Common stock to be outstanding after this offering	shares
Use of proceeds	We expect to receive net proceeds from this offering of approximately $ million, after deducting the underwriting discount and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes, including working capital, sales and marketing activities, engineering initiatives including enhancement of our solution and investment in technology and development, general and administrative expenses and capital expenditures. We also may use a portion of the net proceeds from this offering to acquire or invest in technologies, solutions or businesses that complement our business, although we have no present commitments to complete any such transactions. See "Use of Proceeds."
Proposed New York Stock Exchange symbol	"RUBI"

The number of shares of our common stock to be outstanding after this offering is based on 52,821,138 shares of our common stock outstanding as of September 30, 2013, and excludes:

- 16,556,628 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2013 with a weighted average exercise price of $2.47 per share, 1,049,023 shares of common stock issuable upon the exercise of stock options granted between September 30, 2013 and the date hereof with a weighted average exercise price of $5.92 per share and 25,174 shares of common stock issuable upon exercise of an outstanding warrant with an exercise price of $1.56 per share, and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of shares of our common stock that were reserved for issuance under our 2007 Stock Incentive Plan as of the date hereof, and shares of our common stock reserved for issuance under our 2014 Equity Incentive Plan. On the date immediately prior to the date of this prospectus, any remaining shares available for issuance under our 2007 Stock Incentive Plan were added to the shares reserved under our 2014 Equity Incentive Plan and we ceased granting awards under the 2007 Stock Incentive Plan. Our 2014 Equity Incentive Plan also provides for automatic annual increases in the number of shares reserved thereunder, as more fully described in "Executive Compensation—Employee Benefit Plans."

Except as otherwise indicated, all information in this prospectus assumes:

- the effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws in connection with the completion of this offering;
- the automatic conversion of each outstanding share of our convertible preferred stock into one share of our Class A common stock upon completion of this offering;

- the automatic conversion of each outstanding share of our Class B common stock into one share of our Class A common stock immediately prior to the completion of this offering;
- the conversion of our Class A common stock (including all shares of Class A common stock issued upon conversion of our convertible preferred stock and Class B common stock as described above) into a single class of common stock upon completion of this offering;
- the automatic conversion of an outstanding warrant exercisable for 25,174 shares of our convertible preferred stock into a warrant exercisable for 25,174 shares of common stock upon the completion of this offering;
- the exercise in full for cash of an outstanding warrant for 845,867 shares of our convertible preferred stock immediately prior to, and the conversion of such shares to common stock upon, completion of this offering;
- no exercise of outstanding options and warrants subsequent to September 30, 2013; and
- no exercise by the underwriters of their option to purchase additional shares from us.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth a summary of our consolidated historical financial and operating data for the periods indicated. The consolidated statements of income data for the years ended December 31, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2011 and 2012 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The statements of income data for the nine months ended September 30, 2012 and 2013 and the interim consolidated balance sheet data as of September 30, 2012 and 2013 have been derived from our unaudited consolidated interim financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in management's opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of the financial position and results of operation for such periods.

The historical results presented below are not necessarily indicative of the results to be expected for any future period and our interim results are not necessarily indicative of the results to be expected for the full year or any other period. This information should be read in conjunction with "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands except per share data)			
Revenue	$ 37,059	$ 57,072	$ 37,626	$ 55,698
Expenses:				
Costs of revenue(1)	12,893	12,367	8,752	11,212
Sales and marketing(1)	17,748	20,458	14,827	18,767
Technology and development(1)	12,496	13,115	9,348	14,072
General and administrative(1)	8,926	12,331	8,478	17,963
Total expenses	52,063	58,271	41,405	62,014
Loss from operations	(15,004)	(1,199)	(3,779)	(6,316)
Other expense, net	269	1,029	501	2,709
Loss before income taxes	(15,273)	(2,228)	(4,280)	(9,025)
Provision for income taxes	136	134	103	187
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Cumulative preferred stock dividends(2)	(4,244)	(4,255)	(3,186)	(3,174)
Net loss attributable to common stockholders	$ (19,653)	$ (6,617)	$ (7,569)	$ (12,386)
Basic and diluted net loss per share attributable to common stockholders(3)	$ (0.97)	$ (0.30)	$ (0.34)	$ (0.54)
Basic and diluted weighted-average shares used to compute net loss per share attributable to common stockholders	20,198	22,192	22,089	22,867
Pro forma net loss per share—basic and diluted(3)		$ (0.04)		$ (0.14)
Pro forma weighted-average common shares outstanding—basic and diluted		51,012		51,687

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(1) Stock-based compensation expense included in our expenses was as follows:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Cost of revenue	$ 270	$ 78	$ 54	$ 64
Sales and marketing	309	1,039	792	805
Technology and development	858	828	571	1,183
General and administrative	831	1,099	762	2,515
Total	$ 2,268	$ 3,044	$ 2,179	$ 4,567

(2) The holders of the convertible preferred stock are entitled to cumulative dividends prior and in preference to common stock. Because the holders of our convertible preferred stock are entitled to participate in dividends, net loss attributable to common stockholders is equal to net loss adjusted for cumulative preferred stock dividends for the period. Immediately upon the closing of this offering, all outstanding shares of convertible preferred stock will be automatically converted into shares of common stock on a 1:1 basis and these holders will not be entitled to the cumulative dividends. See Note 11 to our consolidated financial statements for a description of our convertible preferred stock.

(3) See Note 2 to our consolidated financial statements for a description of the method used to compute basic and diluted net loss per share attributable to common stockholders and pro forma basic and diluted net loss per share attributable to common stockholders.

Consolidated Balance Sheet Data

	At December 31,		At September 30,
	2011	2012	2013
	(in thousands)		
Cash and cash equivalents	$ 16,252	$ 21,616	$ 20,959
Accounts receivable, net	$ 40,580	$ 67,335	$ 69,639
Property, equipment and capitalized software, net	$ 10,411	$ 12,697	$ 14,919
Total assets	$ 71,142	$108,014	$ 113,125
Debt and capital lease obligations, current and non-current	$ 5,504	$ 5,215	$ 4,309
Total liabilities	$ 55,341	$ 90,005	$ 99,171
Convertible preferred stock	$ 52,571	$ 52,571	$ 52,571
Common stockholders' deficit	$(36,770)	$ (34,562)	$ (38,617)

Operational and Financial Measures

Managed Revenue

Managed revenue is an operational measure that represents the advertising spending transacted on our platform, and would represent our revenue if we were to record our revenue on a gross basis instead of a net basis. We review managed revenue for internal management purposes to assess market share and scale. Many companies in our industry record revenue on a gross basis, so tracking our managed revenue allows us to compare our results to the results of those companies.

Our managed revenue is influenced by the volume and characteristics of advertising inventory transacted on our platform, or paid impressions, and pricing. Pricing, which our algorithms help determine, can be impacted by a variety of factors such as the website or application that is offering the impression, the placement of the impression on the website or application, the size of the advertisement, the location of the user and other attributes available with respect to the audience.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Operational Measure:				
Managed revenue	$ 238,838	$ 338,918	$ 226,798	$ 326,656

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined by us as net loss adjusted for stock-based compensation expense, depreciation and amortization, interest (income) expense, net, change in fair value of convertible preferred stock warrant liabilities, and other income or expense, net, which mainly consists of foreign exchange gains and losses, net, certain other non-recurring income or expenses such as acquisition and related costs, and provision for income taxes. Adjusted EBITDA should not be considered as an alternative to net income, operating income or any other measure of financial performance calculated and presented in accordance with GAAP. Adjusted EBITDA eliminates the impact of items that we do not consider indicative of our core operating performance. You are encouraged to evaluate these adjustments and the reason we consider them appropriate. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons:

- Adjusted EBITDA is widely used by investors and securities analysts to measure a company’s operating performance without regard to items such as stock-based compensation expense, depreciation and amortization, interest (income) expense, net, change in fair value of preferred stock warrant liabilities, foreign exchange gains and losses, net, certain other non-recurring income or expenses such as acquisition and related costs, and provision for income taxes that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance;
- Adjusted EBITDA is sometimes used by the compensation committee of our board of directors in connection with the determination of compensation for our executive officers; and
- Adjusted EBITDA provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Although Adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations as reported under GAAP. These limitations include:

- Depreciation and amortization are non-cash charges, and the assets being depreciated or amortized will often have to be replaced in the future; Adjusted EBITDA does not reflect any cash requirements for these replacements;

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;
- Adjusted EBITDA does not reflect cash requirements for income taxes and the cash impact of other income or expense; and
- Other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

The following table presents a reconciliation of net loss, the most comparable GAAP measure, to Adjusted EBITDA for each of the periods indicated:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Financial Measure:				
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Add back (deduct):				
Depreciation and amortization expense	5,538	6,857	4,814	6,133
Stock-based compensation expense	2,268	3,044	2,179	4,567
Acquisition and related items	500	503	315	313
Interest income (expense), net	252	343	258	229
Change in fair value of preferred stock warrant liabilities	304	515	87	2,067
Foreign currency (gain) loss, net	216	171	156	413
Other income	(503)	—	—	—
Provision for income taxes	136	134	103	187
Adjusted EBITDA	$ (6,698)	$ 9,205	$ 3,529	$ 4,697

RISK FACTORS

Investing in our common stock involves a high degree of risk. These risks include, but are not limited to, those described below, each of which may be relevant to decisions regarding an investment in or ownership of our stock. You should carefully consider the risks described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. The realization of any of these risks could have a significant adverse effect on our reputation, business, financial condition, results of operations, growth, and ability to accomplish our strategic objectives. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Relating to Our Business, Growth Prospects and Operating Results

We must grow rapidly to remain a market leader and to accomplish our strategic objectives. If we fail to grow, or fail to manage our growth effectively, the value of our company may decline.

The advertising technology market is dynamic, and our success depends upon the continued adoption of advertising automation and our ability to develop innovative new technologies and solutions for the evolving needs of sellers of advertising, including websites, applications and other digital media property owners, and buyers of advertising. We also need to grow significantly to develop the market reach and scale necessary to compete effectively with large competitors. This growth depends to a significant degree upon the quality of our strategic vision and planning. The advertising market is evolving rapidly, and if we make strategic errors, there is a significant risk that we will lose our competitive position and be unable to recover and achieve our objectives. Our ability to grow requires access to, and prudent deployment of, capital for hiring, expansion of physical infrastructure to run our solution, acquisition of companies or technologies, and development and integration of supporting sales, marketing, finance, administrative, and managerial infrastructure. Further, the rapid growth we are pursuing will itself strain the organization and our ability to continue that growth and to maintain the quality of our operations. If we are not able to innovate and grow successfully, the value of the company may be adversely affected.

In order to meet our growth objectives, we will need to rely upon our ability to innovate, the continued adoption of our solution by buyers and sellers for higher value advertising inventory, the extension of the reach of our solution into evolving digital media, and growth into new geographic markets.

Historically, lower value display advertising has been the largest portion of the business transacted through our solution. Our growth plans depend upon our ability to innovate, attract buyers and sellers to our solution for purposes of buying and selling higher value inventory, expand the use of our solution by buyers and sellers utilizing other digital media platforms, including mobile and video, further increase our business in new international markets, and effectively drive the increasing automation in the advertising industry. In order to innovate successfully, we must hire, train, motivate and retain talented engineers in a competitive recruiting environment, and we must deploy them based on the development priorities we establish in light of our view of the future of our industry. In mobile, video, and other emerging digital platforms, there are competitors with a significant head start in terms of technology and buyer or seller relationships. Our business model may not translate well into higher-value advertising due to market resistance or other factors, and we may not be able to innovate successfully enough to compete effectively on new platforms, or to adapt our solution and infrastructure to international markets.

Our technology development efforts may be inefficient or ineffective, which may harm our ability to attract buyers and sellers.

Our future success will depend in part upon our ability to enhance our existing solution and to develop and introduce competing new solutions in a timely manner with features and pricing that meet changing client and market requirements. We schedule and prioritize these development efforts according to a variety of factors, including our perceptions of market trends, client requirements, and resource availability. We face intense competition in the marketplace and are confronted by rapidly changing technology, evolving industry standards and consumer needs and the frequent introduction of new solutions by our competitors that we must adapt and respond to. Our solution is complex and requires a significant investment of time and resources to develop, test, introduce into use, and enhance. These activities can take longer than we expect. We may encounter unanticipated difficulties that require us to re-direct or scale-back our efforts and we may need to modify our plans in response to changes in buyer and seller requirements, market demands, resource availability, regulatory requirements, or other factors. If development of our solution becomes significantly more expensive due to changes in regulatory requirements or industry practices, or other factors, we may find ourselves at a disadvantage to larger competitors with more resources to devote to development. These factors place significant demands upon our engineering organization, require complex planning and decision making, and can result in acceleration of some initiatives and delay of others. If we do not manage our development efforts efficiently and effectively, we may fail to produce, or timely produce, solutions that respond appropriately to the needs of buyers and sellers, and competitors may develop offerings that more successfully anticipate market evolution and address market expectations. If our solution is not responsive and competitive, buyers and sellers can be expected to shift their business to competing solutions.

We must scale our technology infrastructure to support our growth and transaction volumes. If we fail to do so, we may lose buyers, sellers and revenue from transactions.

When a user visits a website or uses an application where our technology is integrated, our technology must process a transaction for that seller and conduct an auction, often among hundreds of buyers and tens of thousands of advertiser brands, within milliseconds. Our technology must scale to process all of the advertising impressions from the collection of all of the visitors of all of the websites and applications offered on our platform combined. Additionally, for each individual advertising impression, our technology must be able to send bid requests to all of the appropriate and available buyers on our platform. It must perform these transactions end-to-end at speeds often faster than the page or application loads for the user. In short, our technology needs to processes the combined volume of every website and application and all of the buyers' bidding technologies, which evolve over time, at speeds that are often faster than their capabilities. We must be able to continue to increase the capacity of our platform in order to support substantial increases in the number of buyers and sellers, to support an increasing variety of advertising formats and to maintain a stable service infrastructure and reliable service delivery, all to support the network effect of our solution. If we are unable to effectively increase the scale of our platform to support and manage a substantial increase in the number of transactions, as well as a substantial increase in the amount of data we process, on a cost effective basis, while also maintaining a high level of performance, the quality of our services could decline and our reputation and business could be seriously harmed. In addition, if we are not able to continue processing these transactions at fast enough speeds or if we are unable to support emerging advertising formats or services preferred by advertisers, we may be unable to obtain new buyers or sellers, we may lose existing buyers or sellers or we could lose revenue from failure to process transactions in a timely manner, any of which could cause our revenue to decline. We expect to continue to invest in our platform in order to meet increasing demand. Such investment may negatively affect our profitability and results of operations.

We have a history of losses and may not achieve and sustain profitability in the future.

We incurred net losses of $15.4 million and $2.4 million during the years ended December 31, 2011 and 2012, respectively, and net losses of $4.4 million and $9.2 million, during the nine months ended September 30, 2012 and 2013, respectively. As of September 30, 2013, we had an accumulated deficit of $62.0 million. We may not be able to sustain the revenue growth we have experienced in recent periods, and revenue may decrease due to competitive pressures, maturation of our business or other factors. Our expenses have increased with our revenue growth, primarily due to substantial investments in our business during 2012 and 2013. You should not consider our historical revenue growth as indicative of our future performance. We expect our expenses to continue to increase substantially in the foreseeable future as we continue to expand our business, including by hiring engineering, sales, marketing and related support employees in existing and new territories, investing in our technology and developing additional digital media platforms, such as mobile and video. Accordingly, we may not be able to achieve or sustain profitability in the future. If our revenue growth declines or our expenses exceed expectations, our financial performance will be adversely affected.

Our limited operating history makes it difficult to evaluate our business and prospects and may increase the risks associated with your investment.

We were incorporated in 2007 and consequently have only a limited operating history upon which our business and future prospects may be evaluated. We may not be able to sustain the rate of growth we have achieved to date, or even maintain our current revenue levels. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly evolving industries, including challenges related to recruiting; allocating and making effective use of our limited resources; achieving market acceptance of our existing and future solutions; competing against companies with greater financial and technical resources; integrating, motivating, and retaining qualified employees; developing relationships with buyers and sellers; developing new solutions; and establishing and maintaining our corporate infrastructure, including internal controls relating to our financial and information technology systems. We must improve our current operational infrastructure and technology to support significant growth and to respond to the evolution of our market and competitors' developments. Our business prospects depend in large part on our ability to:

- build and maintain our reputation for innovation and solutions that meet the evolving needs of buyers and sellers;
- distinguish ourselves from the wide variety of solutions available in our industry;
- maintain and expand our relationships with buyers and sellers;
- respond to evolving industry standards and government regulations that impact our business, particularly in the areas of data collection and consumer privacy;
- prevent or otherwise mitigate failures or breaches of security or privacy;
- attract, hire, integrate and retain qualified employees;
- effectively execute upon our international expansion plans;
- maintain our cloud-based technology solution continuously without interruption 24 hours a day, seven days a week; and
- anticipate and respond to varying product life cycles, regularly enhance our existing advertising solutions and introduce new advertising solutions on a timely basis.

There is no assurance that we will meet these and other challenges, and failure to meet one or more of these objectives or otherwise adequately address the risks and difficulties that we face will have an adverse effect on our business and may result in revenue loss and inability to sustain profitability or achieve further growth.

Our operating results may fluctuate significantly depending upon various factors, which could make our future operating results difficult to predict and cause our operating results to fall below analysts' and investors' expectations.

Our operating results are difficult to predict due to a number of factors, particularly because we generally do not have long-term arrangements with buyers or sellers. We have from time to time experienced significant variations in revenue and operating results from period to period. Our operating results may continue to fluctuate and be difficult to predict due to a number of factors, including:

- seasonality in demand for digital advertising;
- changes in pricing of advertising inventory or pricing for our solution and our competitors' offerings;

- the addition or loss of buyers or sellers;
- changes in the advertising strategies or budgets or financial condition of advertisers;
- the performance of our technology and the cost, timeliness and results of our technology innovation efforts;
- advertising technology and digital media industry conditions and the overall demand for advertising, or changes and uncertainty in the regulatory environment for us or buyers or sellers, including with respect to privacy regulation;
- the introduction of new technologies or service offerings by our competitors and market acceptance of such technologies or services;
- our level of expenses, including investment required to support our technology development, scale our technology infrastructure and business expansion efforts, including acquisitions, hiring and capital expenditures, or expenses related to litigation;
- the impact of changes in our stock price on valuation of stock-based compensation, warrants or other instruments that are marked to market;
- the effect of our efforts to maintain the quality of transactions on our platform, including the blocking of non-human inventory and traffic, which could cause a reduction in our revenue if there are fewer transactions consummated through our platform even though the overall quality of the transactions may have improved;
- the effectiveness of our financial and information technology infrastructure and controls; and
- changes in accounting policies and principles and the significant judgments and estimates made by management in the application of these policies and principles.

Because significant portions of our expenses are relatively fixed, variation in our quarterly revenue could cause significant variations in operating results and resulting stock price volatility from quarter to quarter. Our business has evolved significantly since our founding, and we expect the business to continue to evolve rapidly. Accordingly, period-to-period comparisons of our historical results of operations are not necessarily meaningful, and historical operating results may not be indicative of future performance. If our revenue or operating results fall below the expectations of investors or securities analysts, or below any guidance we may provide to the market, the price of our common stock could decline substantially.

Our revenue and operating results are highly dependent on the overall demand for advertising. Factors that affect the amount of advertising spending, such as economic downturns, particularly in the fourth quarter of our fiscal year, can make it difficult to predict our revenue and could adversely affect our business.

Our business depends on the overall demand for advertising and on the economic health of our current and prospective sellers and advertisers. If advertisers reduce their overall advertising spending, our revenue and results of operations are directly affected. Many advertisers devote a disproportionate amount of their advertising budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing, and buyers may spend more in the fourth quarter for budget reasons. As a result, if any events occur to reduce the amount of advertising spending during the fourth quarter, or reduce the amount of inventory available to advertisers during that period, it could have a disproportionate adverse effect on our revenue and operating results for that fiscal year. Economic downturns or instability in political or market conditions generally may cause current or new advertisers to reduce their advertising budgets. Reductions in inventory due to loss of sellers would make our solution less robust and attractive to buyers. Adverse economic conditions and general uncertainty about economic recovery are likely to affect our business prospects. In particular, uncertainty regarding the budget crisis in the United States may cause general business conditions in the United States and elsewhere to deteriorate or become volatile, which could cause advertisers to delay, decrease or cancel purchases of our solution, and expose us to increased credit risk on advertiser orders. Moreover, any changes in the favorable tax treatment of advertising expenses and the deductibility thereof would likely cause a reduction in advertising demand. In addition, concerns over the sovereign debt situation in certain countries in the European Union as well as continued geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions, which could lead to reduced spending on advertising.

Seasonal fluctuations in digital advertising activity, which may historically have been less apparent due to our historical revenue growth, could adversely affect our cash flows and operating results.

Our managed revenue, revenue, cash flow from operations, operating results and other key operating and financial measures may vary from quarter to quarter due to the seasonal nature of advertiser spending. For example, many advertisers devote a disproportionate amount of their advertising budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand for advertising inventory. Seasonal fluctuations historically have been less apparent due to our historical revenue growth, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could result in material fluctuations of our revenue, cash flow, operating results and other key operating and financial measures from period to period.

Our corporate culture has contributed to our success, and if we cannot successfully maintain our culture as we assimilate new employees, we could lose the innovation, creativity and teamwork fostered by our culture.

We are undergoing rapid growth, including in our employee headcount. As of September 30, 2013, we had 315 employees, including 117 who were hired in 2013. A significant portion of our management team joined us in 2013. We expect that significant additional hiring will be necessary to support our strategic plans, including increased hiring in other countries. We have in the past added significant numbers of employees through acquisitions, and we may continue to do so. This rapid influx of large numbers of people from different business backgrounds may make it difficult for us to maintain our corporate culture. We believe our culture has contributed significantly to our ability to attract and retain talent, to acquire companies and to innovate and grow successfully. If our culture is negatively affected, our ability to support our growth and innovation may diminish.

Risks Related to the Advertising Technology Industry, Market and Competition

The digital advertising market is relatively new and dependent on growth in various digital advertising channels. If this market develops more slowly or differently than we expect, our business, growth prospects and financial condition would be adversely affected.

The digital advertising market is relatively new and our solution may not achieve or sustain high levels of demand and market acceptance. While display advertising has been used successfully for many years, marketing via new digital advertising channels, such as mobile and social media and digital video advertising, is not as well established. The future growth of our business could be constrained by the level of acceptance and expansion of emerging digital advertising channels, as well as the continued use and growth of existing channels, such as digital display advertising, in which our capabilities are more established. In addition, as we push for the expansion and adoption of increased automation in the advertising industry, it will be important for the success of any such expansion for personnel at buyers and sellers to adopt our solution in lieu of their traditional use of manual operations for order placement. It is difficult to predict adoption rates, demand for our solution, the future growth rate and size of the digital advertising solutions market or the entry of competitive solutions. Any expansion of the market for digital advertising solutions depends on a number of factors, including the growth of the digital advertising market, the growth of social, mobile and video as advertising channels and the cost, performance and perceived value associated with digital advertising solutions. If demand for digital display advertising and adoption of automation does not continue to grow, or if digital advertising solutions or advertising automation do not achieve widespread adoption, or there is a reduction in demand for digital advertising caused by weakening economic conditions, decreases in corporate spending or otherwise, or if we fail to develop capabilities to meet the needs of buyers and sellers of mobile and video advertising, our competitive position will be weakened and our revenue and results of operations could be harmed.

We operate in an intensely competitive market that includes companies that have greater financial, technical and marketing resources than we do.

We face intense competition in the marketplace. We are confronted by rapidly changing technology, evolving user needs and the frequent introduction by our competitors of new and enhanced solutions. We compete for advertising spending against competitors, including Google, who, in some cases, are also buyers on our platform. We also compete for supply of advertising inventory against a variety of competitors, including Google. Some of our existing and potential competitors are better established, benefit from greater name recognition, and have significantly more financial, technical, sales, and marketing resources than we do. In addition, some competitors, particularly those with a more diversified revenue base, may have greater flexibility than we do to compete aggressively on the basis of price and other contract terms. Some buyers that use our solution have their own relationships with sellers and can directly connect advertisers with sellers. Our business may suffer to the extent that buyers and sellers purchase and sell advertising inventory directly from one another or through intermediaries other than us. In addition, as a result of solutions introduced by us or our competitors in the rapidly evolving and fluid advertising market, our marketplace will experience disruptions and changes in business models, which may result in our loss of buyers or sellers. New competitors may emerge through acquisitions or through development of disruptive technologies. Strong and evolving competition could lead to a loss of our market share or compel us to reduce our prices and could make it more difficult to grow our business profitably.

We anticipate continued consolidation in the advertising technology industry, increasing the capabilities and competitive posture of larger companies and enabling new competitors to emerge. Many buyers and sellers are large consolidated organizations that may need to acquire other companies in order to grow. Smaller buyers and sellers may need to consolidate in order to compete effectively. There is a finite number of large buyers and sellers in our target markets, and as technology continues to improve and market factors continue to compel investment by others in the business, market saturation may change the competitive landscape in favor of larger competitors with greater scale. Moreover, any consolidation of buyers or sellers may give the resulting enterprises greater bargaining power or result in the loss of buyers and sellers that use our platform, and thus reduce our potential base of buyers and sellers, each of which would lead to erosion of our revenue.

Our business depends on our ability to collect and use data to deliver advertisements, and to disclose data relating to the performance of advertisements. Any limitation imposed on our collection, use or disclosure of this data could significantly diminish the value of our solution and cause us to lose sellers, buyers and revenue.

When advertisements are placed through our solution, we are able to collect anonymous information about the placement of the advertisement and the interaction of the device user with the advertisement, such as whether the user visited a landing page or watched a video. We are also able to collect information about pricing of advertisements, historical clearing prices, bid responses, what types of advertisements are allowed on a particular website, which websites a buyer prefers, what ad formats are available to be served, advertisement size and location, where a user is located, how many advertisements has the user seen, browser or device information and sellers' proprietary data about users. As we collect and aggregate this data provided by trillions of advertising impressions, we analyze it in order to facilitate optimization of the pricing, placement and scheduling of advertisements purchased by buyers across the advertising inventory provided by sellers.

Sellers or Internet users might decide not to allow us to collect some or all of the data we collect or might limit our use of it. For example, a seller might not agree to provide us with data generated by interactions with the content on its applications, or device users might not consent to share their information about device usage. Any limitation on our ability to collect data about user behavior and interaction with content could make it more difficult for us to deliver effective solutions that meet the needs of sellers and advertisers. This in turn could hurt our revenue and impair our business.

Although our contracts with sellers generally permit us to aggregate data from advertising placements, sellers in the future may prohibit the collection or use of this data or request that we discontinue using data obtained from their transactions that has already been aggregated with other data. It would be difficult, if not impossible, and costly to comply with these requests. Interruptions, failures or defects in our data collection, mining, analysis and storage systems, as well as privacy concerns and regulatory obligations regarding the collection, use and processing of data, could also limit our ability to aggregate and analyze the data from transactions effected through our solution. Restrictions or limitations on our use of data could reduce the utility and value of our solution, resulting in loss of volume and reduced pricing.

If the use of "third party cookies" is restricted or otherwise subject to unfavorable regulation, our performance may decline and we may lose advertisers and revenue.

We use "cookies," or small text files, to gather data to enable our solution to be more effective. Cookies that we place are generally regarded as "third party cookies" because they are placed on individual browsers when Internet users visit a website owned by a seller, advertiser or other first party that has given us permission to place cookies. These cookies are placed through an Internet browser on an Internet user's computer and correspond with a data set that we keep on our servers. Our cookies record non-personal information, such as when an Internet user views an advertisement, clicks on an advertisement, where a user is located, how many advertisements the user has seen and browser or device information. We may also receive information from cookies placed by advertisers or other parties who give us permission to use their cookies. We use data from cookies to help buyers decide whether to bid on, and how to price, an opportunity to place an advertisement in a certain location, at a given time, in front of a particular Internet user. Without cookie data, transactions occurring through our solution would be executed with less insight into activity that has taken place through an Internet user's browser, reducing the ability of buyers to make accurate decisions about which inventory to purchase for an advertiser's campaign. This could make placement of advertising through our solution less valuable, with commensurate reduction in pricing. In addition to cookies, we sometimes place pixels on seller websites to track data regarding users' visits to such websites. We may use such information internally to optimize our services, and may provide such data, or analyses based on such data, to buyers or sellers as part of our services. If sellers restrict our ability to place such pixels on their websites, or if the use of such tracking mechanisms is restricted by laws in the future, it may diminish the value of our services.

In addition, in the European Union, or EU, Directive 2009/136/EC, commonly referred to as the "Cookie Directive," directs EU member states to ensure that accessing information on an Internet user's computer, such as through a cookie, is allowed only if the Internet user has given his or her consent. In response, some member states have adopted and implemented, and may continue to adopt and implement legislation that negatively impacts the use of cookies for digital advertising.

Limitations on the use or effectiveness of cookies, whether imposed by regulation or otherwise, may impact the performance of our solution. We may be required to, or otherwise may determine that it is advisable to, develop or obtain additional applications and technologies to compensate for the lack of cookie data, which may require substantial investment on our part. However, we may not be able to develop or implement additional applications that compensate for the lack of cookie data. Moreover, even if we are able to do so, such additional applications may be subject to further regulation, time consuming to develop or costly to obtain, and less effective than our current use of cookies.

Prominent sellers have announced plans to replace cookies with alternative mechanisms, and if cookies are discontinued in favor of proprietary tracking mechanisms, our costs to develop alternatives could increase, our ability to optimize advertisements may suffer, and we may be placed at a competitive disadvantage to others that utilize proprietary user tracking mechanisms.

Google and Microsoft have announced intentions to discontinue the use and deployment of cookies, and to develop alternative methods and mechanisms for tracking web users. There are also reports that other prominent web sellers, such as Amazon, Facebook, and Apple, are also developing alternative web tracking technologies to displace the use of cookies. These alternative mechanisms have not been described in technical detail, and have not been announced with any specific stated time line. It is possible that these companies may rely on proprietary algorithms or statistical methods to track web users without the deployment of cookies, or may utilize log-in credentials entered by users into other web properties owned by these companies, such as their digital email services, to track web usage without deploying third party cookies. Alternatively, such companies may build alternative and potentially proprietary user tracking methods into their widely-used web browsers.

If cookies are effectively replaced by proprietary alternatives, any continued attempt by us to use cookie-based methods may face negative consumer sentiment and otherwise place us at a competitive disadvantage. If cookies are replaced, in whole or in part, by proprietary alternatives, we would need to develop alternative proprietary tracking methodologies, which would require substantial investment from us, or which may not be commercially feasible given our relatively small size and the fact that development of such technologies may require technical skills that differ from our core engineering competencies. If we find that the development of alternative tracking methodologies is not feasible, we may be effectively obligated to license proprietary tracking mechanisms and data from companies that have developed them, which also compete with us as advertising networks, and we may only be able to obtain such licenses on economically and operationally unfavorable terms. If such proprietary web tracking standards are owned by companies that compete with us they may be unwilling to make such technology available to us. Further, if such proprietary web tracking standards are owned by sellers or browser operators that have access to user information by virtue of their popular consumer-oriented websites or browsers and have the technology designed for use in conjunction with the types of user information collected from their websites, we may still be at a competitive disadvantage even if we license their technology.

If cookies are effectively replaced by tracking technologies that are adopted as open industry-wide standards rather than proprietary standards, we may still incur substantial costs to replace cookie-based tracking mechanisms with these new tracking technologies. This may impose substantial re-engineering costs, and may also diminish the quality or value of our services to advertisers, if such new web-tracking technologies do not provide us with the quality or timeliness of the tracking data that we currently generate from cookies.

If the use of "third party cookies" or digital advertising generally is rejected by Internet users, our performance may decline and we may lose advertisers and revenue.

Cookies may easily be deleted or blocked by Internet users. All of the most commonly used Internet browsers (Chrome, Firefox, Internet Explorer, and Safari) allow Internet users to modify their browser settings to prevent first party or third party cookies from being accepted by their browsers. Most browsers also now support temporary privacy modes that allow the user to suspend, with a single click, the placement of new cookies or reading or updates of existing cookies. Internet users can also delete cookies from their computers at any time. Some Internet users also download free or paid "ad blocking" software that prevents third party cookies from being stored on a user's computer. If more Internet users adopt these ad blocking settings, utilize privacy modes when browsing seller websites, or delete their cookies more frequently than they currently do, our business could be harmed. In addition, the Safari browser blocks third party cookies by default, as do Apple's iPad and iPhones. Many applications and other devices offer paid subscriptions or other paid downloads to users who do not wish to receive advertisements. The browser manufacturer, Mozilla, which publishes Firefox, recently announced an intention to block third party cookies by default in the next iteration of the Firefox browser. Mobile devices based upon the Android operating system use cookies only in their web browser applications, so that cookies do not track Android users while they are using other applications on the device. As a consequence, fewer of our cookies or sellers' cookies may be set in browsers or accessible in mobile devices, which adversely affects our business.

"Do Not Track" options in web browsers, as well as emerging government disclosure obligations and other potential regulations, could negatively impact our business by limiting our access to the anonymous user data that informs the advertising campaigns transacted through our solution, and as a result may degrade our performance for our advertisers or sellers.

Current versions of the most widely used web browsers such as Chrome, Firefox, Internet Explorer and Safari allow users to send "Do Not Track" messages, whereby users indicate that they do not wish to have their web usage tracked. However, there are currently no definitions of "tracking" and no standards regarding how to respond to a "Do Not Track" preference that are accepted or standardized in the industry. The World Wide Web Consortium chartered a "Tracking Protection Working Group" in 2011 to convene a multi-stakeholder group of academics, thought leaders, companies, industry groups and consumer advocacy organizations, to create a voluntary "Do Not Track" standard for the web, but this effort appears to be disbanding, without having agreed upon a standard. The Federal Trade Commission, or FTC, has previously stated that it will pursue a legislative solution if the industry does not agree to a standard.

Effective January 1, 2014, amendments to the California Online Privacy Protection Act of 2003, California Business and Professional Code § 22575 et seq., require operators of websites or online services to disclose how the operator responds to "Do Not Track" signals regarding the collection of personally identifiable information about an individual consumer's online activities over time and across third-party Web sites or online services, as well as to disclose whether third parties may collect personally identifiable information about an individual consumer's online activities over time and across different Web sites or online services. It is possible that other states could adopt legislation similar to California's. The "Do-Not-Track Online Act of 2013" was introduced in the United States Senate in February 2013, and it is possible that the federal government may adopt Do Not Track legislation. We may be subject to disclosure requirements such as California's, and while we do not collect personally identifiable information in the manner described in the 2013 amendments to the California Business and Professional Code § 22575 et seq., we may nonetheless elect to respond by adopting a policy to discontinue profiling or web tracking in response to "Do Not Track" requests, and it is possible that we could in the future be prohibited from using non-personal consumer data by industry standards or state or federal legislation, which may diminish our ability to optimize and target advertisements, and the value of our services.

Legislation and regulation of digital businesses, including privacy and data protection regimes, could create unexpected additional costs, subject us to enforcement actions for compliance failures, or cause us to change our technology solution or business model, which may have an adverse effect on the demand for our solution.

In the course of our business, we collect, store, transmit, and use information (including geo-location information) related to computing and communications devices (mobile and stationary), user activity on devices, and advertisements placed through our solution. U.S. and foreign governments have enacted or are considering legislation related to digital advertising and we expect to see an increase in legislation and regulation related to digital advertising, the use of geo-location data to inform advertising, the collection and use of anonymous Internet user data and unique device identifiers, such as IP address or mobile unique device identifiers, and other data protection and privacy regulation. Such legislation could affect the costs of doing business online, and may adversely affect the demand for or effectiveness and value of our solution.

We strive to comply with all applicable laws and regulations relating to privacy and data collection, processing, use and disclosure, but these laws and regulations are continually evolving, not always clear, and not always consistent across the jurisdictions in which we do business. We are aware of several ongoing lawsuits filed against companies in the digital advertising industry alleging various violations of consumer protection and computer crime laws, asserting various privacy-related theories. Any such proceedings brought against us could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, adversely affect the demand for our services and ultimately result in the imposition of monetary liability or restrictions on our ability to conduct our business. We may also be contractually liable to indemnify and hold harmless buyers or sellers from the costs or consequences of litigation resulting from using our services or from the disclosure of confidential information, which could damage our reputation among our current and potential sellers, buyers or advertisers, require significant expenditures of capital and other resources and cause us to lose business and revenue.

A wide variety of local, state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of data collected from and about consumers and devices, and the regulatory framework for privacy issues is evolving worldwide. Various government and consumer agencies and public advocacy groups have called for new regulation and changes in industry practices, including some directed at the digital advertising industry in particular. Some of our competitors may have more access to lobbyists or governmental officials and may use such access to effect statutory or regulatory changes in a manner to commercially harm us while favoring their solutions. It is possible that new laws and regulations will be adopted in the United States and internationally, or existing laws and regulations may be interpreted in new ways, that would affect our business, particularly with regard to collection or use of data to target advertisements and communication with consumers through mobile devices and/or using location and the collection of data from apps and websites that are targeted to children. The U.S. government, including the FTC and the Department of Commerce, has announced that it is reviewing the need for greater regulation of the collection of consumer information, including regulation aimed at restricting some targeted advertising practices. The FTC has also adopted revisions to the Children's Online Privacy Protection Act that expand liability for the collection of information (including certain anonymous information such as persistent identifiers) by operators of websites and other online services that are directed to children or that otherwise use information collected from or about children. In addition, the European Union has adopted the EU e-Privacy Directive and is in the process of proposing reforms to its existing data protection legal framework, which may result in a greater compliance burden for us in the course of delivering our solution in Europe. Complying with any new regulatory requirements could force us to incur substantial costs or require us to change our business practices in a manner that could reduce our revenue or compromise our ability to effectively pursue our growth strategy.

We take measures to protect the security of information that we collect, use and disclose in the operation of our business, and to offer certain privacy protections with respect to such information, but such measures may not always be effective. Our failure to comply with applicable laws and regulations or industry standards applicable to personal data or other data relating to consumers, or to protect such data, could result in enforcement action against us, including fines, imprisonment of our officers and public censure, claims for damages by consumers and other affected individuals, damage to our reputation and loss of goodwill. Even the perception of concerns relating to our collection, use, disclosure, and retention of data, including our security measures applicable to the data we collect, whether or not valid, may harm our reputation and inhibit adoption of our solution by current and future buyers and sellers.

The European Parliament is considering revocation of the EU—U.S. Safe Harbor Framework, under which personal data of EU residents may be transferred to the United States, and this revocation, if implemented, could hamper our plans to expand our business in Europe.

The use and transfer of personal data in EU member states is currently governed under Directive 95/46/EC (which is commonly referred to as the Data Protection Directive) as well as legislation adopted in the member states to implement the Data Protection Directive. The transfer of what is deemed to be personal data of EU subjects is currently permitted under a process agreed to by the EU and the United States known as the EU—U.S. Safe Harbor Framework, pursuant to which U.S. businesses commit to treat the personal data of EU residents in accordance with privacy principles promulgated by the Data Protection Directive, and may self-certify their compliance with the Safe Harbor Framework. The EU is currently considering adoption of a General Data Protection Regulation, to supersede the Data Protection Directive, and a European Parliament Inquiry has recently indicated that it will recommend suspension of the Safe Harbor Framework as part of the General Data Protection Regulation. Meanwhile, the European Commission recently published its analysis of the Safe Harbor Framework and concluded that it should be revised to include greater transparency and active enforcement. If restrictions are adopted by the EU that prohibit the transfer of our data regarding EU subjects to our computer servers in the U.S., we may have to create duplicative, and potentially expensive, information technology infrastructure and business operations in Europe, which may hinder our expansion plans in Europe, or render such plans commercially infeasible.

Changes to the definition of personal information or personal data, as well as jurisdictional variances regarding what constitutes personal information or personal data, may require us to change our business practices, which may inhibit our ability to conduct our business.

Although we do not collect data that is traditionally considered personal data in the United States, such as names, email addresses, addresses, phone numbers, social security numbers, credit card numbers, financial or health data in the ordinary course of providing our solution (except to the limited extent personal data is voluntarily submitted by a user with knowledge and consent through our website), we typically do collect and store IP addresses, geo-location information, and other device identifiers that are or may be considered personal data in some jurisdictions or otherwise may be the subject of legislation or regulation. For example, the EU generally regards IP addresses as personal data.

Evolving definitions of personal data, within the EU, the United States and elsewhere, especially relating to the classification of IP addresses, machine or device identifiers, location data and other such information, may cause us in the future to change our business practices, diminish the quality of our data and the value of our solution, and hamper our ability to expand our offerings into the EU or other jurisdictions outside of the United States.

If mobile connected devices or any other devices, their operating systems, Internet browsers or content distribution channels, including those controlled by our competitors, develop in ways that prevent advertisements from being delivered to their users, our ability to grow our business will be impaired.

Our success in the mobile channel depends upon the ability of our technology solution to provide advertising for most mobile connected devices, as well as the major operating systems or Internet browsers that run on them and the thousands of applications that are downloaded onto them. The design of mobile devices and operating systems or Internet browsers is controlled by third parties with whom we do not have any formal relationships. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or Internet browsers or modify existing ones. Network carriers may also impact the ability to access specified content on mobile devices. If our solution is unable to work on these devices, operating systems or Internet browsers, either because of technological constraints or because a maker of these devices or developer of these operating systems or Internet browsers wished to impair our ability to provide advertisements on them or our ability to fulfill advertising inventory from developers whose applications are distributed through their controlled channels, our ability to generate revenue could be significantly harmed.

Changes in tax laws affecting us and other market participants could have a material adverse effect on our business.

U.S. legislative proposals have been made that, if enacted, would limit or delay the deductibility of advertising costs for U.S. federal income tax purposes. Any such proposals, if enacted, will likely cause advertisers to reduce their advertising spending in order to mitigate or offset any loss resulting from a change in the tax treatment of such costs. Accordingly, any such changes would likely have a negative impact on the advertising industry and us by reducing the aggregate amount of money spent on advertising.

U.S. legislation has also been proposed that would limit the ability to defer taxation for U.S. federal income tax purposes of earnings outside the United States until those earnings are repatriated. Any changes in the taxation of our non-U.S. earnings could increase our tax expense and harm our financial position and results of operations.

We generally do not have privity with Internet users who view advertisements that we place, and we may not be able to disclaim liabilities from such Internet users or consumers.

Advertisements on websites, applications and other digital media properties of sellers purchased through our solution are viewed by Internet users visiting these digital media properties. Sellers often have terms of use in place with their users that disclaim or limit their potential liabilities to such users, or pursuant to which users waive rights to bring class-actions against the sellers. Certain of our competing advertisement networks are also prominent sellers, and may be able to include protections in their website terms of use that also limit liability to users for their advertising services. We generally do not have terms of use in place with such users. As a consequence, we generally cannot disclaim or limit potential liabilities to such users through terms of use, which may expose us to greater liabilities than competing advertising networks that are also prominent sellers.

Changes in market standards applicable to our solution could require us to incur substantial additional development costs.

Market forces, competitors' initiatives, regulatory authorities, industry organizations, seller integration revisions and security protocols are causing the emergence of demands and standards that are or could be applicable to our solution. For example, in 2013, changes to the Children's Online Privacy Protection Act required us to change our system to stop user tracking on some seller websites. In addition, German law required us to make engineering changes to stop tracking IP addresses in that country. Consensus or law on a "do not track" standard could require us to stop tracking of many Internet users. Similar dynamics are evolving in international markets.

We expect compliance with these kinds of standards to become increasingly important to buyers and sellers, and conforming to these standards is expected to consume a substantial and increasing portion of our development resources. If our solution is not consistent with emerging standards, our market position and sales could be impaired. If we make the wrong decisions about compliance with these standards, or are late in conforming, or if despite our efforts our solution fails to conform, our offerings will be at a disadvantage in the market to the offerings of competitors who have complied.

Failure to comply with industry self-regulation could harm our brand, reputation and our business.

In addition to compliance with government regulations, we voluntarily participate in trade associations and industry self-regulatory groups that promulgate best practices or codes of conduct addressing privacy and the provision of Internet advertising. For example, we have undertaken to comply with the Network Advertising Initiative's Code of Conduct and the Digital Advertising Alliance's Self-Regulatory Principles for Online Behavioral Advertising in the United States, as well as similar self-regulatory principles in Europe adopted by the Interactive Advertising Bureau—Europe and the European Digital Advertising Alliance. On our website, we offer Internet users the ability to opt out of receiving interest-based advertisements based on a cookie we place. However, in the past, some of these guidelines have not comported with our business practices, making them difficult for us to implement. If we encounter difficulties in the future, or our opt-out mechanisms fail to work as designed, or if Internet users misunderstand our technology or our commitments with respect to these principles, we may, as a result, be subject to investigation and litigation by governmental authorities, self-regulatory bodies or other accountability groups, buyers, sellers, or other private parties, in addition to experiencing negative publicity. Any such action against us could be costly and time consuming, require us to change our business practices, cause us to divert management's attention and our resources, and be damaging to our reputation and our business. In addition, we could be adversely affected by new or altered self-regulatory guidelines that are inconsistent with our practices or in conflict with applicable laws and regulations in the United States and other countries where we do business. As a result of such inconsistencies or conflicts, or other business or legal considerations, we may choose not to comply with some self-regulatory guidelines. If we fail to abide by or are perceived as not operating in accordance with applicable laws and regulations and industry best practices or any industry guidelines or codes with regard to privacy or the provision of Internet advertising, our reputation may suffer and we could lose relationships with buyers and sellers.

The forecasts of market growth, as described in this prospectus, may prove to be inaccurate, and even if the market in which we compete achieves the forecasted growth, we cannot assure you our business will grow at similar rates, if at all.

Growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The forecasts in this prospectus relating to the expected growth in the digital advertising market and parts of that market (including display, mobile and digital video advertising), as well as the forecasted trend towards automation of analog and print advertising markets may prove to be inaccurate. Moreover, the anticipation that the advertising industry will continue to shift from analog and print media to digital advertising at the rate forecasted or the anticipation of the shift in advertising spending from analog to digital may not come to fruition. Further, we may not succeed in our plans to enter or increase our presence in various markets for various reasons, including possible shortfall or misallocation of resources or superior technology development or marketing by competitors.

Risks Related to Our Relationships with Buyers and Sellers and Other Strategic Relationships

We depend on owners of digital media properties for advertising inventory to deliver advertisers' advertising campaigns, and any decline in the supply of advertising inventory from these sellers could hurt our business.

We depend on digital media properties to provide us with advertising inventory within their websites and applications. The sellers that supply their advertising inventory to us typically do so on a non-exclusive basis and are not required to provide any minimum amounts of advertising inventory to us, or provide us with a consistent supply of advertising inventory. Sellers may seek to change the terms at which they offer inventory to us, or they may elect to make advertising inventory available to our competitors who offer advertisements to them on more favorable economic terms. Supply of advertising inventory is also limited for some sellers, such as special sites or new technologies, and sellers may request higher prices, fixed price arrangements or guarantees. In addition, sellers sometimes place significant restrictions on the sale of their advertising inventory. These restrictions may include restrictive security requirements, prohibit advertisements from specific advertisers or specific industries, or restrict the use of specified creative content or format. In addition, sellers or competitors could pressure us to increase the prices for inventory, which may reduce our operating margins, or otherwise block our access to that inventory, without which we would be unable to deliver advertisements using our solution.

If sellers decide not to make advertising inventory available to us, decide to increase the price of inventory, or place significant restrictions on the sale of their advertising inventory, we may not be able to replace this with inventory from other sellers that satisfies our requirements in a timely and cost-effective manner. In addition, significant sellers in the industry may enter into exclusivity arrangements with our competitors, which could limit our access to a meaningful supply of advertising inventory. If any of this happens, the value of our solution to buyers could decrease and our revenue could decline or our cost of acquiring inventory could increase, lowering our operating margins.

Our contracts with buyers are generally not exclusive and generally do not require minimum volumes or long-term commitments. If a buyer, or group of buyers, representing a significant portion of our business decides to materially reduce the use of our solution we could experience an immediate and significant decline in our revenue and gross profit and harm our business.

Generally, buyers conduct business with our competitors as well as with us, and are not obligated to provide us with any minimum volumes of business. Most of our business with buyers originates pursuant to "insertion orders," which are often limited in scope and can be reduced or canceled by the buyer without penalty. Accordingly, our business is highly vulnerable to changes in the macro environment and development of new or more compelling offerings by our competitors, which could reduce business generally or motivate buyers to migrate to competitors' offerings. Further, if our relationship with a buyer becomes strained due to service failures or other reasons, it is very easy for that buyer to reduce or terminate its business with us. Because we do not have long-term contracts, our future revenue may be difficult to predict and there is no assurance that our current buyers will continue to use our solution or that we will be able to replace lost buyers with new ones. Additionally, if we overestimate future usage, we may incur additional expenses in adding infrastructure, without a commensurate increase in revenue, which would harm our gross profit and other operating results. If a buyer or group of buyers representing a significant portion of our business decides to materially reduce use of our solution, it could cause an immediate and significant decline in our revenue and gross profit and harm our business.

Loss of business associated with large buyers or sellers could have significant negative impact on our results of operations and overall financial condition.

Certain large buyers and sellers have accounted for and will continue to account for a disproportionate share of business transacted through our solution. Consequently, the retention of large buyers and sellers is important to our operating results as well as the robustness of our exchange. Our contracts with buyers and sellers generally do not provide for any minimum volumes or may be terminated on relatively short notice. Buyer and seller needs and plans can change quickly, and buyers or sellers may reduce volumes or terminate their arrangements with us for a variety of reasons, including financial issues or other changes in circumstances, new offerings by or strategic relationships with our competitors, change in control (including consolidations through mergers and acquisitions), or declining general economic conditions (including those resulting from dissolutions of companies). Technical issues could also cause a decline in spending. The number of large media buyers in the market is finite, and it could be difficult for us to replace revenue loss from any buyers whose relationships with us diminish or terminate. Similarly, it could be difficult for us to replace inventory loss from any large sellers whose relationships with us diminish or terminate. Just as growth in our inventory strengthens buyer activity in a network effect, loss of inventory or buyers could have the opposite effect. Loss of revenue from significant buyers or failure to collect accounts receivable, whether as a result of buyer payment default, contract termination, or other factors, or significant reductions in inventory, could have a significant negative impact on our results of operation and overall financial condition.

We rely on buyers to use our solution to purchase advertising on behalf of advertisers. Such buyers may have or develop high-risk credit profiles, which may result in credit risk to us.

Our revenue is generated from advertising spending transacted over our platform using our technology solution. We invoice and collect from the buyer the full purchase price for impressions they have purchased, retain our fees, and remit the balance to the sellers. However, in some cases, we may be required to pay sellers for impressions delivered even if we are unable to collect from the buyer of those impressions. There can be no assurances that we will not experience bad debt in the future. Any such write-offs for bad debt could have a materially negative effect on our results of operations for the periods in which the write-offs occur.

Our sales efforts with buyers and sellers may require significant time and expense.

Attracting new buyers and sellers and increasing our business with existing buyers and sellers involves substantial time and expense, and we may not be successful in establishing new relationships or in maintaining or advancing our current relationships. We may spend substantial time and effort educating buyers and sellers about our offerings, including providing demonstrations and comparisons against other available solutions. This process can be costly and time-consuming, and is complicated by us having to spend time integrating our solution with software of buyers and sellers. Because our solution may be less familiar in some markets outside the United States, the time and expense involved with attracting, educating and integrating new markets may be even greater in other markets. If we are not successful in targeting, supporting and streamlining our sales processes, our ability to grow our business may be adversely affected.

If we are unable to maintain or expand our sales and marketing capabilities, we may not be able to generate anticipated revenue.

Increasing our base of buyers and sellers and achieving broader market acceptance of our solution will depend to a significant extent on our ability to expand our sales and marketing operations and activities. We are substantially dependent on our sales force to obtain new buyers and sellers and to drive sales to our existing buyers. We currently plan to expand our sales team in order to increase revenue from new and existing buyers and sellers and to further penetrate our existing markets and expand into new markets, such as mobile, digital video and international markets. Our solution requires a sophisticated sales force with specific sales skills and specialized technical knowledge that takes time to develop. Competition for qualified sales personnel is intense, and we may not be able to retain our existing sales personnel or attract, integrate or retain sufficient highly qualified sales personnel. In particular, it may be difficult to find qualified sales personnel in international markets, or sales personnel with experience in emerging segments of the market, such as mobile and digital video. Our ability to achieve revenue growth in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel. These new employees require significant training and experience before they achieve full productivity. We estimate that it takes approximately six months before a newly hired domestic sales representative is fully trained and productive in selling our solution, and often longer in the case of foreign sales representatives and sales personnel focused on new geographies or specific market segments. As a result, the cost of hiring and carrying new representatives cannot be offset by the revenue they produce for a significant period of time. Our recent hires and planned hires may not become productive as quickly as we would like, and we may not be able to hire or retain sufficient numbers of qualified individuals in the markets where we do business. Our business will be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenue.

Legal claims resulting from the actions of buyers or sellers could expose us to liabilities, damage our reputation, and be costly to defend.

The buyers and sellers engaging in transactions through our platform impose various requirements upon each other, and they and the underlying advertisers are subject to regulatory requirements by governments and standards bodies applicable to their activities. We assume responsibility for satisfying or facilitating the satisfaction of some of these requirements through the contracts we enter into with buyers and sellers. In addition, we may have responsibility for some acts or omissions of buyers or sellers transacting business through our solution under applicable laws or regulations or as a result of common law duties, even if we have not assumed responsibility contractually. These responsibilities could expose us to significant liabilities, perhaps without the ability to impose effective mitigating controls upon or to recover from buyers and sellers. Moreover, for those third parties who are both a buyer and seller on our platform, it is feasible that they could use our platform to buy and sell advertisements in an effort to inflate their own revenue. While we do not believe we would have legal liability in connection with such a scheme, we could still nevertheless be subject to litigation as a result of such actions, and, if we were sued, we would incur legal costs in our defense and cannot guarantee that a court would not attribute some liability to us.

We generally attempt to obtain representations from buyers that the advertising they place through our solution complies with applicable laws and regulations and does not violate third-party intellectual property rights, and from sellers about the quality and characteristics of the impressions they provide. We also generally receive representations from buyers and sellers about their privacy practices and compliance with applicable laws and regulations, including their maintenance of adequate privacy policies that disclose and permit our data collection practices. However, we are not always able to verify or control their compliance with their obligations under their agreements with or to consumers or other third parties, and the acts or omissions of sellers, buyers or advertisers may subject us to regulatory action, legal claims, and liability that would be difficult and costly to defend and expose us to significant costs and reputational harm. We may not have adequate indemnity to protect us against, and our policies of insurance may not cover such claims and losses.

Our business relationships expose us to risk of substantial liability for contract breach, violation of laws and regulations, intellectual property infringement and other losses, and our contractual indemnities and limitations of liability may not protect us adequately.

Our agreements with sellers, buyers, and other third parties typically obligate us to provide indemnity and defense for losses resulting from claims of intellectual property infringement, damages to property or persons, business losses, or other liabilities. Generally these indemnity and defense obligations relate to our own business operations, obligations, and acts or omissions. However, under some circumstances, we agree to indemnify and defend contract counterparties against losses resulting from their own business operations, obligations, and acts or omissions, or the business operations, obligations, and acts or omissions of third parties. For example, because our business interposes us between buyers and sellers in various ways, buyers often require us to indemnify them against acts and omissions of sellers, and sellers often require us to indemnify them against acts and omissions of buyers. In addition, our agreements with sellers, buyers, and other third parties typically include provisions limiting our liability to the counterparty, and the counterparty's liability to us. These limits sometimes do not apply to certain liabilities, including indemnity obligations. These indemnity and limitation of liability provisions generally survive termination or expiration of the agreements in which they appear.

We have limited ability to control acts and omissions of buyers and sellers or other third parties that could trigger our indemnity obligations, and our policies of insurance may not cover us for acts and omissions of others. We attempt to obtain indemnity from buyers and sellers (as well as other third parties), to protect us in case we become liable for their acts and omissions, but because we contract with many buyers and sellers and those contracts are individually negotiated with different scopes of indemnity and different limits of liability, it is possible that in any case our obligation to provide indemnity for the acts or omissions of a third party such as a buyer or seller may exceed what we are able to recover from that party. Further, contractual limits on our liability may not apply to our indemnity obligations, contractual limits on our counterparties' liability may limit what we can recover from them, and contract counterparties may be unable to meet their obligations to indemnify and defend us as a result of insolvency or other factors. Large indemnity obligations, or obligations to third parties not adequately covered by the indemnity obligations of our contract counterparties, could expose us to significant costs.

In addition to the effects on indemnity described above, the limitation of liability provisions in our contracts may, depending upon the circumstances, be too high to protect us from significant liability for our own acts or omissions, or so low as to prevent us from recovering fully for the acts or omissions of our counterparties.

Our solution relies on third-party open source software components. Failure to comply with the terms of the underlying open source software licenses could expose us to liabilities, and the combination of certain open source software with code that we develop could compromise the proprietary nature of our solution.

Our solution utilizes software licensed to us by third-party authors under "open source" licenses. The use of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar solutions with lower development effort and time and ultimately put us at a competitive disadvantage.

Although we monitor our use of open source software in an effort to avoid subjecting our products to conditions we do not intend, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on us. Moreover, we cannot guarantee that our processes for controlling our use of open source software will be effective. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue operating using our solution on terms that are not economically feasible, to re-engineer our solution or the supporting computational infrastructure to discontinue use of certain code, or to make generally available, in source code form, portions of our proprietary code.

Risks Relating to Our Operations

Real or perceived errors or failures in the operation of our solution could damage our reputation and impair our sales.

Our solution processes more than 2.1 million peak queries per second and approximately 3 trillion bid requests per month and must operate without interruption to support the needs of sellers and buyers. Because our software is complex, undetected errors and failures may occur, especially when new versions or updates are made to our software or network infrastructure or changes are made to sellers' or buyers' software interfacing with our solution. Errors or bugs in our software, faulty algorithms, technical or infrastructure problems, or updates to our systems could lead to an inability to process data to place advertisements or price inventory effectively, or cause advertisements to display improperly or be placed in proximity to inappropriate content. Despite testing by us, errors or bugs in our software have in the past, and may in the future, not be found until the software is in our live operating environment. For example, changes to our solution have in the past caused errors in the reporting and analytics applications for buyers, resulting in delays in their spending on our platform. Errors or failures in our solution, even if caused by the implementation of changes by buyers or sellers to their systems, could also result in negative publicity, damage to our reputation, loss of or delay in market acceptance of our solution, increased costs or loss of revenue, loss of competitive position or claims by advertisers for losses sustained by them.

We may make errors in the measurement of transactions conducted through our solution, causing discrepancies with the measurements of buyers and sellers, which can lead to a lack in confidence in us and require us to reduce our fees or provide refunds to buyers and sellers. Alleviating problems resulting from errors in our software could require significant expenditures of capital and other resources and could cause interruptions, delays or the cessation of our business.

Various risks could interrupt access to our network infrastructure or data, exposing us to significant costs and other liabilities.

Our revenue depends on the technological ability of our solution to deliver and measure advertising impressions, and the operation of our exchange and our ability to place impressions depend on the continuing and uninterrupted performance of our IT systems. Our platform operates on our data processing equipment that is housed in third-party commercial data centers that we do not control. In addition, our systems interact with systems of buyers and sellers and their contractors. All of these facilities and systems are vulnerable to interruption and/or damage from a number of sources, many of which are beyond our control, including, without limitation: (i) power loss, loss of adequate cooling and telecommunications failures; (ii) fire, flood, earthquake, hurricane and other natural disasters; (iii) software and hardware errors, failures or crashes; (iv) financial insolvency; and (v) computer viruses, hacking, terrorism, and similar disruptive problems. In particular, intentional cyber-attacks present a serious issue because of the difficulty associated with prevention and remediation of intentional attacks and sabotage, and because they can be used to steal confidential or proprietary data from us or our users. Further, because our Los Angeles headquarters and San Francisco office and our California and Tokyo data center sites are in seismically active areas, earthquakes present a particularly serious risk of business disruption. These vulnerabilities may increase with the complexity and scope of our systems and their interactions with buyer and seller systems.

We attempt to mitigate these risks to our business through various means, including redundant infrastructure, disaster recovery plans, separate test systems and change control and system security measures, but our precautions may not protect against all problems, and our ability to mitigate risks to related third-party systems is limited. In addition, we rely to a significant degree upon security and business continuity measures of our data center operators, which may be ineffective. Our disaster recovery and business continuity plans rely upon third-party providers of related services, and if those vendors fail us, we could be unable to meet the needs of buyers and sellers. Any steps we take to increase the reliability and redundancy of our systems may be expensive and may not be successful in preventing system failures. Inaccessibility of our data would have a significant adverse effect upon the operation of our solution. Any failures with our solution or delays in the execution of transactions through our system may result in the loss of advertising placements on impressions and, as a result, the loss of revenue. Our facilities would be costly to repair or replace, and any such efforts would likely require substantial time.

Buyers may perceive any technical disruption or failure in the performance of advertisements on seller's digital media properties to be attributable to us, and our reputation could similarly suffer, or buyers may seek to avoid payment or demand future credits for disruptions or failures, any of which could harm our business and results of operations. If we are unable to operate our exchange and deliver advertising impressions successfully, our ability to attract potential buyers and sellers and retain and expand business with existing buyers and sellers could be harmed and our business, financial condition and operating results could be adversely affected.

Malfunction or failure of our systems, or other systems that interact with our systems, could disrupt our operations and negatively impact our business and results of operations to a level in excess of any applicable business interruption insurance. Interruption in the operation of our solution would result in a loss of revenue and potential liability to buyers and sellers, and any significant instances of system downtime could negatively affect our reputation and ability to sell our solution.

Any breach of confidential data in our possession could expose us to significant expense and liabilities and harm our reputation.

We must maintain facility and systems security measures to preserve the confidentiality of certain data belonging or related to sellers and buyers and their clients that is transmitted through or stored on our systems or is otherwise in our possession. Additionally, we maintain our own confidential information, and confidential information received from other third parties, in our facilities and systems. We take steps to protect the security, integrity, and confidentiality of this data, but there is no guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this data despite our efforts. Security breaches, computer malware and computer hacking attacks may occur on our systems or those of our information technology vendors in the future. Any security breach with respect to this information, whether caused by hacking, the inadvertent transmission of computer viruses or other harmful software code, or otherwise, could result in the unauthorized disclosure, misuse, or loss of information, legal claims and litigation, indemnity obligations, regulatory fines and penalties, contractual obligations and liabilities, other liabilities, and significant costs for remediation and re-engineering to prevent future occurrences. In addition, if our security measures or those of our vendors are breached or unauthorized access to consumer data otherwise occurs, our solution may be perceived as not being secure, and sellers and buyers may reduce or cease the use of our solution. Additionally, buyers and sellers typically have security measures in place, but we typically do not have means for controlling the adequacy or efficacy of their security measures.

Despite our security measures, and those of buyers and sellers, we are subject to ongoing threats and, therefore, these security measures may be breached as a result of employee error, failure to implement appropriate processes and procedures, malfeasance, third-party action, including cyber-attacks or other international misconduct by computer hackers or otherwise. This could result in third parties obtaining unauthorized access to sellers' or advertisers' data or our data, including personally identifiable information, intellectual property and other confidential business information. Third parties may also attempt to fraudulently induce employees into disclosing sensitive information such as user names, passwords or other information in order to gain access to our advertisers' data or our data, including intellectual property and other confidential business information.

Because techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative or mitigation measures. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of our network infrastructure or otherwise to maintain the confidentiality, security, and integrity of data that we store or otherwise maintain may harm our reputation and our relationships with advertisers and sellers or harm our ability to retain and attract new buyers and sellers. Any of these could harm our business, financial condition and results of operations.

If any such unauthorized disclosure or access does occur, we may be required to notify buyers and sellers or those persons whose information was improperly used, disclosed or accessed. We may also be subject to claims of breach of contract for such use or disclosure, investigation and penalties by regulatory authorities and potential claims by persons whose information was improperly used or disclosed. The unauthorized use or disclosure of information in our control may result in the termination of one or more of our commercial relationships or a reduction in the confidence of buyers, sellers, or Internet users and usage of our solution. We may also be subject to litigation and regulatory action alleging the improper use, transmission or storage of confidential information, which could damage our reputation among our current and potential buyers, sellers, or Internet users, require significant expenditures of capital and other resources and cause us to lose business and revenue.

Failure to maintain the brand security features of our solution could harm our reputation and expose us to liabilities.

Advertising is bought and sold through our solution in automated transactions that occur in milliseconds. It is important to sellers that the advertising placed on their media be of high quality, consistent with applicable seller standards, not conflict with existing seller arrangements, and compliant with applicable legal and regulatory requirements. It is important to buyers that their advertisements are placed on appropriate media, in proximity with appropriate content, that the impressions for which they are charged are legitimate, and that their advertising campaigns yield their desired results. We use various measures, including proprietary technology, in an effort to store, manage and process rules set by buyers and sellers and to ensure the quality and integrity of the results delivered to sellers and advertisers through our solution. If we fail to properly implement or honor rules established by buyers and sellers, improper advertisements may be placed through our platform, which can result in harm to our reputation as well as the need to pay refunds and other potential legal liabilities.

If we fail to detect fraud or other actions that impact advertisement performance, sellers, advertisers or buyers could lose confidence in our solution, which would cause our business to suffer.

We have in the past, and may in the future, be subject to fraudulent and malicious activities undertaking by persons seeking to use our platform to divert or artificially inflate the purchases by buyers through our platform. Examples of such activities include the use of bots, or other automated or manual mechanisms to generate fraudulent impressions that are delivered through our platform, which could overstate the performance of advertising impressions. We use proprietary technology to identify non-human inventory and traffic. As a result of our screening and detection efforts in 2013, we discontinued relationships with a number of sellers, resulting in a decline in paid impressions. Although we assess the quality and performance of advertising on sellers' digital media properties, it may be difficult to detect fraudulent or malicious activity because we do not own content and we rely in part on sellers for controls with respect to such activity. Further, perpetrators of fraudulent impressions change their tactics and may become more sophisticated, requiring us to improve over time our processes for assessing the quality of seller's inventory and controlling fraudulent activity. If fraudulent or other malicious activity is perpetrated by others, and we fail to detect or prevent it, the affected advertisers may experience or perceive a reduced return on their investment resulting in dissatisfaction with our solution, refusals to pay, refund demands or loss of confidence of buyers or sellers or withdrawal of future business. We could experience similar consequences if inventory sold through our platform is not be viewable by the consumer for technical or other reasons.

Any acquisitions we undertake may disrupt our business, adversely affect operations, and dilute stockholders.

Acquisitions have been an important element of our business strategy, and we have completed four acquisitions in the last four years. We may continue to pursue acquisitions in an effort to increase revenue, expand our market position, add to our technological capabilities, respond to dynamic market conditions, or for other strategic or financial purposes. Historically, our acquisitions have been to acquire talent and technological capabilities. In the future, there is no assurance that we will identify suitable acquisition candidates or complete any acquisitions on favorable terms, or at all. Further, any acquisitions we do complete would involve a number of risks, including the following:

- The identification, acquisition and integration of acquired businesses require substantial attention from management. The diversion of management's attention and any difficulties encountered in the transition process could hurt our business.
- The identification, acquisition and integration of acquired businesses requires significant investment, including to harmonize service offerings, expand management capabilities and market presence, and improve or increase development efforts and technology features and functions.
- The anticipated benefits from the acquisition may not be achieved, including as a result of loss of customers or personnel of the target, other difficulties in supporting and transitioning the target's customers, the inability to realize expected synergies from an acquisition or negative culture effects arising from the integration of new personnel.
- We may face difficulties in integrating the technologies, solutions, operations, and existing contracts of the acquired business.
- We may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired company, technology, or solution, including issues related to intellectual property, solution quality or architecture, regulatory compliance practices, revenue recognition or other accounting practices or employee or customer issues.
- To pay for future acquisitions, we could issue additional shares of our common stock or pay cash. Issuance of shares would dilute stockholders. Use of cash reserves could diminish our ability to respond to other opportunities or challenges. Borrowing to fund cash purchase price would result in increased fixed obligations and could also include covenants or other restrictions that would impair our ability to manage our operations.
- Acquisitions expose us to the risk of assumed known and unknown liabilities for which indemnity obligations, escrow arrangements or insurance are not available or not sufficient to provide coverage.
- New business acquisitions can generate significant intangible assets that result in substantial related amortization charges and possible impairments.

If we fail to attract, motivate, train, and retain highly qualified engineering, marketing, sales and management personnel, our ability to execute our business strategy could be impaired.

We rely to a significant degree upon our founder, Chief Executive Officer and Chief Product Architect, Frank Addante; our President, Gregory R. Raifman; and our Chief Operating Officer and Chief Financial Officer, Todd Tappin, for their strategic vision, industry knowledge, management execution, and leadership. The loss of any of them would have a significant adverse effect upon our business.

In addition, our success depends significantly upon our ability to recruit, train, motivate, and retain key technology, engineering, sales and management personnel. We are a technology-driven company and the innovation and delivery of complex solutions at massive scale upon which our success depends are technological and engineering problems. It is imperative that we have highly skilled mathematicians, computer scientists, engineers and engineering management, and appropriately qualified personnel can be difficult to recruit and retain. In addition, as we execute on our international expansion strategy, we will encounter staffing challenges that are unique to a particular country or region, such as recruiting and retaining qualified personnel in foreign countries and difficulty managing such personnel and integrating them into our culture. Skilled and experienced management is critical to our ability to execute against our strategic vision and maintain our performance through the growth and change we anticipate. For certain of our employees, including our CEO, all or a significant portion of their equity ownership is vested. As a result, it may be more difficult, and require additional equity awards, for us to continue to retain and motivate these persons.

Competition for employees with experience in our industry can be intense, particularly in California, New York, and London, where our operations and the operations of other digital media companies are concentrated and where other technology companies compete for management and engineering talent. Other employers may be able to provide better compensation, more diverse opportunities, and better chances for career advancement. None of our founders or other key employees has an employment agreement for a specific term, and any of our employees may terminate his or her employment with us at any time.

It can be difficult, time-consuming, and expensive to recruit personnel with the combination of skills and attributes required to execute our business strategy, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. New hires require significant training and it may take significant time before they achieve full productivity. As a result, we may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training. Moreover, new employees may not be or become as productive as we expect, and we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled employees in those areas. We have little experience with recruiting in geographies outside of the United States, and may face additional challenges in attracting, integrating and retaining international employees.

Even if we are successful in hiring qualified new employees, we may be subject to allegations that we have improperly solicited such employees while they remained employed by our competitors, that such employees have improperly solicited other colleagues of theirs employed by the same competitors, or that such employees have divulged proprietary or other confidential information to us in violation of their agreements with such competitors.

Our proprietary rights may be difficult to enforce, which could enable others to copy or use aspects of our solution without compensating us, thereby eroding our competitive advantages and harming our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop or otherwise acquire, so that we can prevent others from using our inventions and proprietary information. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be adversely affected. We rely on trademark, copyright, trade secret laws, confidentiality procedures and contractual provisions to protect our proprietary methods and technologies. Our patent strategy is still in its early stages and, while we have three issued patents, six pending U.S. patent applications and three pending patent applications in other jurisdictions, valid patents may not be issued from our pending applications, and the claims of our issued patents or the claims eventually allowed on any pending applications may not be sufficiently broad to protect our technology or offerings and services. Any issued patents may be challenged, invalidated or circumvented, and any rights granted under these patents may not actually provide adequate defensive protection or competitive advantages to us. Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Additional uncertainty may result from changes to intellectual property legislation enacted in the United States, including the recent America Invents Act, and other national governments and from interpretations of the intellectual property laws of the United States and other countries by applicable courts and agencies. Accordingly, despite our efforts, we may be unable to obtain adequate patent protection, or to prevent third parties from infringing upon or misappropriating our intellectual property.

Unauthorized parties may attempt to copy aspects of our technology or obtain and use information that we regard as proprietary. We generally enter into confidentiality and/or license agreements with our employees, consultants, vendors and advertisers, and generally limit access to and distribution of our proprietary information. However, we cannot assure you that any steps taken by us will prevent misappropriation of our technology and proprietary information or infringement of our intellectual property rights. Policing unauthorized use of our technology and intellectual property is difficult. Effective trade secret, copyright, trademark, domain name and patent protection are expensive to develop and maintain, both in terms of obtaining and maintaining such rights as well as the costs of defending our rights. We may be required to protect our intellectual property in an increasing number of jurisdictions, a process that is expensive and may not be successful or which we may not pursue in every location. We may, over time, increase our investment in protecting our intellectual property through additional patent filings which could be expensive and time-consuming. Our competitors and others could attempt to capitalize on our brand recognition by using domain names or business names similar to ours, and we may be unable to prevent third parties from acquiring or using domain names and other trademarks that infringe on, are similar to, or otherwise decrease the value of our brands, trademarks or service marks. In addition, the laws of some foreign countries may not be as protective of intellectual property rights as those of the United States, and mechanisms for enforcement of our proprietary rights in such countries may be inadequate. Also, despite the steps we have taken to protect our proprietary rights, it may be possible for unauthorized third parties to copy or reverse engineer aspects of our technology or otherwise obtain and use information that we regard as proprietary, or to develop technologies similar or superior to our technology or design around our proprietary rights.

From time to time, legal action by us may be necessary or appropriate to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. Such litigation could result in substantial costs and the diversion of limited resources and could negatively affect our business, operating results and financial condition. If we are unable to protect our proprietary rights (including aspects of our technology solution) we may find ourselves at a competitive disadvantage to others who have not incurred the same level of expense, time and effort to create and protect their technology and intellectual property.

We may be subject to intellectual property rights claims by third parties, which are costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies and intellectual property.

The digital advertising industry is characterized by the existence of large numbers of patents, copyrights, trademarks, trade secrets and other intellectual property and proprietary rights. Companies in this industry are often required to defend against litigation claims that are based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims or rights against their use.

Third parties may assert claims of infringement or misappropriation of intellectual property rights in proprietary technology against us or against buyers for which we may be liable or have an indemnification obligation. We cannot assure you that we are not infringing or violating any third-party intellectual property rights. From time to time, we or buyers and sellers may be subject to legal proceedings relating to our solution or underlying technology and the intellectual property rights of others, particularly as we expand the complexity and scope of our business. As a result of disclosure of information in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties.

Regardless of whether claims that we are infringing patents or infringing or misappropriating other intellectual property rights have any merit, these claims are time-consuming and costly to evaluate and defend, and can impose a significant burden on management and employees. The outcome of any litigation is inherently uncertain, and we may receive unfavorable interim or preliminary rulings in the course of litigation. There can be no assurances that favorable final outcomes will be obtained in all cases. We may decide to settle lawsuits and disputes on terms that are unfavorable to us. Some of our competitors have substantially greater resources than we do and are able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could.

Although third parties may offer a license to their technology or intellectual property, the terms of any offered license may not be acceptable and the failure to obtain a license or the costs associated with any license could cause our business, results of operations or financial condition to be materially and adversely affected. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology or intellectual property licensed to us. Alternatively, we may be required to develop non-infringing technology or to make other changes, such as to our branding, which could require significant effort and expense and ultimately may not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from distributing certain products or performing certain services or that requires us to pay substantial damages, including treble damages if we are found to have willfully infringed such claimant's patents or copyrights, royalties or other fees. Claims of intellectual property infringement or misappropriation also could result in injunctive relief against us, or otherwise result in delays or stoppages in providing all or certain aspects of our solution. Any of the foregoing could adversely affect our relationships with current or future buyers and sellers.

We are subject to government regulations concerning our employees, including wage-hour laws and taxes.

We are subject to applicable rules and regulations relating to our relationship with our employees, including health benefits, unemployment and similar taxes, overtime and working conditions, immigration status and classification of employee benefits for tax purposes. Legislated increases in additional labor cost components, such as employee benefit costs, workers' compensation insurance rates, compliance costs and fines, as well as the cost of litigation in connection with these regulations, would increase our labor costs. Moreover, we are subject to various laws and regulations in federal, state and foreign jurisdictions that impose varying rules and obligations on us with respect to the classification of employee benefits for income tax and other purposes and that require us to report and/or withhold in respect of such items. In addition, many employers nationally have been subject to actions brought by governmental agencies and private individuals under wage-hour laws on a variety of claims, such as improper classification of workers as exempt from overtime pay requirements and failure to pay overtime wages properly, with such actions sometimes brought as class actions, and these actions can result in material liabilities and expenses. Should we be subject to employment litigation, such as actions involving wage-hour, overtime, break and working time, it may distract our management from business matters and result in increased labor costs.

Risks Related to Our International Business Strategy

Our international operations and expansion plans require increased expenditures and impose additional risks and compliance imperatives, and failure successfully to execute our international plans will adversely affect our growth and operating results.

We have numerous operations outside of the United Sates, and we expect our international operations to contribute significantly to our future growth. While we currently conduct business in Northern Europe, Australia and Japan, our expansion plans are also focused on the rest of Asia, Brazil and other Latin American countries, and other countries in Europe. However, our experience operating outside the United States is still limited, and our international employees currently represent a modest portion of our headcount. Achievement of our international objectives will require a significant amount of attention from our management, finance, analytics, operations, sales and engineering teams, as well as significant investment in developing the technology infrastructure necessary to deliver our solution and establishing sales, delivery, support, and administrative capabilities in the countries where we operate. Attracting new buyers and sellers outside the United States may require more time and expense than in the United States, in part due to the need to educate such buyers and sellers about our solution, and we may not be successful in establishing and maintaining these relationships. In addition, our international operations will require us to develop and administer our internal controls and legal and compliance practices in countries with different cultural norms and different business practices than the United States.

International operations also impose risks and challenges in addition to those faced in the United States, including management of a distributed workforce; the need to adapt our offering to satisfy local requirements and standards; laws and business practices that may favor local competitors; longer accounts receivable payment cycles and other collection difficulties; the effect of global and regional recessions and economic and political instability; potentially adverse tax consequences in the United States and abroad; staffing challenges, including difficulty in recruiting and retaining qualified personnel as well as managing such a diversity in personnel; reduced or ineffective protection of our intellectual property rights in some countries; and costs and restrictions affecting the repatriation of funds to the United States.

One or more of these requirements and risks may make our international operations more difficult and expensive or less successful than we expect, and may preclude us from operating in some markets. There is no assurance that our international expansion efforts will be successful, and we may not generate sufficient revenue or margins from international business to cover our expenses or contribute to growth.

Operating in multiple countries requires us to comply with different legal and regulatory requirements.

Our international operations subject us to laws and regulations of multiple jurisdictions, as well as U.S. laws governing international operations. These various laws and regulations are often evolving and sometimes conflict. For example, the Foreign Corrupt Practices Act, or FCPA, and comparable foreign laws and regulations (including the U.K. Bribery Act) prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. and other business entities for the purpose of obtaining or retaining business. Other laws and regulations prohibit bribery of private parties and other forms of corruption. As we expand our international operations, there is some risk of unauthorized payment or offers of payment or other inappropriate conduct by one of our employees, consultants, agents or other contractors, which could constitute a violation of by us various laws including the FCPA, even though such parties are not always subject to our control. Safeguards we implement to discourage these practices may prove to be less than effective and violations of the FCPA and other laws may result in severe criminal or civil sanctions, or other liabilities or proceedings against us, including class action law suits and enforcement actions from the SEC, Department of Justice and international regulators. Other laws applicable to our international business include local employment, tax, privacy, data security, and intellectual property protection laws and regulations. In some cases, buyers and sellers operating in non-U.S. markets may impose additional requirements on our non-U.S. business in efforts to comply with their interpretation of their own or our legal obligations. These requirements may differ significantly from the requirements applicable to our business in the United States and may require engineering and other costly resources to accommodate. As these laws continue to evolve and we expand to more jurisdictions, compliance will become more complex and expensive, and the risk of non-compliance will increase.

Compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business abroad, and violation of these laws or regulations may interfere with our ability to offer our solution competitively in one or more countries, expose us or our employees to fines and penalties, and result in the limitation or prohibition of our conduct of business.

We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.

Our operations are subject to U.S. export controls, specifically the Export Administration Regulations, or EAR, and economic sanctions enforced by the Office of Foreign Assets Control. These regulations provide that encryption technology may be exported outside of the United States only with the required export authorizations, including by license, license exception or other appropriate government authorizations, which may require the filing of an encryption registration and classification request. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. sanctions. We incorporate encryption technology into the servers that operate our solution. As a result of locating some servers in data centers outside of the United States, we may have exported encryption technology prior to obtaining the required export authorizations and/or submitting the required requests, including a classification request and/or request for an encryption registration number, resulting in a possible inadvertent violation of U.S. export control laws. As a result, in January 2014, we filed a Voluntary Self Disclosure with the U.S. Department of Commerce's Bureau of Industry and Security, or BIS, concerning these potential violations. While the potential penalties for violations of the EAR include a monetary fine of up to $250,000 or twice the value of the transaction, whichever is greater, per violation and/or a denial of export privileges under the EAR, we do not expect a penalty to be assessed against us in connection with our Voluntary Self Disclosure and, if one is assessed, we do not expect it to be material.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to deploy our technology or could limit our customers' ability to use our solution in those countries. Changes in our technology or changes in export and import regulations may create delays in the introduction of our solution or the deployment of our technology in international markets, prevent our customers with international operations from using our solution globally or, in some cases, prevent the export or import of our technology to certain countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solution by, or in our decreased ability to export our technology to, international markets. Any decreased use of our solution or limitation on our ability to export our technology or sell our solution would likely adversely affect our business, financial condition and results of operations.

Fluctuations in the exchange rates of foreign currencies could result in currency transaction losses that negatively impact our financial results.

We currently have transactions denominated in U.S. Dollars, British Pounds, Euros, Australian Dollars, Swedish Kronas, Danish Krones, Norwegian Krones, Brazilian Reals and Japanese Yen and may, in the future, have sales denominated in the currencies of additional countries in which we establish or have established sales offices. In addition, we incur a portion of our expenses in many of these same currencies, as well as other currencies, and to the extent we need to convert U.S. Dollars or a different foreign currency to pay expenses, we are exposed to unfavorable changes in exchange rates and added transaction costs. We expect international sales and transactions to become an increasingly important part of our business. Such sales and transactions may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of these foreign currencies may negatively impact our business, financial condition and results of operations. We have not previously engaged in foreign currency hedging. If we decide to hedge our foreign currency exposure, we may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses.

Risks Related to Our Internal Controls and Finances

We have identified certain material weaknesses in our internal control over financial reporting. Failure to maintain effective internal controls could cause our investors to lose confidence in us and adversely affect the market price of our common stock. If our internal controls are not effective, we may not be able to accurately report our financial results or prevent fraud.

Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, requires that we maintain internal control over financial reporting that meets applicable standards. We may err in the design or operation of our controls, and all internal control systems, no matter how well designed and operated, can provide only reasonable assurance that the objectives of the control system are met. Because there are inherent limitations in all control systems, there can be no absolute assurance that all control issues have been or will be detected. If we are unable, or are perceived as unable, to produce reliable financial reports due to internal control deficiencies, investors could lose confidence in our reported financial information and operating results, which could result in a negative market reaction.

Following our initial public offering, we will be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. We will need to disclose any material weaknesses identified by our management in our internal control over financial reporting, and, when we are no longer an “emerging growth company,” we will need to provide a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting, provided that our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first annual report required to be filed with the Securities and Exchange Commission, or SEC, following the later of the date we are deemed to be an “accelerated filer” or a “large accelerated filer,” each as defined in the Securities Exchange Act of 1934, as amended, or the Exchange Act, or the date we are no longer an “emerging growth company,” as defined in the Jumpstart Our Businesses Act of 2012, or the JOBS Act.

We have identified certain material weaknesses in our internal controls resulting from:

- a historical lack of qualified personnel within our accounting function that possessed an appropriate level of expertise to perform certain functions;
- absence of formalized and documented policies and procedures;
- absence of appropriate review and oversight responsibilities;
- lack of an effective and timely financial close process;
- lack of general information technology controls over financially significant applications, including inadequate segregation of duties; and
- lack of regular evaluations of the effectiveness of internal controls over financial reporting.

While we have designed and implemented, or expect to implement, measures that we believe address these control weaknesses, we continue to develop our internal controls, processes and reporting systems by, among other things, hiring qualified personnel with expertise to perform specific functions, implementing software systems to manage our revenue and expenses and to allow us to budget, undertaking multi-year financial planning and analyses and designing and implementing improved processes and internal controls, including ongoing senior management review and audit committee oversight. This process has been and will be time consuming, costly and complicated. We may not be successful in implementing these systems or in developing other internal controls, which may undermine our ability to provide accurate, timely and reliable reports on our financial and operating results. Further, we will not be able to fully assess whether the steps we are taking will remediate the material weaknesses in our internal control over financial reporting until we have completed our implementation efforts and sufficient time passes in order to evaluate their effectiveness. In addition, if we identify additional errors that result in material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. Moreover, in the future we may engage in business transactions, such as acquisitions, reorganizations or implementation of new information systems that could negatively affect our internal control over financial reporting and result in material weaknesses.

If we identify new material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, we may be late with the filing of our periodic reports, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of such failures, we could also become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation, financial condition or divert financial and management resources from our core business.

Impairment of intangible assets could increase our expenses.

A portion of our assets consists of capitalized software development costs, goodwill and other intangible assets acquired in connection with acquisitions. Current accounting standards require us to evaluate goodwill on an annual basis and other intangibles if certain triggering events occur, and adjust the carrying value of these assets to net realizable value when such testing reveals impairment of the assets. Various factors, including regulatory or competitive changes, could affect the value of our intangible assets. If we are required to write-down the value of our goodwill or intangible assets due to impairment, our reported expenses will increase, resulting in a corresponding decrease in our reported profit.

If our estimates or judgments relating to our critical accounting policies are erroneous or based on assumptions that change or prove to be incorrect, our operating results could fall below the expectations of securities analysts and investors, resulting in a decline in our stock price.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on our best judgment, historical experience, information derived from third parties, and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Our operating results may be adversely affected if our judgments prove to be wrong, assumptions change or actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in our stock price. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, stock-based compensation and income taxes.

We report revenue on a net basis. If, in the future, we engage in transactions for which revenue is recorded on a gross basis, we may have significant increases in our revenue and decreases in our GAAP margins that do not necessarily correspond with changes in our underlying business, which could cause comparisons with prior periods to be less meaningful and make it more difficult for investors to evaluate our performance.

The recognition of our revenue is governed by certain criteria that must be met and that determine whether we report revenue either on a gross basis, as a principal, or net basis, as an agent, depending upon the nature of the sales transaction. Our revenue is currently recognized on a net basis. In the future we may engage in transactions for which revenue is recorded on a gross basis, due to substantive changes in our business, such as through acquisitions, changes to the commercial terms with buyers and sellers or structural changes to our existing business. In the latter case, we may have significant increases in our revenue and decreases in our GAAP margins that do not necessarily correspond with changes in our underlying activity. We may experience significant fluctuations in revenue and margins in future periods depending upon, in part, the nature of our sales and our recognition of such revenue.

Our tax liabilities may be greater than anticipated.

The U.S. and non-U.S. tax laws applicable to our business activities are subject to interpretation. We are subject to audit by the Internal Revenue Service and by taxing authorities of the state, local and foreign jurisdictions in which we operate. Our tax obligations are based in part on our corporate operating structure, including the manner in which we develop, value, and use our intellectual property and sell our solutions, the jurisdictions in which we operate, how tax authorities assess revenue based taxes such as sales and use taxes, the scope of our international operations and the value we ascribe to our intercompany transactions. Taxing authorities may challenge our tax positions and methodologies for valuing developed technology or intercompany arrangements, as well as our positions regarding jurisdictions in which we are subject to certain taxes, which could expose us to additional taxes and increase our worldwide effective tax rate. Any adverse outcomes of such challenges to our tax positions could result in additional taxes for prior periods, interest, and penalties as well as higher future taxes. In addition, our future tax expense could increase as a result of changes in tax laws, regulations or accounting principles, or as a result of earning income in jurisdictions that have higher tax rates. An increase in our tax expense could have a negative effect on our financial position and results of operations. Moreover, the determination of our provision for income taxes and other tax liabilities requires significant estimates and judgment by management, and the tax treatment of certain transactions is uncertain. Although we believe we will make reasonable estimates and judgments, the ultimate outcome of any particular issue may differ from the amounts previously recorded in our financial statements and any such occurrence could materially affect our financial position and results of operations.

Our ability to use our net operating losses and tax credit carryforwards to offset future taxable income may be subject to certain limitations which could result in higher tax liabilities.

The ability to fully utilize our net operating loss and tax credit carryforwards to offset future taxable income may be limited. At December 31, 2012, we had U.S. federal net operating loss carryforwards, or NOLs, of approximately $48.0 million, state NOLs of approximately $46.7 million, federal research and development tax credit carryforwards, or credit carryforwards, of approximately $2.4 million, and state credit carryforwards of approximately $1.8 million. A lack of future taxable income would adversely affect our ability to utilize these NOLs and credit carryforwards. In addition, under Section 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, and comparable state income tax laws, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its NOLs and credit carryforwards to offset future taxable income following the ownership change. As a result, future changes in our stock ownership, including this or future offerings, as well as other direct or indirect changes in our ownership that may be outside of our control, could result in limitations on our ability to fully utilize our NOLs and credit carryforwards. The Company had an ownership change in January 2008 and $2.3 million of federal and state NOLs are already subject to limitation under Section 382. Additionally, approximately $3.4 million of our federal NOLs and approximately $3.4 million of our state NOLs were generated by corporations that we acquired during the pre-acquisition period, and thus those NOLs already are subject to limitation under Section 382 of the Code and comparable state income tax laws. In addition, depending on the level of our taxable income, all or a portion of our NOLs and credit carryforwards may expire unutilized, which could prevent us from offsetting future taxable income by the entire amount of our current and future NOLs and credit carryforwards. We have recorded a full valuation allowance related to our NOLs, credit carryforwards and other net deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. To the extent we determine that all, or a portion of, our valuation allowance is no longer necessary, we will reverse the valuation allowance and recognize income tax benefit in the reported financial statement earnings in that period. Once the valuation allowance is eliminated or reduced, its reversal will no longer be available to offset our current financial statement tax provision in future periods.

We may require additional capital to support growth, and such capital might not be available on terms acceptable to us, if at all. Inability to obtain financing could limit our ability to conduct necessary operating activities and make strategic investments.

We intend to continue to make investments in pursuit of our strategic objectives and to support our business growth. Various business challenges may require additional funds, including the need to respond to competitive threats or market evolution by developing new solutions and improving our operating infrastructure, either through additional hiring or acquisition of complementary businesses or technologies, or both. In addition, we could incur significant expenses or shortfalls in anticipated cash generated as a result of unanticipated events in our business or competitive, regulatory, or other changes in our market.

Our available cash and cash equivalents including the net proceeds of this offering, the cash we anticipate generating from operations, and our available line of credit under our credit facility may not be adequate to meet our capital needs, and therefore we may need to engage in equity or debt financings to secure additional funds. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and respond to business challenges could be significantly impaired, and our business may be adversely affected.

If we do raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, including the ability to pay dividends. This may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, if we issue debt, the holders of that debt would have prior claims on the company's assets, and in case of insolvency, the claims of creditors would be satisfied before distribution of value to equity holders, which would result in significant reduction or total loss of the value of our equity.

Our credit facility subjects us to operating restrictions and financial covenants that impose risk of default and may restrict our business and financing activities.

On September 27, 2011, we entered into a loan and security agreement with Silicon Valley Bank that, as amended to date, provides a senior secured revolving credit facility in the aggregate principal amount of $40 million. As of September 30, 2013, we had $3.8 million outstanding under this loan and security agreement. Borrowings under this agreement are secured by substantially all of our tangible personal property assets and all of our intangible assets are subject to a negative pledge in favor of Silicon Valley Bank. This credit facility is subject to certain financial ratio and liquidity covenants, as well as restrictions that limit our ability, among other things, to:

- dispose of or sell our assets;
- make material changes in our business or management;
- consolidate or merge with other entities;
- incur additional indebtedness;
- create liens on our assets;
- pay dividends;
- make investments;
- enter into transactions with affiliates; and
- pay off or redeem subordinated indebtedness.

These covenants may restrict our ability to finance our operations and to pursue our business activities and strategies. Our ability to comply with these covenants may be affected by events beyond our control. In the past, we were not compliant with certain administrative covenants. Although the bank waived such noncompliance or agreed to amend certain covenants in the past, there is no guarantee it will do so in the future. If a default were to occur and is not waived, such default could cause, among other remedies, all of the outstanding indebtedness under our loan and security agreement to become immediately due and payable. In such an event, our liquid assets might not be sufficient to meet our repayment obligations, and we might be forced to liquidate collateral assets at unfavorable prices or our assets may be foreclosed upon and sold at unfavorable valuations.

Our ability to renew our existing credit facility, which matures in September 2018, or to enter into a new credit facility to replace or supplement the existing facility may be limited due to various factors, including the status of our business, global credit market conditions, and perceptions of our business or industry by sources of financing. In addition, if credit is available, lenders may seek more restrictive covenants and higher interest rates that may reduce our borrowing capacity, increase our costs, and reduce our operating flexibility.

If we do not have or are unable to generate sufficient cash available to repay our debt obligations when they become due and payable, either upon maturity or in the event of a default, we may not be able to obtain additional debt or equity financing on favorable terms, if at all. Our inability to obtain financing may negatively impact our ability to operate and continue our business as a going concern.

Risks Related to this Offering, the Securities Markets and Ownership of our Common Stock

The price of our common stock may be volatile and the value of your investment could decline.

Technology stocks have historically experienced high levels of volatility. The trading price of our common stock following this offering may fluctuate substantially. Following the completion of this offering, the market price of our common stock may be higher or lower than the price you pay in the offering, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- announcements of new offerings, products, services or technologies, commercial relationships, acquisitions or other events by us or our competitors;
- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of technology companies in general and of companies in the digital advertising industry in particular;
- fluctuations in the trading volume of our shares or the size of our public float;
- actual or anticipated changes or fluctuations in our results of operations;
- actual or anticipated changes in the expectations of investors or securities analysts, and whether our results of operations meet these expectations;
- litigation involving us, our industry, or both;
- regulatory developments in the United States, foreign countries, or both;
- general economic conditions and trends;
- major catastrophic events;
- sales of large amounts of our common stock or the perception that such sales could occur, as a result of lockup releases or other factors;
- departures of key employees; or
- an adverse impact on the company resulting from other causes, including any of the other risks described in this prospectus.

In addition, if the market for technology stocks or the stock market, in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past volatility in the market price of a company’s securities has often resulted in securities class action litigation been brought against that company. If our stock price is volatile, we may become the target of securities litigation, which would result in substantial costs and divert our management’s attention and resources from our business.

Sales of substantial amounts of our common stock in the public markets, including when the "lock-up" or "market standoff" period ends, or the perception that sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the total number of outstanding shares of our common stock as of , 2014, upon completion of this offering, we will have shares of common stock outstanding. All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our "affiliates" as defined in Rule 144 under the Securities Act.

Subject to certain exceptions described under the caption "Underwriting," all of our directors and officers and substantially all of our stockholders have agreed not to offer, sell or agree to sell, directly or indirectly, any shares of common stock without the permission of the representatives of the underwriters for a period of 180 days from the date of this prospectus. When the lockup period expires, our locked-up security holders will be able to sell shares in the public market. In addition, the underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements prior to the expiration of the lock-up period. For certain of our employees, a substantial portion of their equity is vested and eligible for sale upon expiration of the lock-up arrangements. See the section of this prospectus entitled "Shares Eligible for Future Sale" for more information. Sales of a substantial number of such shares upon expiration, or the perception that such sales may occur, or early release of the lock-up, could cause our share price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

In addition, promptly following the completion of this offering, we intend to file one or more registration statements on Form S-8 registering the issuance of approximately million shares of common stock subject to options or other equity awards issued or reserved for issuance under our equity incentive plans. We also intend to register the offer and sale of all other shares of common stock that may be authorized under our current or future equity compensation plans. Shares registered under these registration statements on Form S-8 will be available for sale in the public market subject to vesting arrangements and exercise of options, the lock-up agreements described above and the restrictions of Rule 144 in the case of our affiliates.

Based on shares outstanding as of , 2014, holders of up to approximately shares, or %, of our common stock, will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Insiders will continue to have substantial control over us after this offering, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers and each of our stockholders who own greater than 5% of our outstanding common stock, in the aggregate, will beneficially own approximately % of the outstanding shares of our common stock after this offering, based on the number of shares outstanding as of , 2014. As a result, these stockholders will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a manner that is adverse to your interests. This concentration of ownership may have the effect of deterring, delaying or preventing a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company, and might ultimately affect the market price of our common stock.

There is no assurance that a market will develop for our common stock or what the market price of our common stock will be.

We cannot assure you that an active trading market for our common stock will develop or, if developed, that any market will be sustained. We cannot predict the prices at which our common stock will trade. The initial public offering price of our common stock will be determined by negotiations with the underwriters and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business.

Our business could be negatively affected as a result of actions of activist stockholders.

Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. If we become engaged in a proxy contest with an activist stockholder in the future, our business could be adversely affected as such contests could be costly and time-consuming, disrupt our operations and divert the attention of management and our employees from executing our strategic plan. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or changes to the composition of our board of directors may lead to the perception of a change in the direction of our business, instability or lack of continuity which may be exploited by our competitors, cause concern to current or potential buyers and sellers on our platform, and make it more difficult to attract and retain qualified personnel. If buyers and/or sellers choose to delay, defer or reduce transactions with us or through our platform or transact with our competitors instead of us because of any such issues, then our revenue, earnings and operating cash flows could be adversely affected.

We have broad discretion in the use of net proceeds that we receive in this offering, and if we do not use those proceeds effectively, your investment could be harmed.

The principal purposes of this offering are to create a public market for our common stock, obtain additional capital, and facilitate our future access to the public equity markets, as well as to increase market awareness of our company and our standing among buyers and sellers and improve our competitive position. We have not yet determined the specific allocation of the net proceeds that we receive in this offering. We intend to use the net proceeds from this offering for general corporate purposes, including working capital, sales and marketing activities, engineering initiatives, including enhancement of our solution and investment in technology and development, general and administrative expenses and capital expenditures. We also may use a portion of the net proceeds from this offering to acquire or invest in technologies, solutions or businesses that complement our business, although we have no present commitments to complete any such transactions. Our management will have broad discretion over the specific use of the net proceeds that we receive in this offering and we have not yet determined how these proceeds will be used, so investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this offering effectively, we might not be able to obtain a significant return, if any, on investment of these net proceeds.

The requirements of being a public company may strain our resources, divert our management's attention and affect our ability to attract and retain qualified board members.

As a public company, we will be subject to the reporting requirements of the Exchange Act, and will be required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the New York Stock Exchange, and other applicable securities rules and regulations. Among other things, we must file annual, quarterly and current reports with respect to our business and results of operations, maintain effective disclosure controls and procedures and internal control over financial reporting, and comply with various requirements regarding the composition and operation of our board of directors. Compliance with these rules and regulations will require significant resources and management oversight, increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. As a result, management's attention and company resources may be diverted from other business concerns. Although we have already hired additional employees to help us comply with these requirements, we may need to hire even more employees in the future, which would increase our costs and expenses.

We also expect that the risks and costs associated with being a public company and complying with related rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult and expensive for us to attract and retain qualified members of our board of directors, particularly to serve on our Audit Committee and Compensation Committee, and qualified executive officers.

We are an "emerging growth company," and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

For as long as we remain an "emerging growth company" as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not "emerging growth companies." For example, we are not required to comply with the independent auditor attestation requirements of Section 404, we may provide reduced disclosure regarding executive compensation in this prospectus and in our periodic reports and proxy statements, and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions for so long as we are an "emerging growth company," which could be as long as five years following the completion of this offering, although, if we have more than $1.0 billion in annual revenue, if the market value of our common stock that is held by non-affiliates exceeds $700 million as of June 30 of any year, or we issue more than $1.0 billion of non-convertible debt over a three-year period before the end of that five-year period, we would cease to be an "emerging growth company" as of the following December 31. Investors may find our common stock less attractive because we rely on these exemptions, which could contribute to a less active trading market for our common stock, and increased volatility or reduction in our stock price.

In addition, the JOBS Act also provides that an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. However, we have chosen to "opt out" of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Because the initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share, the difference between the price per share you pay (based on the midpoint of the price range on the cover of this prospectus) for our common stock and the pro forma net tangible book value per share of our common stock as of , 2014, after giving effect to the issuance of shares of our common stock in this offering. See the section entitled "Dilution."

If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our share price and trading volume could decline.

The trading market for our common stock will, to some extent, depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrades our shares or changes their opinion of our business prospects, our share price could decline. If one or more of these analysts decreases or ceases coverage of our company, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We do not intend to pay dividends for the foreseeable future and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases. In addition, our credit facility contains restrictions on our ability to pay dividends.

Provisions of our charter documents and Delaware law may inhibit potential acquisition of the company and limit the ability of stockholders to cause changes in company management.

Our amended and restated certificate of incorporation and amended and restated bylaws, as in effect upon completion of this offering, include provisions, as described below, that could delay or prevent a change in control of the company, and make it difficult for stockholders to elect directors who are not nominated by the current members of our board of directors or take other actions to change company management.

- Our certificate of incorporation gives our board of directors the authority to issue shares of preferred stock in one or more series, and to establish from time to time the number of shares in each series and to fix the price, designations, powers, preferences and relative, participating, optional or other rights, if any, and the qualifications, limitations, or restrictions of each series of the preferred stock without any further vote or action by stockholders. The issuance of shares of preferred stock may discourage, delay or prevent a merger or acquisition of company, and significantly dilute the ownership of a hostile acquirer, resulting in the loss of voting power and reduced ability to cause a takeover or effect other changes.
- Our certificate of incorporation provides that our board of directors is classified, with only one of its three classes elected each year, and directors may be removed only for cause and only with the vote of 66 ⅔% of the voting power of stock outstanding and entitled to vote thereon. Further, the number of directors is determined solely by our board of directors, and because we do not allow for cumulative voting rights, holders of a majority of shares of common stock entitled to vote may elect all of the directors standing for election. These provisions could delay the ability of stockholders to change the membership of a majority of our board of directors.
- Under our bylaws, only the board of directors or a majority of remaining directors, even if less than a quorum, may fill vacancies resulting from an increase in the authorized number of directors or the resignation, death or removal of a director.
- Our certificate of incorporation prohibits stockholder action by written consent, so any action by stockholders may only be taken at an annual or special meeting.
- Our certificate of incorporation provides that a special meeting of stockholders may be called only by the board of directors. This could delay any effort by stockholders to force consideration of a proposal or to take action, including the removal of directors.
- Under our bylaws, advance notice must be given to nominate directors or submit proposals for consideration at stockholders' meetings. This gives our board of directors time to defend against

takeover attempts and could discourage or deter a potential acquiror from soliciting proxies or making proposals related to an unsolicited takeover attempt.

- The provisions of our certificate of incorporation noted above may be amended only with the affirmative vote of holders of at least 66 ⅔% of the voting power of all of the then-outstanding shares of the company's voting stock, voting together as a single class. The same two-thirds vote is required to amend the provision of our certificate of incorporation imposing these supermajority voting requirements. Further, our bylaws may be amended only by our board of directors or by the same percentage vote of stockholders noted above as required to amend our certificate of incorporation. These supermajority voting requirements may inhibit the ability of a potential acquiror to effect such amendments to facilitate an unsolicited takeover attempt.
- Our board of directors may amend our bylaws by majority vote. This could allow the board to use bylaws amendments to delay or prevent an unsolicited takeover, and limits the ability of an acquiror to amend the bylaws to facilitate an unsolicited takeover attempt.

We are also subject to Section 203 of the Delaware General Corporation Law, or the DGCL, which prohibits us from engaging in any business combination with an interested stockholder for a period of three years from the date the person became an interested stockholder, unless certain conditions are met. These provisions make it more difficult for stockholders or potential acquirers to acquire the company without negotiation and may apply even if some of our stockholders consider the proposed transaction beneficial to them. For example, these provisions might discourage a potential acquisition proposal or tender offer, even if the acquisition proposal or tender offer were to be at a premium over the then current market price for our common stock. These provisions could also limit the price that investors are willing to pay in the future for shares of our common stock.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties. The forward-looking statements are contained principally in "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." In some cases, you can identify forward-looking statements by terms such as "may," "might," "will," "objective," "intend," "should," "could," "can," "would," "expect," "believe," "design," "estimate," "predict," "potential," "plan" or the negative of these terms, and similar expressions. These statements reflect our current views with respect to future events and are based on assumptions and subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from current expectations. These risks include, but are not limited to:

- our ability to grow rapidly and to manage our growth effectively;
- our ability to develop innovative new technology and remain a market leader;
- our ability to attract and retain buyers and sellers and increase our business with them;
- our ability to use our solution to purchase and sell higher value advertising and to expand the use of our solution by buyers and sellers utilizing evolving digital media platforms, including mobile and video;
- our ability to introduce new solutions and bring them to market in a timely manner;
- our ability to maintain a supply of advertising inventory from sellers;
- our limited operating history and history of losses;
- our ability to continue to expand into new geographic markets;
- the effects of increased competition in our market and our ability to compete effectively;
- the effects of seasonal trends on our results of operations;
- costs associated with defending intellectual property infringement and other claims;
- our ability to attract and retain qualified employees and key personnel;
- our ability to consummate future acquisitions of or investments in complementary companies or technologies;
- our ability to comply with, and the effect on our business of, evolving legal standards and regulations, particularly concerning data protection and consumer privacy; and
- our ability to develop and maintain our corporate infrastructure, including our finance and information technology systems and controls.

We discuss many of these risks in this prospectus in greater detail under the heading "Risk Factors." Also, these forward-looking statements represent our estimates and assumptions only as of the date of this prospectus. Unless required by federal securities laws, we do not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statements are made. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, including those listed below, on assumptions based on such data and other similar sources, and on our knowledge of the markets for our solution. Although we believe the third-party sources are reliable, we have not independently verified the information attributed to these sources and cannot guarantee its accuracy and completeness. The market and industry information included in this prospectus involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors," "Special Note Regarding Forward-Looking Statements" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Certain information in the text of the prospectus is contained in independent industry publications. The sources of these independent industry publications are provided below.

- PwC Entertainment and Media Global Outlook: 2013-2017, published in June 2013.
- eMarketer, U.S. Total Media Ad Spending by Media, 2011-2017 (August 2013) and Share of Time Spent Per Day with Major Media by U.S. Adults, 2010-2013 (July 2013).
- International Data Corporation, White Paper, Real Time Bidding in the United States and Worldwide, 2010-2017, published in September 2013.
- QuickPlay Media, 2013 Customer Survey, published June 10, 2013.
- comScore Display Ad Ecosystem, September 2013 and comScore Key Measures, U.S. top 100 properties.
- Over 550 million Internet users globally per month as of December 2013 (Source: Quantcast. www.quantcast.com).

USE OF PROCEEDS

We estimate that the net proceeds we receive from this offering will be approximately $ million based on the assumed initial public offering price of $ per share, which is the midpoint of the range included on the cover page of this prospectus, after deducting the estimated underwriting discount and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares in this offering from us is exercised in full, our estimated net proceeds will be approximately $ million after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. A $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease the net proceeds we receive from this offering by approximately $ million, assuming the number of shares offered by us as set forth on the cover page of this prospectus remains the same and after deducting the estimated underwriter discounts and commissions and estimated offering expenses payable by us. We will not receive any of the net proceeds from the sale of shares of our common stock in this offering by the selling stockholders.

The principal purposes of this offering are to create a public market for our common stock, obtain additional working capital, and facilitate our future access to the public equity markets, as well as to increase market awareness of our company and our standing among buyers and sellers and improve our competitive position. Our management will have broad discretion in the application of the net proceeds to us from this offering, and investors will be relying on the judgment of our management regarding the application of the proceeds. Pending their use, we plan to invest our net proceeds from this offering in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

We intend to use the net proceeds from this offering for general corporate purposes, including working capital, sales and marketing activities, engineering initiatives including enhancement of our solution and investment in technology and development, general and administrative expenses and capital expenditures. We also may use a portion of the net proceeds from this offering to acquire or invest in technologies, solutions or businesses that complement our business, although we have no present commitments to complete any such transactions.

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DIVIDEND POLICY

We have never declared or paid any dividends on our common stock, and we do not anticipate paying any cash dividends in the future. We currently intend to retain any earnings to finance the operation and expansion of our business. Any future determination to pay dividends will be at the discretion of our board of directors and will be dependent upon then-existing conditions, including our earnings, capital requirements, results of operations, financial condition, business prospects and other factors that our board of directors considers relevant. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information regarding our financial condition. In addition, our credit facility contains restrictions on our ability to pay dividends.

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CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2013:

- on an actual basis;
- on a pro forma basis, giving effect to the following events, which will occur in connection with and effective upon the consummation of this offering, as if such events occurred on September 30, 2013: (i) the automatic conversion of each outstanding share of convertible preferred stock into one share of Class A common stock; (ii) the automatic conversion of each outstanding share of Class B common stock into one share of Class A common stock; (iii) the effectiveness of our amended and restated certificate of incorporation, providing for the conversion of our Class A common stock (including all shares of Class A common stock issued upon conversion of our convertible preferred stock and Class B common stock as described above) into a single class of common stock; (iv) the automatic conversion of an outstanding warrant exercisable for 25,174 shares of our convertible preferred stock into a warrant exercisable for 25,174 shares of common stock; and (v) the exercise in full for cash of an outstanding warrant for 845,867 shares of our convertible preferred stock and the conversion of such shares to common stock; and
- on a pro forma as adjusted basis to reflect, in addition, our sale of shares of common stock in this offering at an initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus.

You should read the following table in conjunction with the sections entitled “Use of Proceeds,” “Selected Consolidated Financial and Other Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included in this prospectus.

	As of September 30, 2013		
	Actual	Pro Forma	Pro Forma As Adjusted
		(in thousands, except share data)	
Cash and cash equivalents	$20,959	$	$
Debt and capital lease arrangements, including current portion:			
Capital leases	525		
Credit facility	3,784		
Total debt, capital leases and financing arrangements, including current portion	4,309		
Convertible preferred stock, $0.00001 par value per share (29,691,524 shares authorized and 28,820,481 shares issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	52,571		
Stockholders Equity (Deficit):			
Preferred stock, $0.00001 par value per share (no shares authorized or issued and outstanding, actual; shares authorized, and no shares issued and outstanding, pro forma and pro forma as adjusted)	—		
Class A common stock, $0.00001 par value per share (65,000,000 shares authorized and 14,774,664 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted)	—		
Class B common stock, $0.00001 par value per share (8,380,126 shares authorized and 8,380,126 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted)	—		

	As of September 30, 2013		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and per share data)		
Common stock, $0.00001 par value per share (no shares authorized or issued and outstanding, actual; shares authorized and 52,821,138 shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma as adjusted)	—		
Additional paid-in capital	23,281		
Accumulated other comprehensive income	104		
Accumulated deficit	(62,002)		
Total stockholders' equity (deficit)	(38,617)		
Total capitalization	$ 18,263	$	$

The number of shares of our common stock to be outstanding after this offering on a pro forma as adjusted basis giving effect to our sale of shares of common stock in this offering is based on 52,821,138 shares of our common stock outstanding on a pro forma basis as noted above as of September 30, 2013, and excludes:

- 16,556,628 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2013 with a weighted average exercise price of $2.47 per share, 1,049,023 shares of common stock issuable upon the exercise of stock options granted between September 30, 2013 and the date hereof with a weighted average exercise price of $5.92 per share and 25,174 shares of common stock issuable upon exercise of an outstanding warrant with an exercise price of $1.56 per share, and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of shares of our common stock that were reserved for issuance under our 2007 Stock Incentive Plan as of the date hereof, and shares of our common stock reserved for issuance under our 2014 Equity Incentive Plan. On the date immediately prior to the date of this prospectus, any remaining shares available for issuance under our 2007 Stock Incentive Plan were added to the shares reserved under our 2014 Equity Incentive Plan and we ceased granting awards under the 2007 Stock Incentive Plan. Our 2014 Equity Incentive Plan also provides for automatic annual increases in the number of shares reserved thereunder, as more fully described in "Executive Compensation—Employee Benefit Plans."

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DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after the completion of this offering.

As of September 30, 2013, our pro forma net tangible book value was approximately $ million, or $ per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of September 30, 2013, assuming the conversion of all outstanding shares of our convertible preferred stock into shares of common stock, the exercise in full for cash of an outstanding warrant for 845,867 shares of our convertible preferred stock and the conversion of such shares to common stock, and the reclassification of the preferred stock warrant liability to additional paid-in capital, each immediately prior to the completion of this offering.

After giving effect to our sale in this offering of shares of our common stock at an assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2013 would have been approximately $ million, or $ per share of our common stock. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors purchasing shares in this offering.

The following table illustrates this per share dilution in net tangible book value to new investors after giving effect to this offering:

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of September 30, 2013	$	
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma as adjusted net tangible book value by $ million, the pro forma as adjusted net tangible book value per share after this offering by $, and the dilution per share to new investors by $, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of September 30, 2013 after giving effect to (i) the automatic conversion of each outstanding share of our convertible preferred stock into one share of Class A common stock, (ii) the automatic conversion of each outstanding share of Class B common stock into one share of Class A common stock, (iii) the effectiveness of our amended and restated certificate of incorporation, providing for the conversion of our Class A common stock (including all shares of Class A common stock issued upon conversion of our convertible preferred stock and Class B common stock as described above) into a single class of common stock, (iv) the automatic conversion of an outstanding warrant exercisable for 25,174 shares of our convertible preferred stock into a warrant exercisable for 25,174 shares of common stock, (v) the exercise in full for cash of an outstanding warrant for 845,867 shares of our convertible preferred stock and the conversion of such shares to common stock, and (vi) the completion of this offering at the initial public offering price of $ per share, the midpoint of the range set forth on the cover of this prospectus, the

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difference between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid, before deducting underwriting discounts and commissions and estimated offering expenses:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New public investors					
Total		100.0%	$	100.0%	

To the extent that the outstanding warrant or any of our outstanding options are exercised, investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assumes no exercise by the underwriters of their option to purchase up to additional shares from us. If the underwriters exercise their over-allotment option in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock to be outstanding after this offering is based on 52,821,138 shares of our common stock outstanding as of September 30, 2013, and excludes:

- 16,556,628 shares of common stock issuable upon the exercise of stock options outstanding as of September 30, 2013 with a weighted average exercise price of $2.47 per share, 1,049,023 shares of common stock issuable upon the exercise of stock options granted between September 30, 2013 and the date hereof with a weighted average exercise price of $5.92 per share and 25,174 shares of common stock issuable upon exercise of an outstanding warrant with an exercise price of $1.56 per share, and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of shares of our common stock that were reserved for issuance under our 2007 Stock Incentive Plan as of the date hereof and shares of our common stock reserved for issuance under our 2014 Equity Incentive Plan. On the date immediately prior to the date of this prospectus, any remaining shares available for issuance under our 2007 Stock Incentive Plan were added to the shares reserved under our 2014 Equity Incentive Plan and we ceased granting awards under the 2007 Stock Incentive Plan. Our 2014 Equity Incentive Plan also provides for automatic annual increases in the number of shares reserved thereunder, as more fully described in “Executive Compensation—Employee Benefit Plans.”

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth our selected consolidated historical financial and operating data for the periods indicated. The consolidated statements of income data for the years ended December 31, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2011 and 2012 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The statements of income data for the nine months ended September 30, 2012 and 2013 and the interim consolidated balance sheet data as of September 30, 2012 and 2013 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in management's opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of the financial position and results of operation for such periods.

The historical results presented below are not necessarily indicative of the results to be expected for any future period and our interim results are not necessarily indicative of the results to be expected for the full year or any other period. This information should be read in conjunction with "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the consolidated financial statements and related notes included elsewhere in this prospectus.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands except per share data)			
Revenue	$ 37,059	$ 57,072	$ 37,626	$ 55,698
Expenses:				
Costs of revenue(1)	12,893	12,367	8,752	11,212
Sales and marketing(1)	17,748	20,458	14,827	18,767
Technology and development(1)	12,496	13,115	9,348	14,072
General and administrative(1)	8,926	12,331	8,478	17,963
Total expenses	52,063	58,271	41,405	62,014
Loss from operations	(15,004)	(1,199)	(3,779)	(6,316)
Other expense, net	269	1,029	501	2,709
Loss before income taxes	(15,273)	(2,228)	(4,280)	(9,025)
Provision for income taxes	136	134	103	187
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Cumulative preferred stock dividends(2)	(4,244)	(4,255)	(3,186)	(3,174)
Net loss attributable to common stockholders	$ (19,653)	$ (6,617)	$ (7,569)	$ (12,386)
Basic and diluted net loss per share attributable to common stockholders(3)	$ (0.97)	$ (0.30)	$ (0.34)	$ (0.54)
Basic and diluted weighted-average shares used to compute net loss per share attributable to common stockholders	20,198	22,192	22,089	22,867
Pro forma net loss per share—basic and diluted(3)		$ (0.04)		$ (0.14)
Pro forma weighted-average common shares outstanding—basic and diluted		51,012		51,687

(1) Stock-based compensation expense included in our expenses was as follows:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Cost of revenue	$ 270	$ 78	$ 54	$ 64
Sales and marketing	309	1,039	792	805
Technology and development	858	828	571	1,183
General and administrative	831	1,099	762	2,515
Total	$ 2,268	$ 3,044	$ 2,179	$ 4,567

(2) The holders of our convertible preferred stock are entitled to cumulative dividends prior and in preference to common stock. Because the holders of our convertible preferred stock are entitled to participate in dividends, net loss attributable to common stockholders is equal to net loss adjusted for cumulative preferred stock dividends for the period. Immediately upon the closing of this offering, all outstanding shares of convertible preferred stock will be automatically converted into shares of common stock on a 1:1 basis and these holders will not be entitled to the cumulative dividends. See Note 11 to our consolidated financial statements for a description of our convertible preferred stock.

(3) See Note 2 to our consolidated financial statements for a description of the method used to compute basic and diluted net loss per share attributable to common stockholders and pro forma basic and diluted net loss per share attributable to common stockholders.

Consolidated Balance Sheet Data

	At December 31,		At September 30,
	2011	2012	2013
	(in thousands)		
Cash and cash equivalents	$ 16,252	$ 21,616	$ 20,959
Accounts receivable, net	$ 40,580	$ 67,355	$ 69,639
Property, equipment and capitalized software, net	$ 10,411	$ 12,697	$ 14,919
Total assets	$ 71,142	$108,014	$ 113,125
Debt and capital lease obligations, current and non-current	$ 5,504	$ 5,215	$ 4,309
Total liabilities	$ 55,341	$ 90,005	$ 99,171
Convertible preferred stock	$ 52,571	$ 52,571	$ 52,571
Common stockholders' deficit	$(36,770)	$ (34,562)	$ (38,617)

Operational and Financial Measures

Managed Revenue

Managed revenue is an operational measure that represents the advertising spending transacted on our platform, and would represent our revenue if we were to record our revenue on a gross basis instead of a net basis. We review managed revenue for internal management purposes to assess market share and scale. Many companies in our industry record revenue on a gross basis, so tracking our managed revenue allows us to compare our results to the results of those companies.

Our managed revenue is influenced by the volume and characteristics of advertising inventory transacted on our platform, or paid impressions, and pricing. Pricing, which our algorithms help determine, can be impacted by

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a variety of factors such as the website or application that is offering the impression, the placement of the impression on the website or application, the size of the advertisement, the location of the user and other attributes available with respect to the audience.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Operational Measure:				
Managed revenue	$ 238,838	$ 338,918	$ 226,798	$ 326,656

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined by us as net loss adjusted for stock-based compensation expense, depreciation and amortization, interest (income) expense, net, change in fair value of convertible preferred stock warrant liabilities, and other income or expense, net, which mainly consists of foreign exchange gains and losses, net, certain other non-recurring income or expenses such as acquisition and related costs, and provision for income taxes. Adjusted EBITDA should not be considered as an alternative to net income, operating income or any other measure of financial performance calculated and presented in accordance with GAAP. Adjusted EBITDA eliminates the impact of items that we do not consider indicative of our core operating performance. You are encouraged to evaluate these adjustments and the reason we consider them appropriate. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance for the following reasons:

- Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as stock-based compensation expense, depreciation and amortization, interest (income) expense, net, change in fair value of preferred stock warrant liabilities, foreign exchange gains and losses, net, certain other non-recurring income or expenses such as acquisition and related costs, and provision for income taxes that can vary substantially from company to company depending upon their financing, capital structures and the method by which assets were acquired;
- Our management uses Adjusted EBITDA in conjunction with GAAP financial measures for planning purposes, including the preparation of our annual operating budget, as a measure of operating performance and the effectiveness of our business strategies and in communications with our board of directors concerning our financial performance;
- Adjusted EBITDA is sometimes used by the compensation committee of our board of directors in connection with the determination of compensation for our executive officers; and
- Adjusted EBITDA provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of operations and also facilitates comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Although Adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations as reported under GAAP. These limitations include:

- Depreciation and amortization are non-cash charges, and the assets being depreciated or amortized will often have to be replaced in the future; Adjusted EBITDA does not reflect any cash requirements for these replacements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;

- Adjusted EBITDA does not reflect cash requirements for income taxes and the cash impact of other income or expense; and
- Other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

The following table presents a reconciliation of net loss, the most comparable GAAP measure, to Adjusted EBITDA for each of the periods indicated:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Financial Measure:				
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Add back (deduct):				
Depreciation and amortization expense	5,538	6,857	4,814	6,133
Stock-based compensation expense	2,268	3,044	2,179	4,567
Acquisition and related items	500	503	315	313
Interest income (expense), net	252	343	258	229
Change in fair value of preferred stock warrant liabilities	304	515	87	2,067
Foreign currency (gain) loss, net	216	171	156	413
Other income	(503)	—	—	—
Provision for income taxes	136	134	103	187
Adjusted EBITDA	$ (6,698)	$ 9,205	$ 3,529	$ 4,697

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the consolidated financial statements and the related notes to the consolidated financial statements included later in this prospectus. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs and expectations that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

We are a global technology leader on a mission to automate the buying and selling of advertising. Our Advertising Automation Cloud is a highly scalable software platform that powers and optimizes a leading marketplace for the real time trading of digital advertising between buyers and sellers. Through the speed and big data analytics of our algorithm-based solution, we have transformed the cumbersome, complex process of buying and selling digital advertising into a seamless automated process that optimizes results for both buyers and sellers. Buyers of digital advertising use our platform to reach 96% of Internet users in the United States and over 550 million Internet users globally on some of the world's leading websites and applications. Sellers of digital advertising use our platform to maximize revenue from advertising, decrease costs and protect their brands and user experience, while accessing a global market of buyers representing over 100,000 brands since our inception. The benefits we provide to both buyers and sellers, and the time and effort spent by both buyers and sellers to integrate with our platform and associated applications, give us a critical position in the digital advertising ecosystem.

Our Advertising Automation Cloud incorporates proprietary machine-learning algorithms, sophisticated data processing, high volume storage, detailed analytics capabilities, and a distributed infrastructure. We analyze billions of data points in real time to enable our solution to make approximately 300 data-driven decisions per transaction in milliseconds, and to execute up to 2.1 million peak queries per second, approximately 25 billion transactions per week and 3 trillion bid requests per month. Our Advertising Automation Cloud features applications for digital advertising sellers, including websites, applications and other digital media properties, to sell their advertising inventory; applications for buyers, including demand side platforms, or DSPs, ad networks and advertising agencies, to buy advertising inventory; and an exchange over which such transactions are executed. Together, these features power and optimize a comprehensive, transparent, independent advertising marketplace that brings buyers and sellers together and facilitates intelligent decision-making and automated transaction execution for the advertising inventory we manage on our platform. We believe we help increase the volume and effectiveness of advertising, increasing revenue for sellers and improving return on advertising investment for buyers.

We have direct relationships built on technical integration with over 500 sellers of digital advertising, including approximately 40% of the U.S. comScore 100. We believe that our direct relationships and integration with sellers, which differentiate us from many other participants in the advertising ecosystem, make us a vital participant in the digital advertising industry. Our integration of sellers into our platform gives sellers the ability to monetize a full variety and volume of inventory. At the same time, buyers leverage our platform to manage their advertising spending, simplify order management and campaign tracking, obtain actionable insights into audiences for their advertising and access impression level purchasing from hundreds of sellers. We believe buyers need our platform because of our powerful solution and our direct relationships and integration with some of the world's largest websites and applications. Our solution is constantly self-optimizing based on our ability to analyze and learn from vast volumes of data. The additional data we obtain from the volume of transactions on our platform help make our machine-learning algorithms more intelligent, leading to higher quality matching between buyers and sellers, better return on investment for buyers and higher revenue for sellers. As a result of that high quality matching, we attract even more sellers which in turn attracts more buyers and vice versa. We believe this self-reinforcing dynamic creates a strong platform for growth. The historical and real time data we derive from the over 500 seller integrations, 25 billion transactions per week, 3 trillion bid requests per month and 550 million Internet users globally that interact with our platform per month inform our machine-learning algorithms and thereby create a size, scale and capability that is difficult to replicate

Since our incorporation in April 2007, we have invested in our solution to meet the complex needs of buyers and sellers of digital advertising. We have achieved significant growth as we have scaled our solution, including the functionality of our Advertising Automation Cloud and its applications for buyers and sellers. During our early stages, our solution helped sellers to automate their existing advertising network relationships to match the right buyer with each impression as well as increase their revenue and decrease their costs. Between 2008 and 2009, we developed direct relationships with buyers and created applications to assist buyers to increase their return on investment. During 2010, we added real time bidding, or "RTB," capabilities, allowing sellers' inventory to be sold in an auction to buyers, specifically, DSPs, creating a real time unified auction where buyers compete to purchase sellers' advertising inventory. During 2012, we launched our private marketplace, which allows sellers to connect directly with pre-approved buyers to execute direct sales of previously unsold advertising inventory.

In addition to our continuous investment in our solution, we have incorporated functionalities into our solution through acquisitions. In 2009, we acquired Others Online, Inc., a digital advertising analytics company. In 2010 we acquired SiteScout Corporation, a malware and advertisement protection software company for digital display advertising. Also in 2010, we acquired Fox Audience Network, Inc., an advertising technology platform company, from News Corporation. In May 2012, we acquired MobSmith, Inc., a technology company focused on delivery of advertisements to mobile devices.

We generate revenue from buyers and sellers who use our solution for the purchase and sale of advertising inventory. Buyers use our solution to reach their intended audiences by purchasing advertising inventory that we make available from sellers through our solution. We recognize revenue upon the completion of a transaction, which is when an impression has been delivered to the consumer viewing a website or application, subject to satisfying all other revenue recognition criteria. We are responsible for the completion of the transaction. We bill and collect the full purchase price of impressions from buyers. We report revenue net of amounts we pay sellers for the impressions they provide. In some cases, we generate revenue directly from sellers who maintain the primary relationship with buyers and utilize our solution to transact and optimize their activities.

For the years ended December 31, 2011 and 2012, our revenue was $37.1 million and $57.1 million, respectively, representing a year over year increase of 54%. For the nine months ended September 30, 2012 and 2013, our revenue was $37.6 million and $55.7 million, respectively, representing a period over period increase of 48%. For the years ended December 31, 2011 and 2012 and the nine months ended September 30, 2012 and 2013, our net loss was $15.4 million, $2.4 million, $4.4 million, and $9.2 million, respectively. For the years ended December 31, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013, our Adjusted EBITDA was $(6.7) million, $9.2 million, $3.5 million, and $4.7 million, respectively. Adjusted EBITDA is a non-GAAP financial measure. For information on how we compute Adjusted EBITDA, and a reconciliation of Adjusted EBITDA to net loss on a GAAP basis, please refer to "Selected Consolidated Financial and Other Data."

Substantially all of our revenue is U.S. revenue, determined based on the location of our legal entity that is a party to the relevant transaction.

Key Operational and Financial Measures

We regularly review our key operational and financial performance measures, including those set forth below, to help us evaluate our business, measure our performance, identify trends affecting our business, establish budgets, measure the effectiveness of investments in our technology and development and sales and marketing, and assess our operational efficiencies. In addition to revenue, we also review managed revenue, and Adjusted EBITDA, which are discussed immediately following the table below. Revenue is discussed under the headings "—Components of Our Results of Operations" and "—Results of Operations." We report our financial results as one operating segment. Our consolidated operating results, together with the following operating and financial measures, are regularly reviewed by our chief operating decision maker, principally to make decisions about how we allocate our resources and to measure our consolidated operating performance.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Operational Measure:				
Managed revenue	$ 238,838	$ 338,918	$ 226,798	$ 326,656
Financial Measures:				
Revenue	$ 37,059	$ 57,072	$ 37,626	$ 55,698
Adjusted EBITDA	$ (6,698)	$ 9,205	$ 3,529	$ 4,697

Managed Revenue

Managed revenue is an operational measure that represents the advertising spending transacted on our platform, and would represent our revenue if we were to record our revenue on a gross basis instead of a net basis. We review managed revenue for internal management purposes to assess market share and scale. Many companies in our industry record revenue on a gross basis, so tracking our managed revenue allows us to compare our results to the results of those companies.

Our managed revenue is influenced by the volume and characteristics of paid impressions and pricing. Pricing, which our algorithms help determine, can be impacted by a variety of factors such as the website or application that is offering the impression, the placement of the impression on the website or application, the size of the advertisement, the location of the user and other attributes available with respect to the audience. Pricing is generally expressed as average cost per thousand impressions, or "CPM."

Our managed revenue has increased period over period as a result of increased adoption of our solution by buyers and sellers and increases in CPM. We expect managed revenue to continue to grow with increases in the volume of transactions on our platform or pricing, which can result from increases in the number of buyers or in advertising spending, and improvements in our auction algorithms. This increase may fluctuate due to seasonality and increases or decreases in CPM and paid impressions. In addition, we generally experience higher managed revenue during the fourth quarter of a given year, resulting from higher advertising spending and more bidding activity, which may drive higher volumes of paid impressions or CPMs.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure defined by us as net loss adjusted for stock-based compensation expense, depreciation and amortization, interest (income) expense, net, change in fair value of convertible preferred stock warrant liabilities, and other income or expense, net, which mainly consists of foreign exchange gains and losses, net, certain other non-recurring income or expenses such as acquisition and related costs, and provision for income taxes. Our Adjusted EBITDA will be impacted by the rate at which our revenues increase and the timing of our investments in our operations. Please see "Selected Consolidated Financial and Other Data—Financial Measure" for information regarding the limitations of using Adjusted EBITDA as a financial measure and for a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated in accordance with GAAP.

Components of Our Results of Operations

Revenue

We generate revenue from buyers and sellers who use our solution for the purchase and sale of advertising inventory. Buyers use our solution to reach their intended audiences by buying advertising inventory that we make available from sellers through our solution. Our solution enables buyers and sellers to purchase and sell advertising inventory, matches buyers and sellers and establishes rules and parameters for open and transparent auctions of advertising inventory. We recognize revenue upon the completion of a transaction, that is, when an impression has been delivered to the consumer viewing a website or application, subject to satisfying all other revenue recognition criteria. We are responsible for the completion of the transaction. We generally bill and collect the full purchase price of impressions from buyers. We report revenue net of amounts we pay sellers for the impressions they provide. In some cases, we generate revenue directly from sellers who maintain the primary relationship with buyers and utilize our solution to transact and optimize their activities. Our accounts receivable are recorded at the amount of gross billings to buyers, net of allowances, for the amounts we are responsible to collect, and our accounts payable are recorded at the net amount payable to sellers. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

Our revenue, cash flow from operations, operating results and key operational and financial performance may vary from quarter to quarter due to the seasonal nature of advertiser spending or from other events that cause a spike in advertising activity. For example, many advertisers devote a disproportionate amount of their advertising budgets to the fourth quarter of the calendar year to coincide with increased holiday purchasing. Moreover, advertising inventory in the fourth quarter may be more expensive due to increased demand. Historically, the fourth quarter of the year reflects our highest level of revenue, and the first quarter reflects the lowest level of our revenue.

We expect revenue to continue to grow. However, revenue may be impacted by seasonality, the amounts we pay sellers and other factors such as changes in the market, our execution of the business, and competition.

Our revenue recognition policies are discussed in more detail under "—Critical Accounting Policies and Estimates."

Expenses

We classify our expenses into the following four categories:

Cost of Revenue. Our cost of revenue consists primarily of data center costs, bandwidth costs, depreciation expense of hardware supporting our revenue producing platform, amortization of software costs for the development of our revenue producing platform, amortization expense associated with acquired developed technologies, personnel costs, and facilities related costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs, and are primarily attributable to personnel in our network operations group, who support our platform. We capitalize costs associated with software that is developed or obtained for internal use and amortize the costs associated with our revenue producing platform in cost of revenue over their estimated useful lives. Many of these expenses are fixed and do not increase or decrease proportionately with increases or decreases in our revenue. We expect cost of revenue to increase as we continue to invest additional capital into our data centers, hire additional personnel to continue to build and maintain our data centers, and invest in our internal use software. As a percentage of revenue, cost of revenue may fluctuate based on revenue levels and the timing of these investments.

Sales and Marketing. Our sales and marketing expenses consist primarily of personnel costs, including stock-based compensation and the sales bonuses paid to our sales organization, and marketing expenses such as brand marketing, travel expenses, trade shows and marketing materials, professional services, and to a lesser extent, facilities related costs, and depreciation and amortization. Our sales organization focuses on marketing our solution to increase the adoption of our solution by existing and new buyers and sellers. We are also focused on expanding our international business, primarily by growing our sales team in certain countries in which we currently operate and establishing a presence in additional countries. As a result, we expect sales and marketing expenses to increase in absolute dollars in future periods. Sales and marketing expense as a percentage of revenue may fluctuate from period to period based on revenue levels and the timing of our investments in our sales and marketing functions as these investments may vary in scope and scale over periods and are impacted by the seasonality in our industry and business.

Technology and Development. Our technology and development expenses consist primarily of personnel costs, including stock-based compensation, and professional services, associated with the ongoing development and maintenance of our solution, and to a lesser extent, facilities related costs, and depreciation and amortization. These expenses include costs incurred in the development, implementation and maintenance of internal use software, including platform and related infrastructure. Technology and development costs are expensed as incurred, except to the extent that such costs are associated with internal use software development that qualifies for capitalization which are then recorded as internal use software development costs, net on our consolidated balance sheet. We amortize internal use software development costs that relate to our revenue producing activities or our platform to cost of revenue and amortize other internal use software development costs to technology and development costs. We believe that continued investment in our solution, including its technologies and functionalities, is critical to attaining our strategic objectives and long-term growth. We therefore expect technology and development expense to increase as we continue to invest in technology infrastructure to support an increased volume of advertising spending on our platform and international expansion, as well as to expand our engineering and technology teams to maintain and support our technology and development efforts. We also intend to invest in technology and development to enhance our solution, including in new and enhanced technologies and functionalities, and to further automate our business processes. Technology and development expense as a percentage of revenue may fluctuate from period to period based on revenue levels and the timing of these investments.

General and Administrative. Our general and administrative expenses consist primarily of personnel costs, including stock-based compensation, associated with our executive, finance, legal, human resources, compliance and other administrative personnel, as well as accounting and legal professional services fees, facilities related costs and depreciation, and other corporate related expenses. We expect to continue to invest in corporate infrastructure and incur additional expenses associated with transition and operation as public company, including increased legal and accounting costs, investor relations costs, higher insurance premiums and compliance costs associated with developing the requisite infrastructure required to comply with Section 404 in the future. As a result, we expect general and administrative expenses to increase in absolute dollars in future periods.

Other Expense, Net

Interest (Income) Expense, Net. Interest expense is mainly related to our credit facilities and capital lease arrangements. Interest income consists of interest earned on our money market accounts and was insignificant during the years ended December 31, 2011 and 2012 and the nine months ended September 30, 2012 and 2013.

Change in Fair Value of Convertible Preferred Stock Warrant Liability. We have two outstanding warrants to purchase shares of our preferred stock. The convertible preferred stock warrants are subject to re-measurement to fair value at each balance sheet date, and any change in fair value is recognized as a component of other expense, net. In connection with the closing of this offering, the warrants will either expire, be exercised for shares of common stock or convert into warrants to purchase shares of common stock and we will no longer be required to re-measure the converted common stock warrants to fair value.

Foreign Currency Exchange (Gain) Loss, Net. Foreign currency exchange (gain) loss, net consists primarily of gains and losses on foreign currency transactions. We have foreign currency exposure related to our accounts receivable and accounts payable that are denominated in currencies other than the U.S. Dollar, principally the British Pound and Euro.

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Provision for Income Taxes

Provision for income taxes consists primarily of federal, state and foreign income taxes. Due to uncertainty as to the realization of benefits from our domestic deferred tax assets, including net operating loss carryforwards and research and development tax credits, we have a full valuation allowance reserved against such assets. We expect to maintain this full valuation allowance in the near term.

Results of Operations

The following tables set forth our consolidated results of operations and our consolidated results of operations as a percentage of revenue for the periods presented.

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Revenue	$ 37,059	$ 57,072	$ 37,626	$ 55,698
Expenses:				
Costs of revenue	12,893	12,367	8,752	11,212
Sales and marketing	17,748	20,458	14,827	18,767
Technology and development	12,496	13,115	9,348	14,072
General and administrative	8,926	12,331	8,478	17,963
Total expenses	52,063	58,271	41,405	62,014
Loss from operations	(15,004)	(1,199)	(3,779)	(6,316)
Other expense, net	269	1,029	501	2,709
Loss before income taxes	(15,273)	(2,228)	(4,280)	(9,025)
Provision for income taxes	136	134	103	187
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)

	December 31,*		September 30,*	
	2011	2012	2012	2013
Revenue	100%	100%	100%	100%
Cost of revenue	35	22	23	20
Sales and marketing	48	36	39	34
Technology and development	34	23	25	25
General and administrative	24	22	23	32
Total expenses	140	102	110	111
Loss from operations	(40)	(2)	(10)	(11)
Other expense, net	1	2	1	5
Loss before income taxes	(41)	(4)	(11)	(16)
Provision for income taxes	—	—	—	—
Net loss	(42)%	(4)%	(12)%	(17)%

* Certain figures may not sum due to rounding.

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Comparison of the Nine Months Ended September 30, 2012 and 2013

Revenue

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Change	% Change
	(in thousands except percentages)			
Revenue	$ 37,626	$ 55,698	$18,072	48%

Revenue increased $18.1 million, or 48%, during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. The increase in revenue was due to an increase in the amount of advertising spending on our platform during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012, which was primarily attributable to an increase in pricing associated with better targeting and other capabilities of our solution and, to a lesser extent, to an increase in the value of advertising inventory available from sellers. Overall, the increase in revenue reflects the continued adoption of our solution by buyers and sellers and the efficiency and effectiveness of our solution.

Cost of Revenue

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Change	% Change
	(in thousands except percentages)			
Costs of revenue	$ 8,752	$ 11,212	$2,460	28%
Percent of revenue	23%	20%	(3)%	

Cost of revenue increased by $2.5 million, or 28%, during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. This increase was primarily due to an increase in data center, hosting, and bandwidth costs of $1.3 million, an increase of $0.9 million in depreciation and amortization expense, including amortization of capitalized internal use software, and an increase in personnel costs of $0.3 million, each during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. The increases in data center, hosting, and bandwidth costs were primarily attributable to data center locations added during the nine months ended September 30, 2013 in order to support the increase in bidding volume on our platform and resulting additional hardware, software, and maintenance expenses. The increase in personnel costs was primarily driven by increased headcount in order to support our growth. Average headcount supporting our data centers increased by 29% during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. The amortization of capitalized internal use software reflected in cost of revenue was $1.3 million and $1.7 million for the nine months ended September 30, 2012 and 2013, respectively.

Sales and Marketing

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Change	% Change
	(in thousands except percentages)			
Sales and marketing	$ 14,827	$ 18,767	$3,940	27%
Percent of revenue	39%	34%	(5)%	

Sales and marketing expense increased by $3.9 million, or 27%, during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. This increase was primarily due to an increase in personnel expense, including stock-based compensation, of $2.2 million and, to a lesser extent, an increase in marketing expenses of $0.5 million mainly related to our participation in industry events and tradeshows, an increase in professional services of $0.4 million mainly related to third-party sales and marketing consulting services and public relations, and an increase in market research data of $0.4 million. The increase in personnel expense was primarily due to an increase in headcount. Our sales and marketing headcount increased in order to support our sales efforts and to continue to develop and maintain relationships with buyers and sellers, as well as to provide information to the market with respect to our solution. Average sales and marketing headcount increased by 19% during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. Overall, sales and marketing expenses increased due to our focus on marketing our platform and solution to increase the adoption of our platform and our solution by existing and new buyers and sellers and to establish a presence in international markets.

Technology and Development

	Nine Months Ended			
	September 30, 2012	September 30, 2013	Change	% Change
	(in thousands except percentages)			
Technology and development	$ 9,348	$ 14,072	$4,724	51%
Percent of revenue	25%	25%	—	

Technology and development expense increased by $4.7 million, or 51%, during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. This increase was primarily due to an increase in personnel expense, including stock-based compensation, of $3.8 million, an increase in depreciation and amortization expense of $0.4 million, and an increase in facilities related expenses of $0.2 million. These increases were primarily due to an increase in headcount, which reflects our continued hiring of engineers to maintain our technologies and support our technology and development efforts. Average technology and development headcount increased by 26% during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012.

We capitalize a portion of our technology and development cost for the development of internal use software. The capitalized amounts related to our revenue producing platform are amortized to cost of revenue and the remainder of the capitalized amounts are amortized to technology and development. The timing of our capitalizable development and enhancement projects may affect the amount of development costs expensed in any given period. We capitalized $2.7 million and $2.5 million of costs in technology and development, primarily related to personnel costs, during the nine months ended September 30, 2012 and 2013, respectively.

General and Administrative

	Nine Months Ended			
	September 30, 2012	September 30, 2013	Change	% Change
	(in thousands except percentages)			
General and administrative	$ 8,478	$ 17,963	$9,485	112%
Percent of revenue	23%	32%	9%	

General and administrative expense increased by $9.5 million, or 112%, during the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. This increase was primarily due to an increase in personnel expense, including stock-based compensation, of $5.5 million, and an increase in professional services of $2.6 million. The increase in personnel costs was driven primarily by increased headcount to support our growth. Average general and administrative headcount increased by 44% during the nine months ended September 30, 2013 compared to the nine months ended to September 30, 2012. The increase in professional services was related to accounting, audit, tax and legal third-party services as we continued to invest in our infrastructure, processes and controls to support our growth and in preparation for this offering and becoming a public company.

Other Expense, Net

	Nine Months Ended		
	September 30, 2012	September 30, 2013	Change
	(in thousands except percentages)		
Interest (income) expense, net	$ 258	$ 229	$ (29)
Change in fair value of convertible preferred stock warrant liabilities	87	2,067	1,980
Foreign exchange (gain) loss, net	156	413	257
Total other expense, net	$ 501	$ 2,709	$ 2,208

The increase in other expense, net, of $2.2 million primarily related to the increase of $2.0 million in the fair value of our convertible preferred stock warrant liabilities from December 31, 2012 through September 30, 2013 compared to the nine months ended September 30, 2012 and an increase of $0.3 million in losses on foreign currency transactions. The increase in the fair value of the convertible preferred stock warrant liabilities was due to the increase in the valuation of our preferred stock. The increase in losses on foreign currency transactions was mainly due to fluctuations in the British Pound and Euro in relation to the U.S. Dollar from January 1, 2012 to September 30, 2012 and from January 1, 2013 to September 30, 2013.

Provision for Income Taxes

Our provision for income taxes of $0.1 million and $0.2 million for the nine months ended September 30, 2012 and 2013, respectively, primarily relates to taxes due in foreign jurisdictions.

Comparison of the Years Ended December 31, 2011 and 2012

Revenue

	Year Ended			
	2011	2012	Change	% Change
	(in thousands except percentages)			
Revenue	$37,059	$57,072	$20,013	54%

Revenue increased $20.0 million, or 54%, during the year ended December 31, 2012 compared to the year ended December 31, 2011 primarily due to an increase of 46% in paid impressions transacted on our platform during the year ended December 31, 2012 compared to the year ended December 31, 2011. The increase in paid impressions resulted primarily from continued adoption of our solution by sellers and increased bidding volume from buyers.

Cost of Revenue

	Year Ended			
	2011	2012	Change	% Change
	(in thousands except percentages)			
Costs of revenue	$12,893	$12,367	$ (526)	(4)%
Percent of revenue	35%	22%	(13)%	

Cost of revenue decreased by $0.5 million, or 4%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. This decrease resulted primarily from data center consolidation and lease renegotiation, resulting in a decrease in data center, hosting, and bandwidth costs of $1.1 million. This decrease was partially offset by a $0.9 million increase in depreciation and amortization, mainly attributable to an increase in amortization of capitalized internal use software due to our continued investment in our revenue producing platform.

Sales and Marketing

	Year Ended 2011	Year Ended 2012	Change	% Change
	(in thousands except percentages)			
Sales and marketing	$17,748	$20,458	$2,710	15%
Percent of revenue	48%	36%	(12)%	

Sales and marketing expense increased by $2.7 million, or 15%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. This increase was primarily due to an increase in personnel expenses, including stock-based compensation, of $1.4 million, due to an increase in headcount to support our sales and marketing efforts. Our sales and marketing headcount increased in order to support our sales efforts and continue to develop and maintain relationships with buyers and sellers, as well as to provide information to the market with respect to our solution. Average headcount increased by 36% from December 31, 2011 to December 31, 2012. In addition, marketing and promotional expenses increased by $0.4 million, mainly related to our participation in industry events and sponsorships and tradeshows. Overall sales and marketing expenses increased due to our focus on marketing our platform and solution to increase the adoption of our platform and our solution by existing and new buyers and sellers, and to establish a presence in international markets.

Technology and Development

	Year Ended 2011	Year Ended 2012	Change	% Change
	(in thousands except percentages)			
Technology and development	$12,496	$13,115	$ 619	5%
Percent of revenue	34%	23%	(11)%	

Technology and development expense increased by $0.6 million, or 5%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. This increase was primarily due to an increase in depreciation and amortization of $0.3 million.

We capitalize a portion of our technology and development cost for the development of internal use software. The capitalized amounts related to our revenue producing platform are amortized to cost of revenue and the remainder of the capitalized amounts are amortized to technology and development. The timing of our capitalizable development and enhancement projects may affect the amount of development costs expensed in any given period. We capitalized $3.2 million and $3.9 million of costs, primarily related to labor costs, during the years ended December 31, 2011 and 2012, respectively.

General and Administrative

	Year Ended 2011	Year Ended 2012	Change	% Change
	(in thousands except percentages)			
General and administrative	$8,926	$12,331	$3,405	38%
Percent of revenue	24%	22%	(2)%	

General and administrative expense increased by $3.4 million, or 38%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. This increase was primarily due to an increase in personnel expense, including stock-based compensation, of $1.2 million and an increase in third-party

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professional services of $0.7 million. The increase in personnel costs was driven primarily by increased headcount. Average general and administrative headcount increased by 39% from December 31, 2011 to December 31, 2012. The increase in third-party professional services was related to accounting and legal services as we continued to invest in our infrastructure.

Other Expense, Net

	Year Ended		
	2011	2012	Change
	(in thousands)		
Interest (income) expense, net	$ 252	$ 343	$ 91
Change in fair value of convertible preferred stock warrant liabilities	304	515	211
Foreign exchange (gain) loss, net	216	171	(45)
Other income	(503)	—	503
Total other expense, net	$ 269	$1,029	$ 760

The increase in other expense, net of $0.8 million relates to an increase of $0.2 million in the fair value of our convertible preferred stock warrant liabilities, decrease of $0.5 million in other income, and increase of $0.1 million in interest (income) expense, net, partially offset by a decrease in losses of $45,000 on foreign currency transactions. The increase in the fair value of the convertible preferred stock warrant liabilities was due to the increase in the valuation of our preferred stock from December 31, 2011 to December 31, 2012. The decrease in losses on foreign currency transactions was mainly related to fluctuations in the British Pound and Euro in relation to the U.S. Dollar from January 1, 2011 to December 31, 2012. During the year ended December 31, 2011, we recorded other income related to software development we performed for a third party, which was unrelated to our core operations.

Provision for Income Taxes

Our provision for income taxes during the year ended December 31, 2011 of $0.1 million was primarily related to taxes due in foreign jurisdictions. Our provision for income taxes during the year ended December 31, 2012 of $0.1 million was primarily related to taxes due in foreign jurisdictions.

At December 31, 2012, we had U.S. federal net operating loss carryforwards, or NOLs, of approximately $48.0 million, which will begin to expire in 2027. At December 31, 2012, we had state NOLs of approximately $46.7 million, which will also begin to expire in 2027. At December 31, 2012, we had federal research and development tax credit carryforwards, or credit carryforwards, of approximately $2.4 million, which will begin to expire in 2027. At December 31, 2012, we had state research and development tax credits of approximately $1.8 million, which carryforward indefinitely. Utilization of certain NOLs and credit carryforwards may be subject to an annual limitation due to ownership change limitations set forth in the Code and similar state provisions. Any future annual limitation may result in the expiration of NOLs and credit carryforwards before utilization. A prior ownership change and certain acquisitions resulted in us having NOLs subject to insignificant annual limitations.

Quarterly Results of Operations and Key Operational and Financial Measures

The following tables set forth our quarterly unaudited consolidated statements of operations data in dollars and as a percentage of total revenue for each of the seven quarters in the period ended September 30, 2013. We have prepared the quarterly unaudited consolidated statements of operations data on a basis consistent with the audited consolidated financial statements included elsewhere in this prospectus. In the opinion of management, the financial information in these tables reflects all adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair statement of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results for any future period.

	Three Months Ended						
	Mar. 31, 2012	June 30, 2012	Sept. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013
	(in thousands)						
Revenue	$10,763	$13,010	$13,853	$19,446	$16,600	$19,035	$20,063
Expenses:							
Cost of revenue(1)	2,817	2,842	3,093	3,615	3,437	3,594	4,181
Sales and marketing(1)	4,627	5,261	4,939	5,631	6,195	6,167	6,405
Technology and development(1)	2,586	2,979	3,783	3,767	4,111	5,138	4,823
General and administrative(1)	2,405	2,718	3,355	3,853	4,634	5,726	7,603
Total expenses	12,435	13,800	15,170	16,866	18,377	20,625	23,012
Income (loss) from operations	(1,672)	(790)	(1,317)	2,580	(1,777)	(1,590)	(2,949)
Other (income) expense, net	60	277	164	528	335	452	1,922
Income (loss) before income taxes	(1,732)	(1,067)	(1,481)	2,052	(2,112)	(2,042)	(4,871)
Provision for income taxes	30	32	41	31	50	63	74
Net income (loss)	$ (1,762)	$ (1,099)	$ (1,522)	$ 2,021	$ (2,162)	$ (2,105)	$ (4,945)

(1) Stock-based compensation expense included in our expenses was as follows:

	Three Months Ended						
	Mar. 31, 2012	June 30, 2012	Sept. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013
	(in thousands)						
Cost of revenue	$ 7	$ 27	$ 20	$ 24	$ 18	$ 22	$ 24
Sales and marketing	228	324	240	247	340	223	242
Technology and development	31	270	270	257	368	419	396
General and administrative	133	247	382	337	778	850	887
Total	$ 399	$ 868	$ 912	$ 865	$ 1,504	$ 1,514	$ 1,549

The following table sets forth our consolidated results of operations for the specified periods as a percentage of our revenue for those periods.

	Three Months Ended*						
	Mar. 31, 2012	June 30, 2012	Sept. 30, 2012	Dec. 31, 2012	Mar. 31, 2013	June 30, 2013	Sept. 30, 2013
Revenue	100%	100%	100%	100%	100%	100%	100%
Expenses:							
Cost of revenue	26	22	22	19	21	19	21
Sales and marketing	43	40	36	29	37	32	32
Technology and development	24	23	27	19	25	27	24
General and administrative	22	21	24	20	28	30	38
Total expenses	116	106	110	87	111	108	115
Income (loss) from operations	(16)	(6)	(10)	13	(11)	(8)	(15)
Other (income) expense, net	1	2	1	3	2	2	10
Income (loss) before income taxes	(16)	(8)	(11)	11	(13)	(11)	(24)
Provision for income taxes	—	—	—	—	—	—	—
Net income (loss)	(16)%	(8)%	(11)%	10%	(13)%	(11)%	(25)%

* Certain figures may not sum due to rounding.

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Key Operational and Financial Measures

	Three Months Ended						
	March. 31, 2012	June 30 2012	Sept. 30, 2012	Dec. 31, 2012	March 31 2013	June 30, 2013	Sept. 30, 2013
	(in thousands)						
Operational Measure:							
Managed revenue	$ 66,296	$ 76,365	$ 84,137	$ 112,120	$ 96,359	$ 112,743	$ 117,554
Financial Measure:							
Revenue	$ 10,763	$ 13,010	$ 13,853	$ 19,446	$ 16,600	$ 19,035	$ 20,063
Adjusted EBITDA	$ 201	$ 1,732	$ 1,596	$ 5,676	$ 1,976	$ 2,089	$ 632

For information on how we define operational metrics and financial measures see "—Key Operational and Financial Measures." For more information as to the limitations of using non-GAAP measurements, see "Selected Consolidated Financial and Other Data—Operational and Financial Measures."

The following table presents a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure calculated in accordance with GAAP:

	Three Months Ended						
	March. 31, 2012	June 30 2012	Sept. 30, 2012	Dec. 31, 2012	March 31 2013	June 30, 2013	Sept. 30, 2013
	(in thousands)						
Other Financial Data:							
Net income (loss)	$ (1,762)	$(1,099)	$(1,522)	$2,021	$ (2,162)	$(2,105)	$(4,945)
Add back (deduct):							
Depreciation and amortization expense	1,474	1,533	1,807	2,043	2,061	2,040	2,032
Stock-based compensation expense	399	868	912	865	1,504	1,514	1,549
Acquisition and related items	—	121	194	188	188	125	—
Interest (income) expense, net	82	86	90	85	91	69	69
Change in fair value of preferred stock warrant liabilities	27	25	35	428	549	428	1,090
Foreign currency (gain) loss, net	(49)	166	39	15	(305)	(45)	763
Provision for income taxes	30	32	41	31	50	63	74
Adjusted EBITDA	$ 201	$ 1,732	$ 1,596	$5,676	$ 1,976	$ 2,089	$ 632

Quarterly Trends and Seasonality

Our overall operating results fluctuate from quarter to quarter as a result of a variety of factors, some of which are outside our control. We have experienced rapid growth since our incorporation in April 2007, which has resulted in a substantial increase in our revenue and a corresponding increase in our expenses to support our growth. This rapid growth has also led to variations in our overall operating results based on the timing of our investments and resulting headcount growth in sales and marketing, technology and development, and general and administrative expenses from quarter to quarter. Our historical results should not be considered a reliable indicator of our future results of operations.

Our quarterly revenue increased quarter-over-quarter for each period presented, except in the three months ended December 31, 2012 compared to the three months ended March 31, 2013. The increases in quarterly revenue are generally due to increases in the amount of advertising spending on our platform and increases in CPM. Our revenue also tends to be seasonal in nature, with the fourth quarter of each calendar year historically representing the largest percentage of our revenue for the year. Many advertisers spend the largest portion of their advertising budgets during the fourth quarter in preparation for the holiday shopping season, and as a result, we experience the impact of the increased spending from buyers in the fourth quarter, as reflected during the three months ended December 31, 2012, and the impact of decreased spending from buyers in the first quarter, as reflected in the three months ended March 31, 2013.

Total expenses increased during every quarter presented in a given year, primarily due to increased expenses related to the continued expansion of, and investments in, our technical infrastructure, and expenses related to increases in employee headcount, including facilities related costs, depreciation and amortization, and stock-based compensation expense. Total expenses as a percentage of revenue may fluctuate quarter over quarter due to the timing of investments we make in our operations.

Our Adjusted EBITDA increased during the three months ended December 31, 2012 compared to three months ended March 31, 2012, June 30, 2012, and September 30, 2012 due to seasonal factors. Subsequently, due to seasonality, our Adjusted EBITDA decreased in the three months ended March 31, 2013 compared to the three months ended December 31, 2012. Our Adjusted EBITDA decreased during the three months ended September 30, 2013 compared to the three months ended June 30, 2013 primarily due to increased professional fees related to accounting, audit, tax and legal third-party services as we continued to invest in our infrastructure, processes and controls to support our growth and in preparation for this offering and becoming a public company.

Liquidity and Capital Resources

Since our incorporation in April 2007, we have primarily financed our operations and capital expenditures through private sales of convertible preferred stock, our use of our credit facilities, and cash generated from operations. Between 2007 and 2010, we raised $52.6 million from the sale of preferred stock.

At September 30, 2013, we had cash of $21.0 million and restricted cash of $1.8 million.

In March 2009, we entered into a credit facility with Silicon Valley Bank that provided for an asset based revolving credit facility and equipment term loan facilities. The credit facility was amended most recently in September 2013, among other changes to: increase the revolving loan commitment to $40.0 million, subject to continuing availability under the borrowing base thereunder, which is currently based on a percentage of certain accounts receivable; eliminate the equipment term loan facilities; and extend the stated maturity date to September 27, 2018. The aggregate revolving loan commitment under the credit facility may be increased to $70.0 million at the discretion of Silicon Valley Bank.

At September 30, 2013, we had $3.8 million in debt obligations under this credit facility, inclusive of equipment loans, and $36.2 million available for additional borrowings. We may prepay outstanding amounts under the credit facility without penalty and with nominal prepayment costs.

At our option, loans under the credit facility may bear interest based on either the LIBOR rate or the prime rate plus, in each case, an applicable margin. The applicable margins under the credit facility are (i) 2.00% or 3.50% per annum in the case of LIBOR rate loans, and (ii) 0.00% or 1.50% per annum in the case of prime rate loans (based on Silicon Valley Bank's net exposure to us after giving effect to unrestricted cash held at Silicon Valley Bank and its affiliates plus up to $3.0 million held at other institutions). In addition, an unused revolver fee in the amount of 0.15% per annum of the average unused portion of the credit facility is payable by us to Silicon Valley Bank monthly in arrears.

Our credit facility restricts our ability to, among other things, sell assets, make changes to the nature of our business, engage in mergers or acquisitions, incur, assume or permit to exist additional indebtedness and guarantees, create or permit to exist liens, pay dividends, make distributions or redeem or repurchase capital stock or make other investments, engage in transactions with affiliates and make payments in respect of subordinated debt.

In addition, in the event that the amount available to be drawn is less than 20% of the maximum line amount of the credit facilities, or if an event of default exists, we are required to satisfy a minimum fixed charge coverage ratio test. Currently, we would not satisfy this minimum fixed charge coverage ratio test, which is defined as a ratio of Adjusted EBITDA to the sum of interest accrual and principal payments required to be paid during the relevant measurement period. However, we meet the specified excess availability threshold, so we are not currently required to satisfy this test.

The credit facility also includes customary representations and warranties and affirmative covenants. In addition, prior to amending our credit facility in September 2013, we were not compliant with certain administrative covenants, for which we have received waivers from Silicon Valley Bank in each instance. In addition to such other events of defaults as are customarily included in a credit facility, including a change of control default, our credit facility also includes an event of default in the event a material adverse change occurs (as defined in the credit facility). Following an event of default, Silicon Valley Bank would be entitled to, among other things, accelerate payment of amounts due under the credit facility and exercise all rights of a secured creditor.

We believe our existing cash and cash flow from operations, together with the proceeds from this offering and the undrawn balance under our credit facility with Silicon Valley Bank, will be sufficient to meet our working capital requirements for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could utilize our available financial resources sooner than we currently expect. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section of this prospectus entitled "Risk Factors."

In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership of our existing stockholders will be diluted. If we raise additional financing by the incurrence of indebtedness, we will be subject to increased fixed payment obligations and could also be subject to restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could be unfavorable to equity investors.

There can be no assurances that we will be able to raise additional capital or obtain such waivers or amendments on acceptable terms or at all, which would adversely affect our ability to achieve our business objectives. In addition, if our operating performance during the next twelve months is below our expectations, our liquidity and ability to operate our business could be adversely affected.

The following table summarizes our cash flows for the periods presented:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Cash flows provided by operating activities	$ 2,129	$ 15,598	$ 5,523	$ 8,791
Cash flows used in investing activities	(8,140)	(9,030)	(6,764)	(9,025)
Cash flows provided by (used in) financing activities	1,327	(1,399)	(1,121)	(428)
Effects of exchange rates on cash	63	195	155	5
Increase (decrease) in cash and cash equivalents	$ (4,621)	$ 5,364	$ (2,207)	$ (657)

Operating Activities

Cash provided by operating activities is primarily influenced by increases in collections from buyers and the related payments to sellers, as well as our investment in personnel and infrastructure to support the anticipated growth of our business. Cash provided by operating activities has been further increased by changes in our working capital, particularly changes in accounts receivable and accounts payable. The timing of cash receipts from buyers and payments to sellers can significantly impact our cash provided by operations for any period presented. During the fourth quarter, our working capital needs may increase due to the seasonality in our business. In addition, we expect seasonality to impact cash flows provided by operating activities on a sequential quarter and quarter over quarter basis.

For the year ended December 31, 2011, cash provided by operating activities of $2.1 million resulted from our net loss of $15.4 million, offset by non-cash expenses of $7.8 million and net changes in our working capital of $9.8 million. The net change in working capital was primarily related to an increase in accounts payable and accrued expenses of approximately $18.4 million offset by an increase in accounts receivable of approximately $8.0 million, both due to the growth in our revenues, the timing of cash receipts from buyers and the timing of payments to sellers.

For the year ended December 31, 2012, cash provided by operating activities of $15.6 million resulted from our net loss of $2.4 million, offset by non-cash expenses of $10.2 million and net changes in our working capital of $7.8 million. The net change in working capital was primarily related to an increase in accounts payable and accrued expenses of approximately $32.3 million, and an increase in other liabilities of approximately $1.7 million, offset by an increase in accounts receivable of approximately $26.3 million, both due to the growth in our revenues, the timing of cash receipts from buyers, and the timing of payments to sellers.

For the nine months ended September 30, 2012, cash provided by operating activities of $5.5 million resulted from our net loss of $4.4 million offset by non-cash expenses of $6.9 million and net changes in our working capital of $3.0 million. The net change in working capital was primarily related to an increase in accounts payable and accrued expenses of approximately $9.2 million and an increase in other liabilities of approximately $1.0 million, offset by an increase in accounts receivable of approximately $7.6 million, both due to the growth in our revenues, the timing of cash receipts from buyers and the timing of payments to sellers, and seasonality of our business.

For the nine months ended September 30, 2013, cash provided by operating activities of $8.8 million resulted from our net loss of $9.2 million offset by non-cash expenses of $13.4 million and net changes in our working capital of $4.6 million. The net change in working capital was primarily related to an increase in accounts payable and accrued expenses of approximately $6.9 million, offset by an increase in accounts receivable of approximately $2.5 million, due to the timing of cash receipts from buyers, the timing of payments to sellers, and the seasonality of our business.

Investing Activities

Our primary investing activities have consisted of purchases of property and equipment in support of our expanding headcount as a result of our growth, capital expenditures to develop our internal use software in support of creating and enhancing our technology infrastructure, and for cash used in acquisitions. Purchases of property and equipment may vary from period-to-period due to the timing of the expansion of our operations, the addition of headcount and the development cycles of our internal use software development costs. As our business grows, we expect our capital expenditures and our investment activity to continue to increase.

During the year ended December 31, 2011, we used $8.1 million of cash in investing activities, consisting of $3.7 million of investments in property and equipment, net of amounts reflected in accounts payable and accrued expenses at December 31, 2011, and $3.2 million of investments in our internal use software. In addition, during the year ended December 31, 2011, we paid $1.3 million that we had previously accrued related to an acquisition that occurred in 2010.

During the year ended December 31, 2012, we used $9.0 million of cash in investing activities, consisting of $3.7 million of investments in our internal use software and $3.0 million of investments in property and equipment, net of amounts reflected in accounts payable and accrued expenses at December 31, 2012 and net of amounts financed through capital leases. In addition, during the year ended December 31, 2012, we used $1.7 million for the acquisition of MobSmith, Inc., net of cash acquired. In conjunction with software license agreements, we reclassified $0.6 million of cash to restricted cash.

During the nine months ended September 30, 2012, we used $6.8 million of cash in investing activities, consisting of $2.6 million of investments in our internal use software and $1.8 million of investments in property and equipment, net of amounts reflected in accounts payable and accrued expenses at September 30, 2012 and net of amounts financed through capital leases. In addition, during the nine months ended September 30, 2012, we used $1.7 million for the acquisition of MobSmith, Inc., net of cash acquired. In conjunction with software license agreement, we reclassified $0.6 million of cash to restricted cash.

During the nine months ended September 30, 2013, we used $9.0 million of cash in investment activities, consisting of $5.4 million of investments in property and equipment, $2.4 million of investments in our internal use software, and $1.2 million of cash reclassified to restricted cash in conjunction with our corporate office building lease.

Financing Activities

Our financing activities have consisted primarily of net proceeds from the borrowings under our Silicon Valley Bank credit facility, including the equipment loans, and the issuance of shares of common stock upon the exercise of stock options.

During the year ended December 31, 2011, cash provided by financing activities of $1.3 million was primarily due to borrowings of $2.0 million from our equipment loans with Silicon Valley Bank and proceeds of $0.2 million from stock option exercises, partially offset by payments of $0.9 million on our equipment loan and capital lease obligations.

During the year ended December 31, 2012, cash used in financing activities of $1.4 million was primarily due to payments of $1.5 million on our equipment loan and capital lease obligations, partially offset by proceeds of $0.1 million from stock option exercises.

During the nine months ended September 30, 2012, cash used in financing activities of $1.1 million was primarily due to payments of $1.2 million on our equipment loan and capital lease obligations, partially offset by proceeds of $0.1 million from stock option exercises.

During the nine months ended September 30, 2013, cash used in financing activities of $0.4 million was primarily due to payments of $0.9 million on our equipment loan and capital lease obligations, partially offset by proceeds of $0.5 million from stock option exercises.

Off Balance Sheet Arrangements

We do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We did not have any other off balance sheet arrangements at September 30, 2013 other than preferred stock cumulative dividends, the operating leases, and the indemnification agreements described below.

The holders of our convertible preferred stock are entitled to dividends when, as, and if declared by our board of directors, and prior and in preference to common stock. Unless declared, dividends are not payable except that cumulative dividends are payable in the event of the sale, liquidation, dissolution, or winding up of the company. No dividends have been declared or paid to date. Immediately upon the closing of this offering, all outstanding shares of convertible preferred stock will be automatically converted into shares of common stock on a 1:1 basis and these holders will no longer be entitled to cumulative dividends. Cumulative undeclared preferred stock dividends as of September 30, 2013 were $18.7 million.

Contractual Obligations and Known Future Cash Requirements

Our principal commitments consist of obligations under our outstanding credit facility with Silicon Valley Bank, leases for our various office facilities, including our corporate headquarters in Los Angeles, California, and non-cancelable operating lease agreements with data centers that expire through 2017. In certain cases, the terms of the lease agreements provide for rental payments on a graduated basis.

The following table summarizes our contractual obligations at September 30, 2013:

	2013	2014	2015	2016	2017	Thereafter	Total
				(in thousands)			
Debt, including equipment loans	$ 45	$ 180	$ 180	$ 180	$180	$ 3,919	$ 4,684
Capital lease obligations	139	299	106	—	—	—	$ 544
Operating lease obligations	1,056	3,635	2,016	2,254	110	—	$ 9,071
Total minimum payments	$1,240	$4,114	$2,302	$2,434	$290	$ 3,919	$14,299

At September 30, 2013, liabilities for unrecognized tax benefits of $1.1 million, which are attributable to U.S. income taxes, are not included in the table above because, due to their nature, there is a high degree of uncertainty regarding the time of future cash outflows and other events that extinguish these liabilities.

In the ordinary course of business, we enter into agreements with sellers, buyers and other third parties pursuant to which we agree to indemnify buyers, sellers, vendors, lessors, business partners, lenders, stockholders, and other parties with respect to certain matters, including, but not limited to, losses resulting from claims of intellectual property infringement, damages to property or persons, business losses, or other liabilities. Generally these indemnity and defense obligations relate to our own business operations, obligations, and acts or omissions. However, under some circumstances, we agree to indemnify and defend contract counterparties against losses resulting from their own business operations, obligations, and acts or omissions, or the business operations, obligations, and acts or omissions of third parties. These indemnity provisions generally survive termination or expiration of the agreements in which they appear. In addition, we have entered into indemnification agreements with our directors, executive officers and certain other officers that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon us to provide indemnification under such agreements and there are no claims that we are aware of that could have a material effect on our consolidated financial statements.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates associated with the evaluation of revenue recognition criteria, including the determination of revenue recognition as net versus gross in our revenue arrangements, internal-use software development costs, the valuation of common stock, including assumptions used in the Black-Scholes option pricing model to determine the fair value of stock options and stock-based compensation expense, the valuation of preferred stock warrant liabilities, the assumptions used in the valuation of acquired assets and liabilities in business combinations, and income taxes, including the realization of tax assets and estimates of tax liabilities, have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, see the notes to our consolidated financial statements.

We have identified several material weaknesses in our internal control over financial reporting. For additional information, see the risk factor entitled "*We have identified certain material weaknesses in our internal control over financial reporting. Failure to maintain effective internal controls could cause our investors to lose confidence and adversely affect the market price of our common stock. If our internal controls are not effective, we may not be able to accurately report our financial results or prevent fraud*."

Revenue Recognition

We generate revenue from buyers and sellers who use our solution for the buying and selling of advertising inventory. We recognize revenue when four basic criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fees are fixed or determinable, and (iv) collectibility is reasonably assured. We maintain separate arrangements with buyers and sellers in the form of master agreements, which set out the terms of the relationship and access to our solution, or insertion orders which specify price and volume requests. In applying the foregoing criteria, we recognize revenue upon the completion of a transaction, that is, when an impression has been delivered to the consumer viewing a website or application. We assess whether fees are fixed or determinable based on impressions delivered and the contractual terms of the arrangements. Subsequent to the delivery of an impression, the fees are generally not subject to adjustment or refund. Historically, any refunds and adjustments have not been material. We assess collectibility based on a number of factors, including the creditworthiness of a buyer and seller and payment history. Our revenue arrangements do not include multiple deliverables. We generally bill buyers for the gross amount of advertising inventory they purchase plus fees, if any. We remit to a seller the amount spent by the buyer for the advertising inventory purchased less our fees.

We also report revenue in conformity with *Revenue Recognition-Principal Agent Considerations*. The determination of whether we are the principal or agent, and hence whether to report revenue on a gross basis for the amount of the advertising inventory buyers purchase using our platform, plus fees, if any, or on a net basis for the amount of fees charged to the buyer, if any, and fees retained from or charged to the seller, requires us to evaluate a number of indicators, none of which is presumptive or determinative. Our solution enables buyers and sellers to purchase and sell advertising inventory, matches buyers and sellers and establishes rules and parameters for advertising inventory transactions. Pricing is generally determined through our auction process. We do not purchase advertising inventory. As a result of these and other factors, we have determined we are not the principal in the purchase and sale of advertising inventory and we therefore report revenue on a net basis.

Internal Use Software Development Costs

We capitalize certain internal use software development costs associated with creating and enhancing internally developed software related to our technology infrastructure. These costs include personnel and related employee benefit expenses for employees who are directly associated with and who devote time to software projects, and external direct costs of materials and services consumed in developing or obtaining software. Software development costs that do not meet the qualification for capitalization, as further discussed below, are expensed as incurred and recorded in technology and development expenses in the results of operations.

Software development activities generally consist of three stages, (i) the planning phase, (ii) the application and infrastructure development stage, and (iii) the post implementation stage. Costs incurred in the planning and post implementation phases of development of our software technologies, including costs associated with the post-configuration training and repairs and maintenance of the developed technologies, are expensed as incurred. We capitalize costs associated with software developed for internal use when both the preliminary project stage is completed and management has authorized further funding for the completion of the project. Costs incurred in the application and infrastructure development stage, including significant enhancements and upgrades, are capitalized. Capitalization ends once a project is substantially complete and the software and technologies are ready for their intended purpose. Internal use software development costs are amortized using a straight-line method over the estimated useful life of three years, commencing when the software is ready for its intended use. We believe the straight-line recognition method approximates the manner in which the expected benefit will be derived.

We do not transfer ownership of our software to, or lease our software to, third parties.

Stock-Based Compensation

Compensation expense related to employee stock-based awards is measured and recognized in the financial statements based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model. Stock-based compensation expense is recognized on a straight-line basis, net of forfeitures, over the requisite service periods of the awards, which is generally four years.

Stock-based awards issued to non-employees are accounted for at fair value determined by using the Black-Scholes option-pricing model. We believe that the fair value of the stock options is more reliably measured than the fair value of the services received. The fair value of each non-employee stock-based compensation award is re-measured each period until a commitment date is reached, which is generally the vesting date.

Determining the fair value of stock-based awards at the grant date requires judgment. Our use of the Black-Scholes option-pricing model requires the input of subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock. The assumptions used in our option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

These assumptions and estimates are as follows:

Fair Value of Common Stock. Because there is no public market for the company's common stock, our board of directors has determined the fair value of the common stock at the time of the grant of options and restricted stock awards by considering a number of objective and subjective factors discussed under "Common Stock Valuation" below.

Risk-Free Interest Rate. We base the risk-free interest rate used in the Black-Scholes option-pricing model on the yields of U.S. Treasury securities with maturities appropriate for the term of employee stock option awards.

Expected Term. The expected term of employee stock options represents the weighted-average period that the stock options are expected to remain outstanding. Given insufficient historical data relating to stock-option exercises, to determine the expected term, we apply the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award.

Volatility. Because we do not have a trading history for our common stock, we determine the expected volatility based on the historical volatilities of our publicly traded peer group based on daily price observations over a period equivalent to the expected term of the stock option grants. Industry peers consist of several public companies in the industry that represent similar, but alternative investment opportunities to an investment in our Company. We did not rely on implied volatilities of traded options in our industry peers' common stock because the volume of activity was relatively low. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.

Dividend Yield. The dividend yield assumption is based on our history and current expectations of dividend payouts. We have never declared or paid any cash dividends on our common stock, and we do not anticipate paying any cash dividends in the foreseeable future and, consequently, we used an expected dividend yield of zero.

The following table summarizes the weighted-average assumptions used in the Black-Scholes option-pricing model to determine the fair value of our stock options as follows:

	Year Ended December 31,		Nine Months Ended September 30,	
	2011	2012	2012	2013
Fair value of common stock	$1.76	$2.35	$2.35	$4.40
Risk-free interest rate	1.91%	0.94%	0.94%	1.24%
Expected term (in years)	5.9	5.8	5.8	6.0
Volatility	57%	59%	59%	58%
Dividend Yield	—%	—%	—%	—%

In addition to the assumptions used in the Black-Scholes option-pricing model, we must also estimate a forfeiture rate to calculate the stock-based compensation expense for our awards. Our forfeiture rate is based on an analysis of our historical forfeitures and expected future forfeiture trends. We will continue to evaluate the appropriateness of the forfeiture rate based on historical forfeiture experience, analysis of employee turnover, and other factors. Quarterly changes in the estimated forfeiture rate may have a significant impact on our stock-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in the consolidated financial statements. If a revised forfeiture rate is lower than the previously estimated forfeiture rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in the consolidated financial statements.

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation. Future expense amounts for any particular period could be affected by changes in our assumptions or market conditions.

Due to the full valuation allowance provided with regard to our net deferred tax assets, we have not recorded any tax benefit attributable to stock-based awards for the years ended December 31, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013.

Common Stock Valuations

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. The fair values of the common stock underlying our stock-based awards were determined by our board of directors, with input from management and contemporaneous third-party valuations. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. As described below, the exercise price of our stock options was determined by our board of directors with reference to the most recent contemporaneous third-party valuation as of the grant date.

Given the absence of a public trading market of our common stock, and in accordance with the practice aid issued by the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock, including:

- contemporaneous valuations performed by unrelated third-party specialists;
- the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the prices of our convertible preferred stock and common stock sold to outside investors in arms-length transactions;
- the lack of marketability of our common stock;
- our actual operating and financial performance;
- current business conditions and projections;
- our hiring of key personnel and the experience of our management;
- our history and the timing of the introduction of new products and services;
- our stage of development;
- the likelihood of achieving a liquidity event, such as an initial public offering or a merger or acquisition of our Company given prevailing market conditions;
- the illiquidity of stock-based awards involving securities in a private company;
- the market performance of comparable publicly traded companies; and
- the U.S. and global capital market conditions.

In valuing our common stock, our board of directors determined the equity value of our business using the market comparable approach valuation method and, beginning in March 1, 2013 the income approach valuation method. The market comparable approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's operating results to estimate the value of the subject company. To determine our peer group of companies, we considered public software and digital advertising companies and selected those that that represent similar, but alternative investment opportunities to an investment in our Company. From time to time, we updated the set of comparable companies as new or more relevant information became available.

The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar lines of business as of each valuation date and is adjusted to reflect the risks inherent in our cash flows. Once we determined an equity value, we used the option pricing method, or OPM, to allocate the equity value to each of our classes of stock. The OPM values each equity class by creating a series of call options on our equity value, with exercise prices based on the liquidation preferences, participation rights, and strike prices of the equity instruments. This method is generally preferred when a discrete set of future outcomes is not transparent or are difficult to predict, and dissolution or liquidation is not imminent. Starting in March 2013, due to greater clarity on potential liquidity scenarios, we began using the Probability Weighted Expected Return Method, or PWERM, to allocate our equity value among the various outcomes. Using the PWERM, the value of our common stock is estimated based upon a probability-weighted analysis of varying values for our common stock assuming the following possible future events for our Company:

- A "hold and build" scenario, where we would continue as a private company prior to an eventual sale;
- Strategic sale in the near term;

- Initial public offering, or IPO; or
- A downside scenario in which we sell at a lower than expected shareholder liquidation value.

Application of these approaches involves the use of estimates, judgment and assumptions, such as future cash flows and selection of comparable companies. Changes in our assumptions or the interrelationship of those assumptions impacted the valuations as of each valuation date.

In addition, we also considered an appropriate discount adjustment to recognize the lack of marketability and liquidity due to the fact that stockholders of private companies do not have access to trading markets similar to those enjoyed by stockholders of public companies. The discount for marketability was determined using a protective put option model, in which a put option is used as a proxy for measuring discounts for lack of marketability of securities.

From time to time, we updated the set of comparable companies as new or more relevant information became available. Compared to the September 30, 2012 valuation, for the March 1, 2013 valuation, we eliminated four comparable companies and added new comparable companies based on our growth rates and current size. The set of comparable companies was the same for the March 1, 2013 and June 1, 2013 valuations. For the October 1, 2013 valuation, we added four new comparable companies. Each newly added company was in the digital advertising/services industry and had recently completed its initial public offering, providing publicly available financial data from which valuation multiples could be derived. The set of comparable companies was consistent with the set used in the calculation of the non-marketability discount. The market multiples are based on key metrics of comparable publicly traded companies, including high-growth companies in the digital advertising sector.

Between September 30, 2012 and the date of this prospectus, we granted the following stock options:

Option Grant Dates	Number of Shares Subject to Options Granted (in thousands)	Exercise Price Per Share	Common Stock Fair Value Per Share at Grant Date
December 13, 2012	484	$ 2.35	$ 2.35
February 22, 2013	4,395	$ 3.90*	$ 3.90
April 24, 2013	635	$ 3.90	$ 3.90
June 7, 2013	1,120	$ 4.15	$ 4.15
July 24, 2013	1,399	$ 4.90	$ 4.90
October 30, 2013	1,049	$ 5.92	$ 5.92

* In light of the proximity of the February 22, 2013 grants to the valuation dated as of March 1, 2013, our board of directors reconsidered the fair value of the common stock and, on November 14, 2013, revised the exercise price of the options granted on February 22, 2013 to the revised estimated fair value of the common stock of $3.90.

Based upon $ per share, the mid-point of the price range on the cover page of this prospectus, the aggregate intrinsic value of options outstanding as of , 2013 was approximately $ million, of which $ million related to vested options and approximately $ million related to unvested options.

Valuation Inputs

December 13, 2012. In estimating the fair value of our common stock to set the exercise price of such options, our board of directors considered a valuation analysis for our common stock dated as of September 30, 2012. The valuation analysis reflected a fair value for our common stock of $2.29. The primary valuation considerations were an enterprise value determined from the market-based approach using an enterprise value multiple applied to our forward revenue metric for 2012 and a lack of marketability discount of 20%. The OPM utilized the following assumptions: a time to liquidity event of 1.25 years; a risk free rate of 0.19%; and volatility of 50% over the time to a liquidity event. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable publicly traded companies. Our board of directors considered the proximity relative to the September 30, 2012 valuation and our financial performance in establishing the fair value of the common stock and the exercise price of the options granted in December 2012 at $2.35.

February 22, 2013 and April 24, 2013. Our board of directors considered the proximity relative to the September 30, 2012 valuation and our financial performance in initially establishing the fair value of the common stock and the exercise price of the options granted in February 2013 at $2.50. However, our board of directors subsequently received another contemporaneous valuation analysis dated as of March 1, 2013. The March 1, 2013 valuation analysis reflected a fair value for our common stock of $3.78. The primary valuation considerations were an enterprise value determined from the income approach, weighted at 75% and a market-based approach weighted at 25%. The income approach, specifically a discounted cash flow analysis, was developed based on our three year forecast and utilized a weighted average cost of capital, or WACC, of 25%. The market-based approach used a selected multiple applied to our projected 2013 and 2014 revenue. The multiple increased from the September 30, 2012 valuation analysis was primarily due to the adjustments to the set of comparable publicly traded companies included in the analysis to better reflect our growth rates and current size. The selected multiples for the market-based approach were below the average and median of the comparable publicly traded companies due to our smaller size. After deriving the value of total invested capital using the income approach and the market-based approach, we proceeded to estimate the value of the securities using both the OPM, weighted at 25% and the PWERM, weighted at 75%. The OPM utilized the following assumptions: a time to liquidity event of 2.0 years, a risk free rate of 0.25%, volatility of 50% over the time to a liquidity event and an 18% discount for lack of marketability. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable publicly traded companies. The PWERM used four scenarios: the “hold and build” scenario with an eventual sale two years after the valuation date, weighted at 15% with a discount for lack of marketability of 18%; the strategic sale scenario with a sale to a strategic buyer in the six months after the valuation date, weighted at 10% with a lack of marketability discount of 9%; an IPO scenario, with a filing one year from the valuation date, weighted at 43% with a lack of marketability discount of 12%; and a downside scenario, with a sale at a lower than expected value three years from the valuation date, weighted at 32% and a lack of marketability discount of 22%. In light of the proximity of the February 22, 2013 grants to the valuation dated as of March 1, 2013, our board of directors reconsidered the fair value of the common stock and, on November 14, 2013, revised the exercise price of the options granted on February 22, 2013 to the revised estimated fair value of the common stock of $3.90. The increase in our fair value resulted in part from the continued growth and financial performance of our business. During the three months ended March 31, 2013, managed revenue grew by 45% and our revenue grew 54% compared to the three months ended March 31, 2012, indicating a significant increase in the adoption of our solution, and we expanded our management team by hiring our President and our Chief Financial Officer and Chief Operating Officer, each of whom has experience in management of a public company. With respect to the April 2013 grants, our board of directors considered the proximity relative to the March 1, 2013 valuation, and that there were no material changes to the business since the March 2013 valuation, in establishing the fair value of the common stock and the exercise price of the options granted in April 2013 at $3.90.

June 7, 2013 and July 24, 2013. In estimating the fair value of our common stock to set the exercise price of such options, our board of directors considered a valuation analysis for our common stock dated as of June 1, 2013. The valuation analysis reflected a fair value for our common stock of $4.15. The primary valuation considerations were an enterprise value determined from the income approach weighted at 75% and from the market-based approach weighted at 25%. The income approach, specifically a discounted cash flow analysis, was developed based on our three year forecast and utilized a WACC of 28%. The market-based approach used a selected multiple applied to our projected 2013 and 2014 revenue. The selected multiples for the market based approach were below the average and median of the comparable publicly traded companies due to our smaller size. After deriving the value of total invested capital using the income approach and the market-based approach, we proceeded to estimate the value of the securities using both the OPM, weighted at 25% and the PWERM, weighted at 75%. The OPM utilized the following assumptions: a time to liquidity event of 2.0 years, a risk free rate of 0.30%, volatility of 45% over the time to a liquidity event and a 16% discount for lack of marketability. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable publicly traded companies. The PWERM used four scenarios: the "hold and build" scenario with an eventual sale two years after the valuation date, weighted at 15% with a discount for lack of marketability of 16%; the strategic sale scenario with a sale to a strategic buyer in the six months after the valuation date, weighted at 10% with a lack of marketability discount of 8%; an IPO scenario, with a completion of an IPO one year from the valuation date, weighted at 43% with a lack of marketability discount of 11%; and a downside scenario, with a sale at a lower than expected value three years from the valuation date, weighted at 32% and a lack of marketability discount of 19%. Our board of directors considered the proximity relative to the June 2013 valuation and our financial performance in establishing the fair value of the common stock and the exercise price of the options granted in June 2013 at $4.15. Our board of directors considered the proximity relative to the June 2013 valuation and our financial performance in establishing the fair value of the common stock and the exercise price of the options granted in July 2013 at $4.90. The increase in our fair value resulted in part from the continued growth and financial performance of our business. During the three months ended June 30, 2013, our managed revenue grew 48% and our revenue grew 46% compared to the three months ended June 30, 2012, indicating a continuing increase in the adoption of our solution, and we expanded our management team by hiring 10 new members of senior management in the areas of engineering, legal, finance, strategy and corporate development.

October 30, 2013. In estimating the fair value of our common stock to set the exercise price of such options, our board of directors considered a valuation analysis for our common stock dated as of October 1, 2013. The valuation analysis reflected a fair value for our common stock of $5.92. The primary valuation considerations were an enterprise value determined from the income approach weighted at 75% and from the market-based approach weighted at 25%. The income approach, specifically a discounted cash flow analysis, was developed based on our forecast through 2015 and utilized a WACC of 23%. The market-based approach used a selected multiple applied to our projected 2013 and 2014 revenue. The multiple increased from the July 1, 2013 valuation analysis was primarily due to the addition of four newly public companies in the digital advertising sector to the set of comparable publicly traded companies included in the analysis. The selected multiples for the market based approach were below the average and median of the comparable publicly traded companies due to the smaller size of our Company. After deriving the value of total invested capital using the income approach and the market-based approach, we proceeded to estimate the value of the securities using both the OPM, weighted at 10% and the PWERM, weighted at 90%. The OPM utilized the following assumptions: a time to liquidity event of 1.0 years, a risk free rate of 0.10%, volatility of 47% over the time to a liquidity event and a 10% discount for lack of marketability. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable publicly traded companies. The PWERM used four scenarios: the "hold and build" scenario with an eventual sale 1.5 years after the valuation date, weighted at 10% with a discount for lack of marketability of 13%; the strategic sale scenario with a sale to a strategic buyer in the six months after the valuation date, weighted at 5% with a lack of marketability discount of 7%; an IPO scenario, with a completion of an IPO nine months from the valuation date, weighted at 55% with a lack of marketability discount of 9%; and a downside scenario, with a sale at a lower than expected value 2.5 years from the valuation date, weighted at 30% and a lack of marketability discount of 16%. The shift in the probabilities of the various scenarios in the October 2013 valuation was a result of our commencement of preparations for our initial public offering, increasing the likelihood of an initial public offering relative to other liquidity scenarios. Our board of directors considered the proximity relative to the October 2013 valuation and our financial performance in establishing the fair value of the common stock and the exercise price of the options granted in October 2013 at $5.92. The increase in our fair value resulted in part from the continued growth and financial performance of our business, and our commencement of preparations for our initial public offering, the increase in the probability of an initial public offering relative to other shareholder liquidation alternatives and the resulting decrease in the discount for lack of marketability.

Offering Price

As discussed above, in , in consultation with the underwriters, our board of directors, our pricing committee, members of senior management, and potential investors, we determined our anticipated offering price range to be $ to $ per share.

Fair Value of Preferred Stock Warrant Liabilities

We have issued warrants to purchase preferred stock in connection with financing arrangements and we account for these warrants as liabilities at fair value because the underlying shares of convertible preferred stock are redeemable or contingently redeemable, including in the case of a deemed liquidation, which may obligate us to transfer assets to the warrant holders. The preferred stock warrants are recorded at fair value at the time of issuance and changes in the fair value of the preferred stock warrants each reporting period are recorded as part of other expense, net in the consolidated statement of operations until the earlier of the exercise or expiration of the warrants; or such time that the warrants convert to warrants to purchase common stock. The fair value of the preferred stock warrants was estimated using the Black-Scholes option-pricing model. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering in which the shares underlying the warrants would convert from the related shares of preferred stock into shares of common stock, the preferred stock warrant liability will be re-measured to fair value and any remaining liability will be reclassified to additional paid-in capital.

Business Combinations

The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of acquisition. We allocate the purchase price, which is the sum of the consideration we provide which may consist of cash and or equity, in a business combination to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenues and cash flows, discount rates and selection of comparable companies.

When we issue stock-based or cash awards to an acquired company’s selling stockholders, we evaluate whether the awards are contingent consideration or compensation for post-business combination services. Our evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the selling stockholder beyond the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post-acquisition services and recognized as expense over the requisite service period.

To date, the assets acquired and liabilities assumed in our business combinations have primarily consisted of computer equipment and finite-lived intangible assets, consisting primarily of developed technologies. Fair value of the acquired computer equipment approximated their net book value. We estimate the fair value of long-lived intangible assets acquired using a discounted cash flow approach, which includes an analysis of the future cash flows expected to be generated by the asset and the risk associated with achieving these cash flows. The key assumptions used in the discounted cash flow model include the discount rate that is applied to the forecasted future cash flows to calculate the present value of those cash flows and the estimate of future cash flows attributable to the acquired intangible asset, which include revenue, expenses and taxes. The carrying value of acquired working capital approximates its fair value given the short-term nature of these assets and liabilities.

Income Taxes

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the consolidated financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

A valuation allowance is used to reduce some or all of the deferred tax assets if based upon the weight of available evidence, it is more likely than not that those deferred tax assets will not be realized. We have established a full valuation allowance to offset our domestic net deferred tax assets due to the uncertainty of realizing future tax benefits from our net operating loss carryforwards and other deferred tax assets.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has greater than 50% likelihood of being realized. We recognize interest and penalties accrued related to our uncertain tax positions in our income tax provision in our consolidated statement of operations.

We recognize excess tax benefits associated with stock-based compensation to stockholders' deficit only when realized based on applying a with-and-without approach.

Recently Issued and Adopted Accounting Pronouncements

Under the Jumpstart Our Business Startups Act, or JOBS Act, we meet the definition of an emerging growth company. We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In March 2013, the Financial Accounting Standards Board, or FASB, issued new accounting guidance clarifying the accounting for the release of cumulative translation adjustment into net income when a company either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2013. The adoption of this guidance is not expected to have any impact on our consolidated financial statements.

In July 2013, the FASB issued an accounting standards update clarifying that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except in certain circumstances. The standards update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The adoption of this guidance is not expected to have any impact on our consolidated financial statements.

Quantitative and Qualitative Disclosure about Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily interest rate, foreign exchange and inflation risks.

Interest Rate Risk

Our cash and cash equivalents consist of cash and money market accounts. Our borrowings under our credit facility with Silicon Valley Bank are at variable interest rates and capital lease obligations are generally at fixed interest rates.

The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because our cash and cash equivalents have a relatively short maturity, our portfolio's fair value is relatively insensitive to interest rate changes. We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our operating results or financial condition. In future periods, we will continue to evaluate our investment policy in order to ensure that we continue to meet our overall objectives.

Foreign Currency Exchange Risk

We have foreign currency risks related to our revenue and expenses denominated in currencies other than the U.S. Dollar, principally British Pounds and Euro. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We have experienced and will continue to experience fluctuations in our net loss as a result of transaction gains and losses related to translating certain cash balances, trade accounts receivable and payable balances and intercompany balances that are denominated in currencies other than the U.S. Dollar. The effect of an immediate 10% adverse change in foreign exchange rates on foreign-denominated accounts at September 30, 2013, including intercompany balances, would result in a foreign currency loss of approximately $1.9 million. In the event our foreign sales and expenses increase, our operating results may be more greatly affected by fluctuations in the exchange rates of the currencies in which we do business. At this time we do not, but we may in the future, enter into derivatives or other financial instruments in an attempt to hedge our foreign currency exchange risk. It is difficult to predict the impact hedging activities would have on our results of operations.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

BUSINESS

Overview

We are a global technology leader on a mission to automate the buying and selling of advertising. Our Advertising Automation Cloud is a highly scalable software platform that powers and optimizes a leading marketplace for the real time trading of digital advertising between buyers and sellers. Through the speed and big data analytics of our algorithm-based solution, we have transformed the cumbersome, complex process of buying and selling digital advertising into a seamless automated process that optimizes results for both buyers and sellers. Buyers of digital advertising use our platform to reach 96% of Internet users in the United States and over 550 million Internet users globally on some of the world's leading websites and applications. Sellers of digital advertising use our platform to maximize revenue from advertising, decrease costs and protect their brands and user experience, while accessing a global market of buyers representing over 100,000 brands since our inception. The benefits we provide to both buyers and sellers, and the time and effort spent by both buyers and sellers to integrate with our platform and associated applications, give us a critical position in the digital advertising ecosystem.

Our Advertising Automation Cloud incorporates proprietary machine-learning algorithms, sophisticated data processing, high volume storage, detailed analytics capabilities, and a distributed infrastructure. We analyze billions of data points in real time to enable our solution to make approximately 300 data-driven decisions per transaction in milliseconds, and to execute up to 2.1 million peak queries per second, approximately 25 billion transactions per week and 3 trillion bid requests per month. Our Advertising Automation Cloud features applications for digital advertising sellers, including websites, applications and other digital media properties, to sell their advertising inventory; applications for buyers, including DSPs, ad networks and advertising agencies, to buy advertising inventory; and an exchange over which such transactions are executed. Together, these features power and optimize a comprehensive, transparent, independent advertising marketplace that brings buyers and sellers together and facilitates intelligent decision-making and automated transaction execution for the advertising inventory we manage on our platform. We believe we help increase the volume and effectiveness of advertising, increasing revenue for sellers and improving return on advertising investment for buyers.

We have direct relationships built on technical integration with over 500 sellers of digital advertising, including approximately 40% of the U.S. comScore 100, which is a list of the top U.S. digital sellers by reach. We believe that our direct relationships and integration with sellers, which differentiate us from many other participants in the advertising ecosystem, make us a vital participant in the digital advertising industry. Our integration of sellers into our platform gives sellers the ability to monetize a full variety and volume of inventory. At the same time, buyers leverage our platform to manage their advertising spending, simplify order management and campaign tracking, obtain actionable insights into audiences for their advertising and access impression level purchasing from hundreds of sellers. We believe buyers need our platform because of our powerful solution and our direct relationships and integration with some of the world's largest websites and applications. Our solution is constantly self-optimizing based on our ability to analyze and learn from vast volumes of data. The additional data we obtain from the volume of transactions on our platform help make our machine-learning algorithms more intelligent, leading to higher quality matching between buyers and sellers, better return on investment for buyers and higher revenue for sellers. As a result of that high quality matching, we attract even more sellers which in turn attracts more buyers and vice versa. We believe this self-reinforcing dynamic creates a strong platform for growth. The historical and real time data we derive from the over 500 seller integrations, 25 billion transactions per week, 3 trillion bid requests per month and 550 million Internet users globally that interact with our platform per month inform our machine-learning algorithms to create a size, scale and capability that is difficult to replicate.

We believe we are positioned to take advantage of several trends in the advertising industry, including the shift in advertising spending from analog to digital advertising, the move towards automation and the convergence of media across multiple channels. The display, mobile and video digital advertising market is projected to grow to $90 billion by 2017, and the need for automation in this market is growing commensurately, with real time bidding alone projected to grow at a compounded annual growth rate of 57% from $1.4 billion in 2011 to $20.8 billion in 2017.

During the nine months ended September 30, 2013 our revenue was $55.7 million, a 48% increase over the same period in 2012. We recorded a net loss of $9.2 million and Adjusted EBITDA of $4.7 million for the nine months ended September 30, 2013, compared with a net loss of $4.4 million and Adjusted EBITDA of $3.5 million for the nine months ended September 30, 2012. In 2012, our revenue was $57.1 million, a 54% increase over 2011. We recorded a net loss of $2.4 million and Adjusted EBITDA of $9.2 million in 2012, and a net loss of $15.4 million and negative Adjusted EBITDA of $6.7 million in 2011. For information on Adjusted EBITDA, and a reconciliation of Adjusted EBITDA to net loss on the basis of accounting principles generally accepted in the United States, or GAAP, please refer to "Selected Consolidated Financial and Other Data."

Advertising spending transacted on our platform has grown significantly. Managed revenue is an operational measure that approximates this advertising spending. Managed revenue would represent our revenue if we were to record our revenue on a gross basis instead of a net basis. We review managed revenue for internal management purposes to assess market share and scale and to compare our performance to others in our industry that report revenue on a gross basis. Our managed revenue was $326.7 million for the nine months ended September 30, 2013, which represents a 44% increase over the $226.8 million in managed revenue we recorded for the same period in 2012. Our managed revenue was $338.9 million in 2012, a 42% percent increase over managed revenue of $238.8 million in 2011.

Our Industry

Shift Towards Digital Advertising

The advertising industry is in the midst of a decades-long shift from advertising in analog and print media like print newspapers, magazines, broadcast radio and television to digital advertising. Increasing numbers of consumers are consuming digitally delivered content over the Internet, mobile networks and digital television, creating an opportunity for advertisers to target audiences more accurately and deliver more relevant advertising in real time on multiple screens. Through various technologies, advertisers are able to analyze data regarding Internet browsing, measure return on investment, demographics, user behavior and other attributes that enable them to create and deliver targeted advertisements to consumers that help achieve specific advertising goals. As a result, digital advertising has the potential to drive return on advertising investment many times higher than print, broadcast radio and television. Technological advances are also enabling sellers to sell their inventory on an impression-by-impression basis, as well as in bulk, making it easier for sellers to better optimize and expand the monetization of their inventory.

Development of a Complex Digital Advertising Ecosystem Comprising a Large Number of Buyers, Sellers and Other Participants

In the early stages of the digital advertising market, advertisers and sellers of advertising inventory transacted directly with one another or through a small number of intermediaries. As Internet usage increased and the scale of websites, applications and data expanded, it became increasingly difficult for advertisers to effectively target consumers and for sellers to effectively monetize their inventory. To address these challenges, advertisers and sellers of advertising inventory have come to rely on an ecosystem of multiple technology and service providers, described below.

Buyers: At one end of the ecosystem, spending begins with advertisers, who often engage advertising agencies to help plan and execute their digital advertising campaigns. Agencies traditionally execute their digital advertising campaigns through one of the following avenues, which we refer to collectively as buyers:

- Ad networks: There are hundreds of ad networks that seek to optimize campaigns to achieve advertiser and agency goals. Ad networks may arbitrage by purchasing advertising inventory from sellers and then selling it to advertisers at higher prices. Ad networks may be broad and cover more than one industry or cover various niche areas, such as a specific industry like retail.

- Demand side platforms or DSPs: There are many DSPs in the digital advertising industry and they generally use real time bidding, or RTB, to purchase advertising inventory from sellers on an automated, impression-by-impression basis. DSPs may earn revenue through arbitrage, like ad networks, or they may charge fees for their services.
- Agency trading desks or ATDs: Typically, agencies plan and execute media purchases by interacting with DSPs through their own in-house ATDs. Advertising agencies often centralize their digital advertising expertise into an ATD in order to better optimize advertiser campaigns and digital media purchases.

Sellers: At the other end of the ecosystem, sellers create websites and applications that contain viewable space for advertisements, or impressions, that can be delivered to users as they visit and navigate through websites and applications. These impressions can be sold to buyers either in advance via manual or automated direct sales efforts, or in real time on an impression-by-impression basis via a third-party through the digital advertising ecosystem.

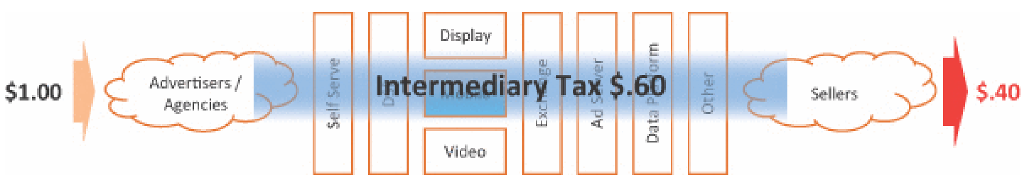
Other Sell-Side Participants: Sellers may use additional sell-side representatives in connecting with buyers:

- Supply side platforms or SSPs: Sellers often sell their advertising inventory through a third party SSP, which is a platform that helps sellers offer and optimize their advertising inventory in real time.
- Ad servers: Sellers use ad servers to display advertisements received from buyers and to track the delivery of advertisements to consumers. Typically these platforms can easily integrate with SSPs and act as the last link in the chain between advertisers and Internet users.

Exchanges: Buyers and sellers may sometimes come together through an exchange, which matches and presents available impressions to buyers. Once the impression has been matched, the exchange enables the advertisement to be served and manages the financial aspects of the transaction. Exchanges can enable increased liquidity and transparency in transactions between buyers and sellers.

Costs, Inefficiencies and Lack of Transparency Inherent in Existing Ecosystem

This ecosystem of various buyers, sellers and other intermediaries has helped advertisers access digital media, but it has fallen short of truly enabling them to take advantage of the potential of digital advertising and has led to a system that is highly complex and inefficient. We believe, based on industry research, that due to the complex ecosystem of multiple players that has developed to accommodate both buyers and sellers, only approximately $0.40 of every dollar spent by an advertiser is ultimately realized by the seller.



Complicated and Manual Workflow for Buying and Selling Digital Advertising

Despite significant technological advances made with respect to delivery of digital advertising, the process of planning and executing a digital advertising campaign remains cumbersome. Before an advertisement can be delivered to a seller, an advertiser and its agency typically undergo a highly manual, multi-step and complicated order process. The internal workflow of selling inventory is similarly complex for sellers. These manual and complicated workflows, illustrated below for a typical digital display order process according to NextMark, lead

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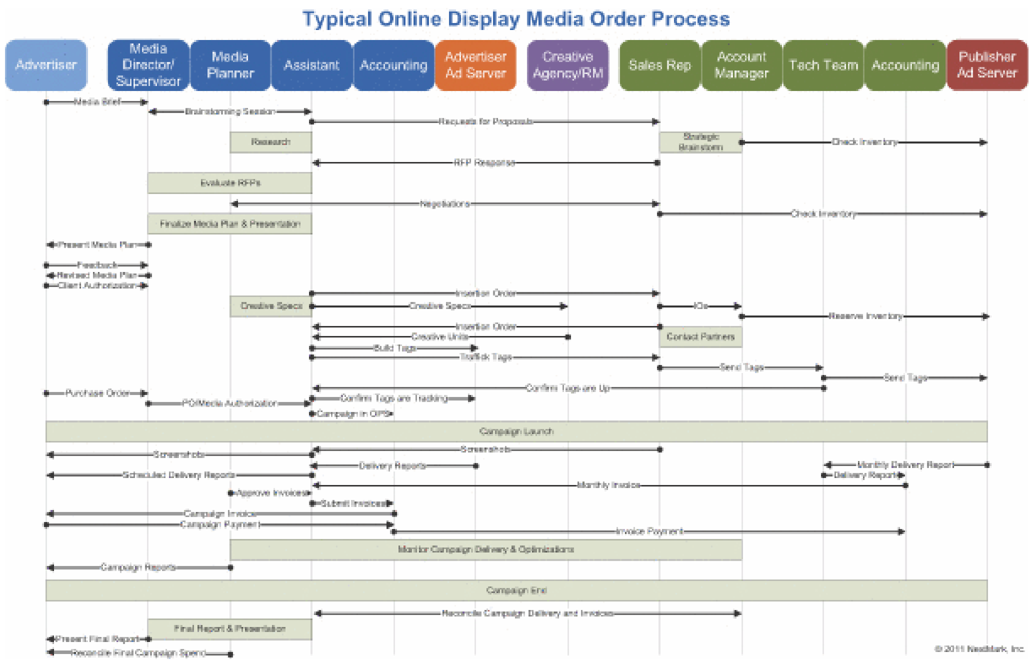
to inefficiencies, wasted dollars for sellers and missed opportunities for advertisers to reach users. The typical order process involves close to a dozen manual steps to match an advertiser with a seller. According to NextMark, it can cost an advertiser up to $40,000 and 480 man-hours to plan and execute a $500,000 advertising campaign.



Due to the size and complexity of the advertising ecosystem and purchasing process, manual processes can no longer effectively optimize or manage digital advertising. In addition, both buyers and sellers are demanding more transparency, better controls and more relevant insights from their advertising purchases and sales. This has created a need to automate the digital advertising industry and to simplify the process of buying and selling advertising.

Digital Advertising is Complex and Challenging to Automate

A number of factors make digital advertising complex and challenging to automate:

- ***Perishable Inventory.*** When an Internet user visits a website or application, an impression becomes available. In order to generate revenue for a seller, that impression must be filled between the time the user lands on a page and before the page content becomes viewable to the user. The inventory of available impressions is highly perishable due to the fact that each impression must be valued, auctioned, successfully purchased, and then the winning bidder must be notified and must serve the advertisement in the split second between the time a user types in a web-address or is redirected to a website or application and the time the page is loaded. In addition, studies have shown that the faster advertisements are delivered, the higher the click-through rate, which is an indicator of success for many types of advertising. Buyers and sellers need a solution that can analyze and execute on their objectives in an automated fashion at virtually instantaneous speed, or "real time."
- ***Complex Impression Level Matching.*** Sellers aim to sell impressions to maximize revenue, while enhancing the user's experience and preserving the seller's brand. Buyers wish to purchase impression level inventory to maximize targeting of specific audiences and return on investment for their

advertising spending. As a result of this dynamic, there is a need for a technology solution that can match buyer and seller objectives at a large scale to optimize the delivery of advertising on an impression-by-impression basis.

- ***Large Multi-Variate Datasets.*** Trillions of data points relating to browsing behavior, geographic information, user preferences, engagement with an advertisement, and effectiveness of an advertisement are created as users visit websites and applications. Each piece of data represents a valuable piece of information that can facilitate and improve current and subsequent targeting and monetization of impressions. However, the volume of data available is so large that it is difficult for buyers and sellers to effectively manage the information flow to extract maximum value from the data. As a result, buyers and sellers need a solution capable of analyzing, processing and interpreting large amounts of data and executing buy and sell orders informed by such data, all in real time.

- ***Fragmented Buyer and Seller Base.*** In the digital advertising industry, there is an enormous variety of advertisers, agencies and buyers, as well as an enormous number of sellers who have a wide variety of advertising inventory available for sale. Historically, this fragmentation has been disadvantageous for sellers, because they could not efficiently transact with many buyers to maximize revenue due to manual inefficiencies. The fragmentation of the seller base makes it very difficult for advertisers to make large volume buys safely and securely to meet their investment objectives. This enormous variety of buyers and sellers has created a need for a solution that is capable of seamlessly connecting a highly fragmented global buyer and seller base.

- ***Brand Security and User Experience Concerns.*** Advertisers are concerned about being associated with content they consider inappropriate, competitive or inconsistent with their advertising themes. Sellers want to prevent advertisements that are inappropriate, competitively sensitive or otherwise do not comport with their brand image from appearing on their websites or applications. As sellers try to make their inventory available to a wider group of advertisers, and advertisers extend their reach in pursuit of target audiences, the importance of brand security increases for both buyers and sellers. Both buyers and sellers need a solution that is capable of following specified rules to maintain brand integrity and deliver relevant advertisements that create a positive user experience, while efficiently executing a large volume of transactions.

- ***Large and Highly Unpredictable Traffic Volumes.*** The scale of user traffic and the dollar value of digital advertisements is difficult to manage efficiently. A large seller may have tens of millions of users per month, creating hundreds of millions of monthly impressions. The volume of traffic for any given seller is extremely difficult to predict. Popular stories, as an example, create spikes in traffic on news websites for a period of time. As result, sellers need a platform that can effectively respond to and monetize inventory during unpredictable spikes in volumes.

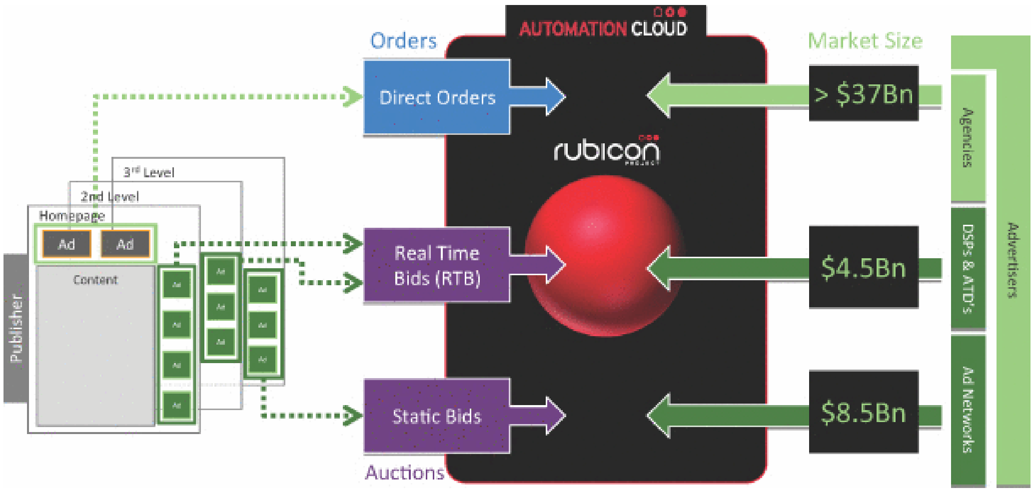
- ***Lack of Standardized Ad Formats and Data.*** An available advertising impression can vary based on a number of factors, such as seller, ad format, screen size, pricing mechanism, content type, and audience demographic. It is challenging for buyers to efficiently evaluate and bid on trillions of impressions that are based on hundreds of ad formats in the context of millions of highly customized data fields. As a result, buyers and sellers require a platform that can on a real time basis match a large variety of available advertising impressions with those potential buyers.

Rubicon Project: Our Advertising Automation Cloud Enables the Digital Advertising Marketplace

Rubicon Project was founded to address the challenges associated with the digital advertising ecosystem and to enable a marketplace where buyers and sellers of advertising can transact in an efficient and transparent manner. To achieve this, we have created our Advertising Automation Cloud.

Our Advertising Automation Cloud is a technology platform that creates and powers a marketplace for buyers and sellers to readily buy and sell advertising. Our solution provides a critical connection between buyers and sellers and allows large numbers of buyers and sellers to transact on an automated basis. Buyers direct their spending towards the impressions that are of most value to them based on demographics, pricing, timing, and other targeting objectives. Sellers can optimize the amount of revenue per impression, while adhering to their own specific rules around advertising that is permissible on their websites and applications. Our platform enables the real time exchange of high volumes of information in a transparent marketplace that in turn enables sellers to match buyers' advertising campaigns with their available advertising inventory.

Sellers have a broad spectrum of advertising inventory available for sale, ranging from premium inventory located on their homepages, to secondary placements, which are generally located on pages deeper within their websites or applications. Sellers may also have different versions of their websites and applications optimized for a variety of devices, from computers, to tablets to smartphones, which also increase the variety of advertising inventory available for sale. Our Advertising Automation Cloud optimizes the sale and purchase of advertising across a full spectrum of inventory for all types of buyers and sellers and across all devices.



The illustration above depicts a seller's website and the different types of advertising inventory placements, each requiring different functionalities to optimize performance. Our comprehensive solution provides greater coverage of inventory and, in turn, a greater probability of placing a targeted advertisement. Greater coverage leads to more revenue for the seller. These types of placements may include premium, prominent home page placements, which may be better served by direct orders, pages with abundant traffic, which may be best served by RTB, and remnant inventory, which may be better served by static bidding. Our solution enables buyers and sellers to transact through our comprehensive automation offerings:

Real Time Bidding—enables the sale and purchase of inventory on an impression-by-impression basis. Buyers are able to leverage our platform to select individual impressions that meet their targeting criteria and sellers are able to leverage our platform to auction their inventory on an impression-by-impression basis to optimize revenue.

Static Bidding—enables buyers to provide static, or pre-set bids, to buy targeted inventory in bulk, while providing additional monetization for sellers of their lower value inventory that they may not otherwise be able to sell.

Direct Orders—automates one-to-one orders arranged directly between specific buyers and sellers on the platform.

Our solution integrates RTB, static bid and direct order offerings into a unified auction across all types of buyers, while matching available impressions with advertisements based upon various criteria. In a typical digital advertising transaction, within an average of approximately 80 milliseconds the following steps occur:

- A user visits a website or application, creating an available impression from the seller's inventory.
- Our algorithms profile the impression, including the location of the website or application, advertisement size, advertising placement, browser and operating system, and additional data points such as user location and preferences.
- Using the impression profile and historical bidding activity, we send bid requests for participation in the auction to selected bidders most likely to respond.
- Simultaneously, the Advertising Automation Cloud reviews static bids currently in the system to determine which bids are eligible and match the available impression.
- Bid responses are received from bidders interested in purchasing the impression, including information on price, buyer, and type of advertisement.
- All advertisements are reviewed by our Advertising Automation Cloud for quality, security, conformity to seller requirements and conflicts with seller restrictions, to determine if they are eligible to win the impression.
- Eligible bids are then checked against rules set by sellers to ensure they meet the applicable criteria.
- Once all validations have been executed, remaining bids are compared and generally the highest qualifying bidder wins the impression.
- The winning advertisement is served into the impression and delivered to the user.

By accommodating all types of digital advertising inventory, our solution provides greater coverage of a seller's websites and applications and attracts all types of buyers, thereby giving buyers the ability to fulfill their audience needs in a more cost-effective manner, and optimizing the price at which sellers' inventory is sold.

Big Data Analytics and Machine-Learning Algorithms

A core aspect of our value proposition is our big data and machine-learning platform that is able to discover unique insights from our massive data repositories containing proprietary information on trillions of bid requests and served advertisements. Our systems collect and analyze non-personally identifiable information such as pricing of advertisements, historical clearing prices, bid responses, what types of ads are allowed on a particular website, which websites a buyer prefers, what ad formats are available to be served, advertisement size and location, where a user is located, which users an advertiser wants to target, how many ads the user has seen, browser or device information and sellers' proprietary data about users. We have developed proprietary machine-learning algorithms that analyze billions of these data points to enable our solution to make approximately 300 real time data-driven decisions per transaction and to execute approximately 3 trillion bid requests per month.

Dual Network Effects Drive an Efficient and Self-Optimizing Marketplace

We bring value to both buyers and sellers through the dual network effects created by our solution—large volumes of data lead to better matching, which attracts more buyers and sellers, leading to more data. We have one of the largest digital advertising data repositories in the world, which puts us in a unique position to develop differentiated insights to help both buyers and sellers. Our solution is constantly self-optimizing based on our ability to analyze and learn from vast volumes of data. As our Advertising Automation Cloud processes more volume on our automated platform in the form of bid requests, user visits, events and transactions, we accumulate more data. This additional data helps make our machine-learning algorithms more intelligent and this leads to higher quality matching between buyers and sellers, leading to better return on investment for buyers and higher revenue for sellers. As a result of that high quality matching, we attract even more sellers which in turn attracts more buyers and vice versa. We believe this self-reinforcing dynamic creates a strong platform for growth.

Critical Position in Digital Advertising Ecosystem

Our Advertising Automation Cloud and the applications we provide for buyers and sellers are a critical element of the digital advertising ecosystem. We have direct relationships and integration with sellers of advertising inventory. In order to maximize the monetization of their advertising inventory through our platform, sellers integrate with our seller applications, train their teams to use our platform for planning and executing campaigns and automate their workflow to leverage our platform. Sellers use our platform to access actionable insights from the data we have amassed and to consolidate and compile payments and billing. The selling, planning, training integration and optimization period for each seller requires an investment of time and effort. Once integrated, we believe sellers would experience high switching costs to move large volumes of their inventory to a new platform. At the same time, buyers leverage our platform to manage their advertising spending, simplify order management and campaign tracking, attain actionable insights and to get access to impression level purchasing from hundreds of sellers. We believe that buyers need our platform to take advantage of our direct relationships and integration with some of the world's largest websites and applications. The benefits we provide to both buyers and sellers, and the time and effort spent by both buyers and sellers to integrate with our applications, give Rubicon Project a critical position in the digital advertising ecosystem.

We believe there are few market participants that are directly integrated with sellers in a way that allows sellers to make a full range and volume of their advertising inventory readily available in the marketplace. Our leadership position in this area is important, as most digital advertising transactions must flow through one of these industry participants.

Platform Applications

To enhance the value our Advertising Automation Cloud brings to the marketplace, we offer a number of applications to address the critical needs of buyers and sellers:

Applications for Sellers

We have direct relationships and integration with the sellers on our platform and provide applications to help them increase their digital advertising revenue, reduce costs, protect their brands and user experience, and reach more buyers efficiently. Our user interface offers key time savings features and granular reporting and analytics capabilities that help sellers optimize the use of our platform to fit their needs. Our integration of sellers into our platform allows sellers to monetize their full variety and volume of inventory.

Sellers realize the following benefits from our platform:

- ***Maximized Revenue for a Broad Range of Digital Advertising Inventory Without Volume or Geographic Constraints.*** We provide applications that help a seller monetize a broad base of advertising inventory with virtually no constraints on the type or volume of inventory that can be sold or the number or location of potential buyers. While offering to take a wide variety and volume of inventory, we are also able to process it effectively, both from a speed perspective and from a price optimization standpoint.
- ***Automated Sales with Leading Buyers Via RTB, Static Bidding and Direct Orders.*** Through our solution, sellers gain instant access to the world's largest automated digital advertising buyers, including over 300 DSPs and ad networks. Our platform offers sellers significant flexibility by enabling them to sell their advertising inventory in an automated fashion on an impression-by-impression basis, such as with RTB, in bulk, or in direct orders pursuant to arrangements directly between the seller and the buyer.
- ***Integrated Solution for Digital Advertising Needs.*** We provide sellers with a single web-based interface which serves as their central location to manage, analyze and maximize digital advertising spending from hundreds of different buyers via direct orders, RTB or static bidding. This centralized view allows sellers to cost-effectively optimize monetization, control workflow, run analytics and perform other critical functions.
- ***Significantly Streamlined Sales, Operations and Finance Workflow.*** Our platform streamlines the management of digital advertisement sales by aggregating demand and providing a suite of software applications that automate the process of making inventory available for sale. Our expansive marketplace allows sellers to connect quickly and efficiently with tens of thousands of brands. Additionally, we provide a web interface that transforms time consuming and manual order entry and processing, across direct orders, RTB or static bidding, into an automated process.
- ***Security for Brand and User Experience.*** Our platform is designed to ensure that advertisements shown on a seller website or application conform to the seller's guidelines, which specify what advertisers, type of product or type of advertisement may not be shown on the seller's website or application. Our automated systems scan all advertisements to verify, in real time, that each advertisement is appropriate for the seller and relevant to the audience, to create a positive user experience.
- ***Advanced Reporting and Analytics and Actionable Insights.*** We have developed a robust set of reporting features that sellers can access and use to analyze the vast array of data we collect for them. We provide sellers with actionable insight in order to leverage that data. Using our analytics, sellers can readily gather impression data, yield optimization data, brand security data and pricing data needed to manage their digital business effectively.

- ***Consolidated Payments and Transparent Tracking and Billing System.*** We provide consolidated billing and collection for sellers who would otherwise be required to dedicate additional resources to cost-effectively manage financial relationships with a large base of buyers.

Applications for Buyers

Buyers leverage our applications to access a large audience and to purchase advertising inventory based on their key demographic, economic, and timing criteria. These applications help streamline a buyer's purchasing operations, increase the efficiency of its spending and the effectiveness of its advertising campaigns. By utilizing our applications, advertisers gain access to a large pool of digital advertising inventory. Buyers can execute highly automated campaigns and take advantage of unique targeting data and optimization technology that is provided by our platform. Buyers are also able to use unified reporting and analytics through buyer-user interface that has been designed to specifically address buyer preferences.

Buyers realize the following benefits from our platform:

- ***Direct Access to a Global Audience and Hundreds of Premium Sellers.*** By leveraging our platform, buyers can reach 550 million Internet users globally across over 500 sellers, including over 40% of the U.S. comScore 100. comScore reports that our U.S. reach is currently the largest, by users, of any display advertising entity (comScore September 2013). Furthermore, unlike many organizations in the digital advertising industry, we have direct relationships with sellers and can enable buyers to circumvent a multistep, expensive and inefficient process to connect to the seller.
- ***Flexible Access to Inventory.*** Our platform allows buyers to purchase advertising inventory in their preferred manner, whether by RTB, static bidding, direct order or via our unified auction. Our solution also has the flexibility to allow buyers to integrate their purchases on our platform through their existing buying technologies or to buy directly through our platform.
- ***Optimized Return on Investment by Consolidating Spending on One Platform.*** By concentrating more of their spending on our platform buyers can construct a larger data set specific to our platform, which results in superior targeting and more effective campaigns over time. They also benefit from our machine-learning algorithms which are constantly analyzing their data in order to improve the effectiveness of their campaigns.
- ***Simplified Order Management and Campaign Tracking.*** By eliminating most manual steps, our applications enable buyers to efficiently manage their digital campaigns and significantly reduce the time it would otherwise take to effectively execute their digital advertising programs.
- ***Transparency and Control Over Advertising Spending.*** Our platform is designed to be transparent and let buyers know and control where their dollars are being spent. Buyers can easily navigate through our interface to choose the list of sellers they want to purchase inventory from and see an indicative price range that they should expect to pay.
- ***Brand Security.*** Our suite of brand security technologies and premium seller base ensures buyers that their advertisements will appear in an environment they have pre-approved.

Our Market Opportunity

We believe that important trends greatly enhance our market opportunity, namely: the shift in advertising spending to digital advertising, the move towards automation, and the convergence of media across multiple channels.

Rapid Growth in Digital Advertising Spending

While media consumption and time spent by consumers have shifted relatively quickly from television, broadcast radio, and print to Internet, digital television and mobile devices, the shift in advertising spending from analog and print to digital has lagged to date. This is consistent with historical patterns of migration from print media, such as newspapers and magazines, and broadcast television, in which audience adoption of new platforms has preceded the migration of advertiser spending, with that gap decreasing over time. The rapid growth in digital media consumption has driven growth in digital advertising spending, which is growing at a significantly faster rate than advertising spending on analog and print media. Furthermore, we believe that there will be continued expansion of digital advertising as advertising spending "catches up" to time spent on the Internet and mobile devices. According to the PwC Entertainment and Media Global Outlook: 2013-2017, published in June 2013, display, mobile and video digital advertising are forecasted to grow from approximately $43 billion in 2012 to $90 billion in 2017, a 16% compounded annual growth rate, while television advertising is forecasted to grow from approximately $164 billion in 2012 to $211 billion in 2017, a 5% compounded annual growth rate. The continued growth in overall advertisement spending, and the shift in that spending to digital media to keep up with the migration of consumers, yield significant additional opportunities to monetize Internet and mobile traffic. According to our calculations based on data from eMarketer, the current opportunity for monetizing online media consumption is over $32 billion annually in the United States alone. These same dynamics should also offer significant opportunities in less developed markets.

Increasing Demand for Automation and Real Time Purchase and Sale of Advertising

As digital advertising has grown in complexity, the need for automation has increased commensurately. According to International Data Corporation, or IDC (October 2013), global RTB spending by advertisers is expected to grow from $1.4 billion in 2011 to $20.8 billion in 2017, a compounded annual growth rate of 57%. This trend is most pronounced in the United States and Western Europe, but other international markets are also rapidly adopting RTB. In addition, according to IDC, approximately 50% of the U.S. RTB market will be direct RTB by 2017, meaning that the buyer and seller will have a direct contractual relationship with one another. This represents a significant opportunity we have begun to address as part of our direct order solution. Also, RTB is just one aspect of advertising automation. Other elements of automation include direct orders, and static bids, which can also benefit significantly from automation.

Trend Towards Automation of Analog and Print Advertising Markets

Over time, we also expect analog and print advertising markets to automate, and we view our long-term mission, and opportunity, as the automation of the buying and selling of all advertising. We believe advertisers want to be able to reach consumers across multiple channels and to have a platform that can unify their advertising spending. Consumption patterns for television are changing, with viewers migrating to digital platforms and using multiple devices to view video programming. A survey of television viewers conducted by QuickPlay Media regarding devices used to watch live television and video on demand in June 2013 revealed that almost 50% of respondents used a set-top box, while approximately 40% used a laptop computer, approximately 30% used a desktop computer, approximately 25% used a smart TV, approximately 22% used a smartphones and approximately 20% used tablets. At the same time, as more content is being delivered digitally, television and Internet content are beginning to converge, blurring the historical distinctions between analog and print media and digital media, and requiring advertisers to consider their advertising strategies over multiple media. We believe these trends give us the opportunity to automate a portion of the larger advertising market.

The need for automation of advertising will grow as complexity increases and as digital media continues to converge with analog and print media. While the market we serve today is the digital advertising market, we expect to be able to leverage our unique marketplace and technology to ultimately automate all of these markets and enhance the experience of buyers and sellers across the entire advertising market.

Competitive Strengths

We believe the following key strengths differentiate us from our competitors and strategically position us within the digital advertising marketplace:

- ***Technology Platform with Differentiated Scalability and Real Time Processing Speed*****.** Our real time Advertising Automation Cloud serves buyers and sellers by providing optimal execution of media trades. We have designed and deployed our proprietary high volume processing system called Rubicube and a distributed networking infrastructure, which we believe enable us to offer one of the fastest and most scalable digital advertising technology platforms in the industry. We estimate our cloud currently executes up to 2.1 million peak queries per second and approximately 25 billion transactions per week. The speed of our platform provides buyers and sellers with reduced latency, limited loss of perishable inventory, better matching and increased efficacy of advertisements, which perform better the faster they are delivered. The scale of our platform supports the volume, diversity, and complexity of buyers' bids on sellers' advertising inventory, thereby increasing market liquidity and access and optimal pricing using our machine-learning algorithms.

- ***Highly Evolved Machine-Learning Algorithms that Leverage Big Data.*** We have developed a highly sophisticated set of machine-learning algorithms that are able to process over 3 trillion bid requests per month in order to optimize the pricing and matching of inventory and buyers. Utilizing these algorithms, we are able to optimize pricing and sellers' monetization of their inventory. We are also able to offer more sophisticated targeting options to buyers that allow them to maximize the impact of their advertising spending.

- ***Dual Network Effects.*** As we process more volume on our automated platform in the form of bid requests, events and transactions, we accumulate more data, such as pricing, geographic and preference information, data on how best to optimize yield for sellers and more. This additional data helps make our machine-learning algorithms more intelligent and this leads to more effective matching between buyers and sellers. As a result, more buyers and sellers are attracted to our platform, from which we get more data, which further reinforces the network effect and thereby increases market liquidity, which benefits both buyers and sellers.

- ***Direct Relationships and Integration with High Quality Sellers.*** Our Advertising Automation Cloud builds on our direct relationships and integration with our seller base. We integrate our technology into their systems and have a direct financial relationship with them. Our teams also interact with sellers on an almost daily basis. This is a major distinction, as illustrated by our comScore reach, relative to many digital advertising companies who rely on our platform or third parties to access sellers and do not have direct relationships. We believe that these direct relationships and integration make us a critical participant in the digital advertising ecosystem, and make our solution one that would be difficult and time consuming for sellers to replicate, resulting in low seller attrition. Our direct seller relationships also provide us with an existing sales channel through which to expand the functionality offered by our applications to include additional services, such as our solutions for automated direct orders and mobile applications.

- ***Leading User Reach and Significant Scale.*** According to comScore (September 2013), we reach 96% of Internet users in the United States, which establishes us as a leader in digital advertising. We reach more U.S. Internet users than any other display advertising entity. Our reach of over 550 million Internet users globally enables us to provide buyers with the ability to execute their largest campaigns and easily reach their target audiences. The scale of our solution is evidenced by the amount of advertising spending transacted on our platform, as demonstrated by our managed revenue, which was $326.7 million for the nine months ended September 30, 2013. We believe our market reach and scale is a significant competitive advantage.

- ***Comprehensive Solution Covering All Types of Inventory and Demand.*** We believe there are few participants in our market that are directly integrated with sellers in a way that allows them to make a full range and volume of advertising inventory readily available in the marketplace. We enable sellers to offer their inventory through several types of transactions, including RTB, static bidding and direct orders. The availability of this wide range and volume of inventory, together with the multiple ways of purchasing, attracts a similarly wide variety of buyers, providing us access to not only buyers in the $4 billion RTB market, but also to the entire $50 billion display market.

- ***Scalable Business Model.*** As we bring buyers and sellers onto our platform, they transact in an automated fashion without additional sales and marketing efforts from us. This allows us to grow the managed revenue on our platform without a proportional increase in our sales and marketing expenses.
- ***Brand Security.*** We believe we are able to uniquely incorporate brand security for both buyers and sellers in a manner that allows them to buy and sell inventory safely despite the challenges presented by the volume of content and dynamic nature of digital advertising. Buyers and sellers are concerned about being associated with content they view as inappropriate, competitive or inconsistent with their advertising themes. As sellers try to make their inventory available to a wider group of advertisers, and advertisers extend their reach in pursuit of target audiences, the importance of brand security and the effort necessary to screen advertisers and inventory for brand appropriateness increases. Our platform has the business rules, scalability and speed necessary to ensure that we are able to provide a customizable brand safe environment for both buyers and sellers.
- ***Independence.*** Industry participants such as Google, Microsoft and Apple have incentives to isolate their viewers and deploy specialized technology for their audiences, making buyers dependent on them to reach the users of their particular websites, applications, devices or other hardware. In addition, those participants have their own owned and operated properties to which they have an incentive to give preferred treatment, which can lead to sub-optimal pricing and access for others in the market. We believe our independent market position enables us to better serve buyers and sellers because we are not burdened with any structural conflicts.

Growth Strategies

The core elements of our growth strategy include:

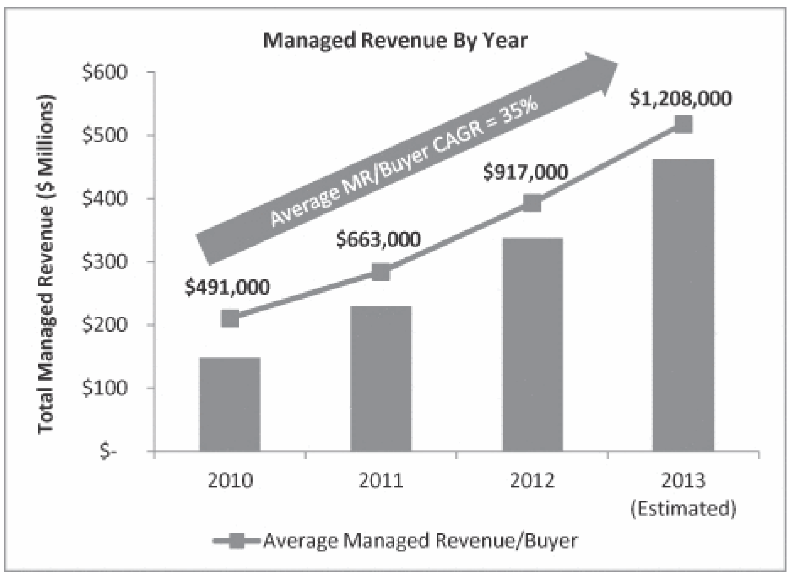
- ***Growing Our Business with Existing Buyers and Attracting New Buyers to Our Platform.*** We believe we can attract a greater portion of advertisers' spending by continued improvement of our matching and pricing algorithms as well as enhanced features, functionality and service of our solution. We see an opportunity with existing buyers to offer them additional inventory to make buying more efficient on our platform. We plan to invest in our sales organization to drive increased spending by existing buyers on our platform and to attract new buyers to our platform.
- ***Increasing Penetration of Existing Sellers and Attracting New Sellers.*** We see an opportunity to increase the share of seller inventory that we currently monetize by enhancing our cloud and applications, offering additional applications, and increasing our relationships with buyers and sellers that engage in direct order relationships through our solution. In addition, we expect to benefit generally from the growing adoption of automation for sales of advertising inventory. We also see an opportunity to form relationships with new sellers as our platform continues to offer the best solution for monetizing their digital advertising inventory.
- ***Enhancing Our Leadership Position by Investing in Innovation and Expansion.*** We intend to build upon our current technology and extend our market leadership through innovation. Our investments will focus on improving our machine-learning algorithms, expanding further into mobile and video, data analytics, audience extension, API integration, building additional features to extend further into order management, building self-service capabilities for buyers and sellers, and enhancing and expanding our current server infrastructure. We also plan on further innovation with respect to direct orders as we believe that some sellers will elect to rely on their own sales force for sales, but will use our platform to better price, match and place campaigns on a direct order basis, and to automate manual operations such as ad trafficking, quality assurance and billing and collections.

- ***Accelerating Our Global Expansion and Entering New Markets.*** We currently operate globally from our offices in six countries. We believe we can extend our marketplace platform through international expansion to help automate and improve advertising for buyers and sellers globally. We recently initiated operations in Japan and we intend to grow our market share in our existing international markets. We also plan to expand into new territories including Asia, Eastern Europe and Latin America.
- ***Bringing Automation to Additional Media.*** Historically, our solution has focused on display advertising. We believe, however, that television and other analog and print media will eventually converge with existing digital platforms, creating opportunities for us to expand our solution beyond digital media to automate the purchase and sale of advertising in analog and print media such as television, radio and print. We intend to extend our solution to track this convergence and support increasingly complex volumes of advertisements spanning multiple media.

Buyers Using Our Solution

Buyers purchase digital advertising inventory in the marketplace powered by our Advertising Automation Cloud. Buyers include DSPs, ad networks and ATDs, which act as representatives of advertising agencies and advertisers that direct advertising spending. Collectively, these buyers have purchased advertising for tens of thousands of unique brands on our platform. Average spending per buyer on our platform has grown considerably over our history, from $491,000 in 2010 to an estimated $1.2 million in 2013, a compounded annual growth rate of 35%. Spending by each of our top 20 buyers has grown from an average of approximately $3.8 million in 2010 to an estimated $17.8 million in 2013, implying a 67% compounded annual growth rate. These numbers count organizations within the same corporate structure as one buyer and are based on our top 20 buyers in 2013 and their average spend over previous years, excluding from those averages buyers that were not on our platform for that entire period.

We attract a wide variety of buyers in part because our solution allows buyers to execute purchases in a variety of ways, including RTB, static bidding and direct orders. RTB is the fastest growing area of our business. Managed revenue attributable to RTB grew 884% from 2010 to 2011, and 191% from 2011 to 2012.



The following are representative examples of how some of our buyers have benefitted from our solution. These examples may not be representative of or typical of the results that our buyers see due to differences in business model or implementation.

Rocket Fuel. Rocket Fuel is a technology company that delivers a programmatic media-buying platform utilizing artificial intelligence and big data to optimize ad buying across display, mobile, social, and video channels. Rocket Fuel analyzes and purchases large volumes of advertising inventory to fulfill advertisers' needs while finding cost-effective inventory sources.

From the fourth quarter of 2012, when they began buying via RTB directly with us, to the third quarter of 2013, our managed revenue from Rocket Fuel increased 1,200%. Rocket Fuel also utilizes us for mobile display inventory buying and plans to continue to expand our relationship.

Aegis Media Agency Trading Desk. Amnet is the trading desk for Aegis Media, a wholly owned subsidiary of Dentsu, a Japanese media conglomerate. Amnet applies a fully automated approach to delivering audiences across display, video and mobile and a major part of its trading is done through RTB.

Amnet's focus is on delivering more effective media across both performance and brand campaigns. It began purchasing inventory using our platform in January 2012, growing their overall spend by 7,000% from January to December 2012.

Amnet saw direct orders as the natural evolution of the ad automation marketplace when they came to market in late 2012, and saw our direct order feature as an opportunity to buy high value advertising inventory. It began purchasing direct orders through us in July 2012, and has increased its direct order spending 1,600% from January to October 2013. Since it starting working with us, Amnet has bought media for over 900 advertiser brands across approximately 5,000 web pages through our platform.

Sellers Using Our Solution

We have over 500 sellers on our platform and, according to comScore (September 2013), approximately 96% of all US Internet users view one or more advertisements placed through our solution every month. Over 40% of the comScore 100, which is a list of the top U.S. digital sellers by user reach, are directly integrated into our solution. We count organizations within the same corporate structure as one seller.

We have direct relationships and integration with sellers in 33 countries, including the UK, France, Germany and Australia. We are continuing to build on our international reach, including through recent establishment of operating presence and buyer and seller relationships in Latin America and Asia. We have averaged approximately 98% monthly seller retention since the beginning of 2012, excluding accounts with less than $10,000 in lifetime revenues and accounts we elected to terminate for various reasons, including failure to meet volume thresholds or traffic quality standards. Accounts that earn under $100 in revenue for three consecutive months are counted as lost.

From 2010 to 2013, RTB inventory volume monetized per seller across our business has grown from approximately $46,000 to an estimated $444,000, implying a 112% compounded annual growth rate. We have been able to leverage our display seller base to enter the mobile marketplace. We launched our mobile product in the fourth quarter of 2012 and have increased the number of our mobile sellers to approximately 100 as of September 30, 2013.

The following are representative examples of how some of our sellers have benefitted from our solution. These examples may not be representative of the typical results that sellers see due to differences in business model or implementation.

Tribune Company. Tribune Company, a prominent newspaper and broadcasting company, owns digital media properties including the Los Angeles Times, Chicago Tribune and Baltimore Sun. They have a diverse set of publisher needs based on the location of each newspaper, as well as monetization requirements that cross mobile and desktop display. Tribune Company had been looking for an automation partner who could help them sell their advertising inventory more efficiently and effectively, and began working with us in 2010 for select display media properties. In the fourth quarter of 2012, Tribune Company sought to improve monetization on their mobile web properties and chose to expand their relationship with us based on our access to the critical mass of buyers, transparency, and the data/reporting capabilities of our platform.

After migrating its mobile web traffic to our platform in the fourth quarter of 2012, Tribune Company's mobile CPM on our platform doubled from its first to second month on our platform, and increased by an additional 60% over the next six months, while the inventory sold through our platform also doubled. In the first quarter of 2013, based on the improvement in their mobile inventory and their satisfaction with us from the existing display relationship, Tribune Company expanded their relationship with us to include substantially all of their digital media properties, which doubled the inventory they sold through our platform. In the second quarter of 2013, they began executing direct orders through our platform and generated average CPM on our platform of 300% more than the average CPM of their unified auction sales.

La Place Media. La Place Media is a French publisher collective that markets the digital advertising inventory of more than 100 publisher brands exclusively. With the express intent of competing more effectively, La Place Media launched in September 2012 using our technology. From the start, its founding partners (TF1, Lagardere, Le Figaro and Group Amaury) believed they had more to gain from working collectively toward achieving a larger audience size and a more robust data offering.

La Place Media selected us as its technology platform for our superior brand protection and pricing controls, crucial to La Place Media's members, the exposure to buyers our platform enables, and the level of customer support and consultative advice we provide all of our customers. In the months of September and October of 2013, La Place Media's monthly revenue from sales on our platform increased 300% and its average CPM on our platform increased 51% compared to the same period in 2012.

Our Technology

To support our solution, we have developed a network of remote servers hosted on the Internet that store, manage, and process rules set by buyers and sellers and data about demographics, economics, timing, and preferences. We have specially engineered a high volume processing system, called the Rubicube, that provides significant scale and is programmed for high frequency, low latency trading. We estimate that our Advertising Automation Cloud currently executes up to 2.1 million peak queries per second and averages approximately 25 billion transactions per week. It utilizes over 25,000 central processing units, which read and execute our program instructions. In addition, it supports 260 gigabytes of data transfer per second and stores more than 2.4 petabytes of data, backed by our globally distributed infrastructure hosted at data centers in California, Nevada, Virginia, The Netherlands and Japan.

This infrastructure is supported by a real time data pipeline, a system that quickly moves volumes of data generated by our business into reporting systems that allow usage both internally and by buyers and sellers, and a 24 hour Network Operations Center, which provides failure protection by monitoring and rerouting traffic in the event of equipment failure or network performance issues between buyers and our exchange.

Our infrastructure provides buyers and sellers with reduced latency, while the scale of the infrastructure supports the volume, diversity, and complexity of buyers' bids on sellers' advertising inventory, which increases market liquidity and optimal pricing using our machine-learning algorithms. Our data processing scale is currently over 100 billion transactions per month, compared to 7 billion transactions per month reported by Visa and 40 billion shares traded per month reported by Nasdaq. Our platform's architecture allows for additional scale through enhancements and additions to the infrastructure, which enables us to better evolve and adapt to the demands of buyers and sellers and remain competitive in the marketplace.

Our proprietary data-driven machine-learning algorithms enable our solution to make decisions that maximize revenue for sellers and improve return on investment for buyers. These algorithms combine and analyze multiple types of data and enable our systems to execute approximately 40 million decisions per second, all in time to allow transactions to be executed in an average of 80 milliseconds.

Decisions processed through these algorithms relate to the following types of data:

- *Pricing Metadata*—We provide information on historical pricing, bids, buyer type and buyers to determine auction winners between RTB and static bidding. This data includes approximately 3 trillion bid requests per month, 2.1 million peak bids per second and data from tens of thousands of brands and all major DSPs, ad networks and ATDs;
- *Audience Data*—We reach approximately 96% of U.S. Internet users (comScore, September 2013) and over 550 million Internet users globally on a monthly basis. We have direct relationships with approximately 40% of the top 100 U.S. sellers as ranked by comScore in terms of reach. This reach provides us with a large volume of data about users and audiences, such as pricing of advertisements, historical clearing prices, bid responses, what types of ads are allowed on a particular website, which websites a buyer prefers, what ad formats are available to be served, advertisement size and location, where a user is located, what users an advertiser wants to target, how many ads the user has seen, browser or device information and sellers' proprietary data about users.

Auction and security algorithms use matchmaking algorithms with both historical and real time data to drive automated decision-making processes.

Pricing algorithms perform the following functions, among many others:

- *Impression Profiling*—Determines key data related to the impression such as demographic data, geographic data and historical data to send to potential bidders and collect for reporting and analysis by buyers and sellers.
- *Algorithmic Pricing*—Adjusts pricing for impressions based on historical bidding activity and valuation signals to increase marketplace liquidity.
- *Rules Management*—Ensures adherence to seller rules that set minimum prices for advertising inventory, determine which buyers are eligible to purchase advertising, identify buyers and categories of advertisements that are not allowed on a seller's website, application or other digital media property, and specify security and other criteria.

Proprietary protection technologies we have developed include:

- *Helix*—Captures and catalogs the thousands of advertising creatives (the graphics used for the advertisement) that flow through our systems every day, which our quality team reviews using our advertising quality management tools.
- *SiteScout*—Protects sellers from malware (software that can infect computers with malicious software), checks each advertisement delivered through our solution for the presence of any malicious or questionable activity or characteristics, stops unsanctioned advertisements, and reduces recurrence.
- *AdCheq*—Provides crowd-sourced (reviewed by users on the Internet) reviews of advertisements, creating multiple reviews of each. These creatives are categorized and associated with buyers and industries so that our systems can automatically enforce each seller's specific advertisement quality policies.

- *Brand Security Dashboard*—Provides visibility into quality-related activity, showing how different buyers behave relating to advertisement quality, details on the level of malware threats, and data leakage reporting (shows questionable activity related to third parties gathering data on their inventory).
- *Traffic Quality Monitoring*—Monitoring of traffic to minimize the incidence of non-human traffic or other inappropriate traffic.

Bid efficiency algorithms provide bid prediction (which buyers are most likely to bid on a given impression) and throttling (the volume of bid requests a given buyer can process), to optimize infrastructure load and execute transactions in the most timely manner possible by only sending bid requests to those buyers of advertising inventory who can handle the volume and are likely to respond.

Technology and Development

Innovation is key to our success. Our technology and development team is responsible for the design, development, maintenance and operation of our platform. Our technology and development process emphasizes frequent, iterative and incremental development cycles, and we typically release improvements and new features weekly. Within the technology and development team, we have several highly aligned, independent sub-teams that focus on particular features of our platform. Each of these sub-teams includes engineers, quality assurance specialists and product developers responsible for the initial and ongoing development of each sub-team's feature. In addition, the technology and development team includes our technical operations sub-team, which is responsible for the performance and capacity of our platform. While our sub-teams operate independently, the combined work is coordinated by our project management team which manages dependencies and optimizes the schedule of the entire team towards common goals.

Technology and development expenses are included in both cost of revenue and technology and development on our consolidated statement of operations. These combined expenses were $25.4 million and $25.5 million for the years ended December 31, 2011 and 2012, respectively, and $18.1 million and $25.3 million for the nine months ended September 30, 2012 and 2013, respectively. We believe that continued investment in our platform, including its technologies and functionalities, is critical to our success and long-term growth. We therefore expect technology and development expense to increase as we continue to invest in technology infrastructure to support increased volume of advertising spending on our platform and international expansion, as well as to expand our engineering and technology teams to maintain and support our technology and development efforts. We also intend to invest in new and enhanced technologies and functionalities to enhance our platform and further automate our business processes with the goal of enhancing our future profitability.

Sales and Marketing

We sell our solution to buyers and sellers through our global direct sales team, which operates from our locations in the United States and France, Germany, Italy, the United Kingdom, Japan and Australia. This team leverages its market knowledge and expertise to demonstrate the benefits to buyers and sellers of advertising automation and our solution. We deploy a professional services team with each seller integration to ensure that a seller extracts the most value from our solution in order to attract the maximum value of inventory from that seller to our solution. We are focused on managing our brand, increasing market awareness and generating new advertising campaigns. To do so, we often present at industry conferences, create custom events and invest in public relations. In addition, our marketing team advertises online, in print and in other forms of media, creates case studies, sponsors research, authors whitepapers, publishes marketing collateral, generates blog posts and undertakes customer research studies.

Our Competition

Our industry is highly competitive and fragmented. We compete for buyer spending against many digital media companies, including Google. We compete for advertising inventory with SSPs and advertising exchanges. As we introduce new offerings, as our existing offerings evolve, or as other companies introduce new products and services, we may be subject to additional competition.

We compete for advertising spending and seller inventory made available on our platform. Our product must remain competitive in terms of ease of use, scalability, speed, brand security, customer service and other technological features that assist buyers in increasing the return on their advertising investment. We compete for digital advertising inventory based on our ability to maximize the value of sellers' inventory, provide the greatest array of product components covering their various inventory types and increase fill rates. While our industry is evolving rapidly and becoming increasingly competitive, we believe that our solution enables us to compete favorably on the factors described above.

Our Team and Culture

Our management team consists of founders of ad serving and paid search companies as well as RTB pioneers, and our team draws from a broad spectrum of experience, including data science, artificial intelligence, machine-learning algorithms, auctions, infrastructure and software development.

We focus heavily upon developing and maintaining a company culture that supports our goals, and we manage our culture like a product, with a dedicated product manager, budget, measurement and roadmap. We have a goal of building and growing a truly unique company, focused on the automation of advertising and solving problems through innovation, both internally and for buyers and sellers to help deliver value. We strive to make our company an exciting place to work, not just a "job." We have a culture committee whose members rotate every quarter and include representation from across the company, both by function and geography, to ensure a comprehensive perspective. We reward team and individual excellence and constantly strive to build a stronger, more innovative team and a consistent culture across all our locations.

As of September 30, 2013, we had 315 employees, of whom 270 are in the United States.

Our Intellectual Property

Our proprietary technologies are an important component of our success, and we rely upon trade secret, copyright, and patent laws in the United States and abroad to establish and protect our intellectual property and protect our proprietary technologies.

We have three active U.S. patents. Additionally, we have one pending provisional application and six pending non-provisional applications in the United States and three pending non-U.S. applications. We register certain domain names, trademarks and service marks in the United States and in certain locations outside the United States. We also rely upon common law protection for certain trademarks. We generally enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. We also use measures designed to control access to our technology and proprietary information. We view our trade secrets and know-how as a significant component of our intellectual property assets, which we believe differentiate us from our competitors.

Any impairment of our intellectual property rights, or any unauthorized disclosure or use of our intellectual property or technology, could harm our business, our ability to compete and our operating results.

Regulation

The use of interest-based advertising on the Internet has come under increasing scrutiny by user advocacy organizations and regulatory agencies in the United States and abroad that focus on digital privacy. More specifically, these groups have voiced concerns about the use of cookies and other digital applications to record an Internet user's browsing history, and the use of that information to deliver digital advertisements based on inferred interests of the Internet user. Because we rely upon access to large volumes of user data, including web browsing history, primarily through cookies, it is essential that we monitor developments in this area domestically and globally, and engage in responsible privacy practices.

We recognize that privacy is important to users and advertisers, and we strictly enforce our privacy and data protection policies. Our privacy practices are described in our privacy policy, which explains the type of data we collect and how we use it to provide our services. Our privacy policy can be found on our website at http://www.rubiconproject.com/privacy/. The information contained on, or that can be accessed through, our website is not a part of this prospectus.

We rely on anonymous data about Internet users. We do not attempt to associate this anonymous data with data that can be used to identify real people, and we take steps not to collect and store personally identifiable information from any source. The definition of personally identifiable information, or personal data, however, varies by country and continues to evolve. Some European countries, for example, may consider IP addresses to be personal data subject to the same data protection requirements as information understood in the U.S. to be personal data, such as name, phone number and postal or email addresses. As a result, our technology platform and business practices must be assessed regularly in each country in which we do business to avoid violating laws or regulations related to the collection, storage and use of personally identifiable information.

In accordance with recent changes in the FTC's Children's Online Privacy Protection Act, or COPPA, we have taken various steps to implement a system that: (i) flags seller-identified child-directed sites to buyers, (ii) helps control the content of advertisements displayed on such child-directed sites by limiting advertisers' ability to serve behaviorally targeted advertisements, (iii) helps limit the types of information that our advertisers have access to when placing advertisements on child-directed sites, and (iv) limits the data that we collect and use on such child-directed sites.

We are members of or participants in industry self-regulatory organizations, including the Internet Advertising Bureau, or IAB, the Digital Advertising Alliance, the Network Advertising Initiative and the signatory-based Online Behavioral Advertising Framework of the IAB Europe. Under the requirements of these self-regulatory organizations, in addition to other compliance obligations, we provide consumers with notice about our use of cookies and our collection and use of data in connection with the delivery of targeted advertising and allow them to opt-out from the use of data we collect for the delivery of targeted advertising. These practices are described in our privacy policy.

In addition to industry self-regulation, our compliance with our privacy policy is also subject to regulation by the FTC, which may bring enforcement actions under Section 5 against unfair and deceptive trade practices, including the violation of privacy policies and representations. Outside of the United States, our privacy and data handling practices are subject to regulation by data protection authorities and other regulators in the countries in which we do business.

Facilities

Our corporate headquarters are located in Los Angeles, California, where we occupy facilities totaling approximately 47,000 square feet under a lease which expires in 2021, with an early termination option in 2016. We use these facilities for our principal administration, sales and marketing, technology and development and engineering activities. We also maintain additional offices in San Francisco, New York and Seattle in the

United States and in Australia, France, Japan, Germany and the United Kingdom. We believe that our current facilities are adequate to meet our ongoing needs, and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms.

Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together, have a material adverse effect on our business, operating results, financial condition or cash flows.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth certain information regarding our board of directors and executive officers.

Name	Age(1)	Position
Frank Addante	37	Chief Executive Officer, Chief Product Architect and Director (Chairman of the Board)
Gregory R. Raifman	54	President and Director
Todd Tappin	52	Chief Operating Officer and Chief Financial Officer
David Day	52	Chief Accounting Officer
Brian Copple	53	General Counsel and Corporate Secretary
Sumant Mandal	44	Director
Jarl Mohn	62	Director
Craig Roah	42	Director

(1) As of January 15, 2014

Frank Addante, our founder, has served as our Chief Executive Officer since 2007 and our Chief Product Architect since October 2013. He has been a member and Chairman of our board of directors since 2007. In 2002, Mr. Addante founded the email infrastructure provider StrongMail Systems, Inc. From January 1998 to November 2000, Mr. Addante was CTO and Technology Founder of L90, an Internet advertising company, where he pioneered one of the Internet's first ad serving platforms, adMonitor. Mr. Addante started his Internet career with the creation of Starting Point, a search engine. As our Chief Executive Officer, Mr. Addante is the general manager of our entire business, directing our management team to achieve our strategic, financial and operating goals. His presence as a member of our board of directors brings his thorough knowledge of our company into our board of directors' strategic and policy-making discussions. As a director, he brings his extensive experience in finance, digital advertising and executive leadership in the information technology industry into deliberations regarding our strategy and operations.

Gregory R. Raifman has served as our President since January 2013 and has been a member of our board of directors since April 2013. Since November 2003, Mr. Raifman has served as the managing member of Momentum Sports Group, LLC, which owns and operates the United Healthcare Pro Cycling Team. From February 2010 to October 2010, Mr. Raifman served as the Executive Chairman of video ad exchange and real time bidding company LiveRail, Inc. Mr. Raifman co-founded Mediaplex, Inc., a marketing technology solution company, in 1998, and from 1998 to 2001 Mr. Raifman served as the Chairman, Chief Executive Officer and President of Mediaplex, Inc. Mr. Raifman began his career as an attorney, specializing in M&A and corporate financings. As a director, Mr. Raifman brings many years of industry experience as a public company officer and director into deliberations regarding our strategy and operations.

Todd Tappin has served as our Chief Operating Officer and Chief Financial Officer since January 2013. Mr. Tappin served as the Chief Executive Officer of SocialVibe, Inc. a leader in engagement and value exchange advertising, from October 2010 to January 2013. Prior to that, Mr. Tappin served as Managing Director of The Gores Group, a Los Angeles, California based private equity firm from January 2009 to October 2010. Mr. Tappin was founding Chief Financial Officer of Helio, Inc., a telecommunications company, from April 2005 to January 2008 and the founding Chief Financial Officer of Overture, the pioneer of paid search, from September 1998 to October 2003, where he led Overture's initial public offering and follow-on offering and led the sale of Overture. Prior to Overture, Mr. Tappin spent six years as a senior executive at News Corporation, a global media conglomerate, where he ultimately held three simultaneous positions as the Senior Vice President of Finance for Twentieth Century Fox Home Entertainment, the Senior Vice President of Finance for Fox Interactive, and General Manager for Twentieth Century Fox Home Entertainment, Canada.

David Day has served as our Chief Accounting Officer since March 2013. From May 2011 to March 2013, Mr. Day served as the Chief Accounting Officer at ReachLocal, Inc., a public company servicing small and medium-sized businesses as their digital ad agency. Prior to that, Mr. Day provided finance and accounting-related consulting services to technology and telecommunications companies and was co-founder of SignJammer Corporation, a start-up in the out-of-home advertising market, from 2008 to 2011. His career also includes experience as Vice President of Finance for Spot Runner, a technology-based ad agency for small and medium-sized business, Senior Vice President of Finance for Yahoo Search Marketing, Senior Vice President of Finance and Corporate Controller of Overture, and public accounting experience with PricewaterhouseCoopers and Arthur Andersen.

Brian Copple has served as our General Counsel since July 2013. From April 2012 to July 2013, he was the General Counsel of Accumen, Inc. From January 2011 to April 2012, Mr. Copple was engaged in private law practice. From May 2004 to December 2010, Mr. Copple was employed by Eclipsys Corporation, a publicly-traded provider of electronic health record software and related services to hospitals, including as the General Counsel and Corporate Secretary of Eclipsys until its acquisition by Allscripts Healthcare in August 2010. His early career also includes experience as a partner at Gibson, Dunn & Crutcher LLP.

Sumant Mandal has been a member of our board of directors since May 2007. Mr. Mandal is a Managing Director at Clearstone Venture Partners, a leading early stage venture capital firm that has been the initial investor in companies such as Paypal, Netzero, MP3.com, Overture and many others. Mr. Mandal has been investing in technology businesses for over 12 years. He is co-founder of The Hive and The Fabric, companies that incubate and invest in early stage technology businesses. Mr. Mandal sits on the boards of multiple private companies where he is lead investor. Prior to his venture capital career, Mr. Mandal co-founded multiple businesses in the online media, energy and industrial systems sectors, both in the U.S. and India. Mr. Mandal is also a Charter Member of TiE, a not-for-profit global network of entrepreneurs and professionals. Mr. Mandal brings to the board his years of experience in founding, investing in and growing technology and online media businesses.

Jarl Mohn has served as a director since May 2008. Mr. Mohn has also served on the boards of directors of ComScore, Inc. and Scripps Network Interactive since June 2008. From December 2003 until July 2008, Mr. Mohn served on the board of directors of CNET Networks, Inc., where he also served as non-executive chairman from October 2006 to July 2008. Mr. Mohn also previously served on the boards of directors of XM Satellite Radio, Inc. from May 2004 to July 2008 and the E.W. Scripps Company from 2002 until 2008. Mr. Mohn was the founding President of Liberty Digital Inc., a publicly traded subsidiary of Liberty Media Group involved in interactive television, cable television networks and Internet enterprises, and served as its Chief Executive Officer from June 1999 to March 2002. Prior to founding Liberty Digital, he was President and Chief Executive Officer of E! Entertainment Television. From 1986 to 1989, Mr. Mohn was Executive Vice President and General Manager of MTV and VH1. His professional career also includes twenty years in radio. Mr. Mohn brings to the board more than forty years of experience in the media industry through his prior service as Chief Executive Officer and/or director of several significant media companies.

Craig Roah has been a member of our board of directors since May 2007. Mr. Roah is a principal at Hive Data, Inc. and has served in such position since September 2013. Prior to that, Mr. Roah served as our Chief Strategy Officer from March 2012 to October 2012, our Chief Product Officer from September 2011 to March 2012 and our Chief Operating Officer from May 2007 to September 2011. Prior to his tenure with us, Mr. Roah founded and operated Verapass Marketing from 2001 to 2005 and before that he served as Vice President of Product Support at L90, Inc. As one of our founders, coupled with his years of experience in the technology industry, Mr. Roah brings thorough knowledge of our company and the advertising technology industry into our board of directors' strategic and policy-making discussions.

Election of Officers

Our executive officers are elected by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Board Structure

Our business affairs are managed under the direction of our board of directors, which currently consists of five members. Several of our directors currently serve on the board pursuant to the voting provisions of a voting agreement among us and several of our stockholders. This agreement will terminate in connection with our initial public offering and there will be no further contractual obligations regarding the election of our directors. Each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation or removal.

In accordance with the amended and restated certificate of incorporation and the amended and restated bylaws that will become effective upon completion of the offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. As a result, only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the completion of this offering authorize only our board of directors to fill vacancies on our board of directors. The authorized number of directors may be changed by resolution of the board of directors. Any additional directorships resulting from an increase in the authorized number of directors would be distributed among the three classes so that, as nearly as possible, each class would consist of one-third of the authorized number of directors. Frank Addante serves as the Chairman of our board of directors.

and are the Class I directors and their terms will expire at the annual meeting of stockholders to be held in 2015. and are the Class II directors and their terms will expire at the annual meeting of stockholders to be held in 2016. , and are the Class III directors and their terms will expire at the annual meeting of stockholders to be held in 2017. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

In connection with this offering, we have applied to list our common stock on the New York Stock Exchange. Under the rules of the New York Stock Exchange, independent directors must comprise a majority of a listed company's board of directors within one year after the completion of an initial public offering. In addition, the rules of the New York Stock Exchange require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating/corporate governance committees be independent. Under the rules of the New York Stock Exchange, a director will only qualify as an "independent director" if the board of directors affirmatively determines that the director has no material relationship with the company.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Members of our compensation committee must also satisfy the additional independence criteria set forth under Rule 10C-1 of the Exchange Act. In order to be considered independent for purposes of Rule 10C-1, our board of directors much consider whether any director serving on our compensation committee has accepted, other than in his or her capacity as a member of the board, consulting, advisory or other fees from us or whether he or she is an affiliated person of us.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us. As a result of this review, our board of directors has determined that Sumant Mandal, Jarl Mohn, and are independent directors as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of the New York Stock Exchange.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to each of our directors, officers and employees. The full text of our code of business conduct and ethics will be available on our website at www.rubiconproject.com. Following the completion of this offering, we intend to post any amendment to our code of business conduct and ethics, and any waivers of such code for directors and executive officers, on the same website. The code addresses various topics, including:

- compliance with laws, rules and regulations;
- conflicts of interest;
- insider trading;
- corporate opportunities;
- competition and fair dealing;
- fair employment practices;
- recordkeeping;
- confidentiality;
- protection and proper use of company assets;
- reporting violations of the code; and
- payments to government personnel.

Lead Independent Director

Our corporate governance guidelines provide that one of our independent directors should serve as a lead independent director at any time when our Chief Executive Officer serves as the Chairman of our board of directors or if the Chairman is not otherwise independent. The lead independent director will preside over periodic meetings of our independent directors, serve as a liaison between our Chairman and the independent directors and perform such additional duties as our board of directors may otherwise determine and delegate. Because Frank Addante is our Chairman, effective upon consummation of this offering, our board of directors has appointed to serve as our lead independent director.

Board Committees

We have established an audit committee, a compensation committee and a nominating/corporate governance committee. We believe that the composition of these committees will meet the criteria for independence under, and that the functioning of these committees will comply with the requirements of, the Sarbanes-Oxley Act of 2002, the rules of the New York Stock Exchange and SEC rules and regulations that will become applicable to us upon consummation of the offering. We intend to comply with the requirements of the New York Stock

Exchange with respect to committee composition of independent directors. Each committee has the composition and responsibilities described below.

Audit Committee

Sumant Mandal, Jarl Mohn and , each of whom is a non-employee member of our board of directors, comprise our audit committee. is the chair of our audit committee. Our board of directors has determined that each of the members of our audit committee satisfies the requirements for independence and financial literacy under the rules and regulations of the New York Stock Exchange and the SEC. Our board of directors has also determined that qualifies as an "audit committee financial expert," as defined in the SEC rules, and satisfies the financial sophistication requirements of the New York Stock Exchange. The audit committee is responsible for, among other things, providing assistance to the board of directors in fulfilling its oversight responsibilities regarding the integrity of our financial statements, our compliance with applicable legal and regulatory requirements, the integrity of our financial reporting processes, including its systems of internal accounting and financial controls, the performance of our internal audit function and independent auditor and our financial policy matters by approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal accounting controls. The audit committee also oversees the audit efforts of our independent accountants and takes those actions as it deems necessary to confirm that the accountants are independent of management.

Compensation Committee

Sumant Mandal, Jarl Mohn and , each of whom is a non-employee member of our board of directors, comprise our compensation committee. is the chair of our compensation committee. Our board of directors has determined that each member of our compensation committee meets the requirements for independence under the rules of the New York Stock Exchange and the SEC and is an "outside director" within the meaning of Section 162(m) of the Code. The compensation committee is responsible for, among other things, overseeing our overall compensation structure, policies and programs, and assessing whether our compensation structure establishes appropriate incentives for officers and employees. The compensation committee also reviews and approves corporate goals and objectives relevant to compensation of our chief executive officer and other executive officers, evaluates the performance of these officers in light of those goals and objectives, sets the compensation of these officers based on such evaluations and reviews and recommends to the board of directors any employment-related agreements, any proposed severance arrangements or change in control or similar agreements with these officers. The compensation committee also administers the issuance of stock options and other awards under our stock plans. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members and the adequacy of the charter of the compensation committee. The compensation committee will also prepare a report on executive compensation, when and as required by the SEC rules, to be included in our annual report and annual proxy statement.

Nominating and Governance Committee

Sumant Mandal, Jarl Mohn and , each of whom is a non-employee member of our board of directors, comprise our nominating/governance committee. is the chair of our nominating and governance committee. Our board of directors has determined that each member of our nominating and governance committee meets the requirements for independence under the rules of the New York Stock Exchange. The nominating/governance committee is responsible for, among other things, developing and recommending to the board of directors criteria for identifying and evaluating candidates for directorships and making recommendations to the board of directors regarding candidates for election or reelection to the board of directors at each annual stockholders' meeting. In addition, the nominating/corporate governance committee is responsible for overseeing our corporate governance guidelines and reporting and making recommendations to the board of directors concerning corporate governance matters. The nominating and corporate governance committee will be also responsible for making recommendations to the board of directors concerning the structure, composition and function of the board of directors and its committees.

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Compensation Committee Interlocks

None of the members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board or compensation committee.

Director Compensation

Prior to this offering, our directors have not received any cash compensation or equity awards for their service on our board of directors or committees of our board of directors. We have a policy of reimbursing our directors for their reasonable out-of-pocket expenses incurred in attending board and committee meetings. Mr. Addante, who is our Chief Executive Officer, and Mr. Raifman, who is our President, receive no compensation for their service as a director. The compensation received by Mr. Addante and Mr. Raifman as employees is presented in “Executive Compensation—2013 Summary Compensation Table.” Since June 2013, we have been party to a consulting arrangement, with Mr. Roah, pursuant to which Mr. Roah has agreed to provide certain consulting services to the Company in exchange for a monthly payment. During 2013, Mr. Roah earned $60,000 in fees in connection with consulting services provided to us. We modified the consulting arrangement with Mr. Roah to provide for a monthly consulting fee of $20,000 beginning in December 2013.

After the completion of this offering, each non-employee director will be eligible to receive compensation for his or her service consisting of annual cash retainers and equity awards. For purposes of such compensation arrangements, a “non-employee director” refers to a director who is not an employee of or consultant to the company. Our non-employee directors will receive the following annual retainers for their service, which will be paid in four equal quarterly advance installments and prorated for any partial year service:

Position	Retainer
Board Member	$30,000
Audit Committee Chair	20,000
Compensation Committee Chair	12,500
Nominating and Corporate Governance Committee Chair	7,500
Audit Committee Member	10,000
Compensation Committee Member	5,000
Nominating and Corporate Governance Committee Member	3,500
Lead Independent Director, if any	15,000

Equity awards for non-employee directors will consist of (i) an initial equity grant, upon the later of the consummation of this offering or first appointment to our board of directors, with a value of $450,000 and (ii) annual awards with a value of $175,000, subject to proration if an individual has not been a director for a full year. Each equity award will consist half of stock options and half restricted stock units, or RSUs. Stock options will be granted with an exercise price equal to the fair market value of our common stock on the date of grant.

Initial equity awards will vest in three annual increments after the grant date, subject to continued service as a director. Annual equity awards will vest on the earlier of the first anniversary of the date of grant or the next annual meeting, subject to continued service as a director. All equity awards to non-employee directors will vest upon a change in control.

Directors have been and will continue to be reimbursed for travel, food, lodging and other expenses directly related to their activities as directors. Directors are also entitled to the protection provided by their indemnification agreements and the indemnification provisions in our current certificate of incorporation and bylaws, as well as the certificate of incorporation and bylaws that will become effective upon the completion of this offering.

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EXECUTIVE COMPENSATION

Our named executive officers, or NEOs, for 2013, consisted of our principal executive officer and the next two most highly-compensated executive officers as described below.

2013 Summary Compensation Table

The executive compensation disclosure that follows explains the compensation awarded to, earned by or paid to our named executive officers, Frank Addante, Gregory R. Raifman and Todd Tappin.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Mr. Frank Addante Chief Executive Officer, Chief Product Architect and Chairman of the Board	2013	280,000	2,013	—	152,007	—	434,020
Mr. Gregory R. Raifman President	2013	279,615	—	3,936,539	66,372	81,503	4,364,029
Mr. Todd Tappin Chief Operating Officer and Chief Financial Officer	2013	279,615	—	2,974,324	57,080	—	3,311,019

(1) Represents the payment of a holiday bonus, which was paid on January 8, 2013.

(2) The amounts shown in this column represent the aggregate grant date fair value of the stock options awarded to the named executive officers in 2013 as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in Note 12 of the Notes to Consolidated Financial Statements included elsewhere in this prospectus. In light of the proximity of these grants, which were made on February 22, 2013, to a valuation dated as of March 1, 2013, our board of directors reconsidered the fair value of the common stock and, on November 14, 2013, revised the exercise price of the options granted on February 22, 2013 to the revised estimated fair value of the common stock of $3.90. There is no incremental fair value as a result of such revision because the option exercise price was increased.

(3) The amounts shown in this column represent the cash incentive payments made to the named executive officers for the first three quarters of fiscal year 2013. The named executive officers earned an additional cash incentive for the fourth quarter of fiscal year 2013 in an amount to be determined, and paid out, in early 2014. Once determined, we will disclose the amounts earned by and payable to each named executive officer.

(4) Represents the payment of $81,503 in relocation expenses, including $77,533 for the payment of rental fees for a corporate apartment.

Outstanding Equity Awards as of December 31, 2013

The following table provides information regarding outstanding equity awards made to our named executive officers as of December 31, 2013.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Mr. Frank Addante	—	—	—	—
Mr. Gregory R. Raifman		1,571,400	$ 3.90	2/21/2023(1)
Mr. Todd Tappin		1,187,300	$ 3.90	2/21/2023(1)

(1) Subject to accelerated vesting under certain conditions, as described below under the section entitled "Post-Employment Compensation and Change in Control Payments and Benefits," 25% of the time-based stock options will vest on January 28, 2014 and the remaining option shares will become exercisable in 36 equal installments at the end of each calendar month thereafter.

Employment Agreements

We are a party to an employment agreement with Mr. Addante effective as of May 4, 2007 pursuant to which he serves as our chief executive officer on an "at will" basis. The agreement was amended effective as of December 14, 2007. The agreement, as amended, provides for a base salary, eligibility to receive an annual performance bonus of up to $200,000 and eligibility to participate in employee benefit or group insurance plans maintained from time to time by the Company.

We entered into offer letter agreements with each of Mr. Raifman and Mr. Tappin dated January 17, 2013 pursuant to which the named executive officers began serving as our President (Mr. Raifman) and Chief Operating Officer and Chief Financial Officer (Mr. Tappin) on an "at-will" basis on January 28, 2013. The letter agreements provide for a base salary, eligibility to receive an annual performance bonus and eligibility to participate in employee benefit or group insurance plans maintained from time to time by the Company. The letter agreements also provided for the grant of a stock option award, as described in more detail below.

Incentive Compensation

Annual Incentive. During 2013 our NEOs were eligible to receive an annual cash incentive award as a percentage of base salary upon the achievement of pre-established performance goals, which for 2013 included GAAP revenue, Adjusted EBITDA and cash balance. For 2013, the target award opportunities for Messrs. Addante, Raifman and Tappin were 71%, 50% and 43% of base salary, respectively. Performance is measured at the end of each quarter and at fiscal year-end, with 15% allocated to performance for each of our four fiscal quarters and 40% allocated to performance for our full fiscal year.

Our named executive officers must be employed at the time of payment in order to receive the 2013 annual cash award.

Equity Incentive. We maintain a 2007 Stock Incentive Plan pursuant to which we currently grant stock option awards to eligible participants. Mr. Raifman and Mr. Tappin received grants of stock options under this plan in 2013 pursuant to provisions in their letter agreements. See the table titled "Outstanding Equity Awards as of December 31, 2013" for more information with respect to these grants. Our 2007 Plan will be terminated in connection with this offering and we will implement a 2014 Equity Incentive Plan, as described below, pursuant to which we expect to make grants of stock options and restricted stock units to eligible participants, including our named executive officers, in the future.

Post-Employment Compensation and Change in Control Payments and Benefits

We are a party to Executive Vesting and Severance Agreements with Messrs. Raifman and Tappin, each dated October 30, 2013, respectively, and the Company plans to enter into a substantially similar agreement with Mr. Addante to replace the severance provisions of his existing employment agreement. The severance agreement provides that the executives are "at-will" employees. If the Company terminates the employment of any of these executives without "cause" or if any of these executives resign for "good reason" (as such terms are defined in the severance agreements) and prior to and not in connection with the consummation of a "sale transaction" (as such term is defined in the severance agreements), each such executive will be entitled to receive compensation equal to six months of his respective then-current base salary, payable in equal installments over six months, a pro rata bonus for the year of termination, reimbursement of "COBRA" premiums for up to six months for each of such executive and his respective dependents and immediate vesting of equity awards that would have vested if the executive had remained employed for an additional six months. If the Company terminates any of these executives without cause or any of them resign for good reason in connection with or following a change in control, each such executive will be entitled to receive compensation equal to 12 months of his then-current base salary, payable in equal installments over twelve months, reimbursement of “COBRA” premiums for up to 12 months and acceleration of all of his equity awards. The severance payments are conditioned upon these executives entering into a release of claims with us.

If a change of control occurs pursuant to an agreement entered into prior to the first anniversary of this offering, and any of these executives have any benefits that would constitute “excess parachute payments” as defined in Section 280G of the Code, then such executive shall be entitled to a gross up payment in respect of the excise taxes under Section 280G of the Code applicable to such parachute payments.

Employee Benefit Plans

2014 Equity Incentive Plan

Effective upon consummation of this offering, our board of directors will adopt The Rubicon Project, Inc. 2014 Equity Incentive Plan, or the 2014 Plan.

Purpose. The 2014 Plan is intended to help the company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the company and any affiliate and provide a means by which the eligible recipients may benefit from increases in the value of our common stock.

Types of Awards. The 2014 Plan provides for the grant of incentive stock options within the meaning of Section 422 of the Code, nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards and other stock awards.

Eligibility. Awards may be granted to employees, including officers, non-employee directors and consultants of the company and its affiliates. Only our employees and those of our affiliates are eligible to receive incentive stock options.

Shares Subject to the 2014 Plan. Subject to adjustment for certain dilutive or related events, the aggregate maximum number of shares of our common stock that may be issued pursuant to stock awards under the 2014 Plan, or the Share Reserve, will initially be shares of common stock plus any shares of common stock under our 2007 Plan that are available for future grants as of the effective date of the 2014 Plan. In addition, the number of shares of common stock equal to the total number of shares of common stock subject to outstanding awards granted under the 2007 Plan that expire or terminate for any reason prior to exercise or settlement, are forfeited or are otherwise reacquired or withheld (or not issued) to satisfy a tax withholding obligation in connection with an award will be added to the Share Reserve.

The Share Reserve will automatically increase on January 1st of each year during the term of the 2014 Plan commencing on January 1st of the year following the year in which the 2014 Plan becomes effective in an amount equal to five percent (5%) of the total number of shares of capital stock outstanding on December 31st of the preceding calendar year; provided, however, that the board of directors may provide that there will not be a January 1st increase in the Share Reserve in a given year or that the increase will be less than five percent (5%) of the shares of capital stock outstanding on the preceding December 31st.

The Share Reserve will not be reduced if an award or any portion thereof (i) expires or terminates without all of the shares covered by such award having been issued or (ii) is settled in cash. If any shares of common stock issued under an award are forfeited back to or repurchased by the company, such shares will revert to and again be made available for issuance under the 2014 Plan. Any shares retained or reacquired by the company in satisfaction of tax withholding obligations or as consideration for the exercise or purchase price of an award will also again become available for issuance under the 2014 Plan.

The aggregate maximum number of shares of common stock that may be issued on the exercise of incentive stock options is .

Shares issued under the 2014 Plan may consist of authorized but unissued or reacquired common stock of the company, including shares repurchased by the company on the open market or otherwise.

Administration. Our board of directors has the authority to administer the 2014 Plan, including the powers to: (i) determine who will be granted awards and what type of award, when and how each award will be granted, the provisions of each award (which need not be identical), the number of shares or cash value subject to an award and the fair market value applicable to an award; (ii) construe and interpret the 2014 Plan and awards granted thereunder and establish, amend and revoke rules and regulations for administration of the 2014 Plan and awards, including the ability to correct any defect, omission or inconsistency in the 2014 Plan or any award document; (iii) settle all controversies regarding the 2014 Plan and awards granted thereunder; (iv) accelerate or extend, in whole or in part, the time during which an award may be exercised or vested or at which cash or shares may be issued; (v) suspend or terminate the 2014 Plan; (vi) amend the 2014 Plan; (vii) submit any amendment to the 2014 Plan for stockholder approval; (viii) approve forms of award documents for use under the 2014 Plan and to amend the terms of any one or more outstanding awards; (ix) generally exercise such powers and perform such acts as the board of directors may deem necessary or expedient to promote the best interests of the company and that are not in conflict with the provisions of the 2014 Plan or any award documents; (x) adopt procedures and sub-plans as are necessary or appropriate; (xi) effect, with a participant’s consent, the reduction of the exercise, purchase or strike price of any outstanding stock award, the cancellation of any outstanding stock award and the grant in substitution thereof of a new stock or cash award and/or award of other valuable consideration determined by the board of directors, in its sole discretion, with any such substituted award covering the same or a different number of shares of common stock as the cancelled stock award and granted under the 2014 Plan or another equity or compensatory plan of the company or any other action that is treated as a repricing under GAAP.

Subject to the provisions of the 2014 Plan, the board of directors may delegate all or some of the administration of the 2014 Plan to a committee of two or more directors and may delegate to one or more officers the authority to designate employees who are not officers to be recipients of options and stock appreciation rights (and, to the extent permitted by applicable law, other stock awards) and, to the extent permitted by applicable law, to determine the terms of such awards and the number of shares of common stock to be subject to such stock awards granted to such employees. Unless otherwise provided by the board of directors, delegation of authority by the board of directors to a committee or an officer will not limit the authority of the board of directors. All determinations, interpretations and constructions made by the board of directors (or another authorized committee or officer exercising powers delegated by the board of directors) in good faith will be final, binding and conclusive on all persons.

Stock Options. A stock option may be granted as an incentive stock option or a nonqualified stock option. The option exercise price may not be less than the fair market value of the stock subject to the option on the date the option is granted (or, with respect to incentive stock options, less than 110% of the fair market value if the recipient owns stock possessing more than 10% of the total combined voting power of all classes of stock of the company or any affiliate, or a Ten Percent Stockholder, unless the option was granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 409A and, if applicable, Section 424(a) of the Code. Options will not be exercisable after the expiration of ten years from the date of grant (or five years, in the case of an incentive stock option issued to a Ten Percent Stockholder). Each award agreement will set forth the number of shares subject to each option. The purchase price of any shares acquired pursuant to an option may be payable in cash, check, bank draft, money order, net exercise or as otherwise determined by the board of directors and set forth in the award agreement, including through an irrevocable commitment by a broker to pay over such amount from a sale of the shares issuable under the option and the delivery of previously owned shares. The vesting schedule applicable to any option, including any performance conditions, will be as set forth in the award agreement.

Stock Appreciation Rights. A stock appreciation right, or SAR, is a right that entitles the participant to receive, in cash or shares stock or a combination thereof, as determined by the board of directors, value equal to or otherwise based on the excess of (i) the fair market value of a specified number of shares at the time of exercise over (ii) the exercise price of the right, as established by the board of directors on the date of grant. Upon exercising a SAR, the participant is entitled to receive the amount by which the fair market value of the stock at the time of exercise exceeds the exercise price of the SAR. The exercise price of each SAR may not be less than the fair market value of the stock subject to the award on the date the SAR is granted, unless the SAR was granted pursuant to an assumption of or substitution for another option in a manner satisfying the provisions of Section 409A of the Code. SARs will not be exercisable after the expiration of ten years from the date of grant. Each award agreement will set forth the number of shares subject to the SAR. The vesting schedule applicable to any SAR, including any performance conditions, will be as set forth in the award agreement.

Provisions Applicable to Both Options and SARs.

Transferability. The board of directors may, in its sole discretion, impose limitations on the transferability of options and SARs. Unless the board of directors provides otherwise, an option or SAR will not be transferable except by will or the laws of descent and distribution and will be exercisable during the lifetime of a participant only by such participant. The board of directors may permit transfer of an option or SAR in a manner not prohibited by applicable law. Subject to approval by the board of directors, an option or SAR may be transferred pursuant to the terms of a domestic relations order or similar instrument or pursuant to a beneficiary designation.

Termination of Service. Except as otherwise provided in an applicable award document or other agreement between a participant and the company, upon a termination for any reason other than for cause or due to death or disability, a participant may exercise his or her option or SAR (to the extent such award was exercisable as of the date of termination) for a period of three months following the termination date or, if earlier, until the expiration of the term of such award. Upon a termination due to a participant's disability, unless otherwise provided in an applicable award or other agreement, the participant may exercise his or her option or SAR (to the extent that such award was exercisable as of the date of termination) for a period of twelve (12) months following the termination date or, if earlier, until the expiration of the term of such award. Upon a termination due to a participant's death, unless otherwise provided in an applicable award or other agreement, the participant's estate may exercise the option or SAR (to the extent such award was exercisable as of the termination date) for a period of eighteen (18) months following the termination date or, if earlier, until the expiration of the term of such award. Unless provided otherwise in an award or other agreement, an option or SAR will terminate on the date that a participant is terminated for cause and the participant will not be permitted to exercise such award.

Awards Other Than Options and SARs.

Restricted Stock and Restricted Stock Unit Awards. Restricted shares are awards of shares, the grant, issuance, retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment) and terms as the board of directors deems appropriate. Restricted stock units, or RSUs, are an award denominated in units under which the issuance of shares (or cash payment in lieu thereof) is subject to such conditions (including continued employment) and terms as the board of directors deems appropriate. Each award document evidencing a grant of restricted stock or RSUs will set forth the terms and conditions of each award, including vesting and forfeiture provisions, transferability and, if applicable, right to receive dividends or dividend equivalents.

Performance Awards. A performance award is a stock or cash award that is payable contingent upon the attainment during a performance period of certain performance goals. A performance award may, but need not, require the completion of a specified period of service. The length of any performance period, the applicable performance goals and the measurement of whether and to what degree such performance goals have been attained will be as determined by the compensation committee. To the extent permitted by applicable law and under any applicable award agreement, the board of directors may determine that cash may be used for payment of a performance stock award and that cash or other property may be used for the payment of a performance cash award. The compensation committee (or if not required for compliance with Section 162(m) of the Code, the board of directors) retains the discretion to reduce or eliminate the compensation or economic benefit upon the attainment of any performance goals.

Performance Goals. Unless otherwise permitted in compliance with Section 162(m) of the Code with respect to an award intended to qualify as "performance-based compensation" thereunder, the compensation committee will establish the performance goals applicable to, and the formula for calculating the amount payable under, the award no later than the earlier of (A) 90 days after commencement of the applicable performance period, and (B) the date on which 25% of the performance period has elapsed and at a time when the achievement of the applicable performance goals remains substantially uncertain. Performance goals may be based on a Company-wide basis, or, with respect to one or more parts of the company's business, or with respect to individual participant performance, as appropriate, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. The performance criteria may be based on any one of, or combination of, a number of performance criteria, which may include financial or other metrics, as determined by the board of directors. However, no provision in the 2014 Plan limits the discretion of the Board or other authorized delegate of the Board to grant awards that do not comply with the requirements under Section 162(m) of the Code.

Other Stock Awards. The 2014 Plan permits the grant of other forms of stock awards valued in whole or in part by reference to, or otherwise based on, the common stock of the company, including the appreciation in value thereof. Subject to the provisions of the 2014 Plan, the board of directors has the sole and complete authority to determine the persons to whom and the times at which such other stock awards may be granted and other provisions related thereto.

Non-Employee Director Grants. In addition to any stock awards that may be granted on a discretionary basis to non-employee directors under the 2014 Plan, each director who for the 180 days before the applicable grant date (as described below) has not been either (i) an employee of the company or any of its subsidiaries or (ii) a consultant for the company or any of its subsidiaries, will be automatically granted, as applicable, an initial stock award upon commencement of service on the board of directors and an annual stock award, pursuant to the provisions set forth in the 2014 Plan.

Adjustment Provisions. In the event of any change in the capitalization of the company, the board of directors will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the 2014 Plan; (ii) the class(es) and maximum number of securities that may be issued pursuant to the exercise of incentive stock options; (iii) the class(es) and maximum number of securities that may be awarded to any person in compliance with Section 162(m) of the Code; and (iv) the class(es) and number of securities or other property and value (including price per share of stock) subject to outstanding stock awards. The board of directors will make such adjustments, and its determination will be final, binding and conclusive. Unless provided otherwise in an award or other agreement, in the event of a dissolution or liquidation of the company, all outstanding stock awards (other than stock awards consisting of vested and outstanding shares of Company common stock not subject to a forfeiture condition or the company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of common stock subject to the company's repurchase rights or subject to forfeiture may be repurchased or reacquired by the company notwithstanding the fact that the holder of such stock award is providing continuous service; provided, however, that the board of directors may, in its sole discretion, provide that some or all stock awards will become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent not already expired or terminated) before the dissolution or liquidation is completed but contingent upon its completion.

Corporate Transaction. In the event of Corporate Transaction (as defined in the 2014 Plan), the board of directors will take one or more of the following actions with respect to each outstanding award, contingent upon the closing or completion of the Corporate Transaction:

(i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) to assume or continue the award or to substitute a similar stock award for the award (including, but not limited to, an award to acquire the same consideration per share paid to the stockholders of the company pursuant to the Corporate Transaction);

(ii) arrange for the assignment of any reacquisition or repurchase rights held by the company in respect of common stock issued pursuant to the award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company);

(iii) accelerate the vesting, in whole or in part, of the award (and, if applicable, the time at which the award may be exercised) to a date prior to the effective time of such Corporate Transaction as determined by the board of directors (or, if the board of directors will not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), with such award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and with such exercise reversed if the Corporate Transaction does not become effective;

(iv) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the company with respect to the award;

(v) cancel or arrange for the cancellation of the award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the board of directors, in its reasonable determination, may consider appropriate as an approximation of the value of the canceled award; and

(vi) cancel or arrange for the cancellation of the award, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for a payment equal to the excess, if any, of (A) the value in the Corporate Transaction of the property the participant would have received upon the exercise of the award immediately prior to the effective time of the Corporate Transaction, over (B) any exercise price payable by such holder in connection with such exercise.

The board of directors need not take the same action or actions with respect to all awards or portions thereof or with respect to all participants and may take different actions with respect to the vested and unvested portions of an award.

In the absence of any affirmative determination by the board of directors at the time of a Corporate Transaction, each outstanding award will be assumed or an equivalent award will be substituted by such successor corporation or a parent or subsidiary of such successor corporation, referred to as a Successor Corporation, unless the Successor Corporation does not agree to assume the award or to substitute an equivalent award, in which case the vesting of such award will accelerate in its entirety (along with, if applicable, the time at which the award may be exercised) to a date prior to the effective time of such Corporate Transaction as the board of directors will determine (or, if the board of directors will not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), with such award terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and with such exercise reversed if the Corporate Transaction does not become effective.

Change in Control. An award may be subject to additional acceleration of vesting and exercisability upon or after a Change in Control (as defined in the 2014 Plan) as may be provided in the award agreement for such award or as may be provided in any other written agreement between the company or any affiliate and the participant, but in the absence of such provision, no such acceleration will occur.

Termination and Amendment. The board of directors may amend the 2014 Plan as it deems necessary or advisable. If required by applicable law, the company will seek stockholder approval of any amendment of the

2014 Plan that materially (A) increases the number of shares available for issuance under the 2014 Plan, (B) expands the class of individuals eligible to receive awards, (C) increases the benefits accruing to participants under the 2014 Plan, (D) reduces the price at which shares of common stock may be issued or purchased under the 2014 Plan, (E) extends the term of the 2014 Plan, or (F) expands the types of awards available for issuance under the 2014 Plan. Except as otherwise provided in the 2014 Plan or an award document, no amendment of the 2014 Plan will materially impair a participant's rights under an outstanding award without the participant's written consent. The board of directors may suspend or terminate the 2014 Plan at any time. No awards may be granted after the 10th anniversary of the earlier of the date the 2014 Plan was adopted by the Board or the date the 2014 Plan is approved by the stockholders of the company. No awards may be granted under the 2014 Plan while the 2014 Plan is suspended or terminated.

2007 Stock Incentive Plan

Our board of directors adopted and our stockholders approved our 2007 Stock Incentive Plan, or the 2007 Plan, in May 2007, which was supplemented by an addendum for optionees in the United Kingdom in July 2011 and most recently amended in February 2013.

Authorized Shares. Our 2007 Plan will be terminated in connection with this offering, and, accordingly, no further shares will be available for issuance under this plan. Our 2007 Plan will continue to govern outstanding awards granted thereunder. As of September 30, 2013, options to purchase 16,556,628 shares of our common stock remained outstanding under the 2007 Plan.

Plan Administration. Our board of directors or a committee thereof appointed by our board has the authority to administer our 2007 Plan. Currently, our compensation committee has authority to administer the 2007 Plan. Subject to the provisions of the 2007 Plan, the administrator has the power to determine (i) with respect to the option grants under the discretionary option grant program, which eligible persons are to receive grants, times when such grants are to be made, the number of shares to be covered by each grant, the status of a granted option as either an incentive option or a non-statutory option, the vesting schedule (if any) and the term for which an option is to remain outstanding; and (ii) with respect to stock issuances under the stock issuance program, which eligible persons are to receive stock issuances, times when such issuances are to be made, the number of shares to be issued, the vesting schedule (if any) and consideration for such shares.

Stock Options. The administrator may grant options. The exercise price per share of all options must equal at least 100% of the fair market value per share of our common stock on the date of grant. The term of an option may not exceed ten years. The methods of payment of the exercise price of an option may include cash or certified check or share of common stock valued at fair market value on the exercise date. After the termination of service, except in the case of termination for misconduct, of an employee, director or consultant, the participant may exercise his or her option, to the extent vested as of such date of termination, within the period of time as stated in his or her option agreement. If termination is due to death or disability, the option will remain exercisable, to the extent vested as of such date of termination, for the period of time as stated in his or her option agreement. The administrator shall have complete discretion to extend the period of time for which an option is to remain exercisable following an optionee's cessation of service from the limited exercise period otherwise in effect for that option and to permit the option to be exercised during the applicable post-service exercise period, not only with respect to the number of vested shares of common stock, but also with respect to one or more additional installments in which the optionee would have vested had the optionee continued in service. However, in no event may an option be exercised later than the expiration of its term.

Stock Issuances; Restricted Stock. Shares of common stock may be issued under our 2007 Plan. Each such stock issuance is evidenced by a stock issuance agreement. Shares issued under our 2007 Plan may be fully and immediately vested upon issuance or may vest in one or more installments over the recipient's period of service or upon attainment of specified performance objectives. Issuances of our common stock may be subject to various restrictions, including restrictions on transferability and forfeiture provisions. The purchase price per share must equal at least 100% of the fair market value per share of our common stock on the issuance date. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator. Recipients of stock issuances will generally have rights equivalent to those of a stockholder with respect to such shares upon issuance without regard to vesting.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2007 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2007 Plan and/or the number, class and price of shares covered by each outstanding award. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable, and all unexercised awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2007 Plan provides that in the event of a merger or change in control, as defined therein, each outstanding award will be treated as the administrator determines, without a participant's consent, including, without limitation, that each award be assumed or substituted for an equivalent award. Except to the extent expressly provided in an option agreement, no option outstanding at the time of a change in control shall become exercisable on an accelerated basis if and to the extent (a) the option is assumed by the successor corporation; (b) such option is replaced with a cash incentive program of the successor corporation; or (c) the acceleration of such option is subject to other limitations imposed by the plan administrator at the time of the option grant. If none of the foregoing conditions are satisfied, each option outstanding at the time of the change in control shall automatically accelerate so that each such option shall, immediately prior to the effective date of the change in control, become exercisable for all the shares of common stock at the time subject to such option and may be exercised. Our 2007 Plan also provides that, following a change in control, all of our repurchase rights with respect to outstanding options shall also terminate automatically and the shares of common stock subject to those terminated rights shall immediately vest in full, subject to certain exceptions. All of our repurchase rights under the stock issuance program shall terminate automatically in connection with a change in control, and all the shares of common stock subject to those terminated rights shall immediately vest in full, in the event of any change in control, except to the extent the repurchase rights are assigned to the successor corporation or otherwise continue in full force and effect pursuant to the express terms of the change in control transaction or such accelerated vesting is precluded by other limitations imposed in the stock issuance program.

Amendment, Termination. Our board of directors may amend our 2007 Plan at any time, provided that such amendment does not impair a participant's rights under outstanding awards without the participant's written consent. As noted above, upon the completion of this offering, the 2007 Plan will be terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. To date, we have made no matching contributions into the 401(k) plan. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan, and all contributions are deductible by us when made.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and our amended and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by the DGCL, which prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of nonmonetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into indemnification agreements with each of our current directors, executive officers and certain other officers. These agreements will provide indemnification for certain expenses and liabilities incurred in connection with any action, suit, proceeding, or alternative dispute resolution mechanism, or hearing, inquiry, or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent, or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent, or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent, or fiduciary of another entity. In the case of an action or proceeding by, or in the right of, our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table presents information regarding beneficial ownership of our equity interests as of December 31, 2013, and as adjusted to reflect the sale of common stock in this offering, by:

- each stockholder or group of stockholders known by us to be the beneficial owner of more than 5% of our outstanding equity interests;
- each of our directors;
- each of our named executive officers;
- all selling stockholders; and
- all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and thus represents voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

Percentage ownership of our common stock before this offering is based on 52,577,381 shares of our common stock outstanding as of December 31, 2013 and assumes (i) the conversion of all outstanding shares of convertible preferred stock into an aggregate of 28,820,481 shares of Class A common stock, (ii) the conversion of all outstanding shares of our Class B common stock into an aggregate of 8,380,126 shares of Class A common stock and (iii) conversion of all of our Class A common stock (including all shares of Class A common stock issued upon conversion of our convertible preferred stock and Class B common stock as described above) into a single class of common stock upon completion of this offering. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of December 31, 2013 are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each individual listed in this table is c/o The Rubicon Project, Inc., 12181 Bluff Creek Drive, 4th Floor, Los Angeles, California 90094.

	Shares Beneficially Owned Prior to The Offering		Shares Being Offered	Shares Beneficially Owned After the Offering		Total Equity Holdings Owned After the Offering	
Name and Address of Beneficial Owner	Number	Percent		Number	Percent	Number	Percent
5% Stockholders							
Frank Addante(1)	5,305,411	10.1%		5,305,411		5,305,411	
Entities affiliated with Clearstone Venture Partners(2)	12,599,960	24.0%		12,599,960		12,599,960	
News Corporation(3)	11,192,251	21.3%		11,192,251		11,192,251	
Entities affiliated with Mayfield Fund(4)	8,225,508	15.6%		8,225,508		8,225,508	
Executive Officers, Directors and Director Designees							
Frank Addante(1)	5,305,411	10.1%		5,305,411		5,305,411	
Gregory R. Raifman(5)	425,587	*		425,587		1,571,400	
Todd Tappin(6)	321,560	*		321,560		1,187,300	
Sumant Mandal(7)	12,599,960	24.0%		12,599,960		12,599,960	
Jarl Mohn(8)	811,700	1.5%		811,700		811,700	
Craig Roah(9)	995,017	1.9%		995,017		995,017	
All Current Executive Officers, Directors and Director Designees as a Group (8 persons)(10)	28,684,743	53.8%		28,684,743		28,684,743	

* Indicates ownership of less than one percent.

(1) Consists of 5,305,411 shares of our common stock held by Mr. Addante. The address for Mr. Addante is c/o The Rubicon Project, Inc., 12181 Bluff Creek Drive, 4 th Floor, Los Angeles, CA 90094.

(2) Consists of (i) 648,474 shares of our common stock and 11,730,205 shares of our preferred stock held by Clearstone Venture Partners III-A, LP and (ii) 11,592 shares of our common stock and 209,689 shares of our preferred stock held by Clearstone Venture Partners III-B, a Delaware multiple series LLC. Clearstone Venture Management III, LLC is the

general partner of both Clearstone Venture Partners III-A, LP and Clearstone Venture Partners III-B. Sumant Mandal is a managing member of Clearstone Venture Management III, LLC. The address for these entities is 1351 Fourth Street, Fourth Floor, Santa Monica, CA 90401.

(3) Consists of (i) 8,380,126 shares of our common stock and (ii) 2,812,125 shares of our preferred stock held by News Corporation. The address for this entity is 1211 Avenue of the Americas, New York, NY 10036.

(4) Consists of 3,000 shares of common stock and 120,383 shares of preferred stock held by Mayfield Associates Fund XII, a Delaware limited partnership, or MF AF XII, 3,000 shares of common stock and 120,383 shares of preferred stock held by Mayfield Principals Fund XII, a Delaware multiple series limited liability company, or MF PF XII, and 194,000 shares of common stock and 7,784,742 shares of preferred stock held by Mayfield XII, a Delaware limited partnership, or MF XII. Mayfield XII Management, L.L.C., or MF Management, is the general partner of each of MF AF XII and MF XII and the sole managing director of MF PF XII. MF Management is managed by three managing directors, who together have the power to vote or dispose of the shares held of record by each of MF AF XII, MF PF XII and MF XII. All action by the managing directors relating to the voting or disposition of such shares requires approval of a majority of the managing directors. James T. Beck, Navin Chaddha and Robert T. Vasan are the managing directors of MF Management. The address for each of these entities is c/o Mayfield Fund, 2484 Sand Hill Road, Menlo Park, CA 94025.

(5) Consists of 425,587 shares issuable pursuant to outstanding stock options exercisable by Mr. Raifman within 60 days of December 31, 2013, of which none were fully vested as of such date.

(6) Consists of 321,560 shares issuable pursuant to outstanding stock options exercisable by Mr. Tappin within 60 days of December 31, 2013, of which none were fully vested as of such date.

(7) Consists of shares held by the Clearstone entities as disclosed in footnote (2) above. Mr. Mandal is a managing member of Clearstone Venture Management III, LLC and, as such, may be deemed to share voting and investment power with respect to all shares held by the Clearstone entities.

(8) Consists of 811,700 shares held by The Mohn Family Trust, a revocable trust (the "Trust"), of which Mr. Mohn and his wife are co-trustees. These shares are held in the Trust for the benefit of Mr. Mohn and his wife.

(9) Consists of (i) 544,600 shares of our common stock held by Mr. Roah and (ii) 450,417 shares issuable pursuant to outstanding stock options exercisable by Mr. Roah within 60 days of December 31, 2013, of which 434,792 are fully vested as of such date.

(10) Includes options to purchase 1,197,564 shares of our common stock exercisable within 60 days of December 31, 2013, of which 434,792 are fully vested as of such date.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The following is a description of transactions since January 1, 2011 to which we have been a party, in which the amount involved in the transaction exceeded or will exceed $120,000, and in which any of our directors, executive officers or beneficial holders of more than 5% of our capital stock had or will have a direct or indirect material interest. Compensation arrangements with our directors and officers are described under “Executive Compensation” and “Management—Director Compensation.”

Transactions with News Corporation and its Affiliates

News Corporation owns more than 10% of our capital stock, and we have had and continue to have various commercial relationships with News Corporation or its affiliates.

News Corporation or some of its affiliates have offered advertising inventory on our platform for a number of years. Dow Jones & Company, Inc., a subsidiary of News Corporation, entered into a seller agreement with us in August, 2012. The agreement was amended in August, 2013 to create an umbrella agreement under which we provide to News Corporation a private marketplace and provide advertisers access to News Corporation’s global audience at scale. Under the agreement, News Corporation markets the availably of our solution to its affiliates, and those affiliates can join the agreement and receive the benefit of its terms. For example, The New York Post adopted the agreement in October 2013. The agreement reflects commercial terms negotiated on an arm’s length basis. We recognized aggregate revenue of approximately $0.6 million in 2011, $0.8 million in 2012 and $0.8 million during the nine month period ended September 30, 2013 attributable to inventory sold through our solution by entities that we believe are affiliates of News Corporation.

For the year ended December 31, 2011, we recognized revenue of $1.6 million from a commercial arrangement with MySpace, which was a buyer that purchased advertising inventory sold through our solution and which was affiliated during the relevant period with News Corporation. The revenue arrangement terminated in 2011 and no amounts were receivable from this customer as of December 31, 2011.

In January 2013, we entered into a sublease for its headquarters in Los Angeles, California with Fox Interactive Media, Inc., an entity affiliated with News Corporation. During the nine month period ended September 30, 2013, we paid $0.1 million to Fox Interactive Media, Inc. as rent payments under the lease. The sublease term began during June 2013 and terminates in April 2021; however, we have the option to terminate the sublease on its third anniversary date if we notify Fox Interactive Media, Inc. one year in advance of our intended departure and pay a termination fee of approximately $1.2 million. In addition, the early termination fee escalates dollar-per-dollar for any tenant improvement allowance that exceeds $1.0 million. We expect to utilize our early termination option.

Amended and Restated Investors’ Rights Agreement

We are party to an investors’ rights agreement which provides that certain holders of our preferred stock, including entities affiliated with certain of our directors, have certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, see “Description of Capital Stock—Registration Rights.”

Indemnification Agreements

We have entered into indemnification agreements with each of our current directors, executive officers and certain other officers. The indemnification agreements and our amended and restated certificate of incorporation and amended and restated bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See “Executive Compensation—Limitation on Liability and Indemnification Matters.”

Procedures for Approval of Related Party Transactions

We have adopted a formal written policy providing that our audit committee will be responsible for reviewing “related party transactions,” which are transactions (i) in which we are or will be a participant, (ii) in which the aggregate amount involved exceeds or may be expected to exceed $100,000 and (iii) in which a related person has or will have a direct or indirect interest. For purposes of this policy, a related person will be defined as a director, nominee for director, executive officer, or greater than 5% beneficial owner of our common stock and their immediate family members. Under this policy, all related party transactions may be consummated or continued only if approved or ratified by our audit committee.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws, as each will be in effect upon the completion of this offering, and certain provisions of Delaware law. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been or will be filed with the SEC as exhibits to this registration statement. References in this section to “the company,” “we,” “us” and “our” refer to The Rubicon Project, Inc. and not to any of its subsidiaries.

Following the closing of this offering, we expect that our authorized capital stock will consist of shares of common stock, $0.00001 par value per share, and shares of undesignated preferred stock, $0.00001 par value per share.

Common Stock

As of December 31, 2013, there were 52,577,381 shares of common stock outstanding held by 164 stockholders of record, assuming the automatic conversion of all outstanding shares of our convertible preferred stock and Class B common stock into Class A common stock, and conversion of all our shares of Class A common stock (including shares of Class A common stock issued upon conversion of our convertible preferred stock and Class B common stock as described above) into shares of a single class of common stock effective upon the consummation of the offering. In addition, as of December 31, 2013, we had outstanding options to acquire 16,714,253 shares of our common stock, one warrant exercisable for 25,174 shares of convertible preferred stock, which will be converted to a warrant exercisable for 25,174 shares of common stock upon the completion of this offering, one warrant exercisable for 845,867 shares of convertible preferred stock, which will be exercised with the underlying shares converted to 845,867 shares of common stock in connection with completion of this offering.

Following the closing of this offering, there will be shares of our common stock authorized for issuance. Pursuant to our amended and restated certificate of incorporation, holders of our common stock will be entitled to one vote on all matters submitted to a vote of stockholders; provided, however, that, except as otherwise required by law, holders of our common stock, as such, shall not be entitled to vote on any amendment to our amended and restated certificate of incorporation that relates solely to the terms of one or more outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our amended and restated certificate of incorporation. Pursuant to our amended and restated certificate of incorporation, holders of our common stock will not be entitled to cumulative voting in the election of directors. This means that the holders of a plurality of the votes cast at a meeting of stockholders will be able to elect all of the directors then standing for election. Subject to the rights, if any, of the holders of any outstanding series of preferred stock, holders of our common stock shall be entitled to receive dividends out of any of our funds legally available when, as and if declared by the board of directors. Upon the dissolution, liquidation or winding up of the company, subject to the rights, if any, of the holders of our preferred stock, the holders of shares of our common stock shall be entitled to receive the assets of the company available for distribution to its stockholders ratably in proportion to the number of shares held by them. Holders of our common stock will not have preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to our common stock. All outstanding shares of common stock are fully paid and nonassessable, and the shares of common stock to be issued in this offering, when paid for, will also be fully paid and nonassessable.

Preferred Stock

Pursuant to the provisions of our current certificate of incorporation, as will be in effect immediately prior to the closing of the offering, before the effectiveness of our amended and restated certificate of incorporation, all of our outstanding preferred stock will automatically convert into shares of common stock, with such conversion to be effective upon completion of this offering.

Following the closing of this offering, there will be no shares of preferred stock outstanding. Our board of directors will be authorized to issue not more than an aggregate of shares of preferred stock in one or more series, without stockholder approval. Our board of directors is authorized to establish, from time to time, the number of shares to be included in each series of preferred stock, and to fix the designation, powers, privileges, preferences, and relative participating, optional or other rights, if any, of the shares of each series of preferred stock, and any of its qualifications, limitations or restrictions. Our board of directors also is able to increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series of preferred stock then outstanding, without any vote or action by stockholders. In the future, our board of directors may authorize the issuance of preferred stock with voting, dividend, conversion or other rights superior to rights of the holders of our common stock, or that could decrease the amount of earnings and assets available for distribution to the holders of our common stock. The issuance of our preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other consequences, have the effect of delaying, deferring or preventing a change in our control and might harm the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plans to issue any shares of preferred stock.

Registration Rights

Pursuant to an investors' rights agreement, following the completion of this offering, the holders of shares of our common stock issued upon conversion of our convertible preferred stock or their permitted transferees are entitled to certain rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of an investors' rights agreement between us and the holders of these shares, which was entered into in connection with our preferred stock financings, and include demand registration rights, piggyback registration rights and Form S-3 registration rights, subject to certain exceptions. In any registration made pursuant to such investors' rights agreement, all fees, costs and expenses of underwritten registrations will be borne by us, and all selling expenses, including estimated underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

The registration rights terminate four years following the completion of this offering or, with respect to any particular stockholder, at such time that the stockholder can sell all of its shares during any three month period pursuant to Rule 144 of the Securities Act.

Demand Registration Rights. Following the completion of this offering, the holders of an aggregate of shares of our common stock, or their permitted transferees, are entitled to certain demand registration rights. Under the terms of the investors' rights agreement, we will be required, upon the written request at any time more than 180 days after the completion of this offering of holders of at least 40% of the shares that are entitled to registration rights under the investors' rights agreement, to register, as soon as practicable, all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the investors' rights agreement. Such request for registration must cover a number of shares with an anticipated aggregate offering price of $5,000,000 (exclusive of underwriters' discounts and commissions). We will not be required to effect a demand registration during the period from 90 days prior to the filing to 180 days following the effectiveness of a registration statement relating to a public offering of our securities.

Piggyback Registration Rights. Following the completion of this offering, the holders of an aggregate of shares of our common stock or their permitted transferees are entitled to certain piggyback registration rights. If we register any of our securities for our own account, after the completion of this offering, the holders of these shares are entitled to include their shares in the registration. Both we and the underwriters of any underwritten offering have the right to limit the number of shares registered by these holders for marketing reasons, subject to limitations set forth in the investors' rights agreement.

Form S-3 Registration Rights. Following the completion of this offering, the holders of an aggregate of shares of our common stock or their permitted transferees are also entitled to certain Form S-3 registration rights. Any such holder or holders of not less than 20% of the shares that are entitled to registration rights under the investors' rights agreement may request that the company effect a registration on Form S-3. If we are eligible to file a registration statement on Form S-3, these holders have the right, upon their written request, to have such shares registered by us if the proposed aggregate offering price of such shares is at least $500,000, subject to exceptions set forth in the investors' rights agreement.

Anti-Takeover Effects of Delaware Law, Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Certain provisions of Delaware law and our amended and restated certificate of incorporation and amended and restated bylaws that will be effective upon consummation of the offering could make the acquisition of the company more difficult. These provisions of the DGCL and our restated certificate of incorporation and our amended and restated bylaws could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us. These provisions, summarized below, are expected to discourage certain types of takeover practices and takeover bids that the Company's board of directors might consider to be coercive or inadequate, and are designed to encourage persons seeking to acquire control of us to negotiate with our board of directors.

Delaware Anti-Takeover Law. We are subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date the person became an interested stockholder, unless the "business combination" or the transaction in which the person became an interested stockholder is approved by our board of directors in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own, 15% or more of a corporation's voting stock. The applicability of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors. Our amended and restated bylaws also will specify certain requirements regarding the form and content of a stockholder's notice. These provisions preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Elimination of Stockholder Action by Written Consent or Ability to Call a Special Meeting. Our amended and restated certificate of incorporation will eliminate the right of stockholders to act by written consent without a meeting. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. This provision will make it more difficult for stockholders to take action opposed by the board of directors. Our amended and restated bylaws further will provide that special meetings of our stockholders may be called only by a majority of our board of directors, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal, or stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Election and Removal of Directors. Our board of directors will be divided into three classes, each serving staggered three-year terms. As a result, only a portion of our board of directors will be elected each year. The board of directors will have the exclusive right to increase or decrease the size of the board and to fill vacancies on the board. This system of electing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of the company, because it generally makes it more difficult for stockholders to replace a majority of the directors. Additionally, directors may be removed for cause only with the approval of the holders of 66 ⅔% of our outstanding common stock. Our amended and restated certificate of incorporation also will provide that holders of our common stock will not be entitled to cumulative voting in the election of directors. This means that the holders of a plurality of the votes cast at a meeting of stockholders will be able to elect all of the directors then standing for election.

Undesignated Preferred Stock. The authorization of undesignated preferred stock will make it possible for the board of directors, without stockholder approval, to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to obtain control of the company. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of the company.

Amendment of Provisions In the Certificate of Incorporation. Our amended and restated certificate of incorporation will require the affirmative vote of the holders of at least 66 ⅔% of our outstanding voting stock in order to amend any provision of our certificate of incorporation concerning:

- the required vote to amend or repeal the section of the certificate of incorporation providing for the right to amend or repeal provisions of the certificate of incorporation;
- number of directors and structure of the board of directors;
- absence of the authority of stockholders to act by written consent;
- authority to call a special meeting of stockholders; and
- the required vote to amend or repeal provisions of the bylaws.

Amendment of Provisions in the Bylaws. In addition to the limitation on amending our bylaws as provided in our amended and restated certificate of incorporation, our amended and restated bylaws will require the affirmative vote of the holders of at least 66 ⅔% of our outstanding voting stock in order to amend any provision of our bylaws.

Choice of Forum. Our amended and restated certificate of incorporation will provide that, unless we consent to an alternative forum, a state court located in the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware) will, to the fullest extent permitted by law, be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim arising pursuant to the DGCL, our amended and restated certificate of incorporation or our bylaws; or any action asserting a claim that is governed by the internal affairs doctrine. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in such action.

Transfer Agent and Registrar

is the transfer agent and registrar for our common stock.

Listing

We will apply to list our common stock on the New York Stock Exchange under the symbol "RUBI."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has not been a public market of our common stock or any of our equity securities. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after consummation of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of Restricted Shares

Based on the number of shares of our common stock outstanding as of , upon the closing of this offering and assuming (a) the conversion of our outstanding preferred stock into common stock, assuming an initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus), (b) no exercise of the underwriters' option to purchase additional shares of common stock to cover over-allotments and (c) no exercise of outstanding options or warrants, we will have outstanding an aggregate of approximately shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering, and any shares sold upon exercise of the underwriters' option to purchase additional shares to cover over-allotments, will be freely tradable in the public market without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act, or Rule 144. All remaining shares of common stock held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers and holders of substantially all of our common stock, options and warrants have agreed, subject to certain exceptions, with the underwriters not to dispose of or hedge any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co.

Following the lock-up periods set forth in the agreements described above, and assuming that the representatives of the underwriters do not release any parties from these agreements, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for at least 90 days, and upon expiration of any applicable lock-up agreements, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated on the basis of the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares and no exercise of outstanding options or warrants); or
- the average weekly trading volume of our common stock on the New York Stock Exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreements referred to above, if applicable).

Amended and Restated Investors' Rights Agreement

We are party to an investors' rights agreement which provides that certain holders of our common stock issuable upon conversion of our convertible preferred stock, including entities affiliated with certain of our directors, have certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, see "Description of Capital Stock—Registration Rights."

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the ownership and disposition of our common stock, but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, and any changes may result in U.S. federal income tax consequences different from those set forth below. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary also does not address the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction or under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address the potential application of the tax on net investment income or any tax considerations applicable to an investor's particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax;
- tax-exempt organizations or accounts;
- controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid U.S. federal income tax;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership or entity or arrangement classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a person treated as a partner for such purposes generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are any holder that is not, for U.S. federal income tax purposes, any of the following:

- an entity or arrangement treated as a partnership;
- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) which has made a valid election under applicable Treasury Regulations to be treated as a U.S. person.

Distributions

We have not made any distributions on our common stock. However, if we do make distributions on our common stock, those distributions will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock (determined separately with respect to each share of our common stock), but not below zero, and then will be treated as gain from the sale of that stock.

Any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us in a timely manner an IRS Form W-8BEN or other appropriate version of IRS Form W-8, including a U.S. taxpayer identification number, certifying qualification for the reduced rate. A non-U.S. holder of shares of our common stock eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS in a timely manner. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, that are attributable to a permanent establishment maintained by you in the United States), are exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, generally are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

Gain on Disposition of Our Common Stock

You generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if an income tax treaty applies, the gain is attributable to a permanent establishment maintained by you in the United States);

- you are an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met; or
- our common stock constitutes a U.S. real property interest by reason of our status as a "United States real property holding corporation," or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if you actually or constructively hold more than 5% of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be required to pay a flat 30% tax on the gain derived from the sale, which tax may be offset by U.S.-source capital losses for the year. You should consult any applicable income tax or other treaties that may provide for different rules.

Federal Estate Tax

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of their death will generally be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends on or of proceeds from the disposition of our common stock made to you may be subject to additional information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example, by properly certifying your non-U.S. status on a Form W-8BEN or another appropriate version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

Legislation Affecting Taxation of Our Common Stock Held by or Through Foreign Entities

Legislation enacted in 2010 generally will impose a U.S. federal withholding tax of 30% on dividends on and the gross proceeds of a disposition of our common stock, paid to a "foreign financial institution" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. The legislation also generally will impose a U.S. federal withholding tax of 30% on dividends on and the gross proceeds of a disposition of our common stock paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying certain substantial direct and indirect U.S. owners of the entity, certifies that there are none or otherwise establishes an exemption. This withholding obligation under this legislation with respect to dividends on our common stock will not begin until July 1, 2014 and with respect to the gross proceeds of a sale or other disposition of our common stock will not begin until January 1, 2017. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. An intergovernmental agreement between the United States and an applicable foreign country may modify the requirements described in this paragraph. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman, Sachs & Co. and RBC Capital Markets, LLC are acting as representatives, have severally agreed to purchase, and we and the selling stockholders have agreed to sell to them, severally, the number of shares of our common stock indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Goldman, Sachs & Co.	
RBC Capital Markets, LLC	
Needham & Company, LLC	
Oppenheimer & Co. Inc.	
LUMA Securities LLC	
Total:	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and the selling stockholders and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase approximately the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering prices, underwriting discounts and commissions to be paid by us and by the selling stockholders, and proceeds before expenses to us and to the selling stockholders. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by:			
Us	$	$	$
The selling stockholders	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds, before expenses, to selling stockholders	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

Our common stock has been approved for listing on the New York Stock Exchange under the trading symbol "RUBI".

We, the selling stockholders, all directors and officers and the holders of substantially all of our outstanding stock, stock options and warrants have agreed that, subject to certain exceptions, without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co. on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the Restricted Period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co. on behalf of the underwriters, we or such other person will not, during the Restricted Period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares to the underwriters pursuant to the underwriting agreement;
- the issuance by the Company of shares of common stock upon the exercise of an option to purchase shares of common stock granted under any of our stock incentive plan or stock purchase plan (including on a "net" basis), provided that (x) the underlying shares of common stock shall continue to be subject to a lock-up agreement with the underwriters and (y) in the event of an exercise on a "net" basis, (i) the Company becomes the owner of the shares of common stock surrendered in the net exercise and (ii) if any public reports or filings are required under Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, any such public report or filing under Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the underwriters;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares (including shares purchased in the offering); provided that no filing under Section 16(a) of the Exchange Act (other than a filing on a Form 5, Schedule 13D or Schedule 13G (or 13D/A or 13G/A), is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions;

- transfers by any person other than us of shares of common stock or any security convertible into common stock as a (i) bona fide gift or charitable contribution, (ii) by will or intestacy, (iii) to any trust for the direct or indirect benefit of the person or the immediately family member of the person, or (iv) a distribution to limited partners or stockholders of such person, provided that in the case of any such transfer or distribution, the transferee or distributee agrees to be bound in writing by the terms of the lock-up agreement prior to such transfer and no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock shall be required or shall be voluntarily made in respect of the transfer or distribution during the Restricted Period;
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the Restricted Period;
- the conversion of outstanding shares of our preferred stock into shares of our common stock, provided that any such shares of common stock received upon such conversion shall be subject to the terms of a lock-up agreement with the underwriters;
- our sale or issuance or entry into an agreement to sell or issue shares of our common stock or any security convertible into or exercisable for shares of our common stock in connection with any (i) merger, (ii) acquisition of securities, businesses, property or other assets, (iii) joint ventures, (iv) strategic alliances, (v) equipment leasing arrangements or (vi) debt financing; provided, that the aggregate number of shares of our common stock that we may sell or issue or agree to sell or issue pursuant to the foregoing clauses (i) through (vi) shall not exceed 10% of the total number of shares of our common stock issued and outstanding on the date immediately following the completion of this offering (as well as any issuance and sale of any option exercised by the underwriters); and provided further, that any such securities issued shall be subject to transfer restrictions substantially similar to those applicable to our stockholders; or
- transfers in connection with a bona fide third party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors, made to all of our holders of common stock involving a change of control of the Company (defined as the transfer of two-thirds or more of our outstanding voting securities) occurring after the closing of this offering, provided that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the common stock owned by the undersigned shall remain subject to the terms of the agreement.

Morgan Stanley & Co. LLC and Goldman, Sachs & Co., in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. At least three business days before the effectiveness of any release or waiver of the restrictions described above in connection with any transfer of shares of common stock by an officer or director, Morgan Stanley & Co. LLC and Goldman, Sachs & Co. will notify us of the impending release or waiver of any restriction and we have agreed to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver, except where the release or waiver is effected solely to permit a transfer of common stock that is not for consideration and where the transferee has agreed in writing to be bound by the same terms as the lock-up agreements described above to the extent and for the duration that such terms remain in effect at the time of transfer.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We, the selling stockholders, and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to our company and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and/or instruments. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Gibson, Dunn & Crutcher LLP, Los Angeles, California. Certain legal matters in connection with this offering will be passed upon for the underwriters by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California.

EXPERTS

The financial statements as of December 31, 2011 and 2012 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits and the consolidated financial statements and notes filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be reviewed for the complete contents of these contracts and documents. A copy of the registration statement, including the exhibits and the financial statements and notes filed as a part of the registration statement, may be inspected without charge at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549, and copies of all or any part of the registration statement may be obtained from the SEC upon the payment of fees prescribed by it. You may call the SEC at 1-800-SEC-0330 for more information on the operation of the public reference facilities. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements and other information regarding companies that file electronically with it.

Upon completion of this offering, we will become subject to the information and periodic and current reporting requirements of the Exchange Act, and in accordance therewith, will file periodic and current reports, proxy statements and other information with the SEC. The registration statement, such periodic and current reports and other information can be inspected and copied at the Public Reference Room of the SEC located at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Room of the SEC at prescribed rates. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room. Such materials may also be accessed electronically by means of the SEC's website at www.sec.gov.

THE RUBICON PROJECT, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of The Rubicon Project, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive loss, convertible preferred stock and common stockholders' deficit and cash flows present fairly, in all material respects, the financial position of The Rubicon Project, Inc. and its subsidiaries (the "Company") at December 31, 2011 and 2012 and the results of their operations and their cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits of these statements 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
January 16, 2014

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THE RUBICON PROJECT, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except par values)

	December 31, 2011	December 31, 2012	September 30, 2013 (unaudited)	Pro Forma September 30, 2013 (unaudited)
ASSETS				
Current assets:				
Cash	$ 16,252	$ 21,616	$ 20,959	$ 20,959
Accounts receivable, net	40,580	67,335	69,639	69,639
Prepaid expenses and other current assets	2,596	2,416	3,312	3,312
TOTAL CURRENT ASSETS	59,428	91,367	93,910	93,910
Property and equipment, net	6,511	6,933	8,478	8,478
Internal use software development costs, net	3,900	5,764	6,441	6,441
Goodwill	100	1,491	1,491	1,491
Intangible assets, net	862	1,413	668	668
Other assets, non-current	341	1,046	2,137	2,137
TOTAL ASSETS	**$ 71,142**	**$ 108,014**	**$ 113,125**	**$ 113,125**
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY (DEFICIT)				
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	$ 48,234	$ 80,944	$ 87,993	$ 87,993
Debt and capital lease obligations, current portion	1,199	1,038	369	369
Other current liabilities	730	2,404	2,492	2,492
TOTAL CURRENT LIABILITIES	50,163	84,386	90,854	90,854
Debt and capital leases, net of current portion	4,305	4,177	3,940	3,940
Convertible preferred stock warrant liabilities	815	1,330	3,397	—
Other liabilities, non-current	58	112	980	980
TOTAL LIABILITIES	55,341	90,005	99,171	95,774
Commitments and contingencies (Note 16)				
Series A, B, C, and D convertible preferred stock, $0.00001 par value, 29,691 shares authorized, 28,820 shares issued and outstanding at December 31, 2011 and 2012 and September 30, 2013; liquidation preference of $68,528 and $71,702 at December 31, 2012 and September 30, 2013, respectively. No shares issued and outstanding at September 30, 2013 pro forma.	52,571	52,571	52,571	—
COMMON STOCKHOLDERS' EQUITY (DEFICIT)				
Common stock, $0.00001 par value; 73,380 shares authorized, 21,679, 22,802, 23,155 and 51,975 (unaudited) shares issued and outstanding at December 31, 2011 and 2012, September 30, 2013 and September 30, 2013 pro forma, respectively.	—	—	—	1
Additional paid-in capital	13,565	18,133	23,281	79,248
Accumulated other comprehensive income	93	95	104	104
Accumulated deficit	(50,428)	(52,790)	(62,002)	(62,002)
TOTAL COMMON STOCKHOLDERS' EQUITY (DEFICIT)	(36,770)	(34,562)	(38,617)	17,351
TOTAL LIABILITITES, CONVERTIBLE PREFERRED STOCK AND COMMON STOCKHOLDERS' EQUITY (DEFICIT)	**$ 71,142**	**$ 108,014**	**$ 113,125**	**$ 113,125**

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

THE RUBICON PROJECT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Year Ended December 31, 2011	Year Ended December 31, 2012	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013
			(unaudited)	(unaudited)
Revenue	$ 37,059	$ 57,072	$ 37,626	$ 55,698
Expenses:				
Cost of revenue	12,893	12,367	8,752	11,212
Sales and marketing	17,748	20,458	14,827	18,767
Technology and development	12,496	13,115	9,348	14,072
General and administrative	8,926	12,331	8,478	17,963
Total expenses	52,063	58,271	41,405	62,014
Loss from operations	(15,004)	(1,199)	(3,779)	(6,316)
Other (income) expense:				
Interest (income) expense, net	252	343	258	229
Change in fair value of preferred stock warrant liabilities	304	515	87	2,067
Foreign exchange (gain) loss, net	216	171	156	413
Other income	(503)	—	—	—
Total other expense, net	269	1,029	501	2,709
Loss before income taxes	(15,273)	(2,228)	(4,280)	(9,025)
Provision for income taxes	136	134	103	187
Net loss	(15,409)	(2,362)	(4,383)	(9,212)
Cumulative preferred stock dividends	(4,244)	(4,255)	(3,186)	(3,174)
Net loss attributable to common stockholders	$ (19,653)	$ (6,617)	$ (7,569)	$ (12,386)
Basic and diluted net loss per share attributable to common stockholders	$ (0.97)	$ (0.30)	$ (0.34)	$ (0.54)
Basic and diluted weighted-average shares used to compute net loss per share attributable to common stockholders	20,198	22,192	22,089	22,867
Pro forma net loss per share—basic and diluted (unaudited)		$ (0.04)		$ (0.14)
Pro forma weighted-average common shares outstanding—basic and diluted (unaudited)		51,012		51,687

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

THE RUBICON PROJECT, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2012	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013
			(unaudited)	(unaudited)
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Other comprehensive income:				
Foreign currency translation adjustments	119	2	7	9
Comprehensive loss	$ (15,290)	$ (2,360)	$ (4,376)	$ (9,203)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

THE RUBICON PROJECT, INC.
CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND COMMON STOCKHOLDERS' DEFICIT
(In thousands)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Common Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at December 31, 2010	28,820	$52,571	20,698	$ —	$ 11,064	$ (26)	$ (35,019)	$ (23,981)
Exercise of common stock options	—	—	530	—	205	—	—	205
Stock-based compensation expense	—	—	451	—	2,296	—	—	2,296
Foreign exchange translation adjustment	—	—	—	—	—	119	—	119
Net loss	—	—	—	—	—	—	(15,409)	(15,409)
Balance at December 31, 2011	28,820	52,571	21,679	—	13,565	93	(50,428)	(36,770)
Exercise of common stock options	—	—	327	—	125	—	—	125
Equity issued for acquisition	—	—	489	—	1,237	—	—	1,237
Stock-based compensation	—	—	307	—	3,206	—	—	3,206
Foreign exchange translation adjustment	—	—	—	—	—	2	—	2
Net loss	—	—	—	—	—	—	(2,362)	(2,362)
Balance at December 31, 2012	28,820	52,571	22,802	—	18,133	95	(52,790)	(34,562)
Exercise of common stock options (unaudited)	—	—	353	—	478	—	—	478
Stock-based compensation (unaudited)	—	—	—	—	4,670	—	—	4,670
Foreign exchange translation adjustment (unaudited)	—	—	—	—	—	9	—	9
Net loss (unaudited)	—	—	—	—	—	—	(9,212)	(9,212)
Balance at September 30, 2013 (unaudited)	28,820	$52,571	23,155	$ —	$ 23,281	$ 104	$ (62,002)	$ (38,617)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

THE RUBICON PROJECT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2012	Nine Months Ended September 30, 2012 (unaudited)	Nine Months Ended September 30, 2013 (unaudited)
OPERATING ACTIVITIES:				
Net loss	$ (15,409)	$ (2,362)	$ (4,383)	$ (9,212)
Adjustments to reconcile net loss to net cash provided by operating activities				
Depreciation and amortization	5,538	6,857	4,814	6,133
Amortization of debt issuance costs	15	—	—	—
Stock-based compensation	2,268	3,044	2,179	4,567
Loss (gain) on disposal of property and equipment, net	(314)	6	6	(12)
Change in fair value of preferred stock warrant liabilities	304	515	87	2,067
Deferred income taxes	(26)	(20)	1	—
Unrealized foreign currency loss (gain)	(3)	(231)	(222)	663
Changes in operating assets and liabilities, net of effect of acquisitions:				
Accounts receivable	(8,022)	(26,339)	(7,569)	(2,504)
Prepaid expenses and other assets	(1,345)	84	381	(796)
Accounts payable and accrued expenses	18,408	32,348	9,187	6,909
Other liabilities	715	1,696	1,042	976
Net cash provided by operating activities	2,129	15,598	5,523	8,791
INVESTING ACTIVITIES:				
Purchases of property and equipment, net	(3,677)	(3,040)	(1,831)	(5,441)
Capitalized internal use software development costs	(3,174)	(3,699)	(2,592)	(2,384)
Acquisitions, net of cash acquired	(1,289)	(1,741)	(1,741)	—
Restricted cash	—	(550)	(600)	(1,200)
Net cash used in investing activities	(8,140)	(9,030)	(6,764)	(9,025)
FINANCING ACTIVITIES:				
Proceeds from exercise of stock options	205	125	79	478
Proceeds from credit facility, including equipment loans	2,000	—	—	—
Repayment of equipment loans	(850)	(1,170)	(978)	(500)
Repayment of capital lease obligations	(28)	(354)	(222)	(406)
Net cash provided by (used) in financing activities	1,327	(1,399)	(1,121)	(428)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	63	195	155	5
CHANGE IN CASH	(4,621)	5,364	(2,207)	(657)
CASH—Beginning of period	20,873	16,252	16,252	21,616
CASH—End of period	$ 16,252	$ 21,616	$ 14,045	$ 20,959
SUPPLEMENTAL DISCLOSURES OF OTHER CASH FLOW INFORMATION:				
Cash paid for income taxes	$ —	$ 13	$ 13	$ 126
Cash paid for interest	$ 240	$ 303	$ 227	$ 195
Assets acquired under capital leases	$ —	$ 1,235	$ 1,235	$ 11
Capitalized assets financed by accounts payable and accrued expenses	$ 325	$ 340	$ 503	$ —
Common stock and options issued for business acquisitions	$ —	$ 1,237	$ 1,237	$ —
Capitalized stock-based compensation	$ 28	$ 162	$ 116	$ 103

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Note 1—Nature of Operations

The Rubicon Project, Inc. ("Rubicon Project" or the "Company") was formed on April 20, 2007 as a Delaware C-corporation and began operations in April 2007. The Company is headquartered in Los Angeles, California.

The Company is a technology company on a mission to automate the buying and selling of advertising. The Company offers a highly scalable software platform that creates and powers a marketplace for trading of digital advertising between buyers and sellers.

The Company delivers value to buyers and sellers of digital advertising through the Company's proprietary advertising automation solution, which provides critical functionality to both buyers and sellers. The advertising automation solution consists of applications for sellers, including providers of websites, applications and other digital media properties, to sell their advertising inventory; applications for buyers, including demand side platforms, ad networks and advertising agencies, to buy advertising inventory; and an exchange over which such transactions are executed. This solution incorporates proprietary machine learning algorithms, sophisticated data processing, storage, detailed analytics capabilities, and a distributed infrastructure. Together, these features form the basis for the Company's advertising marketplace that brings buyers and sellers together and facilitates intelligent decision-making and automated transaction execution for the advertising inventory managed on the Company's platform.

Capital Resources and Risks

To date, the Company's operations and growth have been primarily financed through the sale of preferred stock, debt financing and cash provided from operating activities. In September 2013, the Company renewed its existing credit facility, which allows the Company to borrow up to $40.0 million through September 27, 2018 (Note 10).

The Company is subject to certain business risks, including dependence on key employees, competition, market acceptance of its platform solution, ability to source demand from buyers of advertising inventory and source supply from sellers of advertising inventory, and dependence on growth to achieve its business plan. Future capital requirements will depend on many factors, including the Company's rate of revenue growth and its level of expenditures. To the extent that existing capital resources, revenue growth and cash flow from operations are not sufficient to fund future activities, the Company may need to raise additional funds through equity or debt financing or curtail expenses. Additional funds may not be available on terms favorable to the Company or at all. Failure to raise additional capital, if and when needed, could have a material adverse effect on the Company's financial position, results of operations and cash flows.

Note 2—Basis of Presentation and Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the operations of The Rubicon Project Inc., and its wholly owned subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Segments

Management has determined that it operates in one segment. The Company's chief operating decision maker reviews financial information on an aggregated and consolidated basis, together with certain operating and performance measures principally to make decisions about how to allocate resources and to measure the Company's performance.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from these estimates.

On an on-going basis, management evaluates its estimates, primarily those related to: (i) revenue recognition criteria, including the determination of revenue reporting as net versus gross in the Company's revenue arrangements, (ii) accounts receivable and allowances for doubtful accounts, (iii) the useful lives of intangible assets and property and equipment, (iv) valuation of long-lived assets and their recoverability, including goodwill, (v) the realization of tax assets and estimates of tax liabilities, (vi) the valuation of common and preferred stock and preferred stock warrants, (vii) assumptions used in the Black-Scholes option pricing model to determine the fair value of stock options, (viii) fair value of financial instruments, (ix) the recognition and disclosure of contingent liabilities, and (x) the assumptions used in calculating the valuation of acquired assets and business combinations. These estimates are based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Estimates relating to the valuation of stock and business acquisitions require the selection of appropriate valuation methodologies and models, and significant judgment in evaluating ranges of assumptions and financial inputs. Actual results may differ materially from those estimates under different assumptions or circumstances.

Unaudited Interim Consolidated Financial Statements

The accompanying interim consolidated balance sheet as of September 30, 2013, the interim consolidated statements of operations, comprehensive loss and cash flows for the nine months ended September 30, 2012 and 2013 and the interim consolidated statements of convertible preferred stock and common stockholders' deficit for the nine months ended September 30, 2013 are unaudited. The unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2013 and the results of operations and cash flows for the nine months ended September 30, 2012 and 2013. The financial data and the other financial information disclosed in these notes to the consolidated financial statements related to the nine month periods are unaudited. The results of operations for the nine months ended September 30, 2013 are not necessarily indicative of the results to be expected for the year ending December 31, 2013 or for any other future year or interim period.

Unaudited Pro Forma Information

The unaudited pro forma balance sheet data as of September 30, 2013 reflects (i) the automatic conversion of all outstanding shares of the Company's convertible preferred stock into an aggregate of 28,820,481 shares of common stock and (ii) the reclassification of the preferred stock warrant liabilities to additional paid-in capital.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Each share of convertible preferred stock will automatically convert into shares of common stock at its then effective conversion rate immediately upon the earlier of (i) the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, with proceeds to the Company of not less than $20 million (net of underwriting discounts and commissions) based on a pre-offering enterprise value of at least $250 million ("Qualified IPO"), (ii) or upon the date specified by a vote of the holders of at least 75% of all then-outstanding shares of convertible preferred stock voting together as a single class on an as-converted to Class A common stock basis, provided that the Series C preferred stock will not be converted as a result of such a vote without the consent of the holders of a majority of the shares of Series C preferred stock then outstanding, and the Series D preferred stock will not be converted as a result of such a vote without the consent of the holders of a majority of the shares of Series D preferred stock then outstanding.

The pro forma basic and diluted net loss per share calculations for the year ended December 31, 2012 and the nine months ended September 30, 2013 reflect the conversion upon a Qualified IPO or upon the consent of the holders of at least 75% of all then-outstanding shares of convertible preferred stock voting together as a single class on an as-converted to Class A common share basis of all outstanding convertible preferred stock into shares of common stock using the as-if-converted method, as of January 1, 2012.

Revenue Recognition

The Company generates revenue from buyers and sellers who use the Company's solution for the buying and selling of advertising inventory. The Company recognizes revenue when four basic criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered, (iii) the fees are fixed or determinable, and (iv) collectibility is reasonably assured. The Company maintains separate arrangements with buyers and sellers either in the form of a master agreement, which specifies the terms of the relationship and access to the Company's solution, or by insertion orders which specify price and volume requests. The Company recognizes revenue upon the completion of a transaction, that is, when an impression has been delivered to the consumer viewing a website or application. The Company assesses whether fees are fixed or determinable based on impressions delivered and the contractual terms of the arrangements. Subsequent to the delivery of an impression, the fees are generally not subject to adjustment or refund. Historically, any refunds and adjustments have not been material. The Company assesses collectibility based on a number of factors, including the creditworthiness of a buyer and seller and payment and transaction history. The Company's revenue arrangements do not include multiple deliverables. The Company generally bills buyers for the gross amount of advertising inventory they purchase plus fees, if any. The Company remits to a seller the amount spent by the buyer for the advertising inventory purchased less the Company's fees.

The Company also reports revenue in conformity with *Revenue Recognition-Principal Agent Considerations*. The determination of whether the Company is the principal or agent, and hence whether to report revenue on a gross basis for the amount of the advertising inventory buyers purchase using the Company's platform, plus fees, if any, or on a net basis for the amount of fees charged to the buyer, if any, and retained fees from or charged to the seller, requires the Company to evaluate a number of indicators, none of which is presumptive or determinative. The Company's solution enables buyers and sellers to purchase and sell advertising inventory, and matches buyers and sellers and establishes rules and parameters for advertising inventory transactions. Pricing is generally determined through the Company's auction process. The Company does not purchase advertising inventory. As a result of these and other factors, the Company has determined it is not the principal in the purchase and sale of advertising inventory and the Company therefore reports revenue on a net basis.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Expenses

The Company classifies its expenses into four categories:

Cost of Revenue

The Company's cost of revenue consists primarily of data center costs, bandwidth costs, depreciation expense of hardware supporting the Company's revenue producing platform, amortization of software costs for the development of the Company's revenue producing platform, amortization expense associated with acquired developed technologies, personnel costs, and facilities related costs. Personnel costs include salaries, bonuses, stock-based compensation, and employee benefit costs, and are primarily attributable to salary and related compensatory costs associated with the Company's network operations group, which supports the Company's platform. The Company capitalizes costs associated with software that is developed or obtained for internal use and amortizes the costs associated with the Company's revenue producing platform in cost of revenue over its applicable estimated useful life.

Sales and Marketing

The Company's sales and marketing expenses consist primarily of personnel costs, including stock-based compensation and the sales bonuses associated with the Company's sales organization, and marketing expenses such as brand marketing, travel expenses, trade shows and marketing materials, professional services, and to a lesser extent, facilities related costs, and depreciation and amortization.

Technology and Development

The Company's technology and development expenses consist primarily of personnel costs, including stock-based compensation, and professional services associated with the ongoing development and maintenance of the Company's solution, and to a lesser extent, facilities related costs, and depreciation and amortization. These expenses include costs incurred in the development, implementation and maintenance of internal use software, including platform and related infrastructure. Technology and development costs are expensed as incurred, except to the extent that such costs are associated with internal use software development that qualifies for capitalization which are then recorded as *internal use software development costs, net* on the Company's consolidated balance sheet. The Company amortizes internal use software development costs that relate to its revenue producing platform to cost of revenue and amortizes other internal use software development costs to technology and development costs.

General and Administrative

The Company's general and administrative expenses consist primarily of personnel costs, including stock-based compensation, associated with the Company's executive, finance, legal, human resources and other administrative personnel, as well as accounting and legal professional services fees, facilities related costs and depreciation, and other corporate related expenses.

Stock-Based Compensation

Compensation expense related to employee stock-based awards is measured and recognized in the consolidated financial statements based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model. Stock-based compensation expense is recognized on a straight-line basis, net of forfeitures, over the requisite service periods of the awards, which is generally four years.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Stock-based awards issued to non-employees are accounted for at fair value determined by using the Black-Scholes option-pricing model. The Company believes that the fair value of the stock options is more reliably measured than the fair value of the services received. The fair value of each non-employee stock-based compensation award is re-measured each period until a commitment date is reached, which is generally the vesting date.

Determining the fair value of stock-based awards at the grant date requires judgment. The Company's use of the Black-Scholes option-pricing model requires the input of subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company's common stock. The assumptions used in the Company's option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, the Company's stock-based compensation expense could be materially different in the future.

These assumptions and estimates are as follows:

Fair Value of Common Stock. Because there is no public market for the Company's common stock, the board of directors has determined the fair value of the common stock at the time of the grant of options and restricted stock awards by considering a number of objective and subjective factors. The fair value of the underlying common stock will be determined by the board of directors until such time as the Company's common stock is listed on an established stock exchange or national market system. The fair value was determined in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants titled Valuation of Privately Held Company Equity Securities Issued as Compensation.

Risk-Free Interest Rate. The Company bases the risk-free interest rate used in the Black-Scholes option-pricing model on the yields of U.S. Treasury securities with maturities appropriate for the term of employee stock option awards.

Expected Term. The expected term of employee stock options represents the weighted-average period that the stock options are expected to remain outstanding. Given insufficient historical data relating to stock-option exercises, to determine the expected term, the Company applies the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award.

Volatility. Because the Company does not have a trading history for the Company's common stock, the Company determines the price volatility based on the historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the stock option grants.

Dividend Yield. The dividend yield assumption is based on the Company's history and current expectations of dividend payouts. The Company has never declared or paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future, so the Company used an expected dividend yield of zero.

In addition to the assumptions used in the Black-Scholes option-pricing model, the Company also estimates a forfeiture rate to calculate the stock-based compensation expense for stock based awards. The Company's forfeiture rate is based on an analysis of the Company's historical forfeitures and estimated future forfeitures. Changes in the estimated forfeiture rate may have a significant impact on the Company's stock-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

The Company will continue to use judgment in evaluating the assumptions related to the Company's stock-based compensation. Future expense amounts for any particular period could be affected by changes in the Company's assumptions or market conditions.

Due to the full valuation allowance provided on its net deferred tax assets, the Company has not recorded any tax benefit attributable to stock-based awards for the years ended December 31, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013.

Income Taxes

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the Company's consolidated financial statements carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

A valuation allowance is used to reduce some or all of the deferred tax assets if, based upon the weight of available evidence, it is more likely than not that those deferred tax assets will not be realized. The Company has established a full valuation allowance to offset its domestic net deferred tax assets due to the uncertainty of realizing future tax benefits from the net operating loss carryforwards and other deferred tax assets.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. The Company recognizes interest and penalties accrued related to its uncertain tax positions in its income tax provision in the accompanying consolidated statements of operations.

The Company recognizes excess tax benefits associated with stock-based compensation to stockholders' deficit only when realized based on applying a with-and-without approach.

Net Loss Per Share Attributable to Common Stockholders

Basic net loss per share of common stock is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding. Net loss attributable to common stockholders is equal to net loss adjusted for declared or cumulative preferred stock dividends for the period. Because the holders of the Company's convertible preferred stock are entitled to participate in dividends, the Company applies the two-class method in calculating earnings per share for periods when the Company generates net income. The two-class method requires net income to be allocated between the common and preferred stockholders based on their respective rights to receive dividends, whether or not declared. However, because the convertible preferred stock is not contractually obligated to share in the Company's losses, no such allocation was made for any period presented given the Company's net losses. Diluted loss per share attributable to common stockholders adjusts the basic weighted-average number of shares of common stock outstanding for the potential dilution that could occur if stock options, warrants and convertible preferred stock were exercised or converted into common stock. For purposes of this calculation, convertible preferred stock, options to purchase common stock and convertible preferred stock warrants are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive.

Basic and diluted net loss per share attributable to common stockholders are the same for Class A and Class B common stock because they are entitled to the same liquidation and dividend rights.

THE RUBICON PROJECT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of September 30, 2013 and for the Nine Months Ended September 30, 2012 and 2013 is Unaudited)

Comprehensive Loss

Comprehensive loss encompasses all changes in equity other than those arising from transactions with stockholders, and consists of net loss and currency translation adjustments.

Cash and Cash Equivalents

The Company considers cash and cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in their value, including investments with original or remaining maturities from the date of purchase of three months or less. At December 31, 2011 and 2012 and September 30, 2013, cash and cash equivalents consisted of cash balances of $16.3 million, $21.6 million and $21.0 million, respectively.

Restricted Cash

The Company held restricted cash required to fulfill its payment obligations if the Company should default under a software license agreement and the building lease for its headquarters in Los Angeles, California. At December 31, 2011 and 2012, and September 30, 2013, restricted cash included in prepaid expenses and other current assets was $0, $0.2 million, and $0.4 million, respectively. At December 31, 2011 and 2012, and September 30, 2013, restricted cash included in other assets, non-current was $0, $0.4 million and $1.3 million, respectively.

Accounts Receivable Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, are unsecured, and do not bear interest. The allowance for doubtful accounts is based on the best estimate of the amount of probable credit losses in existing accounts receivable. The allowance for doubtful accounts is determined based on historical collection experience and the review in each period of the status of the then-outstanding accounts receivable, while taking into consideration current customer information, subsequent collection history and other relevant data. The Company reviews the allowance for doubtful accounts on a quarterly basis. Account balances are charged off against the allowance when the Company believes it is probable the receivable will not be recovered. At December 31, 2011 and 2012, and September 30, 2013, the allowance for doubtful accounts was $24,000, $50,000 and $50,000, respectively.

Property and Equipment, Net

Property and equipment are recorded at historical cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives of the Company's property and equipment are as follows:

	Years
Purchased and internally developed software	3
Computer equipment and network hardware	3
Furniture, fixtures and office equipment	5 to 7
Leasehold improvements	Shorter of useful life or life of lease
Computer equipment under capital leases	Shorter of useful life or life of lease

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Repair and maintenance costs are charged to expense as incurred, while renewals and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Company's results of operations.

Internal Use Software Development Costs

The Company capitalizes certain internal use software development costs associated with creating and enhancing internally developed software related to the Company's technology infrastructure. These costs include personnel and related employee benefits expenses for employees who are directly associated with and who devote time to software projects, and external direct costs of materials and services consumed in developing or obtaining the software. Software development costs that do not meet the qualification for capitalization, as further discussed below, are expensed as incurred and recorded in technology and development expenses in the results of operations.

Software development activities generally consist of three stages, (i) the planning phase, (ii) the application and infrastructure development stage, and (iii) the post implementation stage. Costs incurred in the planning and post implementation phases of software development, including costs associated with the post-configuration training and repairs and maintenance of the developed technologies, are expensed as incurred. The Company capitalizes costs associated with software developed for internal use when both the preliminary project stage is completed and management has authorized further funding for the completion of the project. Costs incurred in the application and infrastructure development phases, including significant enhancements and upgrades, are capitalized. Capitalization ends once a project is substantially complete and the software and technologies are ready for their intended purpose. Internal use software development costs are amortized using a straight-line method over the estimated useful life of three years, commencing when the software is ready for its intended use. The straight-line recognition method approximates the manner in which the expected benefit will be derived.

The Company does not transfer ownership of its software, or lease its software, to third parties.

Intangible Assets

Intangible assets primarily consist of acquired developed technology and non-compete agreements resulting from business acquisitions that occurred prior to December 31, 2012, which are recorded at cost, less accumulated amortization. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized over their estimated useful lives using a straight-line method, which approximates the pattern in which the economic benefits are consumed.

The estimated useful lives of the Company's intangible assets are as follows:

	Years
Developed technology	3
Non-compete agreements	2
Other intangible assets	1 to 1.5

Impairment of Long Lived Assets including Internal Use Capitalized Software Costs

The Company assesses the recoverability of its long-lived assets when events or changes in circumstances indicate their carrying value may not be recoverable. Such events or changes in circumstances may include: a significant adverse change in the extent or manner in which a long-lived asset is being used, significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or development of a long-lived asset, current or future operating or cash flow losses that demonstrate continuing losses associated with the use of a long-lived asset, or a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The Company assesses recoverability of a long-lived asset by determining whether the carrying value of the asset group can be recovered through projected undiscounted cash flows over their remaining lives. If the carrying value of the asset group exceeds the forecasted undiscounted cash flows, an impairment loss is recognized, measured as the amount by which the carrying amount exceeds estimated fair value. An impairment loss is charged to operations in the period in which management determines such impairment. There were no impairment charges related to the identified long-lived assets, including internal use software development costs, for the years ended December 31, 2011 and 2012.

Business Combinations

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of acquisition. The Company allocates the purchase price, which is the sum of the consideration provided which may consist of cash, equity or a combination of the two, in a business combination to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenues and cash flows, discount rates and selection of comparable companies.

When the Company issues stock-based or cash awards to an acquired company's stockholders, the Company evaluates whether the awards are contingent consideration or compensation for post-business combination services. The evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the selling stockholder beyond the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post-acquisition services and recognized as expense over the requisite service period.

To date, the assets acquired and liabilities assumed in the Company's business combinations have primarily consisted of computer equipment and finite-lived intangible assets, consisting primarily of developed technologies. Fair value of the acquired computer equipment approximated their net book value. The Company estimates the fair value of intangible assets acquired using a discounted cash flow approach, which includes an analysis of the future cash flows expected to be generated by the asset and the risk associated with achieving these cash flows. The key assumptions used in the discounted cash flow model include the discount rate that is applied to the forecasted future cash flows to calculate the present value of those cash flows and the estimate of future cash flows attributable to the acquired intangible asset, which include revenue, expenses and taxes. The carrying value of acquired working capital approximates its fair value, given the short-term nature of these assets and liabilities.

Acquisition-related transaction costs are not included as a component of consideration transferred, but are accounted for as an expense in the period in which the costs are incurred.

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Goodwill

Goodwill represents the excess of the aggregate fair value of the consideration transferred in a business combination over the fair value of the assets acquired, net of liabilities assumed. Goodwill is not amortized, but is subject to an annual impairment test. The Company tests for impairment of goodwill annually during the fourth quarter or more frequently if events or changes in circumstances indicate that the goodwill may be impaired.

Events or changes in circumstances which could trigger an impairment review include a significant adverse change in legal factors or in the business climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company's use of the acquired assets or the strategy for the Company's overall business, significant negative industry or economic trends, or significant underperformance relative to expected historical or projected future results of operations.

The Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if an entity concludes otherwise, then it is required to perform the first of a two-step impairment test.

The first step involves comparing the estimated fair value of a reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then a second step is required which requires the carrying amount of the goodwill be compared with its implied fair value. The estimate of implied fair value of goodwill may require valuations of certain internally generated and unrecognized intangible and tangible net assets. If the carrying amount of goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

No impairment of goodwill was recorded at December 31, 2011 and 2012.

Operating and Capital Leases

The Company records rent expense for operating leases, some of which have escalating rent payments, over the term of the lease, on a straight-line basis over the lease term. The Company begins recognition of rent expense on the date of initial possession, which is generally when the Company enters the leased premises and begins to make improvements in preparation for its intended use. Some of the Company's lease arrangements provide for concessions by the landlords, including payments for leasehold improvements and rent-free periods. The Company accounts for the difference between the straight-line rent expense and rent paid as a deferred rent liability.

The Company leases equipment under capital lease arrangements. The assets and liabilities under capital lease are recorded at the lesser of present value of aggregate future minimum lease payments, including estimated bargain purchase options, or the fair value of the asset under lease. Assets under capital lease are amortized using the straight-line method over the estimated useful lives of the assets.

Preferred Stock Warrant Liabilities

The Company issued warrants to purchase preferred stock in connection with professional services and financing arrangements and accounts for these warrants as liabilities at fair value because the underlying shares

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of convertible preferred stock are contingently redeemable, including in the case of a deemed liquidation, which may obligate the Company to transfer assets to the warrant holders. The preferred stock warrants are recorded at fair value at the time of issuance and changes in the fair value of the preferred stock warrants each reporting period are recorded as part of other expense, net in the Company's consolidated statements of operations until the earlier of the exercise or expiration of the warrants or the warrants' conversion to warrants to purchase common stock, at which time any remaining liability is reclassified to additional paid-in capital.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurements are based on a fair value hierarchy, based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted market prices for similar assets and liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3—Unobservable inputs.

Observable inputs are based on market data obtained from independent sources. At December 31, 2011 and 2012, and September 30, 2013, the Company's warrants to purchase preferred stock are measured using unobservable inputs that require a high level of judgment to determine fair value, and thus classified as Level 3 (Note 8).

The carrying amounts of cash equivalents, accounts receivable, accounts payable, accrued expenses, and seller payables approximate fair value due to the short-term nature of these instruments. The carrying value of the line of credit approximates fair value based on borrowing rates currently available to the Company for financing with similar terms and were determined to be Level 2.

Certain assets, including goodwill and intangible assets are also subject to measurement at fair value on a non-recurring basis if they are deemed to be impaired as a result of an impairment review. For the years ended December 31, 2011 and 2012, no impairments were recorded on those assets required to be measured at fair value on a non-recurring basis.

Concentration of Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash, cash equivalents, restricted cash and accounts receivable. The Company maintains its cash and cash equivalents with financial institutions which exceed the Federal Deposit Insurance Corporation ("FDIC") federally insured limits.

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Accounts receivable include amounts due from buyers with principal operations primarily in the United States. The Company performs ongoing credit evaluations of its buyers.

At December 31, 2011, one buyer accounted for 12% of consolidated accounts receivable. At December 31, 2012, one buyer accounted for 10% of consolidated accounts receivable. At September 30, 2013, one buyer accounted for 12% of consolidated accounts receivable.

For the years ended December 31, 2011 and 2012, and for the nine months ended September 30, 2012 and 2013, no buyer or seller of advertising inventory comprised 10% or more of consolidated revenue.

At December 31, 2011 and 2012, and at September 30, 2013, no seller of advertising inventory comprised 10% or more of consolidated accounts payable.

Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated into U.S. Dollars at the rates of exchange in effect at the date of the transaction. Net transaction (gains) losses, net were approximately $0.2 million and $0.2 million for the years ended December 31, 2011 and 2012, respectively, and $0.2 million and $0.4 million for the nine months ended September 30, 2012 and 2013, respectively, and are included in other expense, net in the accompanying consolidated statements of operations.

The Company has entities in various countries. For entities where the local currency is different than the functional currency, the local currency financial statements have been re-measured from the local currency into the functional currency using the current exchange rate for monetary accounts and historical exchange rates for nonmonetary accounts, with exchange differences on re-measurement included in other expense, net. To the extent that the functional currency is different than the U.S Dollar, the financial statements have then been translated into U.S. Dollars using period-end exchanges rates for assets and liabilities and average exchanges rates for the results of operations. Foreign currency translation gains and losses are included as a component of accumulated other comprehensive loss on the consolidated balance sheet.

Recent Accounting Pronouncements

Under the Jumpstart Our Business Startups Act ("JOBS Act"), the Company meets the definition of an emerging growth company. The Company has irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In March 2013, the Financial Accounting Standards Board ("FASB") issued new accounting guidance clarifying the accounting for the release of cumulative translation adjustment into net income when a company either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2013. The adoption of this guidance is not expected to have any impact on the Company's consolidated financial statements.

In July 2013, the FASB issued an accounting standards update clarifying that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the consolidated financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except in certain circumstances. The standards update is effective for fiscal years, and interim

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periods within those years, beginning after December 15, 2013. The adoption of this guidance is not expected to have any impact on the Company's consolidated financial statements.

Note 3—Net Loss Per Share Attributable to Common Stockholders

The following table presents the basic and diluted net loss per share attributable to common stockholders:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands, except per share data)			
Net loss attributable to common stockholders	$ (19,653)	$ (6,617)	$ (7,569)	$ (12,386)
Weighted-average common shares outstanding	21,235	22,358	22,219	23,006
Weighted-average unvested restricted shares	(1,037)	(166)	(130)	(139)
Weighted-average common shares outstanding attributable to common stockholders	20,198	22,192	22,089	22,867
Basic and diluted net loss per share attributable to common stockholders	$ (0.97)	$ (0.30)	$ (0.34)	$ (0.54)

The following shares have been excluded from the calculation of diluted net loss per share attributable to common stockholders for each period presented because they are anti-dilutive:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Options to purchase common stock	7,841	11,542	16,557
Common stock warrants	871	871	871
Unvested restricted stock	—	270	—
Conversion of convertible preferred stock	28,820	28,820	28,820
Total shares excluded from net loss per share attributable to common stockholders	37,532	41,503	46,248

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Unaudited Pro Forma Net Loss Per Share

The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share of common stock:

	Year Ended December 31, 2012	Nine Months Ended September 30, 2013
	(in thousands, except per share data)	
Net loss attributable to common stockholders	$ (6,617)	$ (12,386)
Pro forma adjustment to reverse mark-to-market adjustment of preferred stock warrant liabilities	515	2,067
Pro forma adjustment to reverse cumulative preferred stock dividends	4,255	3,174
Net loss used in computing pro forma net loss per share attributable to common stockholders	$ (1,847)	$ (7,145)
Weighted-average common shares outstanding	22,192	22,867
Pro forma adjustment to reflect assumed conversion of convertible preferred stock to common stock	28,820	28,820
Weighted-average common shares outstanding for pro forma basic and diluted net loss per share	51,012	51,687
Pro forma net loss per share attributable to common stockholders—basic and diluted	$ (0.04)	$ (0.14)

Note 4—Property and Equipment

Major classes of property and equipment were as follows:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Purchased software	$ 895	$ 1,763	$ 1,595
Computer equipment and network hardware	8,989	11,555	15,568
Furniture, fixtures and office equipment	671	926	992
Leasehold improvements	587	717	806
	11,142	14,961	18,961
Accumulated depreciation	(4,631)	(8,028)	(10,483)
	$ 6,511	$ 6,933	$ 8,478

Depreciation expense on property and equipment totaled $4.0 million and $3.9 million for the years ended December 31, 2011 and December 31, 2012, respectively, and $2.8 million and $3.6 million for the nine months ended September 30, 2012 and 2013, respectively.

At December 31, 2011 and 2012, property and equipment includes property and equipment under capital leases with a cost basis of $0.1 million and $1.3 million, respectively, and $1.3 million and $1.3 million, respectively, for the nine months ended September 30, 2012 and 2013. Accumulated depreciation on property and equipment under capital leases at December 31, 2011 and 2012 was $0.1 million and $0.4 million, respectively, and $0.3 million and $0.8 million for the nine months ended September 30, 2012 and 2013, respectively.

Depreciation expense on property and equipment under capital leases was $40,000 and $0.4 million for the years ended December 31, 2011 and 2012, respectively, and $0.2 million and $0.4 million for the nine months ended September 30, 2012 and 2013, respectively.

Note 5—Internal Use Software Development Costs

Internal use software development costs were as follows:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Internal use software development costs, gross	$ 5,650	$ 8,730	$ 11,217
Accumulated amortization	(1,750)	(2,966)	(4,776)
Internal use software development costs, net	$ 3,900	$ 5,764	$ 6,441

During the year ended December 31, 2011 and 2012 and during the nine months ended September 30, 2012 and 2013, the Company capitalized $3.2 million, $3.9 million, $2.7 million and $2.5 million of internal use software development costs. Amortization expense was $0.9 million, $2.0 million, $1.3 million and $1.8 million for the year ended December 31, 2011 and 2012, respectively, and the nine months ended September 30, 2012 and 2013, respectively. Based on the Company's internal use software development costs at December 31, 2012, estimated amortization expense of $2.2 million, $2.1 million, $1.3 million and $0.2 million is expected to be recognized in 2013, 2014, 2015, and 2016, respectively.

Note 6—Business Combinations

On May 22, 2012, the Company completed the acquisition of all the issued and outstanding shares of MobSmith, Inc. ("MobSmith"), a San Francisco, California based technology company focused on ad-delivery to mobile devices. MobSmith provided a mobile platform for sellers to directly sell their mobile web and in-app advertising inventory on leading mobile devices. Purchase consideration for the acquisition was approximately $1.8 million in cash and 489,476 shares of the Company's Class A common stock, with a fair value of approximately $1.2 million, valued on the acquisition date. The fair value of the Class A common stock was determined by the board of directors based on a valuation of common stock using the market comparable approach. The market comparable approach estimates value based on multiples of metrics of comparable public companies in a similar line of business. Goodwill is attributable to expected synergies of combining MobSmith's mobile solution with the platform providing buyers and sellers access to a single platform solution and marketplace for buying and selling of both display and mobile advertising inventory, and the acquired workforce.

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The Company's allocation of the total purchase considerations is summarized below (in thousands):

Cash paid	$1,750
Common shares	1,237
Total purchase consideration	$2,987
Other assets, including cash acquired of $9	$ 52
Intangible assets	1,550
Goodwill	1,391
Other liabilities	(6)
Net assets acquired	$2,987

The acquired intangible assets consisted of developed technology with a fair value of $0.8 million, non-compete agreements with a fair value of $0.6 million, customer relationships with a fair value of $0.1 million, and a trademark with a fair value of $10,000. The developed technology, non-compete agreements, customer relationships, and trademark are being amortized over a weighted-average useful life of 2.5 years.

The Company recognized approximately $0.1 million of acquisition related costs during the year ended December 31, 2012, that are reflected within general and administrative expenses in the Company's consolidated statements of operations.

In addition, upon acquisition, the Company issued 270,000 restricted shares of Class A common stock, with a fair value of approximately $0.6 million and agreed to pay $0.8 million in cash upon the one year anniversary of the acquisition, subject to the continued employment of certain employees of MobSmith with the Company. The restricted shares and cash payout were recognized as a post-acquisition compensation expense over the one year period. At December 31, 2012, the 270,000 shares remained restricted and $0.3 million of the cash compensation was unearned. In May 2013, upon the one-year anniversary of the acquisition, the share restrictions were satisfied and the cash was paid.

The operations of MobSmith were fully integrated into the operations of the Company upon acquisition. The results of operations of MobSmith were insignificant to the Company's consolidated statements of operations from the acquisition date of May 22, 2012 through the period ended December 31, 2012.

Unaudited Pro Forma Information

The following table provides unaudited pro forma information for the years ended December 31, 2011 and 2012, and the nine months ended September 30, 2012, as if MobSmith had been acquired as of the beginning of 2011. The unaudited pro forma results reflect certain adjustments such as the fair values of the assets acquired and liabilities assumed and additional depreciation and amortization resulting from the fair value adjustments. The unaudited pro forma results do not include any anticipated cost synergies or other effects of the integration of MobSmith or recognition of compensation expense relating to the earn-out. Accordingly, such unaudited pro forma amounts are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on the dates indicated, nor is it indicative of the future operating results of the combined company.

	Year Ended December 31, 2011	Year Ended December 31, 2012	Nine Months Ended September 30, 2012
		(in thousands)	
Pro forma revenues	$ 37,245	$ 57,165	$ 37,719
Pro forma net loss	$ (17,099)	$ (2,919)	$ (4,940)

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Note 7—Goodwill and Intangible Assets

Details of the Company's goodwill were as follows:

	Amount (in thousands)
Balance as of December 31, 2011	$ 100
Additions from the acquisition of MobSmith	1,391
Balance as of December 31, 2012	$ 1,491

Details of the Company's intangible assets were as follows:

	December 31, 2011	December 31, 2012	September 30, 2013 (unaudited)
		(in thousands)	
Amortizable intangible assets:			
Developed technology	$ 1,951	$ 2,560	$ 2,560
Non-compete agreements	—	610	610
Other intangible assets	—	130	130
	1,951	3,300	3,300
Accumulated amortization—developed technology	(1,089)	(1,657)	(2,109)
Accumulated amortization—non-compete agreements	—	(178)	(407)
Accumulated amortization—other intangible assets	—	(52)	(116)
Total accumulated amortization—intangible assets	(1,089)	(1,887)	(2,632)
Total identifiable intangible assets, net	$ 862	$ 1,413	$ 668

Amortization expense of intangible assets for the years ended December 31, 2011 and 2012, and for the nine months ended September 30, 2012 and 2013 were $0.7 million and $1.0 million, and $0.7 million and $0.7 million, respectively.

As of December 31, 2012, the estimated remaining amortization expense associated with the Company's intangible assets for each of the next five fiscal years was as follows:

Fiscal Year	Amount (in thousands)
2013	$ 903
2014	397
2015	113
2016 and thereafter	—
Total	$ 1,413

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Note 8—Fair Value Measurements

The table below sets forth a summary of financial instruments that are measured at fair value on a recurring basis at December 31, 2011:

	December 31, 2011	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Convertible preferred stock warrant liability	$ 815	$ —	$ —	$ 815

The table below sets forth a summary of financial instruments that are measured at fair value on a recurring basis at December 31, 2012:

	December 31, 2012	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Convertible preferred stock warrant liability	$ 1,330	$ —	$ —	$ 1,330

The table below sets forth a summary of financial instruments that are measured at fair value on a recurring basis at September 30, 2013:

	September 30, 2013	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in thousands)			
Convertible preferred stock warrant liability	$ 3,397	$ —	$ —	$ 3,397

The Company's preferred stock warrants are recorded at fair value and were determined to be Level 3 fair value items. The changes in the fair value of preferred stock warrants are summarized below:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)			
	Years Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Beginning balance	$ 511	$ 815	$ 815	$ 1,330
Change in value of preferred stock warrants recorded in other expense, net	304	515	87	2,067
Ending balance	$ 815	$ 1,330	$ 902	$ 3,397

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Note 9—Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses included the following:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Accounts payable—seller	$ 42,863	$ 75,073	$ 81,125
Accounts payable—other	2,898	1,558	2,836
Accrued employee—related payables	2,473	4,313	4,032
	$ 48,234	$ 80,944	$ 87,993

At December 31, 2011 and 2012 and at September 30, 2013, accounts payable—seller are recorded net of $1.3 million, $1.0 million and $0.9 million, respectively, due from sellers for services provided by the Company to sellers, where the Company has the right of offset.

Note 10—Debt and Capital Lease Arrangements

Debt and capital lease arrangements consisted of the following:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Secured debt:			
Line of credit, at a weighted-average interest rate of 4.9% in 2011, 4.8% in 2012 and 4.8% during the nine months ended September 30, 2013	$ 3,000	$ 3,000	$ 3,784
Equipment loan facilities, at a weighted-average interest rate of 6.5% in 2011, 6.5% in 2012 and 6.5% during the nine months ended September 30, 2013	2,453	1,284	—
Capital lease obligations, at a weighted-average interest rate of 7.5% in 2011, 6.2% in 2012 and 5.6% during the nine months ended September 30, 2013	51	931	525
	$ 5,504	$ 5,215	$ 4,309

On March 26, 2009, the Company entered into a loan and security agreement with Silicon Valley Bank (“2009 Loan Agreement”). The agreement provided a senior secured revolving credit facility (“Line of Credit”) and a term loan for the purchase of equipment (“Equipment Loans”).

The loan and security agreement was amended and renewed on September 27, 2011 (“2011 Loan Agreement”). The 2011 Loan Agreement raised the borrowing ceiling for the credit facility to the lesser of $15.0 million or 85% of eligible accounts due on September 27, 2013.

In July 2012, the Company further amended the 2011 Loan Agreement with Silicon Valley Bank to waive the loan covenants for the month ended May 31, 2012 relating to the acquisition of MobSmith, and amended certain financial covenants, as defined in the amendment.

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Amounts outstanding under the 2011 Loan Agreement bear interest, at a rate per annum equal to prime rate plus 1.5% if the Company maintains a net cash balance exceeding $1 or prime rate plus 3.0%, if such net cash balance is not maintained. “Net cash” is defined as the Company’s unrestricted cash maintained at the financial institution including, without duplication, up to $3.0 million of unrestricted net cash maintained by the Company at the bank or other financial institutions located outside the United States, less the aggregate outstanding principal of amount of the advances on the line and the Equipment Loans.

As of December 31, 2012, there was $3.0 million outstanding under the 2011 Loan Agreement and an additional $10.7 million was available for borrowing.

The Equipment Loans consisted of two loans. The first Equipment Loan bore interest between 5.5% and 6.5%. The second Equipment Loan bore interest at 3.25% above the prime rate at the time of the advance. At December 31, 2011 and 2012, the interest rate for both Equipment loans was 6.5%. Payments of interest and principal for both Equipment Loans are made monthly over 36 months from the time of the loan. No additional borrowings may be made under these facilities.

The 2011 Loan Agreement requires the Company to comply with financial covenants including minimum levels of adjusted tangible net worth and a fixed charge coverage ratio, as well as certain affirmative covenants. The Company was in compliance with the financial covenants as of December 31, 2011 and 2012. The Company was not in compliance with a non-financial covenant at December 31, 2011 and 2012 and received a waiver for such non-compliance.

The 2011 Loan Agreement is collateralized by security interests in substantially all of the Company’s assets. The 2011 Loan Agreement restricts the Company’s ability to pay dividends and enter into certain transactions without the consent of the financial institution. The Company is required to maintain a lockbox arrangement where customer payments received in the lockbox will reduce the amounts outstanding on the credit facility only if the Company does not maintain a net cash balance of $1 or in the event of a default, as defined in the arrangement.

On September 30, 2013, the Company further amended the 2011 Loan Agreement. The amendment eliminated the equipment term loan facilities and increased the borrowing limit on the credit facility up to $40.0 million with a maturity date of September 27, 2018. An unused revolver fee in the amount of 0.15% per annum of the average unused portion of the revolver line will be charged and be payable monthly in arrears. The amendment requires the Company to maintain a fixed charge coverage ratio of no less than 1.10 to 1.00 calculated on a twelve month trailing basis as of the last day of each month on a consolidated basis. Amounts outstanding under the amended credit facility bear interest, at a rate per annum equal to LIBOR plus 2.0% if the Company maintains a net cash balance exceeding $1. At the option of the bank, advances may bear interest at a rate of prime plus 0% if the Company maintains a net cash balance exceeding $1 or 1.50% if the Company does not maintain a net cash balance of $1. At September 30, 2013, $36.2 million was available for borrowing under the credit facility and $3.8 million inclusive of equipment loans, were outstanding in debt obligations.

The 2011 Loan Agreement restricts the Company’s ability to sell assets, make changes to the nature of its business, engage in mergers or acquisitions, incur, assume or permit to exist, additional indebtedness and guarantees, create or permit to exist, liens, pay dividends, make distributions or redeem or repurchase capital stock, or make other investments, engage in transactions with affiliates, and make payments in respect to subordinated debt.

In addition, in the event the amount available to be drawn is less than 20% of the maximum line amount of the credit facilities, or in the event that a default exists, the Company is required to satisfy a minimum fixed charge coverage ratio test. The Company does not currently satisfy this minimum fixed charge coverage ratio test defined as a ratio of Adjusted EBITDA to the sum of interest accrual and principal payments required to be paid during the relevant measurement period. However, the Company is not currently required to satisfy this test as it meets the specified excess availability threshold.

The 2011 Loan Agreement includes customary events of defaults, including a change of control default and an event of default in the event a material adverse change occurs. In case of such an event of default, Silicon Valley Bank would be entitled to, among other things, accelerate payment of amounts due under the credit facility and exercise all rights of a secured creditor.

Maturities of Debt and Capital Lease Arrangements

Maturities with respect to debt and capital lease arrangements at December 31, 2012 were as follows:

Fiscal Year	Amount (in thousands)
2013	$ 1,038
2014	288
2015	105
2016	—
2017	—
Thereafter	3,784
Total	$ 5,215

Note 11—Capitalization

At December 31, 2012, the authorized capital stock of the Company consisted of 73,380,126 shares of common stock, of which 65,000,000 shares were designated Class A common stock and 8,380,126 shares were designated Class B common stock, and 29,691,524 shares of preferred stock, of which 6,154,000 shares were designated Series A preferred stock ("Series A preferred stock"), 13,588,160 shares were designated Series B preferred stock ("Series B preferred stock"), 4,765,173 shares were designated Series C preferred stock ("Series C preferred stock"), and 5,184,191 shares were designated Series D preferred stock ("Series D preferred stock", and together with the Series A preferred stock, Series B preferred stock and Series C preferred stock, referred to as "convertible preferred stock").

Common Stock

The rights of the Class A and Class B common stock are the same, except the shares of Class B common stock are not entitled to voting rights, other than as required by law. Each share of Class B common stock automatically converts to one share of Class A common stock immediately prior to the consummation of any underwritten public offering of the Company's common stock, immediately prior to the consummation of a liquidation event, as defined in the Company's Fifth Amended and Restated Certificate of Incorporate, as amended (the "Certificate of Incorporation"), or upon the conversion of all the outstanding convertible preferred stock into Class A common stock. Class A common stock and Class B common stock are collectively referred to herein as common stock.

At December 31, 2011, there were 13,298,914 and 8,380,126 shares of Class A and Class B common stock issued and outstanding, respectively. At December 31, 2012, there were 14,421,717 and 8,380,126 shares of Class A and Class B common stock issued and outstanding, respectively.

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Convertible Preferred Stock

At December 31, 2011 and 2012, and September 30, 2013, the Company's outstanding convertible preferred stock consisted of the following:

	December 31, 2011 and 2012 and September 30, 2013			December 31, 2012	September 30, 2013
	Shares Authorized	Shares Outstanding	Carrying Values	Liquidation Preference	Liquidation Preference
			(in thousands)		
Series A	6,154	6,154	$ 4,000	$ 5,797	$ 6,037
Series B	13,588	13,563	21,087	29,066	30,329
Series C	4,765	3,919	9,484	12,018	12,587
Series D	5,184	5,184	18,000	21,647	22,749
Total	29,691	28,820	$52,571	$ 68,528	$ 71,702

The rights and preferences of the convertible preferred stock are as follows:

Voting Rights: On any matters presented to the Company's stockholders for their action or consideration, each holder of convertible preferred stock is entitled to one vote for each share of Class A common stock into which such holder's shares of convertible preferred stock are then convertible. Except as provided by law or the Certificate of Incorporation, the holders of the convertible preferred stock and Class A common stock vote together as a single class.

Dividends: The holders of the convertible preferred stock are entitled, when, as, and if declared by the board of directors, and prior and in preference to common stock, to cumulative dividends at the following per annum rates (pro-rated for partial years elapsed): $0.052 per share for Series A, $0.1244480 per share for Series B, $0.1941832 per share for Series C, and $0.2844824 per share for Series D. Cumulative preferred stock dividends at December 31, 2011 and 2012, and at September 30, 2013, were $11.2 million, $15.5 million, and $18.7 million, respectively. Unless declared, dividends are not payable except in the event of a liquidation, dissolution or winding up of the Company. No dividends have been declared or paid to date.

Liquidation: In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company or a sale of the Company, the holders of the convertible preferred stock are entitled to receive out of the assets available for distribution to the Company's stockholders, on a pari passu basis prior to distribution of any assets of the Company to the holders of common stock, an amount equal to the greater of (a) the original issuance price plus accrued but unpaid dividends, or (b) such amount as would have been payable had the convertible preferred stock converted into common stock immediately prior to the liquidation, dissolution or winding up. If amounts available to be distributed are insufficient to pay the liquidation preferences of the preferred stock in full, then the entire assets and funds of the Company legally available for distribution will be distributed to the holders of convertible preferred stock ratably in proportion to the preferential amount each holder would have otherwise been entitled to receive. After payment of the liquidation preferences to the convertible preferred stock, all remaining assets are distributed to the common stock.

The liquidation preference provisions of the convertible preferred stock are considered contingent redemption provisions because there are certain elements that are not solely within the control of the Company, such as a change in control of the Company. Accordingly, the Company has presented the convertible preferred stock within the mezzanine portion of the accompanying consolidated balance sheets.

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Conversion: Each outstanding share of convertible preferred stock is convertible, at the holder's option, into shares of Class A common stock at a conversion rate determined by dividing the original issue price for such share by the then Conversion Price for such share. The original issue price and conversion price of the each series of preferred stock are as follows:

	Original Issue Price per share	Conversion Price per share
Series A	$ 0.65	$ 0.65
Series B	$ 1.55556	$ 1.55556
Series C	$ 2.42729	$ 2.42729
Series D	$ 3.55603	$ 3.55603

The conversion price is subject to adjustment in the event of certain anti-dilutive issuances of shares of common stock.

Each share of convertible preferred stock will automatically convert into shares of common stock at its then effective conversion rate immediately upon the earlier of (i) the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, with proceeds to the Company of not less than $20 million (net of underwriting discounts and commissions) based on a pre-offering enterprise value of at least $250 million, (ii) or upon the consent of the holders on the date specified by a vote of at least 75% of all then-outstanding shares of convertible preferred stock voting together as a single class on an as-converted to Class A common stock basis, provided that the Series C preferred stock shall not be converted as a result of such a vote without the consent of the holders of a majority of the shares of Series C preferred stock then outstanding, and the Series D preferred stock shall not be converted as a result of such a vote without the consent of the holders of a majority of the shares of Series D preferred stock then outstanding.

Redemption: The convertible preferred stock is not redeemable at the option of the holder.

Convertible Preferred Stock Warrants

On March 1, 2009, the Company issued a fully vested, non-forfeitable warrant to purchase 25,174 shares of the Company's Series B preferred stock at an exercise price of $1.55556 per share. The warrant was issued to the Company's bank, Silicon Valley Bank, in connection with securing an equipment term loan under the 2009 Loan Agreement. The warrant was fully vested upon issuance and expires on March 1, 2019. The holder of the warrant has the right to include shares issued upon exercise of the warrant in certain registered offerings by the Company of its common stock. The fair value of the warrants at issuance was recorded as a deferred financing cost and was amortized over the term of the loan.

On January 12, 2010, the Company issued a warrant to an investment bank to purchase 845,867 shares of the Company's Series C preferred stock at an exercise price of $2.42729 per share. The warrant was issued for banking and financial advisory services provided to the Company. The warrant was fully vested upon issuance and expires on the earliest of January 12, 2015, a firm commitment underwritten initial public offering if the lead underwriter requests termination, or, under certain circumstances, a liquidation, dissolution, winding up or change in control as defined in the Certificate of Incorporation. The holder of the warrant has the right to exercise the warrant for cash or on a net issuance basis. In December 2013, the lead underwriter of the proposed initial public offering requested the termination of the warrant in connection with the offering, and accordingly it is expected that the warrant will be exercised before or concurrently with the consummation of the offering.

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The Company determined the fair value of the convertible preferred stock warrants utilizing the Black-Scholes model with the following weighted-average assumptions:

	Series B December 31, 2011	Series B December 31, 2012	Series C December 31, 2011	Series C December 31, 2012
Risk-free interest rate	1.35%	0.97%	0.19%	0.16%
Expected term (in years)	7.17	6.17	1.59	1.00
Estimated dividend yield	8.00%	8.00%	7.60%	4.80%
Weighted-average estimated volatility	66%	60%	61%	46%
Fair value (in thousands)	$ 23	$ 34	$ 792	$ 1,295

	Series B September 30, 2012	Series B September 30, 2013	Series C September 30, 2012	Series C September 30, 2013
Risk-free interest rate	1.01%	1.76%	0.20%	0.15%
Expected term (in years)	6.42	5.42	1.25	0.95
Estimated dividend yield	8.00%	8.00%	5.60%	3.60%
Weighted-average estimated volatility	61%	57%	56%	50%
Fair value (in thousands)	$ 24	$ 77	$ 878	$ 3,320

During the years ended December 31, 2011 and 2012, and the nine months ended September 30, 2012 and 2013, the Company recognized expense of $0.3 million and $0.5 million, respectively, and $0.1 million and $2.1 million, respectively, from the re-measurement of the warrants to fair value.

Common Shares Reserved For Issuance

The Company is required to reserve and keep available out of its authorized but unissued shares of common stock such number of shares sufficient to effect the conversion of all outstanding shares of preferred stock and all outstanding warrants, plus shares granted and available for grant under the Company's stock option plan.

The amount of such shares of the Company's common stock reserved for these purposes at December 31, 2011 and 2012 and September 30, 2013 was as follows:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
Reserved under stock award plans	9,020	13,218	20,914
Conversion of preferred stock	28,820	28,820	28,820
Warrants to purchase convertible preferred stock	871	871	871
Total required availability	38,711	42,909	50,605

During May 2012, the Company amended its Certificate of Incorporation to increase the number of shares of common stock the Company may issue under its stock incentive plan without triggering any adjustment to the conversion price of any preferred stock, even if the exercise price of the stock options is less than the conversion price of any preferred stock.

During February 2013, the Company amended its Certificate of Incorporation to increase the permitted number of shares of common stock the Company may issue under its incentive stock plan to 18,913,600.

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During September 2013, the Company's board of directors approved an increase in the permitted number of shares of common stock the Company may issue under its incentive stock plan to 20,913,600.

Note 12—Stock-Based Compensation

The Company's 2007 Stock Incentive Plan (the "Plan") provides for the grant of non-statutory or incentive stock options to the Company's employees, officers, directors or consultants. The Company's board of directors administers the Plan, selects the individuals to whom options will be granted, determines the number of options to be granted, and the term and exercise price of each option. Incentive stock options granted pursuant to the terms of the Plan cannot be granted with an exercise price of less than 100% of the fair market value on the date of the grant. For awards issued to a shareholder holding 10% or more of the Company, the option term cannot exceed 5 years. The term of the options granted under the Plan cannot be greater than 10 years. Non-statutory stock options granted pursuant to the terms of the Plan cannot be granted with an exercise price of less than 100% of the fair market value on the date of the grant (110% for awards issued to a shareholder holding 10% or more of the Company). Options granted vest at varying rates, but generally over four years with 25% vesting upon completion of one year of service and monthly thereafter. Options granted under the Plan accelerate on a change in control, as defined. An aggregate of 13,217,815 shares were reserved under the Plan, of which 107,396 shares remained available for issuance at December 31, 2012.

Stock Options

A summary of stock option activity for the year ended December 31, 2012 and the nine months ended September 30, 2013, respectively, is as follows:

	Shares Under Option (in thousands)	Weighted-Average Exercise Price	Weighted-Average Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2011	7,841	$ 1.42		
Granted	4,971	$ 2.33		
Exercised	(327)	$ 0.44		
Cancelled	(943)	$ 1.38		
Outstanding at December 31, 2012	11,542	$ 1.84	8.38 years	$ 5,876
Granted (unaudited)	7,549	$ 3.31		
Exercised (unaudited)	(353)	$ 1.35		
Cancelled (unaudited)	(2,181)	$ 2.21		
Outstanding at September 30, 2013 (unaudited)	16,557	$ 2.47	8.47 years	$ 57,093
Vested and expected to vest at December 31, 2012	9,060	$ 1.73	8.19 years	$ 5,611
Exercisable at December 31, 2012	4,586	$ 1.19	7.25 years	$ 5,327
Vested and expected to vest at September 30, 2013 (unaudited)	14,858	$ 2.42	8.40 years	$ 51,951
Exercisable at September 30, 2013 (unaudited)	6,105	$ 1.54	7.16 years	$ 26,755

The total intrinsic value of options exercised during the years ended December 31, 2011 and 2012 were $0.6 million and $0.6 million, respectively, and $0.5 million and $0.8 million during the nine months ended September 30, 2012 and 2013, respectively.

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At December 31, 2012, the Company had unrecognized employee stock-based compensation relating to stock options of approximately $4.5 million, which is expected to be recognized over a weighted-average period of 1.88 years.

At September 30, 2013, the Company had unrecognized employee stock-based compensation relating to stock options of approximately $16.6 million which is expected to be recognized over a weighted-average period of 2.79 years.

The grant date per share fair value of stock options granted for the years ended December 31, 2011 and 2012 were $1.00 and $1.29, respectively, and $1.30 and $2.46 for the nine months ended September 30, 2012 and September 30, 2013, respectively.

The table below sets forth information regarding stock options granted from September 30, 2012 to September 30, 2013:

Grant Date	Number of Shares (in thousands)	Exercise Price at Grant Date	Adjusted Exercise Price	Estimated per Share Fair Value of Common Stock at Grant Date	Intrinsic Value per Share at Grant Date
December 13, 2012	484	$ 2.35	$ 2.35	$ 2.35	$ —
February 22, 2013	4,395	$ 2.50	$ 3.90	$ 3.90	$ 1.40
April 24, 2013	635	$ 3.90	$ 3.90	$ 3.90	$ —
June 7, 2013	1,120	$ 4.15	$ 4.15	$ 4.15	$ —
July 24, 2013	1,399	$ 4.90	$ 4.90	$ 4.90	$ —

Subsequent to original grant dates, and in light of valuation analyses performed in close proximity to the grant dates that reflected higher fair values, the board of directors reconsidered the original grant date exercise prices and increased the exercise prices of the February 2013 options. The modification to increase the exercise price did not result in any incremental stock-compensation expense.

The Company estimates the fair value of stock-based payments using the Black-Scholes-Merton option pricing model. The weighted-average input assumptions used by the Company were as follows:

	Year Ended December 31, 2011	Year Ended December 31, 2012
Expected term (in years)	5.9	5.8
Risk-free interest rate	1.91%	0.94%
Expected volatility	57%	59%
Dividend yield	—	—

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2013
Expected term (in years)	5.8	6.0
Risk-free interest rate	0.94%	1.24%
Expected volatility	59%	58%
Dividend yield	—	—

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At December 31, 2011 and 2012, and September 30, 2013, there were options to purchase 162,938, 250,049 and 250,049 shares of common stock outstanding, respectively, awarded to non-employees at a weighted-average exercise price of $0.45, $1.10 and $1.10 per share, respectively. These awards generally vest over 4 years and expire through 2022. The Company recorded stock-based compensation of $0.1 million for each of the years ended December 31, 2011 and 2012, and the nine months ended September 30, 2012 and 2013, relating to these awards.

During the years ended December 31, 2011 and 2012 and the nine months ended September 30, 2013, the Company modified the terms of existing stock options granted to certain employees, to among other things, extend the exercise period and/or accelerate the vesting of options upon termination of employment, and modify the vesting of performance-based awards to time-based awards. In connection with these modifications the Company recorded stock-based compensation of $0.2 million and $0.1 million in the years ended December 31, 2011 and 2012, respectively, and $0.1 million and $0.5 million in the nine months ended September 30, 2012 and 2013, respectively.

Stock Awards

The following table summarizes the activity of stock awards for the years ended December 31, 2011 and 2012, and for the nine months ended September 30, 2013:

	Number of Awards (in thousands)
Unvested at January 1, 2011	487
Vested	(450)
Unvested at December 31, 2011	37
Issued	270
Vested	(37)
Unvested at December 31, 2012	270
Vested (unaudited)	(270)
Unvested at September 30, 2013 (unaudited)	—

During the years ended December 31, 2011 and 2012, the fair value of stock awards vested was $0.9 million and $0.1 million, respectively.

At December 31, 2012, the Company had remaining unrecognized compensation related to stock awards of $0.3 million, which is expected to be recognized over a weighted-average term of 0.39 years.

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Stock-Based Compensation Expense

Total stock-based compensation expense, including expense related to stock options to employees and non-employees and stock awards, for the years ended December 31, 2011 and 2012, and for the nine months ended September 30, 2012 and 2013, recorded in the consolidated statements of operations were as follows:

	Year Ended		Nine Months Ended	
	December 31, 2011	December 31, 2012	September 30, 2012	September 30, 2013
	(in thousands)			
Cost of revenue	$ 270	$ 78	$ 54	$ 64
Selling and marketing	309	1,039	792	805
Technology and development	858	828	571	1,183
General and administrative	831	1,099	762	2,515
Total stock-based compensation	$ 2,268	$ 3,044	$ 2,179	$ 4,567

During 2011, certain of the Company's existing principal investors purchased in aggregate 660,066 shares of common stock from the Company's Chief Executive Officer for approximately $2.0 million, and additional investors purchased in aggregate 354,784 shares of common stock from the Company's chief executive officer for approximately $1.1 million. The purchase price paid per share was higher than the then current fair market value of the Company's common stock at the time of the purchases. Accordingly, the Company recognized additional stock-based compensation expense of approximately $0.7 million in general and administrative expense, included above, for the excess of consideration paid over the then fair value of the common stock.

Note 13—Income Taxes

The following are the domestic and foreign components of the Company's loss before income taxes for the years ended December 31, 2011 and 2012:

	Year Ended December 31, 2011	Year Ended December 31, 2012
	(in thousands)	
Domestic	$ (15,276)	$ (2,486)
International	3	258
Loss before income taxes	$ (15,273)	$ (2,228)

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The following are the components of the provision for income taxes for the years ended December 31, 2011 and 2012:

	Year Ended December 31, 2011	Year Ended December 31, 2012
	(in thousands)	
Current:		
Federal	$ —	$ —
State	21	19
Foreign	141	135
Total current provision	162	154
Deferred:		
Federal	—	1
State and local	—	
Foreign	(26)	(21)
Total deferred benefit	(26)	(20)
Total provision for income taxes	$ 136	$ 134

Set forth below is a reconciliation of the components that caused the Company's provision for income taxes to differ from amounts computed by applying the U.S. Federal statutory rate of 34% for the years ended December 31, 2011 and 2012:

	Year Ended December 31, 2011	Year Ended December 31, 2012
U.S. federal statutory income tax rate	34.0%	34.0%
State and local income taxes, net of federal benefit	(0.1%)	(0.6%)
Foreign income at other than U.S. rates	(0.7%)	(1.2%)
Stock-based compensation expense	(3.2%)	(29.7%)
Meals and entertainment	(0.3%)	(3.4%)
Acquisition and related items	(2.4%)	(1.0%)
Non-deductible gifts	(0.1%)	(2.0%)
Research and development tax credits	2.5%	15.6%
Other permanent items	(0.6%)	(0.7%)
Change in valuation allowance	(30.0%)	(17.0%)
Effective income tax rate	(0.9%)	(6.0%)

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Set forth below are the tax effects of temporary differences that give rise to a significant portion of the deferred tax assets and deferred tax liabilities as of December 31, 2011 and 2012:

	Year Ended December 31, 2011	Year Ended December 31, 2012
	(in thousands)	
Deferred Tax Assets:		
Accrued liabilities	$ 190	$ 330
Intangible assets	263	704
Stock-based compensation	139	491
Net operating loss carryovers	19,908	18,975
Research tax credit carryovers	2,025	2,494
Other	384	720
Total deferred tax assets	22,909	23,714
Less valuation allowance	(21,817)	(22,873)
Deferred tax assets, net of valuation allowance	1,092	841
Deferred Tax Liabilities:		
Fixed assets	(1,067)	(794)
Other	—	(1)
Total deferred tax liabilities	(1,067)	(795)
Net deferred tax assets	$ 25	$ 46

The change in valuation allowance for the year ended December 31, 2011 and 2012 was $5.5 million and $1.1 million, respectively.

The Company uses an effective tax rate approach for calculating its tax provision for the interim periods. For the nine months ended September 30, 2012 and 2013, respectively, the Company recorded $0.1 million and $0.2 million in income tax expense, respectively. The Company’s effective tax rate for the nine months ended September 30, 2012 and 2013 differs from the statutory rate of 34% primarily as a result of the Company’s US operations having a full valuation allowance, foreign tax rates and non-deductible stock-based compensation expense.

At December 31, 2012, the Company had U.S. federal net operating loss carryforwards, or “NOLs,” of approximately $48.0 million, which will begin to expire in 2027. At December 31, 2012, the Company had state NOLs of approximately $46.7 million, which will begin to expire in 2027. At December 31, 2012, the Company had federal research and development tax credit carryforwards (“credit carryforwards”) of approximately $2.4 million, which will begin to expire in 2027. At December 31, 2012, the Company had state research and development tax credits of approximately $1.8 million, which carry forward indefinitely. Utilization of certain NOLs and credit carryforwards may be subject to an annual limitation due to ownership change limitations set forth in the Internal Revenue Code of 1986, as amended, or the Code, and comparable state income tax laws. Any future annual limitation may result in the expiration of NOLs and credit carryforwards before utilization. A prior ownership change and certain acquisitions resulted in the Company having NOLs subject to insignificant annual limitations.

The Company recognizes excess tax benefits associated with stock-based compensation to stockholders’ deficit only when realized based upon applying a with-and-without approach. At December 31, 2012, the Company had approximately $0.2 million of unrealized excess tax benefits associated with stock-based compensation.

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At December 31, 2012, the Company had approximately $0.1 million of goodwill that is expected to be deductible for tax purposes.

At December 31, 2012, unremitted earnings of the subsidiaries outside of the United States were approximately $0.6 million, on which no U.S. taxes had been paid. The Company's intention is to indefinitely reinvest these earnings outside the United States. Upon distribution of those earnings in the form of a dividend or otherwise, the Company would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to various foreign countries. The amounts of such tax liabilities that might be payable upon repatriation of foreign earnings, after consideration of corresponding foreign tax credits, are not material.

The following table summarizes the activity related to the unrecognized tax benefits (in thousands):

	Amount (in thousands)
Balance at January 1, 2011	$ 476
Increases related to current year tax positions	312
Balance at December 31, 2011	788
Increases related to current year tax positions	279
Balance as of December 31, 2012	$ 1,067

Interest and penalties related to the Company's unrecognized tax benefits accrued at December 31, 2011 and 2012 and at September 30, 2013 were not material.

Due to the net operating loss carryforwards, the Company's U.S. federal and state returns are open to examination by the Internal Revenue Service and state jurisdictions for all years since inception. For Australia, Germany and the United Kingdom, all tax years remain open for examination by the local country tax authorities.

The Company does not expect its uncertain income tax positions to have a material impact on its consolidated financial statements within the next twelve months.

Note 14—Geographic Information

Substantially all of the Company's revenue is U.S. revenue, determined based on the location of the Company's legal entity that is a party to the relevant transaction. Revenue originated in foreign countries was not material during the years ended December 31, 2011 and 2012, and the nine months ended September 30, 2012 and 2013.

The Company's property and equipment, net by geographical region were as follows:

	December 31, 2011	December 31, 2012	September 30, 2013
		(in thousands)	
United States	$ 5,340	$ 5,594	$ 7,593
Netherlands	1,160	1,298	845
Other international	11	41	40
	$ 6,511	$ 6,933	$ 8,478

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Note 15—401(K) Savings Plan

The Company has a defined contribution savings plan under Section 401(k) of the Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the board of directors. To date, there have been no contributions made to the plan by the Company.

Note 16—Commitments and Contingencies

The Company finances some of its property and equipment under capital lease and through its equipment line with Silicon Valley Bank (Note 10). The Company has commitments under non-cancelable operating leases for facilities and certain equipment, and its managed data center facilities. Total rental expenses were $2.5 million and $3.6 million for the years ended December 31, 2011 and December 31, 2012, respectively.

As of December 31, 2012, the Company's non-cancelable minimum operating lease commitments were as follows:

Fiscal Year	Amount (in thousands)
2013	$ 3,029
2014	740
2015	346
2016	258
2017	110
Thereafter	—
Total	$ 4,483

New Commitments in 2013

The Company entered into additional commitments under non-cancelable operating leases for office and data center facilities during the nine months ended September 30, 2013. All of the commitments entered into in 2013 have fixed lease payments. The Company's non-cancelable new operating lease commitments were as follows:

Fiscal Year	Amount (in thousands)
2013	$ 963
2014	2,889
2015	1,670
2016	1,996
2017	—
Thereafter	—
Total	$ 7,518

Guarantees and Indemnification

The Company's agreements with sellers, buyers, and other third parties typically obligate it to provide indemnity and defense for losses resulting from claims of intellectual property infringement, damages to property

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or persons, business losses, or other liabilities. Generally these indemnity and defense obligations relate to the Company's own business operations, obligations, and acts or omissions. However, under some circumstances, the Company agrees to indemnify and defend contract counterparties against losses resulting from their own business operations, obligations, and acts or omissions, or the business operations, obligations, and acts or omissions of third parties. For example, because the Company's business interposes the Company between buyers and sellers in various ways, buyers often require the Company to indemnify them against acts and omissions of sellers, and sellers often require the Company to indemnify them against acts and omissions of buyers. In addition, the Company's agreements with sellers, buyers, and other third parties typically include provisions limiting the Company's liability to the counterparty, and the counterparty's liability to the Company. These limits sometimes do not apply to certain liabilities, including indemnity obligations. These indemnity and limitation of liability provisions generally survive termination or expiration of the agreements in which they appear. The Company has also entered into indemnification agreements with its directors, executive officers and certain other officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements and there are no claims that the Company is aware of that could have a material effect on the Company's consolidated financial statements.

Litigation

From time to time, the Company is party to various litigation and administrative proceedings relating to claims arising from its operations in the normal course of business. Based on the information presently available, including discussion with legal counsel, management believes that resolution of these matters will not have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

Employment Contracts

The Company has entered into severance agreements with certain employees and officers, all of whom are employed at-will. The Company may be required to accelerate the vesting of certain stock options in the event of changes in control, as defined and involuntary terminations.

Other Contracts

The Company is party to an engagement letter with an investment bank entered into in 2009 and amended in 2012. Pursuant to the engagement letter, the investment bank provided and may continue to provide strategic and consulting advice to the Company, in exchange for which the Company issued to the investment bank a warrant to purchase 845,867 shares of Series C preferred stock (Note 11). The engagement letter also provides that, in case of a merger, tender offer, stock purchase, or other transaction resulting in the acquisition of the Company by another entity or the transfer of ownership or control of the Company or substantially all of its assets to another entity (a "Change in Control Transaction") that is consummated before December 7, 2016 or pursuant to a definitive agreement entered into before that date, (i) the investment bank will provide investment banking services in connection with a Change in Control Transaction, if requested by the Company, and (ii) the Company will pay to the investment bank a fee equal to 2.5% of the total consideration paid or payable to the Company or its stockholders in the Change in Control Transaction, whether or not the Company requests such investment banking services. The investment bank is not entitled to participate in or receive any fee in connection with an initial public offering.

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Note 17—Related Party Transactions

For the years ended December 31, 2011 and 2012 and for the nine months ended September 30, 2012 and 2013, the Company recognized revenue of approximately $2.2 million, $0.8 million, $0.5 million, and $0.8 million, respectively, from entities affiliated with a holder of more than 10% of the Company's outstanding common stock. At December 31, 2011, December 31, 2012, and September 30, 2013, accounts payable and accrued expenses included $0.7 million, $1.8 million, and $2.5 million, respectively, related to these revenue transactions.

During January 2013, the Company entered into a sublease for its headquarters in Los Angeles, California with an entity affiliated with a holder of more than 10% of the Company's outstanding common stock. The sublease term began during June 2013 and terminates in April 2021; however, the Company has the option to terminate the sublease on its third anniversary date if the Company notifies the sublessor one year in advance of its intended departure and pays a termination fee of $1.2 million. In addition, the early termination fee escalates dollar-per-dollar for any tenant improvement allowance that exceeds $1.0 million. The Company expects to utilize its early termination option and has considered the estimated early termination fee in estimating its straight-line rent expense.

Note 18—Subsequent Events

The Company has evaluated subsequent events through January 16, 2014, the date of issuance of the consolidated financial statements.

From January 1, 2013 through January 16, 2014, the Company granted options to purchase 8,598,243 shares of the Company's common stock.

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PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the various expenses, other than underwriting discounts and commissions, payable by the Registrant in connection with the sale of common stock being registered. All of the amounts shown are estimated except the Securities and Exchange Commission registration fee and the FINRA filing fee.

	Amount To Be Paid
SEC registration fee	*
FINRA filing fee	*
NYSE listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue sky fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous fees and expenses	*
Total	$

* To be completed by amendment

Item 14. Indemnification of Directors and Officers.

Registrant is a Delaware corporation. Section 145(a) of the Delaware General Corporation Law, or the DGCL, provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorney fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court shall deem proper.

Further subsections of DGCL Section 145 provide that:

(1) to the extent a present or former director or officer of a corporation has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by such person in connection therewith;

(2) the indemnification and advancement of expenses provided for pursuant to Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise; and

(3) the corporation shall have the power to purchase and maintain insurance of behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

As used in this Item 14, the term "proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether or not by or in the right of Registrant, and whether civil, criminal, administrative, investigative or otherwise.

Section 145 of the DGCL makes provision for the indemnification of officers and directors in terms sufficiently broad to indemnify officers and directors of Registrant under certain circumstances from liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended, or the Securities Act. Registrant's Amended and Restated Certificate of Incorporation provides, in effect, that, to the fullest extent and under the circumstances permitted by Section 145 of the DGCL, registrant will indemnify any and all of its executive officers and directors. Before the completion of this offering, registrant intends to enter into indemnification agreements with its directors, executive officers and certain other officers. Registrant may, in its discretion, similarly indemnify its employees and agents. Registrant's amended and restated certificate of incorporation also relieves its directors from monetary damages to Registrant or its stockholders for breach of such director's fiduciary duty as a director to the fullest extent permitted by the DGCL. Under Section 102(b)(7) of the DGCL, a corporation may relieve its directors from personal liability to such corporation or its stockholders for monetary damages for any breach of their fiduciary duty as directors except (i) for a breach of the duty of loyalty, (ii) for failure to act in good faith, (iii) for intentional misconduct or knowing violation of law, (iv) for willful or negligent violations of certain provisions in the DGCL imposing certain requirements with respect to stock repurchases, redemptions and dividends, or (v) for any transactions from which the director derived an improper personal benefit.

We have entered into indemnification agreements with each of our directors, executive officers and certain other officers that provide, in general, that we will indemnify them to the fullest extent permitted by law in connection with their service to us or on our behalf.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

Registrant has purchased insurance policies which, within the limits and subject to the terms and conditions thereof, cover certain expenses and liabilities that may be incurred by directors and officers in connection with proceedings that may be brought against them as a result of an act or omission committed or suffered while acting as a director or officer of registrant.

Item 15. Recent Sales of Unregistered Securities.

Since January 1, 2011, we have made the following sales of unregistered securities:

1. Since January 1, 2011 and through January 15, 2014, the Registrant has granted to its directors, officers, employees and consultants options to purchase 19,828,385 shares of common stock under its 2007 Equity Incentive Plan with per share exercise prices ranging from $1.17 to $5.92, and has issued 1,812,139 shares of common stock upon exercise of such options.

2. In May 2012, the Registrant issued 759,476 shares of the Registrant's common stock in connection with the acquisition of MobSmith, Inc.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act, Regulation D or Regulation S promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

See Exhibit Index immediately following the Signature Pages.

(b) No financial statement schedules are provided because the information called for is not required or is shown in the financial statements or the notes thereto.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing date specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be a part of this registration statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Los Angeles, State of California, on February 4, 2014.

THE RUBICON PROJECT, INC.

By: /s/ Frank Addante
Frank Addante
Chief Executive Officer, Chief Product Architect and Chairman

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Frank Addante, Todd Tappin, Brian Copple and David Day, and each of them, his or her true and lawful attorney-in-fact and agent, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this Registration Statement, and any registration statement relating to the offering covered by this Registration Statement and filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents or their substitute or substitutes may lawfully so or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Frank Addante Frank Addante	Chief Executive Officer, Chief Product Architect and Chairman *(principal executive officer)*	February 4, 2014
/s/ Gregory R. Raifman Gregory R. Raifman	President and Director	February 4, 2014
/s/ Todd Tappin Todd Tappin	Chief Operating Officer and Chief Financial Officer *(principal financial officer)*	February 4, 2014
/s/ David Day David Day	Chief Accounting Officer *(principal accounting officer)*	February 4, 2014

/s/ Sumant Mandal Sumant Mandal	Director	February 4, 2014
/s/ Jarl Mohn Jarl Mohn	Director	February 4, 2014
/s/ Craig Roah Craig Roah	Director	February 4, 2014

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1*	Form of Amended and Restated Certificate of Incorporation
3.2	Form of Amended and Restated Bylaws
4.1*	Specimen Stock Certificate
5.1*	Opinion of Gibson, Dunn & Crutcher LLP
10.1	2007 Stock Incentive Plan and forms of agreements thereunder
10.2*	2014 Equity Incentive Plan and forms of agreements thereunder
10.3*	Amended and Restated Investors' Rights Agreement, dated October 29, 2010, by and among The Rubicon Project, Inc. and certain of its stockholders
10.4	Executive Employment Agreement, dated May 4, 2007, between adMonitor, Inc. and Frank Addante, as amended December 14, 2007
10.5	Offer Letter, dated January 17, 2013, between The Rubicon Project, Inc. and Gregory R. Raifman
10.6	Offer Letter, dated January 17, 2013, between The Rubicon Project, Inc. and Todd Tappin
10.7	Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc. and Strategic Data Corp., dated September 27, 2011
10.8	Consent and Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc. and Strategic Data Corp., dated May 22, 2012
10.9	First Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc. and Strategic Data Corp., dated July 24, 2012
10.10	Assumption and Second Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc., Strategic Data Corp. and MobSmith, Inc., dated September 14, 2012
10.11	Third Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc., Strategic Data Corp. and MobSmith, Inc., dated September 28, 2012
10.12	Fourth Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc., Strategic Data Corp. and MobSmith, Inc., dated February 8, 2013
10.13	Fifth Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Fox Audience Network, Inc., Strategic Data Corp. and MobSmith, Inc., dated September 30, 2013
10.14	Sixth Amendment to Loan and Security Agreement among Silicon Valley Bank, The Rubicon Project, Inc., SiteScout Corporation, Rubicon-FAN, Inc., Strategic Data Corp. and Mobsmith, Inc., dated December 19, 2013
10.15	Stock Pledge Agreement between Silicon Valley Bank and The Rubicon Project, Inc., dated October 3, 2013

Exhibit Number	Description of Exhibit
10.16	Stock Pledge Agreement between Silicon Valley Bank and Strategic Data Corp., dated October 3, 2013
10.17*	Form of Indemnification Agreement to be entered into between The Rubicon Project, Inc. and each of its directors and executive officers
10.18	Form of Severance Agreement between The Rubicon Project, Inc. and certain of its executive officers
10.19	Sublease between Fox Interactive Media, Inc. and The Rubicon Project, Inc., dated January 9, 2013
21.1*	List of Subsidiaries of The Rubicon Project, Inc.
23.1	Consent of PricewaterhouseCoopers LLP
23.2*	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included in the signature page of this Registration Statement)

* To be filed by amendment.

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

THE RUBICON PROJECT, INC.

(a Delaware corporation)

ARTICLE I
CORPORATE OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be fixed in the Certificate of Incorporation of the Corporation.

Section 1.2 Other Offices. The Corporation may also have an office or offices, and keep the books and records of the Corporation, except as otherwise required by law, at such other place or places, either within or without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 Annual Meeting. The annual meeting of stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, either within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors.

Section 2.2 Special Meeting.

Except as otherwise required by law, and except as otherwise provided for or fixed pursuant to the Certificate of Incorporation, including any certificate of designations relating to any series of Preferred Stock (each hereinafter referred to as a "Preferred Stock Designation"), a special meeting of the stockholders of the Corporation may be called at any time only by the Board of Directors. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors.

Section 2.3 Notice of Stockholders' Meetings.

(a) Whenever stockholders are required or permitted to take any action at a meeting, notice of the place, if any, date, and time of the meeting of stockholders, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for determining the stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given. The notice shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws. In the case of a special meeting, the purpose or purposes for which the meeting is called also shall be set forth in the notice. Notice may be given personally, by mail or by electronic transmission in accordance with Section 232 of the General Corporation Law of the State of Delaware (the "DGCL"). If mailed, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to each stockholder at such stockholder's address as it appears on the records of the Corporation. Notice by electronic transmission shall be deemed given as provided in Section 232 of the DGCL. An affidavit that notice has been given, executed by the Secretary of the Corporation, Assistant Secretary or any transfer agent or other agent of the Corporation, shall be *prima facie* evidence of the facts stated in the notice in the absence of fraud. Notice shall be deemed to have been given to all stockholders who share an address if notice is given in accordance with the "householding" rules set forth in Rule 14a-3(e) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 233 of the DGCL.

(b) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the place, if any, date and time thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 7.6(a), and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.4 Organization.

(a) Meetings of stockholders shall be presided over by the Chairman of the Board of Directors, if any, or in his or her absence, by the Chief Executive Officer or, in his or her absence, by another person designated by the Board of Directors. The Secretary of the Corporation, or in his or her absence, an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the chairman of the meeting shall appoint, shall act as secretary of the meeting and keep a record of the proceedings thereof.

(b) The date and time of the opening and the closing of the polls for each matter upon which the stockholders shall vote at a meeting of stockholders shall be announced at the meeting. The Board of Directors may adopt such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the authority to adopt and enforce such rules and regulations for the conduct of any meeting of stockholders and the safety of those in attendance as, in the judgment of the chairman, are necessary, appropriate or convenient for the conduct of the meeting. Rules and regulations for the conduct of meetings of stockholders, whether adopted by the Board of Directors or by the chairman of the meeting, may include without limitation, establishing: (i) an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies and such other persons as the chairman of the meeting shall permit; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; (v) limitations on the time allotted for consideration of each agenda item and for questions and comments by participants; (vi) regulations for the opening and closing of the polls for balloting and matters which are to be voted on by ballot (if any); and (vii) procedures (if any) requiring attendees to provide the Corporation advance notice of their intent to attend the meeting. Subject to any rules and regulations adopted by the Board of Directors, the chairman of the meeting may convene and, for any or no reason, from time to time, adjourn and/or recess any meeting of stockholders pursuant to Section 2.7. The chairman of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to declare that a nomination or other business was not properly brought before the meeting if the facts warrant (including if a determination is made, pursuant to Section 2.10(c)(i) of these Bylaws, that a nomination or other business was not made or proposed, as the case may be, in accordance with Section 2.10 of these Bylaws), and if such chairman should so declare, such nomination shall be disregarded or such other business shall not be transacted.

Section 2.5 List of Stockholders. The officer who has charge of the stock ledger shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date. Such list shall be arranged in alphabetical order and shall show the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing in this Section 2.5 shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise required by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 2.5 or to vote in person or by proxy at any meeting of stockholders.

Section 2.6 Quorum. Except as otherwise required by law, the Certificate of Incorporation (including any Preferred Stock Designation) or these Bylaws, at any meeting of stockholders, a majority of the voting power of the stock outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or series or classes or series is required, a majority of the voting power of the stock of such class or series or classes or series outstanding and entitled to vote on that matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to such matter. If a quorum is not present or represented at any meeting of stockholders, then the chairman of the meeting, or a majority of the voting power of the stock present in person or represented by proxy at the meeting and entitled to vote thereon, shall have power to adjourn or recess the meeting from time to time in accordance with Section 2.7, until a quorum is present or represented. Subject to applicable law, if a quorum initially is present at any meeting of stockholders, the stockholders may continue to transact business until adjournment or recess, notwithstanding the withdrawal of enough stockholders to leave less than a quorum, but if a quorum is not present at least initially, no business other than adjournment or recess may be transacted.

Section 2.7 Adjourned or Recessed Meeting; Postponement. Any annual or special meeting of stockholders, whether or not a quorum is present, may be adjourned or recessed for any reason from time to time by the chairman of the meeting, subject to any rules and regulations adopted by the Board of Directors pursuant to Section 2.4(b), and may be adjourned for any reason from time to time by a majority of the voting power of the stock present in person or represented by proxy at the meeting and entitled to vote thereon. At any such adjourned or recessed meeting at which a quorum may be present, any business may be transacted that might have been transacted at the meeting as originally called.

Section 2.8 Voting.

(a) Except as otherwise required by law or the Certificate of Incorporation (including any Preferred Stock Designation), each holder of stock of the Corporation entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of such stock held of record by such holder that has voting power upon the subject matter in question.

(b) Except as otherwise required by law, the Certificate of Incorporation (including any Preferred Stock Designation), these Bylaws or any law, rule or regulation applicable to the Corporation or its securities, at each meeting of stockholders at which a quorum is present, all corporate actions to be taken by vote of the stockholders shall be authorized by the affirmative vote of at least a majority of the voting power of the stock present in person or represented by proxy and entitled to vote on the subject matter, and where a separate vote by class or series or classes or series is required, if a quorum of such class or series or classes or series is present, such act shall be authorized by the affirmative vote of at least a majority of the voting power of the stock of such class or series or classes or series present in person or represented by proxy and entitled to vote on the subject matter. Voting at meetings of stockholders need not be by written ballot.

Section 2.9 Proxies. Every stockholder entitled to vote for directors, or on any other matter, shall have the right to do so either in person or by one or more persons authorized to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or executed new proxy bearing a later date.

Section 2.10 Notice of Stockholder Business and Nominations.

(a) Annual Meeting.

(i) Nominations of persons for election to the Board of Directors and the proposal of business other than nominations to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors (or any committee thereof) or (C) by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(a) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 2.10(a). For the avoidance of doubt, the foregoing clause (C) shall be the exclusive means for a stockholder to make nominations or propose other business (other than a proposal included in the Corporation's proxy statement pursuant to and in compliance with Rule 14a-8 under the Exchange Act) at an annual meeting of stockholders.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of the foregoing paragraph, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and, in the case of business other than nominations, such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business (as defined in Section 2.10(c)(ii) below) on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the

120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the date on which public announcement (as defined in Section 2.10(c)(ii) below) of the date of such meeting is first made by the Corporation. In no event shall an adjournment, recess or postponement of an annual meeting for which notice of the meeting has already been given to stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or re-election as a director (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act, and (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; provided, however, that, in addition to the information required in the stockholder's notice pursuant to this Section 2.10(a)(ii)(A), the Corporation may require each such person to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such person to serve as a director of the Corporation, including information relevant to a determination whether such person can be considered an independent director;

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any substantial interest (within the meaning of Item 5 of Schedule 14A under the Exchange Act) in such business of such stockholder and the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), if any, on whose behalf the proposal is made;

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made or the other business is proposed:

(1) the name and address of such stockholder, as they appear on the Corporation's books, and the name and address of such beneficial owner,

(2) the class or series and number of shares of stock of the Corporation which are owned of record by such stockholder and such beneficial owner as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation owned of record by the stockholder and such beneficial owner as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below), and

(3) a representation that the stockholder intends to appear in person or by proxy at the meeting to make such nomination or propose such business;

(D) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the nomination is made or the other business is proposed, as to such beneficial owner, and if such stockholder or beneficial owner is an entity, as to each director, executive, managing member or control person of such entity (any such individual or control person, a "control person"):

(1) the class or series and number of shares of stock of the Corporation which are beneficially owned (as defined in Section 2.10(c)(ii) below) by such stockholder or beneficial owner and by any control person as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of the class or series and number of shares of stock of the Corporation beneficially owned by such stockholder or beneficial owner and by any control person as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(2) a description of any agreement, arrangement or understanding with respect to the nomination or other business between or among such stockholder, beneficial owner or control person and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Exchange Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable) and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(3) a description of any agreement, arrangement or understanding (including without limitation any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder, beneficial owner or control person, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class or series of the Corporation's stock, or maintain, increase or decrease the voting power of the stockholder, beneficial owner or control person with respect to securities of the Corporation, and a representation that the stockholder will notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting (except as otherwise provided in Section 2.10(a)(iii) below),

(4) a representation whether the stockholder or the beneficial owner, if any, will engage in a solicitation with respect to the nomination or other business and, if so, the name of each participant (as defined in Item 4 of Schedule 14A under the Exchange Act) in such solicitation and whether such person intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's stock required to approve or adopt the business to be proposed (in person or by proxy) by the stockholder.

(iii) Notwithstanding anything in Section 2.10(a)(ii) above or Section 2.10(b) below to the contrary, if the record date for determining the stockholders entitled to vote at any meeting of stockholders is different from the record date for determining the stockholders entitled to notice of the meeting, a stockholder's notice required by this Section 2.10 shall set forth a representation that the stockholder will notify the Corporation in writing within five business days after the record date for determining the stockholders entitled to vote at the meeting, or by the opening of business on the date of the meeting (whichever is earlier), of the information required under clauses (ii)(C)(2) and (ii)(D)(1)-(3) of this Section 2.10(a), and such information when provided to the Corporation shall be current as of the record date for determining the stockholders entitled to vote at the meeting.

(iv) This Section 2.10(a) shall not apply to a proposal proposed to be made by a stockholder if the stockholder has notified the Corporation of his or her intention to present the proposal at an annual or special meeting only pursuant to and in compliance with Rule 14a-8 under the Exchange Act and such proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such meeting.

(v) Notwithstanding anything in this Section 2.10(a) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for directors or specifying the size of the increased Board of Directors made by the Corporation at least 10 days prior to the last day a stockholder may deliver a notice in accordance with Section 2.10(a)(ii) above, a stockholder's notice required by this Section 2.10(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Special Meeting. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors (or any committee thereof) or (ii) provided that one or more directors are to be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 2.10(b) is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who delivers a written notice setting forth the information required by Section 2.10(a) above. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the notice required by this Section 2.10(b) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall an adjournment, recess or postponement of a special meeting for which notice of the meeting has already been given to stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(i) Except as otherwise required by law, only such persons who are nominated in accordance with the procedures set forth in this Section 2.10 shall be eligible to be elected at any meeting of stockholders of the Corporation to serve as directors and only such other business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.10. Except as otherwise provided by law or these Bylaws, and notwithstanding any other provision of these Bylaws, each of the Board of Directors or the chairman of the meeting shall have the power and duty to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 2.10 (including whether a stockholder or beneficial owner solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in compliance with such stockholder's representation as required by clause (a)(ii)(D)(4) of this Section 2.10). If any proposed nomination or other business is not in compliance with this Section 2.10, then except as otherwise required by law, the chairman of the meeting shall have the power and duty to declare that such nomination shall be disregarded or that such other business shall not be transacted. Notwithstanding the foregoing provisions of this Section 2.10, unless otherwise required by law, if the stockholder does not provide the information required under clauses (a)(ii)(C)(2) and (a)(ii)(D)(1)-(3) of this Section 2.10 to the Corporation within the time frames specified herein, or if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or other business, such nomination shall be disregarded and such other business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.10, to be considered a qualified representative of a stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the making of such nomination or proposal at such meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(ii) For purposes of this Section 2.10, the "close of business" shall mean 6:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a business day, and a "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act. For purposes of clause (a)(ii)(D)(1) of this Section 2.10, shares shall be treated as "beneficially owned" by a person if the person beneficially owns such shares, directly or indirectly, for purposes of Section 13(d) of the Exchange Act and Regulations 13D and 13G thereunder or has or shares pursuant to any agreement, arrangement or understanding (whether or not in writing): (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition or both), (B) the right to vote such shares, alone or in concert with others and/or (C) investment power with respect to such shares, including the power to dispose of, or to direct the disposition of, such shares.

(iii) Nothing in this Section 2.10 shall be deemed to affect any rights of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation (including any Preferred Stock Designation).

Section 2.11 No Action by Written Consent.

Except as otherwise provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly held meeting of stockholders of the Corporation at which a quorum is present or represented, and may not be effected by written consent of stockholders in lieu of a meeting of stockholders.

Section 2.12 Inspectors of Election. Before any meeting of stockholders, the Corporation may, and shall if required by law, appoint one or more inspectors of election to act at the meeting and make a written report thereof. Inspectors may be employees of the Corporation. The Corporation may designate one of more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. Inspectors need not be stockholders. No director or nominee for the office of director at an election shall be appointed as an inspector at such election.

Such inspectors shall:

(a) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the validity of proxies and ballots;

(b) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors;

(c) count and tabulate all votes and ballots; and

(d) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

Section 2.13 Meetings by Remote Communications. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication in accordance with Section 211(a)(2) of the DGCL. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication (a) participate in a meeting of stockholders and (b) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder; (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III
DIRECTORS

Section 3.1 Powers. Subject to the provisions of the DGCL and to any limitations in the Certificate of Incorporation relating to action required to be approved by the stockholders, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities these Bylaws expressly confer upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law, the Certificate of Incorporation or these Bylaws required to be exercised or done by the stockholders.

Section 3.2 Number and Election. Except as otherwise provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), the Board of Directors shall consist of such number of directors as shall be determined from time to time solely by resolution adopted by the affirmative vote of a majority of the total number of directors then authorized (hereinafter referred to as the "Whole Board").

At any meeting of stockholders at which directors are to be elected, directors shall be elected by a plurality of the votes cast.

Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed.

Section 3.3 Vacancies. Subject to the rights of the holders of any outstanding series of Preferred Stock, and unless otherwise required by law, newly created directorships resulting from any increase in the authorized number of directors and any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled solely by the affirmative vote of a majority of the remaining directors then in office and entitled to vote thereon, even though less than a quorum, or by the sole remaining director, and any director so chosen shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

Section 3.4 Resignations and Removal.

(a) Any director may resign at any time upon notice given in writing or by electronic transmission to the Board of Directors, the Chairman of the Board of Directors or the Secretary of the Corporation. Such resignation shall take effect upon delivery, unless the resignation specifies a later effective date or time or an effective date or time determined upon the happening of an event or events. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(b) Except for such additional directors, if any, as are elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the Certificate of Incorporation (including any Preferred Stock Designation), any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of at least 66 ⅔% of the voting power of the stock outstanding and entitled to vote thereon.

Section 3.5 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, within or without the State of Delaware, on such date or dates and at such time or times, as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 3.6 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors, the Chief Executive Officer or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the place, within or without the State of Delaware, date and time of such meetings. Notice of each such meeting shall be given to each director, if by mail, addressed to such director at his or her residence or usual place of business, at least five days before the day on which such meeting is to be held, or shall be sent to such director by electronic transmission, or be delivered personally or by telephone, in each case at least 24 hours prior to the time set for such meeting. A notice of special meeting need not state the purpose of such meeting, and, unless indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 3.7 Participation in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

Section 3.8 Quorum and Voting. Except as otherwise required by law, the Certificate of Incorporation or these Bylaws, a majority of the Whole Board shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board of Directors. The chairman of the meeting or a majority of the directors present may adjourn the meeting to another time and place whether or not a quorum is present. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 3.9 Board of Directors Action by Written Consent Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting, provided that all members of the Board of Directors or committee, as the case may be, consent in writing or by electronic transmission to such action, and the writing or writings or electronic transmission or transmissions are filed with the minutes or proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.10 Chairman of the Board. The Chairman of the Board shall preside at meetings of stockholders and directors and shall perform such other duties as the Board of Directors may from time to time determine. If the Chairman of the Board is not present at a meeting of the Board of Directors, another director chosen by the Board of Directors shall preside.

Section 3.11 Rules and Regulations. The Board of Directors shall adopt such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings and management of the affairs of the Corporation as the Board of Directors shall deem proper.

Section 3.12 Fees and Compensation of Directors. Directors may receive such compensation, if any, for their services on the Board of Directors and its committees, and such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors.

Section 3.13 Emergency Bylaws. In the event of any emergency, disaster or catastrophe, as referred to in Section 110 of the DGCL, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a standing committee of the Board of Directors cannot readily be convened for action, then the director or directors in attendance at the meeting shall constitute a quorum. Such director or directors in attendance may further take action to appoint one or more of themselves or other directors to membership on any standing or temporary committees of the Board of Directors as they shall deem necessary and appropriate.

ARTICLE IV
COMMITTEES

Section 4.1 Committees of the Board of Directors. The Board of Directors may designate one or more committees, each such committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent permitted by law and provided in the resolution of the Board of Directors or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing any bylaw of the Corporation. All committees of the Board of Directors shall keep minutes of their meetings and shall report their proceedings to the Board of Directors when requested or required by the Board of Directors.

Section 4.2 Meetings and Action of Committees. Unless the Board of Directors provides otherwise by resolution, any committee of the Board of Directors may adopt, alter and repeal such rules and regulations not inconsistent with the provisions of law, the Certificate of Incorporation or these Bylaws for the conduct of its meetings as such committee may deem proper.

ARTICLE V
OFFICERS

Section 5.1 Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer, a Secretary and may consist of one or more Vice Presidents and such other officers as the Board of Directors may from time to time determine, each of whom shall be appointed by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be appointed by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person’s successor shall have been duly elected and qualified, or until such person’s earlier death, disqualification, resignation or removal. Any number of offices may be held by the same person.

Section 5.2 Compensation. The salaries of the officers of the Corporation and the manner and time of the payment of such salaries shall be fixed and determined, and may be altered, by the Board of Directors directly or by delegated authority from time to time as it deems appropriate, subject to the rights, if any, of such officers under any contract of employment.

Section 5.3 Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, and any officer may resign at any time upon notice given in writing or by electronic transmission to the Corporation. If any vacancy occurs in any office of the Corporation, the Board of Directors may appoint a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly appointed and qualified.

Section 5.4 Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation, shall be responsible for corporate policy and strategy, and shall report directly to the Board of Directors. Unless otherwise provided in these Bylaws, all other officers of the Corporation shall report directly to the Chief Executive Officer or as otherwise determined by the Chief Executive Officer. The Chief Executive Officer shall, if present and in the absence of the Chairman of the Board of Directors, preside at meetings of the stockholders.

Section 5.5 President. If there is no separate Chief Operating Officer, the President shall be the chief operating officer of the Corporation, with general responsibility for the management and control of the operations of the Corporation. The President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors or the Chief Executive Officer may from time to time determine.

Section 5.6 Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation. The Chief Financial Officer may also be the chief accounting officer of the Corporation. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President may from time to time determine.

Section 5.7 Vice Presidents. Each Vice President designated by the Board of Directors shall have such powers and duties as shall be prescribed by his or her superior officer, the Chief Executive Officer or the President. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President may from time to time determine.

Section 5.8 Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer, the President or the Chief Financial Officer may from time to time determine.

Section 5.9 Secretary. The powers and duties of the Secretary are: (i) to act as Secretary at all meetings of the Board of Directors, of the committees of the Board of Directors and of the stockholders and to record the proceedings of such meetings in a book or books to be kept for that purpose; (ii) to see that all notices required to be given by the Corporation are duly given and served; (iii) to act as custodian of the seal of the Corporation and affix the seal or cause it to be affixed to all certificates of stock of the Corporation and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; (iv) to have charge of the books, records and papers of the Corporation and see that the reports, statements and other documents required by law to be kept and filed are properly kept and filed; and (v) to perform all of the duties incident to the office of Secretary. The Secretary shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors, the Chief Executive Officer or the President may from time to time determine.

Section 5.10 Additional Matters. The Chief Executive Officer, President, and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Vice President, Controller, Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless appointed by the Board of Directors.

Section 5.11 Checks; Drafts; Evidences of Indebtedness. From time to time, the Board of Directors shall determine the method, and designate (or authorize officers of the Corporation to designate) the person or persons who shall have authority, to sign or endorse all checks, drafts, other orders for payment of money, notes, bonds, debentures or other evidences of indebtedness that are issued in the name of or payable by the Corporation, and only the persons so authorized shall sign or endorse such instruments.

Section 5.12 Corporate Contracts and Instruments; How Executed. Except as otherwise provided in these Bylaws, the Board of Directors may determine the method, and designate (or authorize officers of the Corporation to designate) the person or persons who shall have authority, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances. Unless so authorized, or within the power incident to a person's office or other position with the Corporation, no person shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 5.13 Signature Authority. Unless otherwise specifically determined by the Board of Directors or otherwise provided by law or these Bylaws, contracts, evidences of indebtedness and other instruments or documents of the Corporation may be executed, signed or endorsed by the Chief Executive Officer, the President or the Chief Financial Officer.

Section 5.14 Action with Respect to Securities of Other Corporations or Entities. Each of the Chief Executive Officer and any other officer of the Corporation appointed by the Board of Directors, or any other person authorized by the Board of Directors or the Chief Executive Officer, is authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares or other equity interests of any other corporation or entity or corporations or entities, standing in the name of the Corporation. The authority herein granted may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

Section 5.15 Delegation. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding the foregoing provisions of this Article V.

ARTICLE VI
INDEMNIFICATION AND ADVANCEMENT OF EXPENSES

Section 6.1 Right to Indemnification. Each person who was or is a party or is threatened to be made a party to, or was or is otherwise involved in, any action, suit, arbitration, alternative dispute mechanism, inquiry, judicial, administrative or legislative hearing, investigation or any other threatened, pending or completed proceeding, whether brought by or in the right of the Corporation or otherwise, including any and all appeals, whether of a civil, criminal, administrative, legislative, investigative or other nature (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation designated as an officer by resolution of the Board of Directors or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), or by reason of anything done or not done by him or her in any such capacity, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement by or on behalf of the indemnitee) actually and reasonably incurred by such indemnitee in connection therewith; provided, however, that, except as otherwise required by law or provided in Section 6.3 with respect to proceedings to enforce rights under this Article VI, the Corporation shall indemnify any such indemnitee in connection with a proceeding, or part thereof, initiated by such indemnitee (including claims and counterclaims, whether such counterclaims are asserted by (i) such indemnitee, or (ii) the Corporation in a proceeding initiated by such indemnitee) only if such proceeding, or part thereof, was authorized or ratified by the Board of Directors.

Section 6.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 6.1, an indemnitee shall, to the fullest extent not prohibited by law, also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending any proceeding with respect to which indemnification is required under Section 6.1 in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that an advancement of expenses shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article VI or otherwise.

Section 6.3 Right of Indemnitee to Bring Suit. If a request for indemnification under Section 6.1 is not paid in full by the Corporation within 60 days, or if a request for an advancement of expenses under Section 6.2 is not paid in full by the Corporation within 20 days, after a written request has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation in a court of competent jurisdiction in the State of Delaware seeking an adjudication of entitlement to such indemnification or advancement of expenses. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit to the fullest extent permitted by law. In any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Further, in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard of conduct for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under applicable law, this Article VI or otherwise shall be on the Corporation.

Section 6.4 Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law, agreement, vote of stockholders or disinterested directors, provisions of a certificate of incorporation or bylaws, or otherwise.

Section 6.5 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 6.6 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent and in the manner permitted by applicable law, and to the extent authorized from time to time, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation.

Section 6.7 Nature of Rights. The rights conferred upon indemnitees in this Article VI shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Any amendment, alteration or repeal of this Article VI that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment, alteration or repeal.

Section 6.8 Settlement of Claims. Notwithstanding anything in this Article VI to the contrary, the Corporation shall not be liable to indemnify any indemnitee under this Article VI for any amounts paid in settlement of any proceeding effected without the Corporation's written consent, which consent shall not be unreasonably withheld, or for any judicial award if the Corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such proceeding.

Section 6.9 Subrogation. In the event of payment under this Article VI, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation effectively to bring suit to enforce such rights.

Section 6.10 Severability. If any provision or provisions of this Article VI shall be held to be invalid, illegal or unenforceable for any reason whatsoever, (a) the validity, legality and enforceability of the remaining provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Article VI (including, without limitation, all portions of any paragraph of this Article VI containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the Corporation provide protection to the indemnitee to the fullest enforceable extent.

ARTICLE VII
CAPITAL STOCK

Section 7.1 Certificates of Stock. The shares of the Corporation shall be represented by certificates; provided, however, that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary of the Corporation or an Assistant Secretary, of the Corporation certifying the number of shares owned by such holder in the Corporation. Any or all such signatures may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 7.2 Special Designation on Certificates. If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 7.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this Section 7.2 a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly required by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 7.3 Transfers of Stock. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation upon authorization by the registered holder thereof or by such holder's attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary of the Corporation or a transfer agent for such stock, and if such shares are represented by a certificate, upon surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of any taxes thereon; provided, however, that the Corporation shall be entitled to recognize and enforce any lawful restriction on transfer.

Section 7.4 Lost Certificates. The Corporation may issue a new share certificate or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate or the owner's legal representative to give the Corporation a bond (or other adequate security) sufficient to indemnify it against any claim that may be made against it (including any expense or liability) on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares. The Board of Directors may adopt such other provisions and restrictions with reference to lost certificates, not inconsistent with applicable law, as it shall in its discretion deem appropriate.

Section 7.5 Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 7.6 Record Date for Determining Stockholders.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjourned meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjourned meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.7 Regulations. To the extent permitted by applicable law, the Board of Directors may make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares of stock of the Corporation.

Section 7.8 Waiver of Notice. Whenever notice is required to be given under any provision of the DGCL or the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, the Board of Directors or a committee of the Board of Directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

ARTICLE VIII
GENERAL MATTERS

Section 8.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December of the same year, or shall extend for such other 12 consecutive months as the Board of Directors may designate.

Section 8.2 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary of the Corporation. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 8.3 Reliance Upon Books, Reports and Records. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 8.4 Subject to Law and Certificate of Incorporation. All powers, duties and responsibilities provided for in these Bylaws, whether or not explicitly so qualified, are qualified by the Certificate of Incorporation and applicable law.

ARTICLE IX
AMENDMENTS

Section 9.1 Amendments. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal these Bylaws. Except as otherwise provided in the Certificate of Incorporation or these Bylaws, and in addition to any requirements of law, the affirmative vote of at least 66 ⅔% of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, shall be required for the stockholders to adopt, amend or repeal any provision of these Bylaws.

The foregoing Bylaws were adopted by the Board of Directors on October 30, 2013 to be effective upon the completion of the initial public offering.

Exhibit 10.1

adMonitor, Inc.

2007 STOCK INCENTIVE PLAN

ARTICLE ONE

GENERAL PROVISIONS

A. **Purpose of the Plan**

1. This 2007 Stock Incentive Plan is intended to promote the interests of adMonitor, Inc., a Delaware corporation (the "Corporation"), by providing eligible persons with the opportunity to acquire a proprietary interest, or otherwise increase their proprietary interest, in the Corporation as an incentive for them to remain in the Service of the Corporation.

2. Capitalized terms shall have the meanings assigned to such terms in the attached Appendix.

B. **Structure of the Plan**

1. The Plan shall be divided into two separate equity programs:

(a) the Discretionary Option Grant Program under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase shares of Common Stock; and

(b) the Stock Issuance Program under which eligible persons may, at the discretion of the Plan Administrator, be issued shares of Common Stock directly, either through the immediate purchase of such shares, as bonus for services rendered the Corporation (or any Parent or Subsidiary), or pursuant to share right awards which entitle Participants to receive shares upon the attainment of designated Performance Goals or Service requirements; and

2. The provisions of Articles One and Four shall apply to all equity programs under the Plan and shall govern the interests of all persons under the Plan.

C. **Administration of the Plan**

1. The Board shall administer the Plan, However, any or all administrative functions otherwise exercisable by the Board may be delegated to the Committee. Members of the Committee shall serve for such period of time as the Board may determine and shall be subject to removal by the Board at any time. The Board may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

2. The Plan Administrator shall, within the scope of its administrative functions under the Plan, have full power and authority (subject to the provisions of the Plan) to

establish such rules and regulations as it may deem appropriate for proper administration of the Discretionary Option Grant and Stock Issuance Programs and to make such determinations under, and issue such interpretations of, the provisions of such programs and any outstanding options or stock issuances thereunder as it may deem necessary or advisable. Decisions of the Plan Administrator within the scope of its administrative functions under the Plan shall be final and binding on all parties who have an interest in the Discretionary Option Grant and Stock Issuance Programs under its jurisdiction or any option or stock issuance thereunder.

3. The Plan Administrator shall, within the scope of its administrative jurisdiction under the Plan, have full authority to determine: (i) with respect to the option grants under the Discretionary Option Grant Program, which eligible persons are to receive grants, the time or times when such grants are to be made, the number of shares to be covered by each such grant, the status of a granted option as either an Incentive Option or a Non-Statutory Option, the time or times when each option is to become exercisable, the vesting schedule (if any) applicable to the option shares and the maximum term for which the option is to remain outstanding; and (ii) with respect to stock issuances under the Stock Issuance Program, which eligible persons are to receive stock issuances, the time or times when such issuances are to be made, the number of shares to be issued to each Participant, the vesting schedule (if any) applicable to the issued shares and the consideration for such shares.

4. The Plan Administrator shall have the absolute discretion either to grant options in accordance with the Discretionary Option Grant Program or to effect stock issuances in accordance with the Stock Issuance Program.

5. Service on any Committee shall constitute service as a Board member, and members of each such Committee shall accordingly be entitled to full indemnification and reimbursement as Board members for their service on such committee. No member of any Committee shall be liable for any act or omission made in good faith with respect to the Plan or any option grants or stock issuances under the Plan,

D. **Eligibility**

1. The persons eligible to participate in the Discretionary Option Grant and Stock Issuance Programs are as follows:

(a) Employees,

(b) non-employee members of the Board or the board of directors of any Parent or Subsidiary, and

(c) consultants and other independent advisors who provide services to the Corporation (or any Parent or Subsidiary).

E. **Stock Subject to the Plan**

1. The stock issuable under the Plan shall be shares of authorized but unissued or reacquired Common Stock. The maximum number of shares of Common Stock initially reserved for issuance over the term of the Plan shall not exceed 3,000,000 shares.

2. Shares of Common Stock subject to outstanding options shall be available for subsequent issuance under the Plan to the extent those options expire or terminate for any reason prior to exercise in full. Unvested shares issued under the Plan and subsequently cancelled or repurchased by the Corporation at the original exercise or issue price paid per share, pursuant to the Corporation's repurchase rights under the Plan, shall be added back to the number of shares of Common Stock reserved for issuance under the Plan and shall accordingly be available for reissuance through one or more subsequent option grants or direct stock issuances under the Plan. In addition, should the exercise price of an option under the Plan be paid with shares of Common Stock or should shares of Common Stock otherwise issuable under the Plan be withheld by the Corporation in satisfaction of the withholding taxes incurred in connection with the exercise of an option or the vesting of a stock issuance under the Plan, then the number of shares of Common Stock available for issuance under the Plan shall be reduced only by the net number of shares of Common Stock issued to the holder of such option or stock issuance, and not by the gross number of shares for which the option is exercised or which vest under the stock issuance.

3. If any change is made to the Common Stock by reason of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration, appropriate adjustments shall be made to:

(a) the maximum number and/or class of securities issuable under the Plan;

(b) the number and/or class of securities for which any one person may be granted stock options, direct stock issuances and share right awards under this Plan per calendar year; and

(c) the number and/or class of securities and the exercise price per share (without change in the total price applicable to the unexercised portion of the option).

The adjustments determined by the Plan Administrator shall be final, binding and conclusive.

ARTICLE TWO

DISCRETIONARY OPTION GRANT PROGRAM

A. **Option Terms**

Each option shall be evidenced by one or more documents in the form approved by the Plan Administrator; provided, however, that each such document shall comply with the terms specified below. Each document evidencing an Incentive Option shall, in addition, be subject to the provisions of the Plan applicable to such option.

1. Exercise Price.

(a) The exercise price per share shall be fixed by the Plan Administrator but shall not be less than 100% of the Fair Market Value per share of Common Stock on the option grant date.

(b) The exercise price shall become immediately due upon exercise of the option and may, subject to the provisions of Section 1 of Article Four and the documents evidencing the option, be payable in one or more of the forms specified below:

1) cash or certified check made payable to the Corporation, or

2) shares of Common Stock valued at Fair Market Value on the Exercise Date.

Except to the extent such sale and remittance procedure is utilized, payment of the exercise price for the purchased shares must be made on the Exercise Date.

2. Exercise and Term of Options.

Each option shall be exercisable at such time or times, during such period and for such number of shares as shall be determined by the Plan Administrator and set forth in the documents evidencing the option. Except as otherwise provided by the Board in a stock option agreement entered into with an Optionee, 25% of the shares covered by the option shall become exercisable upon the expiration of one year from the Grant Date and, thereafter, the remaining 75% of the shares covered by the option shall become exercisable in thirty-six (36) equal monthly installments at the end of each calendar month for thirty-six (36) calendar months. No option shall have a term in excess of ten (10) years measured from the option grant date.

3. Effect of Termination of Service.

(a) The following provisions shall govern the exercise of any options held by the Optionee at the time of cessation of Service or death:

1) Any option outstanding at the time of the Optionee’s cessation of Service for any reason shall remain exercisable for such period of time thereafter as shall be determined by the Plan Administrator and set forth in the documents evidencing the option.

2) Any option held by the Optionee at the time of death and exercisable in whole or in part at that time may be subsequently exercised by the personal representative of the Optionee’s estate or by the person or persons to whom the option is transferred pursuant to the Optionee’s will or in accordance with the laws of descent and distribution or, with respect to Non-Statutory Options, by the Optionee’s designated beneficiary or beneficiaries of that option.

3) Except as otherwise determined in the discretion of the Plan Administrator either at the time an option is granted or at any time the option remains outstanding, should the Optionee’s Service be terminated for Misconduct or should the Optionee otherwise engage in Misconduct while holding one or more outstanding options under this Article Two, then all those options shall terminate immediately and cease to be outstanding.

(b) During the applicable post-Service exercise period, the option may not be exercised in the aggregate for more than the number of vested shares for which the option is exercisable on the date of the Optionee's cessation of Service. Upon the expiration of the applicable exercise period or (if earlier) upon the expiration of the option term, the option shall terminate and cease to be outstanding for any vested shares for which the option has not been exercised. However, the option shall, immediately upon the Optionee's cessation of Service, terminate and cease to be outstanding to the extent the option is not otherwise at that time exercisable for vested shares.

(c) The Plan Administrator shall have compete discretion, either at the time an option is granted or at any time while the option remains outstanding, to:

1) extend the period of time for which the option is to remain exercisable following the Optionee's cessation of Service from the limited exercise period otherwise in effect for that option to such greater period of time as the Plan Administrator shall deem appropriate, but in no event beyond the expiration of the option term, and/or

2) permit the option to be exercised, during the applicable post-Service exercise period, not only with respect to the number of vested shares of Common Stock for which such option is exercisable at the time of the Optionee's cessation of Service but also with respect to one or more additional installments in which the Optionee would have vested had the Optionee continued in Service.

4. Stockholder Rights.

The holder of an option shall have no stockholder rights with respect to the shares subject to the option until such person shall have exercised the option, paid the exercise price and become a holder of record of the purchased shares.

5. Repurchase Rights.

The Plan Administrator shall have the discretion to grant options which are exercisable for unvested shares of Common Stock. Should the Optionee cease Service while holding such unvested shares, the Corporation shall have the right to repurchase, at the exercise price paid per share, any or all of those unvested shares. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Plan Administrator and set forth in the document evidencing such repurchase right.

6. Limited Transferability of Options.

During the lifetime of the Optionee, Incentive Options shall be exercisable only by the Optionee and shall not be assignable or transferable other than by will or by the laws of descent and distribution following the Optionee's death. Non-Statutory Options shall be subject to the same limitation, except that a Non-Statutory Option may be assigned in whole or in part during Optionee's lifetime to one or more members of the Optionee's Immediate Family or to a trust established for the exclusive benefit of one or more members of the Optionee's Immediate Family or the Optionee's former spouse, to the extent such assignment is in connection with Optionee's estate plan or pursuant to a domestic relations order. The assigned portion shall be exercisable only by the person or persons who acquire a proprietary interest in the option pursuant to such assignment. The terms applicable to the assigned portion shall be the same as those in effect for this option immediately prior to such assignment and shall be set forth in such documents issued to the assignee as the Plan Administrator may deem appropriate. Notwithstanding the foregoing, the Optionee may also designate one or more persons as the beneficiary or beneficiaries of his or her outstanding Non-Statutory Options under this Article Two, and those options shall, in accordance with such designation, automatically be transferred to such beneficiary or beneficiaries upon the Optionee's death while holding those options. Such beneficiary or beneficiaries shall take the transferred option subject to all the terms and conditions of this Agreement, including (without limitation) the limited time period during which the option may be exercised following the Optionee's death.

B. **Incentive Options**

1. The terms specified below shall be applicable to all Incentive Options. Except as modified by the provisions of this Section B of Article Two, all the provisions of Articles One, Two and Four shall be applicable to Incentive Options. Options which are specifically designated as Non-Statutory Options when issued under the Plan shall NOT be subject to the terms of this Section B of Article Two.

2. <u>Eligibility</u>.

Incentive Options may only be granted to Employees.

3. <u>Exercise Price</u>.

The exercise price per share shall not be less than 100% of the Fair Market Value per share of Common Stock on the option grant date.

4. <u>Dollar Limitation</u>.

The aggregate Fair Market Value of the shares of Common Stock (determined as of the respective date or dates of grant) for which one or more options granted to any Employee under the Plan (or any other option plan of the Corporation or any Parent or Subsidiary) may for the first time become exercisable as Incentive Options during any one calendar year shall not exceed the sum of $100,000. To the extent the Employee holds two or more such options which become exercisable for the first time in the same calendar year, the foregoing limitation on the exercisability of such options as Incentive Options shall be applied on the basis of the order in which such options are granted.

5. Failure to Qualify as Incentive Option.

To the extent that any option governed by this P an does not qualify as an Incentive Option by reason of the dollar limitation described in Section B.4 of this Article Two or for any other reason, such option shall continue to be outstanding and exercisable in accordance with its terms and conditions, but as a Non-Statutory Option under the Federal tax laws.

6. 10% Stockholder.

If any Employee to whom an Incentive Option granted is a 10% Stockholder, then the exercise price per share shall not be less than 110% of the Fair Market Value per share of Common Stock on the option grant date, and the option term shall not exceed five (5) years measured from the option grant date.

C. **Change in Control**

1. Except to the extent expressly provided in an option agreement pursuant to paragraphs 5 or 6 below, no option outstanding at the time of a Change in Control shall become exercisable on an accelerated basis if and to the extent:

(a) that option is, in connection with the Change in Control, assumed by the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the terms of the Change in Control transaction,

(b) such option is replaced with a cash incentive program of the successor corporation which preserves the spread existing at the time of the Change in Control on the shares of Common Stock for which the option is not otherwise at that time exercisable, provides for subsequent payout in accordance with the same exercise/vesting schedule applicable to those option shares and does not cause any IRC 409A Consequences, or

(c) the acceleration of such option is subject to other limitations imposed by the Plan Administrator at the time of the option grant.

However, if none of the foregoing conditions are satisfied, then each option outstanding at the time of the Change in Control but not otherwise exercisable for all the shares of Common Stock at that time subject to such option shall automatically accelerate so that each such option shall, immediately prior to the effective date of the Change in Control, become exercisable for all the shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares as fully vested shares of Common Stock.

2. All of the Corporation's outstanding repurchase rights under the Discretionary Option Grant Program shall also terminate automatically, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of any Change in Control, except to the extent:

(a) those repurchase rights are assigned to the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the terms of the Change in Control transaction or

(b) such accelerated vesting is precluded by other limitations imposed by the Plan Administrator at the time the repurchase right is issued.

3. Immediately following the consummation of the Change in Control, all outstanding options shall terminate and cease to be outstanding, except to the extent assumed by the successor corporation (or parent thereof) or otherwise expressly continued in full force and effect pursuant to the terms of the Change in Control transaction.

4. Each option which is assumed in connection with a Change in Control or otherwise continued in effect shall be appropriately adjusted, immediately after such Change in Control, to apply to the number and class of securities which would have been issuable to the Optionee in consummation of such Change in Control had the option been exercised immediately prior to such Change in Control. Appropriate adjustments to reflect such Change in Control shall also be made to:

(a) the exercise price payable per share under each outstanding option, provided the total exercise price payable for such securities shall remain the same;

(b) the maximum number and/or class of securities available for issuance over the remaining term of the Plan;

(c) the maximum number and/or class of securities available for issuance over the remaining term of the Plan;

(d) the maximum number and/or class of securities for which any one person may be granted options, direct stock issuances and share right awards under the Plan per calendar year; and

(e) the maximum number and class of securities which may be added to the Plan through the repurchase of shares. To the extent the actual holders of the Corporation's outstanding Common Stock receive cash consideration for their Common Stock in consummation of the Change in Control transaction, the successor corporation may, in connection with the assumption of the outstanding options under the Discretionary Option Grant Program, substitute one or more shares of its own common stock with a fair market value equivalent to the cash consideration paid per share of Common Stock in such Change in Control transaction.

5. The Plan Administrator shall have the discretionary authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall, immediately prior to the effective date of a Change in Control, become exercisable for all the shares of Common Stock at that time subject to such options on an accelerated basis and may be exercised for any or all of such shares as fully vested shares of Common Stock, whether or not those options are to be assumed or otherwise continued in full force and effect or replaced with a cash incentive program pursuant to the express terms of the Change in Control

transaction. In addition, the Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Discretionary Option Grant Program so that those rights shall immediately terminate at the time of such Change in Control and shall not be assignable to the successor corporation (or parent thereof), and the shares subject to those terminated rights shall accordingly vest in full at the time of such Change in Control.

6. The Plan Administrator shall have full power and authority to structure one or more outstanding options under the Discretionary Option Grant Program so that those options shall vest and become exercisable for all the shares of Common Stock at that time subject to such options on an accelerated basis in the event the Optionee's Service is subsequently terminated by reason of an Involuntary Termination within a designated period (not to exceed 18 months) following the effective date of any Change in Control in which those options do not otherwise accelerate. Any options so accelerated shall remain exercisable for fully vested shares of Common Stock until the expiration or sooner termination of the option term. In addition, the Plan Administrator may structure one or more of the Corporation's repurchase rights under the Discretionary Option Grant Program so that those rights shall immediately terminate with respect to any shares of Common Stock held by the Optionee at the time of his or her Involuntary Termination, and the shares subject to those terminated repurchase rights shall accordingly vest in full at that time.

7. The portion of any Incentive Option accelerated in connection with a Change in Control shall remain exercisable as an Incentive Option only to the extent the applicable $100,000 limitation is not exceeded. To the extent such dollar limitation is exceeded, the accelerated portion of such option shall be exercisable as a Non-Statutory Option under the Federal tax laws.

8. The grant of options under the Discretionary Option Grant Program shall in no way affect the right of the Corporation to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

ARTICLE THREE

STOCK ISSUANCE PROGRAM

A. **Stock Issuances**

Shares of Common Stock may be issued under the Stock Issuance Program through direct and immediate issuances without any intervening option grants. Each such stock issuance shall be evidenced by a Stock Issuance Agreement which complies with the terms specified below. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to share right awards which entitle the recipients to receive those shares upon the attainment of designated Performance Goals or Service requirements.

B. **Stock Issuance Terms**

1. Purchase Price.

(a) The purchase price per share shall be fixed by the Plan Administrator, but shall not be less than 100% of the Fair Market Value per share of Common Stock on the issuance date.

(b) Subject to the provisions of Section 1 of Article Four, shares of Common Stock may be issued under the Stock Issuance Program for any of the following items of consideration which the Plan Administrator may deem appropriate in each individual instance:

1) cash or certified check made payable to the Corporation, or

2) past services rendered to the Corporation (or any Parent or Subsidiary).

2. Vesting Provisions.

(a) Shares of Common Stock issued under the Stock Issuance Program may, in the discretion of the Plan Administrator, be fully and immediately vested upon issuance or may vest in one or more installments over the Participant's period of Service or upon attainment of specified performance objectives. The elements of the vesting schedule applicable to any unvested shares of Common Stock issued under the Stock Issuance Program shall be determined by the Plan Administrator and incorporated into the Stock Issuance Agreement. Except as otherwise provided by the Board in the Stock Issuance Agreement entered into with a Participant, 25% of the shares issued shall vest upon the expiration of one year from the Grant Date and, thereafter, the remaining 75% of the shares covered by the option shall vest in thirty-six (36) equal monthly installments at the end of each calendar month for thirty-six (36) calendar months. Shares of Common Stock may also be issued under the Stock Issuance Program pursuant to share right awards which entitle the recipients to receive those shares upon the attainment of designated Performance Goals or Service requirements. Upon the attainment of such Performance Goals or Service requirements, fully vested shares of Common Stock shall be issued upon satisfaction of those share right awards. For purposes of qualifying grants of stock as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals shall be set by the Administrator on or before the latest date permissible to enable the stock to qualify as "performance-based compensation" under Section 162(m) of the Code. In granting stock which is intended to qualify under Section 162(m) of the Code, the Administrator shall follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the stock under Section 162(m) of the Code (e.g., in determining the Performance Goals).

(b) Any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) which the Participant may have the right to receive with respect to the Participant's unvested shares of Common Stock by reason of any stock dividend, stock split, recapitalization, combination of shares, exchange of shares or other change affecting the outstanding Common Stock as a class without the Corporation's receipt of consideration shall be issued subject to: a) the same vesting requirements applicable to the Participant's unvested shares of Common Stock; and b) such escrow arrangements as the Plan Administrator shall deem appropriate.

(c) The Participant shall have full stockholder rights with respect to any shares of Common Stock issued to the Participant under the Stock Issuance Program, whether or not the Participant's interest in those shares is vested. Accordingly, the Participant shall have the right to vote such shares and to receive any regular cash dividends paid on such shares. The holder of a share right award shall have no stockholder rights with respect to such award until shares of Common Stock have been issued to such Participant in satisfaction of such award.

(d) Should the Participant cease to remain in Service while holding one or more unvested shares of Common Stock issued under the Stock Issuance Program or should the performance objectives not be attained with respect to one or more such unvested shares of Common Stock, then those shares shall be immediately surrendered to the Corporation for cancellation, and the Participant shall have no further stockholder rights with respect to those shares. To the extent the surrendered shares were previously issued to the Participant for consideration paid in cash or cash equivalent (including the Participants purchase-money indebtedness), the Corporation shall repay to the Participant the cash consideration paid for the surrendered shares and shall cancel the unpaid principal balance of any outstanding purchase-money note of the Participant attributable to the surrendered shares.

(e) The Plan Administrator may in its discretion waive the surrender and cancellation of one or more unvested shares of Common Stock which would otherwise occur upon the cessation of the Participant's Service or then on-attainment of the performance objectives applicable to those shares. Such waiver shall result in the immediate vesting of the Participant's interest in the shares as to which the waiver applies. Such waiver may be effected at anytime, whether before or after the Participant's cessation of Service or the attainment or non-attainment of the applicable performance objectives.

(f) Outstanding share right awards under the Stock Issuance Program shall automatically terminate, and no shares of Common Stock shall actually be issued in satisfaction of those awards, if the Performance Goals or Service requirements established for such awards are not attained. The Plan Administrator, however, shall have the discretionary authority to issue shares of Common Stock under one or more outstanding share right awards as to which the designated Performance Goals or Service requirements have not been attained.

C. **Change in Control**

1. All of the Corporation's outstanding repurchase rights under the Stock Issuance Program shall terminate automatically, and all the shares of Common Stock subject to those terminated rights shall immediately vest in full, in the event of any Change in Control, except to the extent (i) those repurchase rights are assigned to the successor corporation (or parent thereof) or otherwise continued in full force and effect pursuant to the express terms of the Change in Control transaction or (ii) such accelerated vesting is precluded by other limitations imposed in the Stock Issuance Agreement.

2. The Plan Administrator shall have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Stock Issuance Program so that those rights shall automatically terminate in whole or in part upon the occurrence of a Change in

Control and shall not be assignable to the successor corporation (or parent thereof), and the shares of Common Stock subject to those terminated rights shall immediately vest in full at the time of such Change in Control.

3. The Plan Administrator shall also have the discretionary authority to structure one or more of the Corporation's repurchase rights under the Stock Issuance Program so that those rights shall automatically terminate in whole or in part, and the shares of Common Stock subject to those terminated rights shall immediately vest in full, upon the Involuntary Termination of the Participant's Service within a designated period (not to exceed 18 months) following the effective date of any Change in Control in which those repurchase rights do not otherwise terminate.

ARTICLE FOUR

MISCELLANEOUS

A. **Financing**

The Plan Administrator may permit any Optionee or Participant to pay the option exercise price under the Discretionary Option Grant Program or the purchase price of shares issued under the Stock Issuance Program by delivering an interest bearing promissory note payable in one or more installments that is recourse as to at least 25% of the purchase price and secured by the shares issuable, provided that such purchase with a promissory note shall not be permitted, and any outstanding promissory note shall be required to be repaid, if it will cause any violation of the Sarbanes-Oxley Act of 2002. The terms of any such promissory note (including the interest rate and the terms of repayment) shall be established by the Plan Administrator in its sole discretion. In no event may the maximum credit available to the Optionee or Participant exceed the sum of (i) the aggregate option exercise price or purchase price payable for the purchased shares plus (ii) any Federal, state and local income and employment tax liability incurred by the Optionee or the Participant in connection with the option exercise or share purchase.

B. **First Refusal Rights**

The Corporation shall have the right of first refusal with respect to any proposed disposition by the Optionee or Participant (or any successor in interest) of any shares of Common Stock issued under the Plan. Such right of first refusal shall be exercisable and lapse in accordance with the terms established by the Plan Administrator and set forth in the document evidencing such right.

C. **Share Escrow/Legends**

Unvested shares issued under the Plan may, in the Plan Administrator's discretion, be held in escrow by the Corporation until the Participant's interest in such shares vests or may be issued directly to the Participant with restrictive legends on the certificates evidencing those unvested shares.

D. **Tax Withholding**

1. The Corporation's obligation to deliver shares of Common Stock upon the exercise of options or the issuance or vesting of such shares under the Plan shall be subject to the satisfaction of all applicable Federal, state and local income and employment tax withholding requirements.

2. The Plan Administrator may, in its discretion, provide any or all holders of Non-Statutory Options or unvested shares of Common Stock under the Plan with the right to use shares of Common Stock in satisfaction of all or part of the Taxes incurred by such holders in connection with the exercise of their options or the vesting of their shares. Such right may be provided to any such holder in either or both of the following formats:

(a) *Stock Withholding:* The election to have the Corporation withhold from the shares of Common Stock otherwise issuable upon the exercise of such Non-Statutory Option or the vesting of such shares, a portion of those shares with an aggregate Fair Market Value equal to the amount of the Taxes (not to exceed one hundred percent (100%) of such Taxes) to be satisfied in such manner as designated by the holder in writing; or

(b) *Stock Delivery:* The election to deliver to the Corporation, at the time the Non-Statutory Option is exercised or the shares vest, one or more shares of Common Stock previously acquired by such holder (other than in connection with the option exercise or share vesting triggering the Taxes) with an aggregate Fair Market Value equal to the amount of the Taxes (not to exceed 100% of such Taxes) to be satisfied in such manner as designated by the holder in writing.

E. **Effective Date and Term of the Plan**

1. The Plan shall become effective immediately upon the Plan Effective Date. Options may be granted under the Discretionary Option Grant at any time on or after the Plan Effective Date. However, no options granted under the Plan maybe exercised, and no shares shall be issued under the Plan, until the Plan is approved by the Corporation's stockholders. If such stockholder approval is not obtained within 12 months after the Plan Effective Date, then all options previously granted under this Plan shall terminate and cease to be outstanding, and no further options shall be granted and no shares shall be issued under the Plan.

2. The Plan shall terminate upon the EARLIEST of (1) the tenth (10^{th}) anniversary of the Plan Effective Date, (2) the date on which all shares available for issuance under the Plan shall have been issued as fully-vested shares or (3) the termination of all outstanding options in connection with a Change in Control. Upon such plan termination, all outstanding option grants and unvested stock issuances shall thereafter continue to have force and effect in accordance with the provisions of the documents evidencing such grants or issuances.

F. **Amendment of the Plan**

1. The Board shall have complete and exclusive power and authority to amend or modify the Plan in any or all respects. However, no such amendment or modification

shall adversely affect the rights and obligations with respect to stock options or unvested stock issuances at the time outstanding under the Plan unless the Optionee or the Participant consents to such amendment or modification. In addition, certain amendments may require stockholder approval pursuant to applicable laws or regulations.

2. Options to purchase shares of Common Stock may be granted under the Discretionary Option Grant Program and shares of Common Stock may be issued under the Stock Issuance Program that are in each instance in excess of the number of shares then available for issuance under the Plan, provided any excess shares actually issued under those programs shall be held in escrow until there is obtained any required approval of an amendment sufficiently increasing the number of shares of Common Stock available for issuance under the Plan. If such approval is not obtained within twelve (12) months after the date the first such excess issuances are made, then (1) any unexercised options granted on the basis of such excess shares shall terminate and cease to be outstanding and (2) the Corporation shall promptly refund to the Optionees and the Participants the exercise or purchase price paid for any excess shares issued under the Plan and held in escrow, together with interest(at the applicable Short Term Federal Rate) for the period the shares were held in escrow, and such shares shall thereupon be automatically cancelled and cease to be outstanding.

G. **Use of Proceeds**

Any cash proceeds received by the Corporation from the sale of shares of Common Stock under the Plan shall be used for general corporate purposes.

H. **Regulatory Approvals**

1. The implementation of the Plan, the granting of any stock option under the Plan and the issuance of any shares of Common Stock (1) upon the exercise of any granted option or (2) under the Stock Issuance Program shall be subject to the Corporation's procurement of all approvals and permits required by regulatory authorities having jurisdiction over the Plan, the stock options granted under it and the shares of Common Stock issued pursuant to it.

2. No shares of Common Stock or other assets shall be issued or delivered under the Plan unless and until there shall have been compliance with all applicable requirements of Federal and state securities laws, and all applicable listing requirements of any Stock Exchange (or the Nasdaq National Market, if applicable) on which Common Stock is then listed for trading.

I. **Financial Information**

The Corporation shall deliver a balance sheet and an income statement at least annually to each Optionee and Participant, unless such individual is a key Employee whose duties in connection with the Corporation (or any Parent or Subsidiary) assure such individual access to equivalent information.

J. **No Employment/Service Rights**

Nothing in the Plan shall confer upon the Optionee or the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Corporation (or any Parent or Subsidiary employing or retaining such person) or of the Optionee or the Participant, which rights are hereby expressly reserved by each, to terminate such person's Service at any time for any reason, with or without cause.

ARTICLE FIVE

APPENDIX

The following definitions shall be in effect under the Plan:

A. BOARD shall mean the Corporation's Board of Directors.

B. CHANGE IN CONTROL shall mean a change in ownership or control of the Corporation effected through any of the following transactions:

1. a stockholder-approved merger, consolidation or other reorganization in which securities representing more than 50% of the total combined voting power of the Corporation's outstanding securities become beneficially owned, directly or indirectly, by a person or related group of persons (other than a person or related group of persons that, immediately prior to such transaction, directly or indirectly controlled, was controlled by, or was under common control with, the Corporation);

2. a stockholder-approved sale, transfer or other disposition of all or substantially all of the Corporation's assets to any person or related group of persons (other than a person or related group of persons that, immediately prior to such transaction, directly or indirectly controlled, was controlled by, or was under common control with, the Corporation); or

3. the acquisition, directly or indirectly, by any person or related group of persons (other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation), of beneficial ownership (within the meaning of Rule 13-d3 of the 1934 Act) of securities possessing more than 50% of the total combined voting power of the Corporation's outstanding securities from a person or persons other than the Corporation.

In no event shall any public offering of the Corporation's securities be deemed to constitute a Change in Control.

C. CODE shall mean the Internal Revenue Code of 1986, as amended.

D. COMMITTEE shall mean a committee or one or more Board members, appointed by the Board to exercise one or more administrative functions under the Plan.

E. COMMON STOCK shall mean the Corporation's common stock.

F. CORPORATION shall mean adMonitor, Inc., a Delaware corporation, and its successors.

G. DISABILITY shall means a medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and which: (1) renders the individual unable to engage in any substantial gainful activity; or (2) results in the individual receiving income replacement benefits for a period of not less than three (3) months under any policy of long-term disability insurance maintained by a Corporation for the benefit of its employees.

H. DISCRETIONARY OPTION GRANT PROGRAM shall mean the discretionary option grant program in effect under the Plan.

I. EMPLOYEE shall mean an "employee" of the Corporation (or any Parent or Subsidiary) within the meaning of Section 3401(c) of the Code and the regulations thereunder.

J. EXERCISE DATE shall mean the date on which the Corporation shall have received written notice of the option exercise.

K. FAIR MARKET VALUE per share of Common Stock on any relevant date shall be determined in accordance with the following provisions:

1. If the Common Stock is at the time listed on the Nasdaq Stock Market, then the Fair Market Value shall be the closing selling price per share c f Common Stock on the date in question, as such price is reported by the National Association of Securities Dealers on the Nasdaq Stock Market and published in The Wall Street Journal. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

2. If the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the stock exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange and published in The Wall Street Journal. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists.

3. If the Common Stock is at the time neither listed on any Stock Exchange or the Nasdaq Stock Market, then the Fair Market Value shall be determined by the Plan Administrator after taking into account such factors as the Plan Administrator shall deem appropriate. In making any such determination, the Plan Administrator shall follow any procedures determined by it from time to time to be necessary to avoid the application of IRC 409A Consequences to any option.

L. IMMEDIATE FAMILY shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in- law, brother-in-law, or sister-in-law, and shall include adoptive relationships.

M. INCENTIVE OPTION shall mean an option which satisfies the requirements of Code Section 422.

N. INVOLUNTARY TERMINATION shall mean the termination of the Service of any individual which occurs by reason of:

1. such individual's involuntary dismissal or discharge by the Corporation for reasons other than Misconduct, or

2. such individual's voluntary resignation following (1) a change in his or her position with the Corporation which materially reduces his or her level of responsibility or the level of management to which Optionee reports, (2) a reduction in his or her level of compensation (including base salary, fringe benefits and participation in any corporate-performance based bonus or incentive programs) by more than 15% or (3) a relocation of such individual's place of employment by more than fifty (50) miles, provided and only if such change, reduction or relocation is effected by the Corporation without the individual's consent.

O. IRC 409A CONSEQUENCES shall mean, to the extent imposed by Section 409A of the Code, (1) inclusion in gross income of deferred compensation from current and prior years, (2) interest liability on deferred taxes at increased federal rate and (3) 20% excise tax on deferred compensation.

P. MISCONDUCT shall mean the commission of any act of fraud, embezzlement or dishonesty by the Optionee or Participant, any unauthorized use or disclosure by such person of confidential information or trade secrets of the Corporation (or any Parent or Subsidiary), or any other intentional misconduct by such person adversely affecting the business or affairs of the Corporation (or any Parent or Subsidiary) in a material manner. The foregoing definition shall not be deemed to be inclusive of all the acts or omissions which the Corporation (or any Parent or Subsidiary) may consider as grounds for the dismissal or discharge of any Optionee, Participant or other person in the Service of the Corporation (or any Parent or Subsidiary).

Q. 1934 ACT shall mean the Securities Exchange Act of 1934, as amended.

R. NON-STATUTORY OPTION shall mean an option not intended to satisfy the requirements of Code Section 422.

S. OPTIONEE shall mean any person to whom an option s granted under the Discretionary Option Grant Program.

T. PARENT shall mean any corporation (other than the Corporation) in an unbroken chain of corporations ending with the Corporation, provided each corporation in the unbroken chain (other than the Corporation) owns, at the time of the determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

U. PARTICIPANT shall mean any person who is issued shares of Common Stock or a share right award under the Stock Issuance Program.

V. PERFORMANCE GOALS shall mean the goal(s) (or combined goal(s)) determined by the Administrator (in its discretion) to be applicable to a Participant with respect to a share of stock. As determined by the Plan Administrator, the Performance Goals shall be objective and shall otherwise meet the requirements of Section 162(m)(4)(C) of the Code, and shall be based upon one or more of the following performance-based business criteria, either on a business unit or Company-specific basis or in comparison with peer group performance: net sales; gross sales; return on net assets; return on assets; return on equity; return on capital; return on revenues; asset turnover; economic value added; total stockholder return; net income; pre-tax income; operating profit margin; net income margin; sales margin; market share; inventory turnover; days sales outstanding; sales growth; capacity utilization; increase in customer base; cash flow; book value; share price performance (including options tied solely to appreciation in the fair market of the shares of Common Stock); earnings per share; stock price earnings ratio; earnings before interest, taxes, depreciation and amortization expenses ("EBITDA"); earnings before interest and taxes ("EBIT"); or EBITDA, EBIT or earnings before taxes and unusual or nonrecurring items as measured either against the annual budget or as a ratio to revenue. The Performance Goals may differ for each Participant and for each stock grant.

W. PLAN shall mean the Corporation's 2007 Stock Incentive Plan, as set forth in this document.

X. PLAN ADMINISTRATOR shall mean either the Board or the Committee acting in its capacity as administrator under the Plan.

Y. PLAN EFFECTIVE DATE shall mean the date on which the Plan was adopted by the Board.

Z. SERVICE shall mean the performance of services for the Corporation (or any Parent or Subsidiary) by a person in the capacity of an Employee, a non-employee member of the Board or a consultant or independent advisor, except to the extent otherwise specifically provided in the documents evidencing the option grant or stock issuance.

AA. SHORT TERM FEDERAL RATE shall mean the federal short-term rate in effect under Section 1274(d) of the Code at the beginning of the period the shares were held in escrow.

BB. STOCK EXCHANGE shall mean either the American Stock Exchange or the New York Stock Exchange.

CC. STOCK ISSUANCE AGREEMENT shall mean the agreement entered into by the Corporation and the Participant at the time of issuance of shares of Common Stock under the Stock Issuance Program.

DD. STOCK ISSUANCE PROGRAM shall mean the stock issuance program in effect under the Plan.

EE. SUBSIDIARY shall mean any corporation (other than the Corporation) in an unbroken chain of corporations beginning with the Corporation, provided each corporation (other than the last corporation) in the unbroken chain owns, at the time of the determination, stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

FF. TAXES shall mean the Federal, state and local income and employment tax liabilities incurred by the holder of Non-Statutory Options or unvested shares of Common Stock in connection with the exercise of those options or the vesting of those shares.

GG. 10% STOCKHOLDER shall mean the owner of stock (as determined under Code Section 424(d)) possessing more than 10% of the total combined voting power of all classes of stock of the Corporation (or any Parent or Subsidiary).

The Rubicon Project, Inc.

2007 Stock Incentive Plan

Plan Addendum for UK Optionees

This Plan Addendum for UK Employees supplements and amends The Rubicon Project 2007 Stock Incentive Plan (the "Plan") for purposes of stock options granted under the Plan to UK residents ("UK Optionees"). Certain capitalized terms are defined below. Other terms used but not defined herein shall have the meanings given to them in the Plan.

1. UK Options. Options granted to UK Optionees under the Plan may be designated EMI Options or Unapproved Options. EMI Options may be granted to Eligible Employees only. Unapproved Options may be granted to Employees and other eligible optionees under the Plan who are not eligible to receive EMI Options or to Eligible Employees for whom the £120,000 EMI Options limit has been reached.

2. Date of Grant for EMI Options. For UK tax purposes, the date of Grant of an EMI Option shall be regarded as being the date on which the Company and the Optionee have signed the option agreement providing for such EMI Option.

3. UK Option Agreement. Stock options granted to UK Optionees under the Plan shall be made pursuant to a Stock Option Agreement (the "UK Option Agreement") approved by the Plan Administrator and which will contain provisions intended to comply with applicable provisions of the law of England and Wales and the appropriate UK tax legislation.

4. Certain Definitions. For purposes of stock options granted to UK Optionees, the following terms shall have the following meanings:

   "Disqualifying Event" shall have the meaning given to it in sections 534, 535 and 536 of ITEPA.

   "Employee" shall mean any employee of the Corporation or any Parent or Subsidiary of the Corporation.

   "Eligible Employee" shall mean an Employee who fulfills the requirements of Part 4, Schedule 5 of ITEPA.

   "EMI" means enterprise management incentive.

   "EMI Option" means an option that satisfies the requirements of Schedule 5 of ITEPA.

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003.

"Joint Election" means the election made between the Optionee and the Corporation or if and to the extent that there is a change in the law, any other company or person who is or becomes a secondary contributor for NIC purposes in respect of an Option, in such terms and such forms as provided in paragraphs 3A and 3B of Schedule 1 to the Social Security Contributions and Benefits Act 1992 which has been approved by HM Revenue & Customs, for the transfer of Secondary NIC Liability.

"NIC" means Class 1 national insurance contributions.

"Option" shall mean an Unapproved Option or an EMI Option granted under the Sub- Plan and entitling the holder to purchase Shares.

"Option Tax Liability" means any tax or employee's social security liability to the extent arising from the grant, exercise, release or cancellation of an Option or arising out of the acquisition, retention and disposal of the Shares acquired pursuant to an Option or by a Disqualifying Event.

"Secondary NIC Liability" means any liability to employer's Class 1 NIC to the extent arising from the grant, exercise, release or cancellation of an Option or arising out of the acquisition, retention and disposal of the Shares acquired pursuant to an Option.

"Section 431 Election" means an election under section 431 ITEPA in such form as may be determined by HM Revenue & Customs from time to time.

"Unapproved Option" means an option or part of an option which fails to meet the requirements of Schedule 5 of ITEPA.

5. Certain Definitions. Any references to the "Plan" in any UK Stock Option Agreement shall refer to the Plan including this Addendum.

THE RUBICON PROJECT, INC.

STOCK PLAN AMENDMENTS

As used below, the “Company” refers to The Rubicon Project, Inc. (f/k/a adMonitor, Inc.) and the “Plan” refers to the Company’s 2007 Stock Incentive Plan.

The Plan was adopted on May 18, 2007.

Effective December 13, 2007, the Company’s name was changed from adMonitor, Inc. to The Rubicon Project, Inc.

Effective December 14, 2007, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 3,000,000 to 5,500,000.

Effective September 10, 2009, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 5,500,000 to 6,000,000.

Effective October 29, 2010, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 6,000,000 to 7,431,746.

Effective October 29, 2010, all shares of the Company’s Common Stock were reclassified into shares of Class A Common Stock and, accordingly, all shares issued or reserved for issuance under the Stock Plan are Class A Common Stock.

Effective July 21, 2011, the board of directors ratified the Plan Addendum for UK Optionees.

Effective December 7, 2011, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 7,431,746 to 9,019,664.

Effective May 21, 2012, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 9,019,664 to 13,217,815.

Effective February 22, 2013, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 13,217,815 to 18,913,600.

Effective September 30, 2013, by action of the board of directors and stockholders, the number of shares reserved for issuance under the Plan was increased from 18,913,600 to 20,913,600.

Exhibit 10.4

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (the "Agreement"), made effective as of May 4, 2007 (the "Effective Date"), is entered into by and between **ADMONITOR, INC.** (the "Company"), and **FRANK ADDANTE** ("Executive"). In consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

1. EMPLOYMENT.

1.1 Position. Subject to the terms and conditions set forth in this Agreement, the Company agrees to employ Executive as its President and Chief Executive Officer ("CEO"), reporting directly to the Company's Board of Directors (the "Board").

1.2 Duties. Executive will be employed as President and CEO. Executive shall have supervision and control over, and responsibility for, the operations and affairs of the Company, and shall have such other powers and duties as may be from time to time assigned to him by the Company's Board.

1.3 At-will Employment. Subject to the terms and conditions of Section 3, herein, Executive and the Company understand and acknowledge that Executive's employment with the Company is "at-will," will be for no specified term, and may be terminated by Executive or the Company at any time, with or without cause or notice. Upon termination of Executive's employment with the Company, neither Executive nor the Company shall have any further obligation or liability under this Agreement to the other, except as specifically set forth herein.

1.4 Time to be Devoted to Employment. Executive hereby agrees that during the period of his employment hereunder he shall devote his full business time, attention and skills to the business and affairs of the Company, provided that Executive shall be entitled to engage in certain outside business activities so long as Executive does not become an employee of any party other than the Company.

2. COMPENSATION AND BENEFITS.

2.1 Annual Salary. In consideration of and as compensation for the services agreed to be performed by Executive hereunder, the Company agrees to pay Executive an annual base salary of One Hundred Seventy-Five Thousand Dollars ($175,000.00), payable in accordance with the Company's regular payroll schedule ("Base Salary"), less applicable withholdings and deductions. This Base Salary may be increased from time to time at the sole discretion of the Board.

2.2 Bonus. Executive may be eligible to receive an annual bonus of up to $125,000 based upon the achievement of mutually-agreeable objectives set forth by Executive and the Company, as approved by the Board or any compensation committee thereof, within thirty (30) days of the end of each preceding fiscal year. Executive may be entitled to receive a bonus of up to $175,000 upon achieving results that exceed the agreed upon objectives by more than 25%. No bonus will be paid unless and until the Company reaches an annual sales target of $1,000,000, unless otherwise determined by the Board. The bonus shall be payable in cash.

2.3 Stock Ownership and Stock Options. Executive currently owns 8,676,800 shares of the Company's common stock (the "Founder Stock") pursuant to a certain Founder Stock Purchase Agreement dated May 4, 2007, between the Company and Executive (the "Founder SPA"), of which 6,507,600 shares are subject to a repurchase option in favor of the Company that lapses as set forth in the Founder SPA (the "Unvested Founder Stock"). Subject to Executive's execution of the appropriate documents under a stock option plan, and upon approval of the Board, Executive may at the Company's sole discretion be granted one or more options to purchase additional shares of the Company's common stock.

A. Acceleration Upon Change in Control or Involuntary Termination.

1. Upon the consummation of any transaction constituting a "Change in Control," all shares of the Unvested Founder Stock shall immediately vest in full, and the repurchase option shall terminate automatically with respect to all of the Unvested Founder Stock.

2. In addition, in the event of an Involuntary Termination (as defined below), there shall be immediate vesting of any remaining Unvested Founder Stock that would otherwise have vested during the 18-month period following the date of Involuntary Termination, and the repurchase option shall terminate automatically with respect to such additional vested shares of Unvested Founder Stock, provided that if a Change in Control occurs within 90 days of Involuntary Termination, then all Unvested Founder Stock shall be immediately vested upon the occurrence of such Change in Control. An "Involuntary Termination" shall mean the occurrence of any of the following events: (i) without Executive's written consent, the significant reduction of Executive's duties or responsibilities when compared to Executive's duties or responsibilities in effect immediately prior to such reduction; (ii) without Executive's written consent, a substantial reduction of the facilities and perquisites (including office space and location) available to Executive immediately prior to such reduction; (iii) without Executive's written consent, any reduction in Executive's base compensation, except as part of a broad-based reduction applicable to all executive level employees that does not result in a reduction of more than 15% of Executive's base compensation; (iv) without Executive's written consent, a material reduction by the Company in the kind or level of employee benefits to which Executive is entitled immediately prior to such reduction with the result that Executive's overall benefits package is significantly reduced, except as part of a broad-based reduction applicable to all executive level employees that does not result in a disproportionate impact on Executive; or (v) without Executive's written consent, a relocation of Executive's principal place of work to a location more than 25 miles away from Executive's workplace prior to the relocation.

B. Change in Control Defined. For purposes of this Section 2, the term "Change in Control" shall be defined to mean any one or more of the following events:

1. a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation in which stockholders immediately before the merger or consolidation have, immediately after the merger or consolidation, greater stock voting power);

2. a reverse merger in which the Company is the surviving corporation but the shares of the Company's Common Stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise (other than a reverse merger in which stockholders immediately before the merger have, immediately after the merger, greater stock voting power);

3. the sale, transfer or other disposition of all or substantially all of the Company's assets; or

4. any transaction or series of related transactions in which in excess of 50% of the Company's voting power is transferred, other than the sale by the Company of stock in transactions the primary purpose of which is to raise capital for the Company's operations and activities.

2.4 Participation in Benefit Plans. Executive shall be entitled to participate in any employee benefit or group insurance plan that may from time-to-time be adopted by the Board, which is generally available to the other executive officers of the Company. The Company reserves the right to amend, modify or cancel any employee benefit plan or program it offers at any time for any reason.

2.5 Reimbursement of Expenses. The Company shall reimburse Executive for all reasonable business expenses incurred by Executive on behalf of the Company during Executive's employment, provided that: (i) such reasonable expenses are ordinary and necessary business expenses incurred on behalf of the Company, and (ii) Executive provides the Company with itemized accounts, receipts and other documentation for such reasonable expenses as are reasonably required by the Company.

2.6 Vacation. During his employment, Executive will be entitled to paid annual vacation in accordance with the Company's vacation policies.

3. AT-WILL EMPLOYMENT AND TERMINATION

3.1 Method of Termination. Executive's employment pursuant to this Agreement shall terminate upon the first of the following to occur:

A. Executive's death; or

B. Date that written notice is given by the Company to Executive that as a result of any physical or mental injury or disability, he is unable to perform the essential functions of his job, with or without reasonable accommodation. Such notice may be issued when the Board has reasonably determined that Executive has become unable to perform substantially his services and duties hereunder with or without reasonable accommodation because of any physical or mental injury or disability, and that it is reasonably likely that he will not be able to resume substantially performing his services and duties on substantially the terms and conditions as set forth in this Agreement; or

C. Date that written notice is deemed given or made by the Company to Executive of termination for "cause." For purposes of this Agreement, "cause" shall mean any one of the following:

1. Misconduct in carrying out Executive's duties which causes material economic harm to the Company;

2. The conviction of Executive for a felony or any crime involving moral turpitude;

3. The commission of any act of fraud by the Executive with respect to the Company or the Company's business;

4. Repeated abuse of alcohol or other drugs or controlled substances;

5. Any violation of the Company's form of proprietary information and inventions agreement signed by Executive, which violation, if curable, is not cured within fifteen (15) days following written notice of such breach from the Company; or

6. Any material breach of this Agreement or any other written agreement between Executive and the Company, which breach, if curable, is not cured within fifteen (15) days following written notice of such breach from the Company.

D. Date that written notice is given by Executive of his resignation or voluntary departure from the Company; or

E. Date that written notice is given by the Company to Executive of Executive's termination without "cause."

Nothing herein alters the at-will nature of Executive's employment with the Company, or Executive's and the Company's separate rights to terminate the employment relationship at any time, for any reason, with or without cause.

3.2 Notice of Termination. Any termination of Executive's employment either by the Company or by Executive shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 6.1 hereof.

3.3 Effect of Termination for Cause or Other Events. Upon (i) the termination of Executive for cause; or (ii) Executive's departure pursuant to Section 3.1(A) (death) or 3.1(B) (disability) of this Agreement, Executive will not be entitled to any additional compensation or other rights or benefits from the Company; and, as a result, the Company shall be obligated to pay Executive only that portion of his Base Salary that Executive has earned prior to the Termination Date, as well as the value of any accrued but unused vacation time. Termination of the Executive's employment for cause pursuant to this Section 3.3 shall be in addition to and without prejudice to any other right or remedy to which the Company may be entitled at law, in equity, or under this Agreement.

3.4 Effect of Termination without Cause or Involuntary Termination. Each of the Company and the Executive may, immediately and unilaterally, terminate the Executive's employment and this Agreement at any time for any reason upon written notification to the other party. In the event of an Involuntary Termination, Executive shall be entitled to severance in the following form:

A. continuation of payment of Executive's existing Base Salary for a period of six (6) months (the "Severance Period"), in accordance with the Company's regular payroll schedule;

B. reimbursement of any premiums paid by Executive to continue group health coverage for himself and his dependents pursuant to COBRA, for the Severance Period or until Executive becomes eligible to participate in another employer's group health plan, whichever occurs first;

C. immediate vesting of any remaining Unvested Founder Stock that would otherwise have vested during the 18-month period following the date of Involuntary Termination, provided that if a Change in Control occurs within 90 days of Involuntary Termination, then all Unvested Founder Stock shall be immediately vested upon the occurrence of such Change in Control; and

D. a bonus equal to one half of Executive's target bonus for the year in which the Involuntary Termination occurs (or, if no such target bonus has been set forth that year, then 55% of Executive's target bonus from the prior year).

3.5 Resignation as an Officer. In the event Executive's employment with the Company terminates for any reason, Executive agrees to immediately resign as an officer of the Company.

4. CONFIDENTIAL INFORMATION.

4.1 Executive understands that the Company and its affiliates possess Proprietary Information (as defined below) which is important to its business and that this Agreement creates a relationship of confidence and trust between Executive and the Company and its affiliates with regard to Proprietary Information. Nothing in this Section 4 shall be deemed modified or terminated in the event of the termination or expiration of this Agreement.

4.2 For purposes of this Agreement, "Proprietary Information" is information that was or will be developed, created, or discovered by or on behalf of the Company and its affiliates and predecessors, or is developed, created or discovered by Executive while performing services under this Agreement, or which became or will become known by, or was or is conveyed to the Company and its affiliates which has commercial value in the Company's and its affiliates' business. "Proprietary Information" includes, but is not limited to, trade secrets, ideas, techniques, business, product, or franchise development plans, customer information, franchisee information and any other information concerning the Company's and its affiliates' actual or anticipated business, development, personnel information, or which is received in confidence by or for the Company and its affiliates from any other person.

4.3 At all times, both during the term of this Agreement and after its termination, Executive will keep in confidence and trust, and will not use or disclose, any Proprietary Information without the prior written consent of the Board.

4.4 Executive understands that the Company and its affiliates possess or will possess "Company Documents" which are important to its business. For purposes of this Agreement, "Company Documents" are documents or other media that contain or embody Proprietary Information or any other information concerning the business, operations or plans of the Company and its affiliates, whether such documents have been prepared by Executive or by others. "Company Documents" include, but are not limited to, blueprints, drawings, photographs, charts, graphs, notebooks, customer lists, computer disks, personnel files, tapes or printouts and other printed, typewritten or handwritten documents. All Company Documents are and shall remain the sole property of the Company. Executive agrees not to remove any Company Documents from the business premises of the Company or deliver any Company Documents to any person or entity outside the Company, except as required to do in connection with performance of the services under this Agreement. Executive further agrees that, immediately upon the Company's request and in any event upon completion of Executive's services, Executive shall deliver to the Company all Company Documents, apparatus, equipment and other physical property or any reproduction of such property.

4.5 Non-Solicitation. During the term of Executive's employment and for one (1) year thereafter, neither Executive nor anyone under his supervision, influence or control, shall, whether in an individual capacity or as an agent for or representative of another person or entity, (a) solicit, encourage, induce or attempt to induce any person employed by the Company to leave his or his employment with the Company, or any successor thereto; (b) solicit, encourage, induce or attempt to induce any person who Executive knows to be an applicant or a candidate for employment with the Company to seek employment with any person or entity other than the Company; or (c) use Proprietary Information to solicit, encourage, induce or attempt to induce, divert or take away any customer, referral source, supplier, licensee, licensor or other party which Executive knows to have a contractual or business relationship with, or to be receiving services by the Company, its subsidiaries or affiliates, to cease doing business with the Company, or such subsidiary or affiliate. However, this obligation shall not affect any responsibility Executive may have as an employee of the Company with respect to the bona fide hiring and firing of Company personnel.

4.6 Non-Competition.

A. During his employment with the Company, Executive shall not directly or indirectly:

1. own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed by or connected in any manner with, any enterprise which is engaged in any business competitive with that which the Company is at the time conducting or proposing to conduct; provided, however, that such restriction shall not apply to any passive investment representing an interest of less than two percent (2%) of an outstanding class of publicly traded securities of any corporation or other enterprise which is not, at the time of such investment, engaged in a business geographically competitive with the Company's business; or

2. encourage or solicit any Company employee to leave the Company's employ for any reason or interfere in any material manner with employment relationships at the time existing between the Company and its current employees, except as may be required in any bona fide termination decision regarding any Company employee.

4.7 Executive acknowledges that the specialized nature of his knowledge of the Company's Proprietary Information, trade secrets and other intellectual property are such that a breach of his covenant not to compete or confidentiality obligations contained in this Section 4 of this Agreement would necessarily and inevitably result in a disclosure, misappropriation and misuse of such Proprietary Information, trade secrets and other intellectual property. Accordingly, Executive acknowledges and agrees that such a breach would inflict unique and irreparable harm upon the Company and that the Company shall be entitled, in addition to its other rights and available remedies, to enforce, by injunction or decree of specific performance, Executive's obligations set forth herein.

5. RESTRICTIVE COVENANT

During his employment with the Company:

5.1 Executive shall devote substantially all of his time and energy to the performance of Executive's duties described herein, except during periods of illness or vacation periods.

5.2 Executive shall not directly or indirectly provide services to or through any person, firm or other entity except the Company, unless otherwise authorized by the Company in writing.

5.3 Executive shall not render any services of any kind or character for Executive's own account or for any other person, firm or entity without first obtaining the Company's written consent.

5.4 Notwithstanding the foregoing, Executive shall have the right to perform such incidental services as are necessary in connection with (i) his private passive investments, but only if Executive is not obligated or required to (and shall not in fact) devote any managerial efforts which interfere with the services required to be performed by him hereunder, (ii) his charitable or community activities, (iii) service on the board of directors or advisory board of one or more business enterprises that do not compete directly with the Company, or (iv) participation in trade or professional organizations, but only if such incidental services do not significantly interfere with the performance of Executive's services hereunder.

6. MISCELLANEOUS

6.1 Notices. All notices, demands and requests required by this Agreement shall be in writing and shall be deemed to have been given or made for all purposes (i) upon personal delivery, (ii) one day after being sent, when sent by professional overnight courier service, (iii) five days after posting when sent by registered or certified mail, or (iv) on the date of transmission when sent by telegram, telex, facsimile or other form of “hard copy” transmission, to either party hereto at the address set forth below or at such other address as either party may designate by notice pursuant to this Section 6.1.

If to the Company, to:

adMonitor, Inc.
1233 Wilshire Blvd., Suite 441
Santa Monica, CA 90403

and a Copy to:

Michael N. Steuch, Esq.
Jeffer Mangels Butler & Marmaro LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067

If to Executive, to:

Frank Addante

6.2 Assignment. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, that Executive may not assign, transfer or delegate his rights or obligations hereunder and any attempt to do so shall be void.

6.3 Deductions. All amounts paid to Executive hereunder are subject to all withholdings and deductions required by law, as authorized under this Agreement, and as authorized from time to time.

6.4 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and all prior agreements, written or oral, are merged herein and are of no further force or effect.

6.5 Amendment. This Agreement may be modified or amended only by a written agreement signed by an authorized representative of the Company and Executive.

6.6 Waivers. No waiver of any term or provision of this Agreement will be valid unless such waiver is in writing signed by the party against whom enforcement of the waiver is sought. The waiver of any term or provision of this Agreement shall not apply to any subsequent breach of this Agreement.

6.7 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but together they shall constitute one and the same instrument.

6.8 Severability. The provisions of this Agreement shall be deemed severable, and if any part of any provision is held illegal, void or invalid under applicable law, such provision may be changed to the extent reasonably necessary to make the provision, as so changed, legal, valid and binding. If any provision of this Agreement is held illegal, void or invalid in its entirety, the remaining provisions of this Agreement shall not in any way be affected or impaired but shall remain binding in accordance with their terms.

6.9 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE COMPANY AND EXECUTIVE HEREUNDER SHALL BE DETERMINED UNDER, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AS APPLIED TO AGREEMENTS AMONG CALIFORNIA RESIDENTS ENTERED INTO AND TO BE PERFORMED ENTIRELY WITHIN CALIFORNIA.

6.10 Arbitration. Executive understands and agrees that, as a condition of his employment with the Company, any and all disputes that Executive may have with the Company, or any of its employees, officers, directors, agents or assigns, which arise out of Executive's employment or investment or compensation shall be resolved through final and binding arbitration, as specified in this Agreement. This shall include, without limitation, any controversy, claim or dispute of any kind, including disputes relating to any employment by the Company or the termination thereof, claims for breach of contract or breach of the covenant of good faith and fair dealing, infliction of emotional distress, defamation and any claims of discrimination, harassment or other claims under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the Employee Retirement Income Securities Act, or any other federal, state or local law or regulation now in existence or hereinafter enacted and as amended from time to time concerning in any way the subject of Executive's employment with the Company or its termination. The only claims not covered by this Agreement arc claims for benefits under the unemployment insurance or workers' compensation laws, and any claims pursuant to paragraph 4 of this Agreement which will be resolved pursuant to those laws. Any dispute or controversy arising under or in connection with this Agreement, Executive's employment by the Company or Executive's benefits shall be settled exclusively by arbitration in Los Angeles, California by an arbitrator in accordance with the rules of Judicial Arbitration & Mediation Service, Inc. ("JAMS") in effect at the time of submission to arbitration. Judgment may be entered on the arbitrator's award in any court having jurisdiction. The arbitration shall be conducted in a procedurally fair manner by a mutually agreed upon neutral arbitrator selected in accordance with the applicable JAMS rules ("Rules") or if none can be mutually agreed upon, then by one arbitrator appointed pursuant to the Rules; the arbitration shall be conducted confidentially in accordance with the Rules unless provided otherwise by applicable law; the arbitration fees shall be paid by the Company; each party shall have the right to conduct reasonable discovery including depositions, requests for production of documents and such other discovery as permitted under the Rules or ordered by the arbitrator; the arbitrator shall have the authority to award any damages authorized by law for the claims presented, including punitive damages, and shall have the authority to award reasonable attorneys fees to the prevailing party; the decision of the arbitrator shall be final and binding on all parties and shall be the exclusive remedy of the parties; and the award shall be in writing in accordance with the Rules, and shall be subject to judicial enforcement and review in accordance with California law. The arbitration shall be instead of any civil litigation; this means that Executive is waiving any right to a jury trial, and that the arbitrator's decision shall be final and binding to the fullest extent permitted by law and enforceable by any court having jurisdiction thereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ADMONITOR, INC.

By: /s/ Craig Roah

Name: CRAIG ROAH

Title: Corp Secretary

FRANK ADDANTE

/s/ Frank Addante

[SIGNATURE PAGE TO EXECUTIVE EMPLOYMENT AGREEMENT]

The Rubicon Project, Inc.

Amendment to Founder Stock Purchase Agreement
and Executive Employment Agreement
for
Frank Addante

adMonitor, Inc. and Frank Addante entered into (i) a Founder Stock Purchase Agreement dated as of May 4, 2007 (the "Founder SPA") and (ii) an Executive Employment Agreement dated as of May 4, 2007 (the "Employment Agreement"). adMonitor, Inc. has changed its name to The Rubicon Project, Inc. and is referred to herein as the "Company." Frank Addante is referred to herein as the "Founder," or the "Executive."

The Company proposes to sell shares of its Series B Preferred Stock to certain investors, and it is a condition of such investment that Founder enter into this Agreement. Founder and the Company desire to induce the investors to make such investment by entering into this Agreement and amending the terms of the Founder SPA and Employment Agreement. Accordingly, the undersigned agree as follows, effective as of December 14, 2007:

1. **Double Trigger Vesting Acceleration**. Section 2.3 of the Employment Agreement is hereby amended to read as follows:

2.3 Stock Ownership. Executive currently owns 8,676,800 shares of the Company's common stock (the "Founder Stock") pursuant to a Founder Stock Purchase Agreement dated May 4, 2007 between the Company and Executive (as amended, the "Founder SPA"), 6,507,600 of which are subject to a repurchase option (the "Repurchase Option") in favor of the Company as set forth in the Founder SPA.

A. Definition of Change in Control. A "Change in Control" shall occur (i) if the Company shall sell, lease, transfer, convey, or otherwise dispose of (including an exclusive license), in any single transaction or series of related transactions, all or substantially all of the assets or intellectual property of the Company and its subsidiaries, taken as a whole, except where such sale, lease, transfer, conveyance or disposition is to a wholly owned subsidiary of the Company (or the sale or disposition, whether by merger or otherwise, of one or more of the Company's subsidiaries if all or substantially all of the assets or intellectual property of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale or other disposition is to the Company or another of the Company's wholly-owned subsidiaries); (ii) upon a merger, consolidation or similar transaction or series of transactions in which the Company is a constituent party; or (iii) upon a merger, consolidation or similar transaction or series of transactions in which a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger, consolidation or similar transaction or series of transactions, *provided*, *however* that a merger or consolidation in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent, immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (a) the surviving or resulting corporation or (b) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation, shall not constitute a Change in Control.

B. Definition of Involuntary Termination. An "Involuntary Termination" shall mean the occurrence of any one of the following events: (i) the Company (or any acquirer or successor) terminates Executive's employment without cause (as defined in Section 3.1(C) below); or (ii) Executive terminates his employment due to any one of the following after having provided the Company with 30 days written notice and opportunity to cure: (a) prior to a Change in Control, there is a material reduction in his duties and responsibilities or the level of management to which he reports; (b) after a Change in Control, Executive no longer holds an executive or management level position of the Company or its acquirer or successor (or the corresponding business unit or division of its acquirer or successor) in a similar capacity as that held by Executive immediately prior to the Change in Control; (c) a reduction in compensation (excluding any discretionary bonuses for this purpose) of 15% or more; or (d) a relocation of Executive's principal place of employment by more than 50 miles.

C. Assignibility of Repurchase Option. Upon the consummation of any transaction constituting a Change in Control, the Repurchase Option may be assigned to the acquiring or successor entity (or its parent entity) in connection with such Change in Control. (To the extent that it is so assigned, it shall apply to any stock or other securities issuable in exchange for the Founders Stock to the extent applicable.) If the acquiring or successor entity refuses to assume or replace the Repurchase Option, the Repurchase Option shall lapse in full, and all of the Founder Stock shall be released from the Repurchase Option.

D. Acceleration of Vesting Upon Involuntary Termination Prior to a Change in Control. In the event of an Involuntary Termination prior to a Change in Control, the Executive's vesting shall be accelerated by 18 months, such that the Repurchase Option shall lapse with respect to the number of shares that would otherwise have vested during the 18 month period following the date of the Involuntary Termination.

E. Acceleration of Vesting Upon Involuntary Termination following a Change in Control. If (i) the Repurchase Option is assigned to an acquiring or successor entity (or its parent entity) in connection with a Change in Control, and (ii) there is an Involuntary Termination within 12 months following the Change in Control, then the Repurchase Option shall lapse in full, and all of the Founder Stock shall be released from the Repurchase Option effective upon such Involuntary Termination.

2. Clarification of Severance Payments. Section 3.4 of the Employment Agreement is hereby amended to read as follows:

3.4 Effect of Involuntary Termination. In the event of an Involuntary Termination, subject to Executive's executing a general release and waiver of claims against the Company and its officers, directors, representatives and affiliates reasonably satisfactory to the Company, Executive shall be entitled to the following:

A. Any earned but unpaid Base Salary as of the Termination Date plus the value of any accrued but unused vacation time and any other payments required by law;

B. Continuation of payment of Executive's existing Base Salary for a period of 6 months (the "Severance Period"), in accordance with the Company's regular payroll schedule;

C. Reimbursement of any premiums paid by Executive to continue group health coverage for himself and his dependents pursuant to COBRA, for the Severance Period or until Executive becomes eligible to participate in another employer's group health plan, whichever occurs first;

D. Acceleration of vesting as set forth in Section 2.3; and

E. A bonus equal to one-half of Executive's target bonus for the year in which the Involuntary Termination occurs (or, if no such target bonus has been set for that year, then 55% of Executive's target bonus for the prior year).

3. <u>Corresponding Amendments to Founder SPA</u>. In order to preserve consistency and eliminate redundancy between the Employment Agreement and the Founder SPA:

(a) The definition of "Corporate Transaction" in the Founder SPA is hereby amended to be identical to the definition of a "Change in Control" set forth above; and

(b) Section 7(e) of the Founder SPA shall be deleted in its entirety, and the parties shall instead look to Section 2.3 of the Employment Agreement for the terms governing acceleration of vesting.

4. <u>Right of First Refusal</u>. The undersigned acknowledge that Section 8 of the Founder SPA has been superseded by the Amended and Restated Right of First Refusal and Co-Sale Agreement dated on or about the date hereof by and among the Company, Founder (and the Company's other founders) and the holders of the Company's Preferred Stock.

5. <u>Miscellaneous</u>.

(a) The address for delivery of notice to the Company pursuant to Section 6.1 of the Employment Agreement shall be the then current executive office of the Company (without need for a copy to Jeffer Mangels Butler & Marmaro LLP).

(b) References to adMonitor, Inc. or the Company in the Founder SPA or the Employment Agreement shall refer to The Rubicon Project, Inc.

(c) Except as modified hereby, the Founder SPA and the Employment Agreement remain in full force and effect; provided, however, that to the extent that any term of the Founder SPA or the Employment Agreement is inconsistent with the this Amendment, the terms set forth in this Amendment shall control.

(d) Founder acknowledges that he has been provided with an opportunity to consult with Founder's own counsel with respect to this Agreement.

[signature page follows]

The undersigned have executed this Amendment to Founder Stock Purchase Agreement and Executive Employment Agreement as of the date first set forth above.

The Rubicon Project, Inc.

/s/ Craig Roah

Craig Roah
Chief Operating Officer and Secretary

Founder / Executive

/s/ Frank Addante

Frank Addante

Exhibit 10.5

January 17, 2013

Gregory R. Raifman
[XXXX]
[XXXX]

Re: Terms of Employment

Dear Greg:

The Rubicon Project, Inc. (the "Company") is pleased to offer you the following position:

Position. We are offering you the position of President, reporting to the CEO.

Salary. Your salary will be $300,000 per year, payable in accordance with the Company's standard payroll policies and subject to applicable payroll deductions and withholdings.

Bonus. You will be eligible to receive a bonus of up to $150,000 based on the achievement of certain "goal" targets, with additional bonus eligibility based on exceeding goal targets. Details as to the specific goals and the "overachievement" bonus will be mutually agreed upon as soon as reasonably practicable following your start date, based in part on the Company's 2013 operating plan and the direction of the board of directors. The details of your bonus, including the timing of bonus payments, will be set forth in an Executive Bonus Plan to be adopted by the board of directors following the start of your employment.

Stock Options. In addition to your salary, we will recommend to the Company's board of directors that you receive an option to purchase a number of shares of stock equal to 2.25% of the Company's capital stock, calculated based on the Company's current fully diluted capitalization plus the pending stock plan increase to account for current executive hires and projected 2013 growth. (Of course, like all equityholders, that percentage will not be permanently fixed and will go down over time as the Company issues additional stock, options and the like.) The exercise price will be equal to the fair market value of our common stock at the time of grant, as determined by the board of directors, and the option will over a period of four years, with 25% vesting one year from your start date and the remainder vesting monthly thereafter. The board of directors meets periodically and options are not granted or effective unless and until approved by the board of directors, and your option will not be granted until it has been so approved, but vesting will begin as of your employment start date regardless of the actual date of grant. Once approved, we will enter into a Stock Option Agreement that will capture the terms set forth herein and will supersede this offer letter in all respects with respect to the terms of your option.

Double Trigger Severance and Vesting Acceleration. In the event of an Involuntary Termination that occurs upon or following a Sale Transaction:

- You will be entitled to a cash severance payment in the amount of 6 months of your base salary plus three months COBRA reimbursement, plus

- If the Involuntary Termination occurs within three months from your start date, your option will be vested as to 1/8th of the shares;
- If the Involuntary Termination occurs within six months from your start date, your option will be vested as to 1/4th of the shares; and
- If the Involuntary Termination occurs more than 12 months after your start date your option will fully vest.

For this purpose, the terms “Involuntary Termination” and “Sale Transaction” shall be as defined in the Company’s standard executive option agreement. Any severance payment or vesting acceleration would be contingent upon the execution of a customary general release of claims against the company and its affiliates.

Equity Purchase. We acknowledge that you have expressed a desire to purchase up to $500,000 of Company stock. The Company will seek to facilitate such a transaction, provided that any such transaction may be subject to obtaining requisite approval from the board of directors and the Company’s investors and preferred stockholders and/or finding a willing seller. For the avoidance of doubt, this does not entitle you to any rights with respect to such stock unless and until you and the Company (or other seller of Company stock) execute and deliver definitive agreements therefor.

Board of Directors. The Company will seek to facilitate your election to the Company’s board of directors, serving as one of the directors elected by the holders of the common stock. Because directors are elected by stockholders, and not designated by the Company itself, the Company cannot itself effect your election, but will work with the Company’s key common stockholders to effect such election as soon as practicable following your start date.

Relocation. The Company will reimburse you for reasonable expenses to be mutually determined by the Company and you for out of pocket relocation costs upon presentation of reasonable evidence thereof. In the event that you were to voluntarily terminate your employment within six months, you agree that you will repay the Company for such costs.

Benefits. You will be eligible for standard Company benefits. Details about these benefits are provided in the Team Member Guide and Summary Plan Descriptions available for your review.

Location and Hours. You will work primarily from our offices in Los Angeles, California and normal working hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday. However, as an executive and an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments without additional compensation and you will be required to travel from time to time.

Confidentiality. Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution and delivery to the Company of the attached Intellectual Property Assignment and Confidential Information Agreement, which among other things prohibits the unauthorized use or disclosure of the Company’s proprietary information. Furthermore, in your work for the Company, you will be expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you will be expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. During our discussions about your proposed job duties, you assured us that you would be able to perform those duties within the guidelines just described. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you owe an obligation of confidentiality.

Other Policies and Requirements. As a Company employee, you will be expected to abide by Company rules and policies and to acknowledge in writing that you have read the Company's Team Member Guide, a copy of which will be provided at the start of your employment or, if you prefer, a copy can be provided in advance.

At-Will Employment. The Company is an at-will employer. You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice, or may modify your position, duties, work location, compensation and benefits at any time in its discretion. The at-will employment relationship cannot be changed except in a writing signed by the Company's CEO.

Entire Agreement. This letter, along with the Intellectual Property Assignment and Confidential Information Agreement and the other documents referenced herein, contains the entire agreement and understanding between you and the Company regarding the employment relationship and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of the Company (whether oral or written).

Internal Revenue Code Section 409A. Notwithstanding any provision hereof to the contrary, if you are deemed to be a "specified employee" as defined in Section 409A you shall not be entitled to any payments or benefits the right to which provides for a "deferral of compensation" within the meaning of Section 409A, taking into account all applicable exemptions or exceptions, and whose payment or provision is triggered by your termination of employment (whether such payments or benefits are provided hereunder or under any company other plan, program or arrangement), including as a result of your disability (other than your being "disabled" within the meaning of Section 409A), until the earlier of (i) the date which is the first business day following the six-month anniversary of your "separation from service" under Section 409A for any reason other than death or (ii) your death, and such payments or benefits that, if not for the six-month delay described herein, would be due and payable prior to such date shall be made or provided on such date. The Company shall make the determination as to whether you are "specified employee" in good faith in accordance with its general procedures adopted in accordance with Section 409A and, at the time of your "separation of service" will notify you whether or not you are a "specified employee." For purposes of Section 409A, each of the payments that may be made under this letter agreement is designated as a separate payment. Except as expressly provided otherwise herein, no reimbursement payable to pursuant to any provisions of this letter or pursuant to any company plan or arrangement shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, and no such reimbursement during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Section 409A. This letter agreement is intended to satisfy the requirements of Section 409A with respect to amounts subject thereto, and shall be interpreted and construed consistent with such intent. If either party notifies the other in writing that, based on the advice of legal counsel, one or more of the provisions hereunder contravenes any regulations or guidelines promulgated under Section 409A, or causes any amounts to be subject to interest or penalties under Section 409A, the parties shall promptly and reasonably consult with each other and shall use their reasonable efforts to reform the provisions hereof to maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the company of providing the applicable benefit or payment and, to the extent practicable, to avoid the imposition of any tax, interest or other penalties under Section 409A upon you or the company.

Miscellaneous. This offer of employment is not to be construed as a contract for employment in any particular position for any particular salary or time period. The Company conducts background checks on prospective employees. This offer is contingent upon the satisfactory results of any background check pertaining to you, and in the event of an unsatisfactory result, this offer will be deemed rescinded. In addition, as required by law, this offer is subject to satisfactory proof of your right to work in the United States. By signing this letter, you confirm that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

Expiration. This offer is valid for a period of five days from the date of delivery and will automatically expire after such time.

Start Date. If you accept our offer, your first day of employment will be January 28, 2013.

We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

The Rubicon Project, Inc.

/s/ Frank Addante
Frank Addante, CEO

Agreed and Accepted:

/s/ Gregory R. Raifman Date: January 28, 2013
Gregory R. Raifman

Exhibit 10.6

January 17, 2013

Todd Tappin
via email

Re: Terms of Employment

Dear Todd:

The Rubicon Project, Inc. (the "Company") is pleased to offer you the following position:

Position. We are offering you the position of Chief Operating Officer and Chief Financial Officer, reporting to the President.

Salary. Your salary will be $300,000 per year, payable in accordance with the Company's standard payroll policies and subject to applicable payroll deductions and withholdings.

Bonus. You will be eligible to receive a bonus of up to $125,000 based on the achievement of certain "goal" targets, with additional bonus eligibility based on exceeding goal targets. Details as to the specific goals and the "overachievement" bonus will be mutually agreed upon as soon as reasonably practicable following your start date, based in part on the Company's 2013 operating plan and the direction of the board of directors. The details of your bonus, including the timing of bonus payments, will be set forth in an Executive Bonus Plan to be adopted by the board of directors following the start of your employment.

Stock Options. In addition to your salary, we will recommend to the Company's board of directors that you receive an option to purchase a number of shares of common stock equal to 1.7% of the Company's capital stock, calculated based on the Company's current fully diluted capitalization plus the pending stock plan increase to account for current executive hires and projected 2013 growth. (Of course, like all equityholders, that percentage will not be permanently fixed and will go down over time as the Company issues additional stock, options and the like.) The exercise price will be equal to the fair market value of our common stock at the time of grant, as determined by the board of directors, and the option will vest over a period of four years, with 25% vesting one year from your start date and the remainder vesting monthly thereafter. The board of directors meets periodically and options are not granted or effective unless and until approved by the board of directors, and your option will not be granted until it has been so approved, but vesting will begin as of your employment start date regardless of the actual date of grant. Once approved, we will enter into a Stock Option Agreement that will capture the terms set forth herein and will supersede this offer letter in all respects with respect to the terms of your option.

Double Trigger Severance and Vesting Acceleration. In the event of an Involuntary Termination that occurs upon an involuntary termination or following a Sale Transaction:

- You will be entitled to a cash severance payment in the amount of 6 months of your base salary plus three months COBRA reimbursement, plus
- If the Involuntary Termination occurs within three months from your start date, your option will be vested as to 1/8th of the shares;

- If the Involuntary Termination occurs within six months from your start date, your option will be vested as to 1/4th of the shares; and
- If the Involuntary Termination occurs more than 12 months after your start date your option will fully vest.

For this purpose, the terms “Involuntary Termination” and “Sale Transaction” shall be as defined in the Company’s standard executive option agreement. Any severance payment or vesting acceleration would be contingent upon the execution of a customary general release of claims against the company and its affiliates.

Benefits. You will be eligible for standard Company benefits. Details about these benefits are provided in the Team Member Guide and Summary Plan Descriptions available for your review.

Location and Hours. You will work primarily from our offices in Los Angeles, California and normal working hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday. However, as an executive and an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments without additional compensation and you will be required to travel from time to time.

Confidentiality. Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution and delivery to the Company of the attached Intellectual Property Assignment and Confidential Information Agreement, which among other things prohibits the unauthorized use or disclosure of the Company’s proprietary information. Furthermore, in your work for the Company, you will be expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you will be expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. During our discussions about your proposed job duties, you assured us that you would be able to perform those duties within the guidelines just described. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you owe an obligation of confidentiality.

Other Policies and Requirements. As a Company employee, you will be expected to abide by Company rules and policies and to acknowledge in writing that you have read the Company’s Team Member Guide, a copy of which will be provided at the start of your employment or, if you prefer, a copy can be provided in advance.

At-Will Employment. The Company is an at-will employer. You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice, or may modify your position, duties, work location, compensation and benefits at any time in its discretion. The at-will employment relationship cannot be changed except in a writing signed by the Company’s CEO.

Entire Agreement. This letter, along with the Intellectual Property Assignment and Confidential Information Agreement and the other documents referenced herein, contains the entire agreement and understanding between you and the Company regarding the employment relationship and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of the Company (whether oral or written).

Internal Revenue Code Section 409A. Notwithstanding any provision hereof to the contrary, if you are deemed to be a "specified employee" as defined in Section 409A you shall not be entitled to any payments or benefits the right to which provides for a "deferral of compensation" within the meaning of Section 409A, taking into account all applicable exemptions or exceptions, and whose payment or provision is triggered by your termination of employment (whether such payments or benefits are provided hereunder or under any company other plan, program or arrangement), including as a result of your disability (other than your being "disabled" within the meaning of Section 409A), until the earlier of (i) the date which is the first business day following the six-month anniversary of your "separation from service" under Section 409A for any reason other than death or (ii) your death, and such payments or benefits that, if not for the six-month delay described herein, would be due and payable prior to such date shall be made or provided on such date. The Company shall make the determination as to whether you are "specified employee" in good faith in accordance with its general procedures adopted in accordance with Section 409A and, at the time of your "separation of service" will notify you whether or not you are a "specified employee." For purposes of Section 409A, each of the payments that may be made under this letter agreement is designated as a separate payment. Except as expressly provided otherwise herein, no reimbursement payable to pursuant to any provisions of this letter or pursuant to any company plan or arrangement shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, and no such reimbursement during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Section 409A. This letter agreement is intended to satisfy the requirements of Section 409A with respect to amounts subject thereto, and shall be interpreted and construed consistent with such intent. If either party notifies the other in writing that, based on the advice of legal counsel, one or more of the provisions hereunder contravenes any regulations or guidelines promulgated under Section 409A, or causes any amounts to be subject to interest or penalties under Section 409A, the parties shall promptly and reasonably consult with each other and shall use their reasonable efforts to reform the provisions hereof to maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Section 409A or increasing the costs to the company of providing the applicable benefit or payment and, to the extent practicable, to avoid the imposition of any tax, interest or other penalties under Section 409A upon you or the company.

Miscellaneous. This offer of employment is not to be construed as a contract for employment in any particular position for any particular salary or time period. The Company conducts background checks on prospective employees. This offer is contingent upon the satisfactory results of any background check pertaining to you, and in the event of an unsatisfactory result, this offer will be deemed rescinded. In addition, as required by law, this offer is subject to satisfactory proof of your right to work in the United States. By signing this letter, you confirm that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

Expiration. This offer is valid for a period of five days from the date of delivery and will automatically expire after such time.

Start Date. If you accept our offer, we will mutually agree upon your start date, which we anticipate to be no later than March 1, 2013.

We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

The Rubicon Project, Inc.

/s/ Frank Addante
Frank Addante, CEO

Agreed and Accepted:

/s/ Todd Tappin Date: 1/21/13
Todd Tappin

Exhibit 10.7

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT (this "**Agreement**") dated as of September 27, 2011 (the "**Effective Date**") between **SILICON VALLEY BANK**, a California corporation ("**Bank**"), and **THE RUBICON PROJECT, INC.**, a Delaware corporation, **SITESCOUT CORPORATION**, a Washington corporation, **FOX AUDIENCE NETWORK, INC.**, a Delaware corporation and **STRATEGIC DATA CORP.**, a Delaware corporation (jointly and severally, the "**Borrower**"), provides the terms on which Bank shall lend to Borrower and Borrower shall repay Bank. The parties agree as follows:

1 ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed following GAAP. Calculations and determinations must be made following GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Section 13. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein.

2 LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Borrower hereby unconditionally promises to pay Bank the outstanding principal amount of all Credit Extensions and accrued and unpaid interest thereon as and when due in accordance with this Agreement.

2.1.1 Revolving Advances.

(a) Availability. Subject to the terms and conditions of this Agreement and to deduction of Reserves, if any, Bank shall make Advances not exceeding the Availability Amount. Amounts borrowed hereunder may be repaid and, prior to the Revolving Line Maturity Date, reborrowed, subject to the applicable terms and conditions precedent herein.

(b) Streamline Period. A "**Streamline Period**" is a period commencing on the first day of the second calendar month following a Testing Month in which Borrower's Net Cash equals or exceeds $1.00. A Streamline Period will continue in effect thereafter until Borrower fails to achieve Net Cash of at least $1.00 in any Testing Month or a Default or Event of Default has occurred. Moreover, a Streamline Period cannot go into effect if a Default or Event of Default has occurred and is continuing at the time such Streamline Period would go into effect.

(c) Termination; Repayment. The Revolving Line terminates on the Revolving Line Maturity Date, when the principal amount of all Advances, the unpaid interest thereon, and all other Obligations relating to the Revolving Line shall be immediately due and payable.

2.1.2 Equipment I Advances.

(a) Availability. Bank previously made certain Equipment advances to Borrower, pursuant to that certain Loan and Security Agreement between Bank and Borrower dated as of March 26, 2009 (as amended from time to time, the "2009 Loan Agreement"), the aggregate current outstanding principal balance of such advances being approximately $702,939.10 (each, an "**Equipment I Advance**" and, collectively, "**Equipment I Advances**"). The first outstanding Equipment I Advance (hereinafter referred to as "Tranche A") has a current outstanding principal balance of approximately $368,387.29. The second outstanding Equipment I Advance (hereinafter referred to as "Tranche B") has a current outstanding principal balance of approximately $334,551.81. No more Equipment I Advances are to be made. After repayment, no Equipment I Advance may be reborrowed.

(b) Repayment. Tranche A of the Equipment I Advance shall continue to be repaid on the first day of each month in equal monthly payments of principal in the amount of $40,931.92 plus monthly payments of accrued interest as provided for herein. Notwithstanding the foregoing, all unpaid principal and interest of Tranche A of the Equipment I Advance shall be due on the Tranche A Maturity Date. Tranche B of the Equipment I Advance shall continue to be repaid on the first day of each month in equal monthly payments of principal in the amount of $25,734.74 plus monthly payments of accrued interest as provided for herein. Notwithstanding the foregoing, all unpaid principal and interest of Tranche B of the Equipment I Advance shall be due on the Tranche B Maturity Date.

(c) Prepayment. At Borrower's option, Borrower has the option to prepay all, but not less than all, of the Equipment I Advances advanced by Bank, provided Borrower (a) provides written notice to Bank of its election to exercise to prepay the Equipment I Advances at least twenty (20) days prior to such prepayment and (b) pays, on the date of such prepayment, all of the following: (i) all accrued and unpaid interest with respect to the Equipment I Advances through the date the prepayment is made, (ii) all unpaid principal with respect to the Equipment I Advances, (iii) if the Equipment I Advances are prepaid with the proceeds of another secured financing, a premium equal to the Make-Whole Premium and (iv) all other sums, if any, that shall have become due and payable hereunder with respect to this Agreement.

(d) Warrant. The Borrower covenants and agrees that the Warrant issued by Borrower in connection with the 2009 Loan Agreement remains in effect and shall continue in full force and effect.

2.1.3 Equipment II Advances.

(a) Availability. Subject to the terms and conditions of this Agreement, during the Draw Period II, Bank shall make advances (each, an "**Equipment II Advance**" and, collectively, "**Equipment II Advances**") not exceeding the Equipment II Line. Equipment II Advances may only be used to finance Eligible Equipment purchased within ninety (90) days (determined based upon the applicable invoice date of such Eligible Equipment) before the date of each Equipment II Advance; provided, however, if the initial Equipment II Advance is made before October 31, 2011, such Equipment II Advance may be used to finance Eligible Equipment purchased on and after January 1, 2011. No Equipment II Advance may exceed one hundred percent (100%) of the total invoice for Eligible Equipment (excluding taxes, shipping, warranty charges, freight discounts and installation expenses relating to such Eligible Equipment except to the extent such are allowed to be financed pursuant hereto as Other Equipment). Unless otherwise agreed to by Bank, not more than twenty-five percent (25%) of the proceeds of the Equipment II Line shall be used to finance Other Equipment. Each Equipment II Advance must be in an amount equal to the lesser of Two Hundred Fifty Thousand Dollars ($250,000) or the amount that has not yet been drawn under the Equipment II Line. After repayment, no Equipment II Advance may be reborrowed.

(b) Repayment. Each Equipment II Advance shall immediately amortize and be payable in 36 equal payments of principal plus interest beginning on the first day of the month immediately following such Equipment II Advance and continuing on the same day of each month thereafter. Notwithstanding the foregoing, all unpaid principal and interest on each Equipment II Advance shall be due on the applicable Equipment II Maturity Date.

2.2 Overadvances. If, at any time, the outstanding principal amount of any Advances exceeds the lesser of either the Maximum Dollar Amount or the Borrowing Base (such excess being an "Overadvance"), Borrower shall immediately pay to Bank in cash such Overadvance. Without limiting Borrower's obligation to repay Bank any amount of the Overadvance, Borrower agrees to pay Bank interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

2.3 Payment of Interest on the Credit Extensions.

(a) Interest Rates.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line shall accrue interest at a floating per annum rate equal to the following, as applicable:

(A) at all times when a Streamline Period is in effect, one and one-half percentage points (1.50%) above the Prime Rate,

(B) at all times when a Streamline Period is not in effect, three percentage points (3.0%) above the Prime Rate,

which interest in this Section 2.3(a)(i) shall be, in any case, payable monthly in accordance with Section 2.3(f) below.

(ii) Equipment I Advances. Subject to Section 2.3(b), Equipment I Advances shall continue to accrue interest at a fixed per annum rate equal to (A) six and one-half percent (6.50%) all times when Borrower does not maintain at least ninety (90%) of its liquid assets in Bank's Sweep Accounts, Money Market Accounts or Checking Accounts or (B) five and one-half percent (5.50%) at all times when Borrower does maintain at least ninety percent (90%) of its liquid assets in Bank's Sweep Accounts, Money Market Accounts or Checking Accounts, which interest shall be payable monthly in accordance with Section 2.3(f) below.

(iii) Equipment II Advances. Subject to Section 2.3(b), each Equipment II Advance shall accrue interest at a fixed per annum rate equal to three and one-quarter percent points (3.25%) above the Prime Rate in effect on the date such Equipment II Advance is made, which interest shall be payable monthly in accordance with Section 2.3(f) below.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.00%) above the rate that is otherwise applicable thereto (the "**Default Rate**") unless Bank otherwise elects from time to time in its sole discretion to impose a smaller increase. Fees and expenses which are required to be paid by Borrower pursuant to the Loan Documents (including, without limitation, Bank Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

(c) Adjustment to Interest Rate. Changes to the interest rate of any Credit Extension based on changes to the Prime Rate shall be effective on the effective date of any change to the Prime Rate and to the extent of any such change.

(d) Debit of Accounts. Bank may debit any of Borrower's deposit accounts, including the Designated Deposit Account, for principal and interest payments or any other amounts Borrower owes Bank when due. These debits shall not constitute a set-off.

(e) Minimum Monthly Interest. [Omitted].

(f) Payment; Interest Computation; Float Charge. Interest is payable monthly on the last calendar day of each month (except as otherwise provided for above) and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all Payments received after 12:00 p.m. Pacific time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Credit Extension shall be included and the date of payment shall be excluded; *provided*, *however*, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension. In addition, Bank shall be entitled to charge Borrower a "float" charge in an amount equal to three (3) Business Days interest, at the interest rate applicable to the Advances whether or not any Advances are outstanding, on all Payments received by Bank. Such float charge is not included in interest for purposes of computing Minimum Monthly Interest (if any) under this Agreement. The float charge for each month shall be payable on the last day of the month. Bank shall not, however, be required to credit Borrower's account for the amount of any item of payment which is unsatisfactory to Bank in its good faith business judgment, and Bank may charge Borrower's Designated Deposit Account for the amount of any item of payment which is returned to Bank unpaid.

2.4 Fees. Borrower shall pay to Bank:

(a) Commitment Fee. A fully earned, non-refundable commitment fee of $37,500, on the Effective Date; and

(b) Anniversary Fee. An anniversary fee, fully earned on the Effective Date, non-refundable and in the amount of $37,500, payable on the earlier of (i) the first anniversary of the Effective Date or (ii) the date this Agreement is terminated; and

(c) Termination Fee. Subject to the terms of Section 12.1, a termination fee; and

(d) Make-Whole Premium. The Make-Whole Premium when due pursuant to the terms of Section 2.1.2(c); and

(e) Equipment II Advances Fee. A fully earned, non-refundable commitment fee with respect to the Equipment II Advances of $5,000, on the Effective Date; and

(f) Collateral Monitoring Fee. A monthly collateral monitoring fee of $2,500, payable in arrears on the last day of each month (prorated for any partial month at the beginning and upon termination of this Agreement); provided, however, for any month in which a Streamline Period is in effect for the entire month, then such monthly collateral monitoring fee shall be $0.00; and

(g) Bank Expenses. All Bank Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due.

2.5 Payments; Application of Payments.

(a) All payments (including prepayments) to be made by Borrower under any Loan Document shall be made in immediately available funds in U.S. Dollars, without setoff or counterclaim, before 12:00 p.m. Pacific time on the date when due. Payments of principal and/or interest received after 12:00 p.m. Pacific time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) Subject to Section 2.1.2(b), all payments with respect to the Obligations may be applied in such order and manner as Bank shall determine in its sole discretion. Borrower shall have no right to specify the order or the accounts to which Bank shall allocate or apply any payments required to be made by Borrower to Bank or otherwise received by Bank under this Agreement when any such allocation or application is not specified elsewhere in this Agreement.

3 CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Credit Extension. Bank's obligation to make the initial Credit Extension is subject to the condition precedent that Bank shall have received, in form and substance satisfactory to Bank, such documents, and completion of such other matters, as Bank may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed original signatures to the Loan Documents;

(b) except as provided for in Section 3.3 below, Borrower's Operating Documents and a good standing certificate of Borrower certified by the Secretary of State of the State of Delaware (Secretary of State of the State of Washington with respect to Sitescout Corporation) as of a date no earlier than thirty (30) days prior to the Effective Date;

(c) duly executed original signatures to the completed Borrowing Resolutions for Borrower;

(d) certified copies, dated as of a recent date, of financing statement searches, as Bank shall request, accompanied by written evidence (including any UCC termination statements) that the Liens indicated in any such financing statements either constitute Permitted Liens or have been or, in connection with the initial Credit Extension, will be terminated or released;

(e) the Perfection Certificate of Borrower, together with the duly executed original signatures thereto;

(f) evidence satisfactory to Bank that the insurance policies required by Section 6.7 hereof are in full force and effect, together with appropriate evidence showing lender loss payable and/or additional insured clauses or endorsements in favor of Bank; and

(g) payment of the fees and Bank Expenses then due as specified in Section 2.4 hereof.

3.2 Conditions Precedent to all Credit Extensions. Bank's obligations to make each Credit Extension, including the initial Credit Extension, is subject to the following conditions precedent:

(a) except as otherwise provided in Section 3.5(a), timely receipt of an executed Transaction Report;

(b) the representations and warranties in this Agreement shall be true, accurate, and complete in all material respects on the date of the Transaction Report and on the Funding Date of each Credit Extension; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, and no Default or Event of Default shall have occurred and be continuing or result from the Credit Extension. Each Credit Extension is Borrower's representation and warranty on that date that the representations and warranties in this Agreement remain true, accurate, and complete in all material respects; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; and

(c) in Bank's sole discretion, there has not been a Material Adverse Change.

3.3 Post-Closing Conditions. Unless otherwise provided in writing, within 10 days after the Effective Date, Bank shall have received, in form and substance satisfactory to Bank:

(a) a good standing certificate certified by the Secretary of State of Delaware with respect to each of (i) The Rubicon Project, Inc., (ii) Fox Audience Network, Inc. and (iii) Strategic Data Corp.; and

(b) a good standing certificate certified by the Secretary of State of California with respect to each of (i) SiteScout Corporation and (ii) Strategic Data Corp.

3.4 Covenant to Deliver. Except as otherwise provided in Section 3.3, Borrower agrees to deliver to Bank each item required to be delivered to Bank under this Agreement as a condition precedent to any Credit Extension. Borrower expressly agrees that a Credit Extension made prior to the receipt by Bank of any such item shall not constitute a waiver by Bank of Borrower's obligation to deliver such item, and the making of any Credit Extension in the absence of a required item shall be in Bank's sole discretion.

3.5 Procedures for Borrowing.

(a) Advances. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, to obtain an Advance, Borrower shall notify Bank (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 p.m. Pacific time on the Funding Date of the Advance. Together with such notification, Borrower must promptly deliver to Bank by electronic mail or facsimile a completed Transaction Report executed by a Responsible Officer or his or her designee. Bank shall credit Advances to the Designated Deposit Account. Bank may make Advances under this Agreement based on instructions from a Responsible Officer or his or her designee or without instructions if the Advances are necessary to meet Obligations which have become due. Bank may rely on any telephone notice given by a person whom Bank believes is a Responsible Officer or designee.

(b) Equipment I Advances. Not Applicable. No more Equipment I Advances are being made.

(c) Equipment II Advances. Subject to the prior satisfaction of all other applicable conditions to the making of an Equipment II Advance set forth in this Agreement, to obtain an Equipment II Advance, Borrower must notify Bank (which notice shall be irrevocable) by electronic mail or facsimile no later than 12:00 p.m. Pacific time one (1) Business Day before the proposed Funding Date. The notice shall be a Payment/Advance Form, must be signed by a Responsible Officer or designee, and shall include a copy of the invoice for the Equipment being financed. If Borrower satisfies the conditions of each Equipment II Advance, Bank shall disburse such Equipment II Advance by transfer to the Designated Deposit Account.

4 CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Borrower hereby grants Bank, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Bank, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Borrower acknowledges that it previously has entered, and/or may in the future enter, into Bank Services Agreements with Bank. Regardless of the terms of any Bank Services Agreement, Borrower agrees that any amounts Borrower owes Bank thereunder shall be deemed to be Obligations hereunder and that it is the intent of Borrower and Bank to have all such Obligations secured by the first priority perfected security interest in the

Collateral granted herein (subject only to Permitted Liens that may have superior priority to Bank's Lien in this Agreement). Borrower agrees that, unless otherwise agreed in writing signed by Bank and Borrower, the security interest granted herein by Borrower shall survive the termination of this Agreement and shall terminate only upon the termination of all Bank Services Agreements.

4.2 Priority of Security Interest. Borrower represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral (subject only to Permitted Liens that, pursuant to the terms hereof, are allowed to have superior priority to Bank's Lien under this Agreement). If Borrower shall acquire a commercial tort claim, Borrower shall promptly notify Bank in a writing signed by Borrower of the general details thereof and grant to Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Bank.

If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations and at such time as Bank's obligation to make Credit Extensions has terminated, Bank shall, at Borrower's sole cost and expense, release its Liens in the Collateral and all rights therein shall revert to Borrower.

4.3 Authorization to File Financing Statements. Borrower hereby authorizes Bank to file financing statements, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Bank's interest or rights hereunder, including a notice that any disposition of the Collateral (other than as permitted hereunder), by either Borrower or any other Person, shall be deemed to violate the rights of Bank under the Code.

5 REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority. Borrower is duly existing and in good standing as a Registered Organization in its jurisdiction of formation and is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its business or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to have a material adverse effect on Borrower's business. In connection with this Agreement, Borrower has delivered to Bank a completed certificate signed by Borrower, entitled "Perfection Certificate." Borrower represents and warrants to Bank that (a) Borrower's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (b) Borrower is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (c) the Perfection Certificate accurately sets forth Borrower's organizational identification number or accurately states that Borrower has none; (d) the Perfection Certificate accurately sets forth Borrower's place of business, or, if more than one, its chief executive office as well as Borrower's mailing address (if different than its chief executive office); (e) Borrower (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to Borrower and each of its Subsidiaries is accurate and complete (it being understood and agreed that Borrower may from time to time update certain information in the Perfection Certificate after the Effective Date to the extent permitted by one or more specific provisions in this Agreement). If Borrower is not now a Registered Organization but later becomes one, Borrower shall promptly notify Bank of such occurrence and provide Bank with Borrower's organizational identification number.

The execution, delivery and performance by Borrower of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with any of Borrower's organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Borrower or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect or are being obtained pursuant to Section 6.1(b)) or (v) constitute an event of default under any material agreement by which Borrower is bound. Borrower is not in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a material adverse effect on Borrower's business.

5.2 Collateral. Borrower has good title to, has rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted

Liens. Borrower has no Collateral Accounts other than the Collateral Accounts with Bank, the Collateral Accounts, if any, described in the Perfection Certificate delivered to Bank in connection herewith, or of which Borrower has given Bank notice and taken such actions as are necessary to give Bank a perfected security interest therein. The Accounts are bona fide, existing obligations of the Account Debtors.

The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate. None of the components of the Collateral shall be maintained at locations other than as provided in the Perfection Certificate or as permitted pursuant to Section 7.2.

Borrower is the sole owner of the Intellectual Property which it owns or purports to own except for non-exclusive licenses granted to its customers in the ordinary course of business. To be best of Borrower's knowledge, each Patent which it owns or purports to own and which is material to Borrower's business is valid and enforceable, and no part of the Intellectual Property which Borrower owns or purports to own and which is material to Borrower's business has been judged invalid or unenforceable, in whole or in part. To the best of Borrower's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim would not reasonably be expected to have a material adverse effect on Borrower's business.

Except as noted on the Perfection Certificate, Borrower is not a party to, nor is it bound by, any Restricted License.

5.3 Accounts Receivable.

(a) For each Account with respect to which Advances are requested, on the date each Advance is requested and made, such Account shall be an Eligible Account.

(b) All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Eligible Accounts are and shall be true and correct and all such invoices, instruments and other documents, and all of Borrower's Books are genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Eligible Account shall comply in all material respects with all applicable laws and governmental rules and regulations. Borrower has no knowledge of any actual or imminent Insolvency Proceeding of any Account Debtor whose accounts are Eligible Accounts in any Transaction Report. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Eligible Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms.

(c) [Omitted].

5.4 Litigation. Except as set forth in the Perfection Certificate or as otherwise disclosed in writing to Bank prior to the date hereof, there are no actions or proceedings pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than $50,000.

5.5 Financial Statements; Financial Condition. All consolidated financial statements for Borrower and any of its Subsidiaries delivered to Bank fairly present in all material respects Borrower's consolidated financial condition and Borrower's consolidated results of operations. There has not been any material deterioration in Borrower's consolidated financial condition since the date of the most recent financial statements submitted to Bank.

5.6 Solvency. The fair salable value of Borrower's assets (including goodwill minus disposition costs) exceeds the fair value of its liabilities; Borrower is not left with unreasonably small capital after the transactions in this Agreement; and Borrower is able to pay its debts (including trade debts) as they mature.

5.7 Regulatory Compliance. Borrower is not an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Borrower is not engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Borrower has not violated any laws, ordinances or rules, the violation of which could reasonably be expected to have a material adverse effect on its business. None of Borrower's or any of its Subsidiaries' properties or assets has been used by Borrower or any Subsidiary or, to the best of Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than legally. Borrower and each of its Subsidiaries have obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Government Authorities that are necessary to continue their respective businesses as currently conducted.

5.8 Subsidiaries; Investments. Borrower does not own any stock, partnership interest or other equity securities except for Permitted Investments.

5.9 Tax Returns and Payments; Pension Contributions. Borrower has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower. Borrower may defer payment of any contested taxes, provided that Borrower (a) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (b) notifies Bank in writing of the commencement of, and any material development in, the proceedings, (c) posts bonds or takes any other steps required to prevent the governmental authority levying such contested taxes from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien". Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not withdrawn from participation in, and has not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

5.10 Use of Proceeds. Borrower shall use the proceeds of the Credit Extensions solely as working capital, to purchase Eligible Equipment and to fund its general business requirements and not for personal, family, household or agricultural purposes.

5.11 Full Disclosure. No written representation, warranty or other statement of Borrower in any certificate or written statement given to Bank, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Bank, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized by Bank that the projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

5.12 Indebtedness. Borrower is not liable for any Indebtedness other than Permitted Indebtedness.

5.13 Definition of "Knowledge.**"** For purposes of the Loan Documents, whenever a representation or warranty is made to Borrower's knowledge or awareness, to the "best of" Borrower's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers.

6 AFFIRMATIVE COVENANTS

Borrower shall do all of the following:

6.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify would reasonably be expected to have a material adverse effect on Borrower's business or operations. Borrower shall comply, and have each Subsidiary comply, with all laws, ordinances and regulations to which it is subject, noncompliance with which could have a material adverse effect on Borrower's business.

(b) Obtain all of the Governmental Approvals necessary for the performance by Borrower of its obligations under the Loan Documents to which it is a party and the grant of a security interest to Bank in all of its property. Borrower shall promptly provide copies of any such obtained Governmental Approvals to Bank.

6.2 Financial Statements, Reports, Certificates. Provide Bank with the following:

(a) weekly and at the time of each request for an Advance, a Transaction Report (and any schedules related thereto); provided, however, if a Streamline Period is in effect, then within **twenty (20)** days after the end of each month and at the time of each request for an Advance, a Transaction Report (and any schedules related thereto);

(b) **twenty (20)** days after the end of each month, (A) monthly accounts receivable agings, aged by invoice date, (B) monthly accounts payable agings, aged by invoice date, and outstanding or held check registers, if any, and (C) monthly reconciliations of accounts receivable agings (aged by invoice date), transaction reports and general ledger;

(c) as soon as available, but no later than **thirty (30)** days after the last day of each month, a company prepared consolidated and consolidating balance sheet and income statement covering Borrower's and each of its Subsidiary's operations for such month certified by a Responsible Officer and in a form acceptable to Bank (the "**Monthly Financial Statements**");

(d) within **thirty (30)** days after the last day of each month and together with the Monthly Financial Statements, a duly completed Compliance Certificate signed by a Responsible Officer, certifying that as of the end of such month, Borrower was in full compliance with all of the terms and conditions of this Agreement, and setting forth calculations showing compliance with the financial covenants set forth in this Agreement and such other information as Bank shall reasonably request, including, without limitation, a statement that at the end of such month there were no held checks;

(e) within **thirty (30)** days of the earlier of (i) the end of each fiscal year of Borrower or (ii) approval by Borrower's board of directors, the following: (A) annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Borrower, and (B) annual financial projections for the following fiscal year (on a quarterly basis) as approved by Borrower's board of directors, together with any related business forecasts used in the preparation of such annual financial projections; and

(f) as soon as available, and in any event within **180** days following the end of Borrower's fiscal year, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm acceptable to Bank in its reasonable discretion; provided, however, with respect to Borrower's audited consolidated financial statements for the fiscal year ending December 31, 2010, such audited consolidated financial statements shall be provided to Bank together with the audited consolidated financial statements for the Borrower's fiscal year ending December 31, 2011.

(g) As long as Borrower is subject to the reporting requirements under the Exchange Act, within **five (5)** days of filing, copies (or a link to such documents on Borrower's or another website on the Internet) of all periodic and other reports, proxy statements and other materials filed by Borrower with the SEC, any Governmental Authority succeeding to any or all of the functions of the SEC or with any national securities exchange, or distributed to its shareholders, as the case may be;

(h) within **five (5)** days of delivery, copies of all statements, reports and notices made available to Borrower's security holders or to any holders of Subordinated Debt;

(i) [omitted]; and

(j) prompt report of any legal actions pending or threatened in writing against Borrower or any of its Subsidiaries that could result in damages or costs to Borrower or any of its Subsidiaries of, individually or in the aggregate, Fifty Thousand Dollars ($50,000) or more; and

(k) other financial information reasonably requested by Bank.

6.3 Accounts Receivable.

(a) Schedules and Documents Relating to Accounts. Borrower shall deliver to Bank transaction reports and schedules of collections, as provided in Section 6.2, on Bank's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Bank's Lien and other rights in all of Borrower's Accounts, nor shall Bank's failure to advance or lend against a specific Account affect or limit Bank's Lien and other rights therein. If requested by Bank, Borrower shall furnish Bank with copies (or, at Bank's request, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, Borrower shall deliver to Bank, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary indorsements, and copies of all credit memos.

(b) Disputes. Borrower shall promptly notify Bank of all disputes or claims relating to Accounts. Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing so long as (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to Bank in the regular reports provided to Bank; (ii) no Event of Default has occurred and is continuing; and (iii) after taking into account all such discounts, settlements and forgiveness, the total outstanding Advances will not exceed the lesser of the Maximum Dollar Amount or the Borrowing Base.

(c) Collection of Accounts. Until payment in full in cash of all Advances and all other Obligations relating to the Revolving Line (other than inchoate indemnity obligations) and Bank's obligations to make Advances and any other Credit Extensions relating to the Revolving Line have terminated (provided that Borrower's obligation under this sentence shall not end at a time when any Event of Default exists), Borrower shall be a party to a three party agreement (the "**Lockbox Agreement**") with Bank and a lockbox provider (the "**Lockbox Provider**"). The Lockbox Agreement and Lockbox Provider shall be acceptable to Bank. Borrower shall use the lockbox address as the payment address on all invoices issued by Borrower and shall direct all its Account Debtors to remit their payments to the lockbox address. The Lockbox Agreement shall provide that the Lockbox Provider shall remit all collections received in the lockbox to Bank. Upon Bank's receipt of such collections, Bank shall apply the same as follows:

(i) If a Streamline Period is in effect, Bank shall deposit such proceeds into the operating account of Borrower at Bank that is designated by Borrower; and

(ii) If a Streamline Period is not in effect, Bank shall apply such proceeds to the outstanding Advances, and if all outstanding Advances have been paid in full, Bank shall deposit the remainder into the operating account of Borrower at Bank that is designated by Borrower; and

(iii) If a Default or Event of Default has occurred and is continuing, without limiting Bank's other rights and remedies, Bank shall have the right to apply such proceeds pursuant to the terms of Section 9.4 hereof.

It is understood and agreed by Borrower that this Section does not impose any affirmative duty on Bank to do any act other than to tum over such amounts. Without limitation on the foregoing, whether or not an Event of Default has occurred and is continuing, Borrower shall hold all payments on, and proceeds of, Accounts that Borrower receives, in trust for Bank, and Borrower shall immediately deliver all such payments and proceeds to Bank in their original form, duly endorsed, to be applied to the Obligations pursuant to the terms of Sections 2.5(b) and 9.4 hereof.

(d) Returns. [Omitted].

(e) Verification. Bank may, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, either in the name of Borrower or Bank or such other name as Bank may choose.

(f) No Liability. Bank shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Bank be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve Bank from liability for its own gross negligence or willful misconduct.

6.4 Remittance of Proceeds. Except as otherwise provided in Section 6.3(c), deliver, in kind, all proceeds arising from the disposition of any Collateral to Bank in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations (1) prior to an Event of Default, pursuant to the terms of Section 2.5(b) hereof, and (2) after the occurrence and during the continuance of an Event of Default, pursuant to the terms of Section 9.4 hereof; provided that, if no Event of Default has occurred and is continuing, Borrower shall not be obligated to remit to Bank the proceeds of the sale of surplus, worn out or obsolete Equipment disposed of by Borrower in good faith in an arm's length transaction for an aggregate purchase price of Two Hundred Thousand Dollars ($200,000) or less (for all such transactions in any fiscal year). Borrower agrees that it will maintain all proceeds of Collateral in an account maintained with Bank. Nothing in this Section limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

6.5 Taxes; Pensions. Timely file, and require each of its Subsidiaries to timely file, all required tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9 hereof, and shall deliver to Bank, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.6 Access to Collateral; Books and Records. At reasonable times, on three (3) Business Day's notice (provided no notice is required if an Event of Default has occurred and is continuing), Bank, or its agents, shall have the right to inspect the Collateral and the right to audit and copy Borrower's Books. Such inspections or audits shall be conducted no more often than twice every twelve (12) months but nothing herein restricts Bank's right to conduct such audits more frequently if (i) Bank believes that it is advisable to do so in Bank's good faith business judgment, or (ii) Bank believes in good faith that a Default or Event of Default has occurred. The foregoing inspections and audits shall be at Borrower's expense, and the charge therefor shall be $850 per person per day (or such higher amount as shall represent Bank's then-current standard charge for the same), plus reasonable out-of-pocket expenses. In the event Borrower and Bank schedule an audit more than ten (10) days in advance, and Borrower cancels or seeks to reschedules the audit with less than ten (10) days written notice to Bank, then (without limiting any of Bank's rights or remedies), Borrower shall pay Bank a fee of $1,000 plus any out-of-pocket expenses incurred by Bank to compensate Bank for the anticipated costs and expenses of the cancellation or rescheduling.

6.7 Insurance. Keeps its business and the Collateral insured for risks and in amounts standard for companies in Borrower's industry and location and as Bank may reasonably request. Insurance policies shall be in a form, with companies, and in amounts that are satisfactory to Bank. All property policies shall have a lender's loss payable endorsement showing Bank as the sole lender loss payee and waive subrogation against Bank. All liability policies shall show, or have endorsements showing, Bank as an additional insured. All policies (or the loss payable and additional insured endorsements) shall provide that the insurer shall give Bank at least twenty (20) days notice before canceling, amending, or declining to renew its policy. At Bank's request, Borrower shall deliver certified copies of policies and evidence of all premium payments. Proceeds payable under any policy shall, at Bank's option, be payable to Bank on account of the Obligations. Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, Borrower shall have the option of applying the proceeds of any casualty policy up to Fifty Thousand Dollars ($50,000) with respect to any loss, but not exceeding One Hundred Thousand Dollars ($100,000) in the aggregate for all losses under all casualty policies in any one year, toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Bank has been granted a first priority security interest, and (b) after the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the option of Bank, be payable to Bank on account of the Obligations. If Borrower fails to obtain insurance as required under this Section 6.7 or to pay any amount or furnish any required proof of payment to third persons and Bank, Bank may make all or part of such payment or obtain such insurance policies required in this Section 6.7, and take any action under the policies Bank deems prudent.

6.8 Operating Accounts.

(a) Maintain its and its Subsidiaries primary operating and other deposit accounts and securities accounts with Bank and Bank's Affiliates which accounts shall represent at least 85% of the dollar value of Borrower's and such Subsidiaries accounts at all financial institutions.

(b) Provide Bank five (5) days prior written notice before establishing any Collateral Account at or with any bank or financial institution other than Bank or Bank's Affiliates. For each Collateral Account that Borrower at any time maintains, Borrower shall cause the applicable bank or financial institution (other than Bank) at or with which any Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Bank's Lien in such Collateral Account in accordance with the terms hereunder which Control Agreement may not be terminated without the prior written consent of Bank. The provisions of the previous sentence shall not apply to deposit accounts exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Borrower's employees and identified to Bank by Borrower as.

6.9 Financial Covenants.

Maintain as of the last day of each month, unless otherwise noted, on a consolidated basis with respect to Borrower and its Subsidiaries:

(a) Tangible Net Worth. A Tangible Net Worth of at least **$7,500,000** plus (i) 50% of all consideration received on or after the Effective Date for the issuance of equity securities and Subordinated Debt of the Borrower, plus (ii) 50% of the Borrower's Net Income in each fiscal quarter ending on or after September 30, 2011.

Increases in the Tangible Net Worth based on consideration received for equity securities and Subordinated Debt of the Borrower shall be effective as of the end of the month in which such consideration is received, and shall continue effective thereafter. Increases in the Tangible Net Worth based on net income shall be effective on the last day of the fiscal quarter in which said net income is realized, and shall continue effective thereafter. In no event shall the Tangible Net Worth be decreased.

(b) Fixed Charge Coverage Ratio. Commencing with the fiscal quarter ending December 31, 2011 and for each fiscal quarter ending thereafter, a ratio of (i) Borrower's trailing twelve months' Adjusted EBITDA minus (A) unfunded capital expenditures, (B) taxes paid in cash and (C) cash dividends (the "FCCR Numerator") to (ii) the sum of (A) trailing twelve months' interest payments and (B) trailing twelve months' principal payments (including, but not limited to, equipment advances and capital lease obligations) (the "FCCR Denominator") of not less than the following:

For the fiscal quarter ending December 31, 2011: **1.25 to 1.0** (to be calculated by adding the amounts of each segment of the FCCR Numerator and FCCR Denominator for the three months ending December 31, 2011 and multiplying such amounts by four and then calculating the ratio);

For the fiscal quarter ending March 31, 2012: **1.25 to 1.0** (to be calculated by adding the amounts of each segment of the FCCR Numerator and FCCR Denominator for the six months ending March 31, 2012 and multiplying such amounts by two and then calculating the ratio);

For the fiscal quarter ending June 30, 2012: **1.25 to 1.0** (to be calculated by adding the amounts of each segment of the FCCR Numerator and FCCR Denominator for the nine months ending June 30, 2012 and dividing such amounts by three and then multiplying such amounts by four and then calculating the ratio); and

For the fiscal quarter ending September 30, 2012 and each fiscal quarter ending thereafter: **1.25 to 1.0** (to be calculated by adding the amounts of each segment of the FCCR Numerator and FCCR Denominator for the twelve months ending on the last day of the fiscal quarter being measured and then calculating the ratio).

Borrower's failure to comply with the foregoing financial covenant will not constitute an Event of Default hereunder if (i) availability under the Revolving Line is equal to or greater than the aggregate outstanding principal amounts of the Equipment I Advances and the Equipment II Advances and (ii) Borrower agrees to reduce the Availability Amount under the Revolving Line in an amount equal to all Obligations pertaining to the Equipment I Advances and Equipment II Advances.

6.10 Protection of Intellectual Property Rights.

(a)(i) Protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Bank in writing of material infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrower's business to be abandoned, forfeited or dedicated to the public without Bank's written consent.

(b) [Omitted].

(c) Provide written notice to Bank within thirty (30) days of entering or becoming bound by any Restricted License (other than over-the-counter software that is commercially available to the public). Borrower shall take such steps as Bank requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Bank to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (ii) Bank to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Bank's rights and remedies under this Agreement and the other Loan Documents.

6.11 Litigation Cooperation. From the date hereof and continuing through the termination of this Agreement, make available to Bank, without expense to Bank, Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Bank may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Bank with respect to any Collateral or relating to Borrower.

6.12 Further Assurances. Execute any further instruments and take further action as Bank reasonably requests to perfect or continue Bank's Lien in the Collateral or to effect the purposes of this Agreement.

6.13 Requirements of Law. Deliver to Bank, within five (5) days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a material effect on any of the Governmental Approvals or otherwise on the operations of Borrower or any of its Subsidiaries.

7 NEGATIVE COVENANTS

Borrower shall not do any of the following without Bank's prior written consent:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, except for Transfers (a) of Inventory in the ordinary course of business; (b) of worn-out or obsolete Equipment; (c) consisting of Permitted Liens and Permitted Investments; and (d) of non-exclusive licenses for the use of the property of Borrower or its Subsidiaries in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States.

7.2 Changes in Business, Management, Ownership or Business Locations.

(a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses currently engaged in by Borrower and such Subsidiary, as applicable, or reasonably related thereto;

(b) liquidate or dissolve; or

(c) enter into any transaction or series of related transactions in which the stockholders of Borrower who were not stockholders immediately prior to the first such transaction own more than 40% of the voting stock of Borrower immediately after giving effect to such transaction or related series of such transactions (other than by the sale of Borrower's equity securities in a public offering or to venture capital investors so long as Borrower identifies to Bank the venture capital investors prior to the closing of the transaction and provides to Bank a description of the material terms of the transaction); or

(d) without at least thirty (30) days prior written notice to Bank: (1) add any new offices or business locations, including warehouses (unless such new offices or business locations contain less than $10,000 in Borrower's assets or property) or deliver any portion of the Collateral valued, individually or in the aggregate, in excess of $10,000 to a bailee at a location other than to a bailee and at a location already disclosed in the Perfection Certificate, (2) change its jurisdiction of organization, (3) change its organizational structure or type, (4) change its legal name, or (5) change any organizational number (if any) assigned by its jurisdiction of organization. If Borrower intends to deliver any portion of the Collateral valued, individually or in the aggregate, in excess of $10,000 to a bailee, and Bank and such bailee are not already parties to a bailee agreement governing both the

Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will first receive the written consent of Bank, and such bailee shall execute and deliver a bailee agreement in form and substance satisfactory to Bank in its sole discretion.

7.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person. A Subsidiary may merge or consolidate into another Subsidiary or into Borrower (if such Subsidiary is also a Borrower hereunder).

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to do so, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens; permit any Collateral not to be subject to the first priority security interest granted herein; or enter into any agreement, document, instrument or other arrangement (except with or in favor of Bank) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower or any Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or any Subsidiary's Intellectual Property.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.8(b) hereof.

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment or redeem, retire or purchase any capital stock provided that (i) Borrower may convert any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower may pay dividends solely in common stock; and (iii) Borrower may repurchase the stock of former employees or consultants pursuant to stock repurchase agreements so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided such repurchase does not exceed in the aggregate of One Hundred Thousand Dollars ($100,000) per fiscal year; or (b) directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower, except for (i) equity financing transactions in which the Borrower's stockholders or their Affiliates participate; or (ii) transactions that are in the ordinary course of Borrower's business, upon fair and reasonable terms that are no less favorable to Borrower than would be obtained in an arm's length transaction with a non-affiliated Person.

7.9 Subordinated Debt. (a) Make or permit any payment on any Subordinated Debt, except under the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, or the amount of any permitted payments thereof, or adversely affect the subordination thereof to Obligations owed to Bank.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Credit Extension for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a material adverse effect on Borrower's business, or permit any of its Subsidiaries to do so; withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8 EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Borrower fails to (a) make any payment of principal or interest on any Credit Extension on its due date, or (b) pay any other Obligations within three (3) Business Days after such Obligations are due and payable (which three (3) Business Day cure period shall not apply to payments due on the Revolving Line Maturity Date). During the cure period, the failure to make or pay any payment specified under clause (a) or (b) hereunder is not an Event of Default (but no Credit Extension will be made during the cure period);

8.2 Covenant Default.

(a) Borrower fails or neglects to perform any obligation in Sections 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9 (provided, however, a default under Section 6.9(b) in and of itself will not constitute an Event of Default with respect to the Revolving Line), 6.10(c) or violates any covenant in Section 7; or

(b) Borrower fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within ten (10) days after the occurrence thereof; provided, however, that if the default cannot by its nature be cured within the ten (10) day period or cannot after diligent attempts by Borrower be cured within such ten (10) day period, and such default is likely to be cured within a reasonable time, then Borrower shall have an additional period (which shall not in any case exceed thirty (30) days) to attempt to cure such default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Credit Extensions shall be made during such cure period). Cure periods provided under this section shall not apply, among other things, to financial covenants or any other covenants set forth in clause (a) above;

8.3 Material Adverse Change. A Material Adverse Change occurs;

8.4 Attachment; Levy; Restraint on Business.

(a)(i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or of any entity under the control of Borrower (including a Subsidiary) on deposit or otherwise maintained with Bank or any Bank Affiliate, or (ii) a notice of lien or levy is filed against any of Borrower's assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Credit Extensions shall be made during any ten (10) day cure period; or

(b)(i) any material portion of Borrower's assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents Borrower from conducting any material part of its business;

8.5 Insolvency. (a) Borrower is unable to pay its debts (including trade debts) as they become due or otherwise becomes insolvent; (b) Borrower begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against Borrower and not dismissed or stayed within thirty (30) days (but no Credit Extensions shall be made while of any of the conditions described in clause (a) exist and/or until any Insolvency Proceeding is dismissed);

8.6 Other Agreements. There is a default in any agreement to which Borrower or any Guarantor is a party with a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of One Hundred Thousand Dollars ($100,000); or that could have a material adverse effect on Borrower's or any Guarantor's business;

8.7 Judgments. One or more final judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least One Hundred Thousand Dollars ($100,000) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against Borrower and the same are not, within ten (10) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Credit Extensions will be made prior to the discharge, stay, or bonding of such judgment, order, or decree);

8.8 Misrepresentations. Borrower or any Person acting for Borrower makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Bank or to induce Bank to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made;

8.9 Subordinated Debt or Lien. A material default or material breach occurs under any agreement between Borrower and any creditor of Borrower that signed a subordination, intercreditor, or other similar agreement with Bank, or any creditor that has signed such an agreement with Bank breaches any terms of such agreement; or the Obligations shall for any reason be subordinated or shall not have the priority contemplated by this Agreement or any such subordination, intercreditor, or other similar agreement;

8.10 Guaranty. (a) Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect unless expressly released in writing by Bank; (b) any Guarantor does not perform any obligation or covenant under any guaranty of the Obligations; (c) any circumstance described in Sections 8.3, 8.4, 8.5, 8.7, or 8.8. occurs with respect to any Guarantor; (d) the death, liquidation, winding up, or termination of existence of any Guarantor (except to the extent that Guarantor is (i) a Subsidiary of Borrower and (ii) a Borrower hereunder and (iii) such winding up or termination is otherwise permitted under the terms of this Agreement); or (e) (i) a material impairment in the perfection or priority of Bank's Lien in the collateral provided by Guarantor or in the value of such collateral or (ii) a material adverse change in the general affairs, management, results of operation, condition (financial or otherwise) or the prospect of repayment of the Obligations occurs with respect to any Guarantor; or

8.11 Governmental Approvals. Any Governmental Approval shall have been (a) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (b) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approval or that could result in the Governmental Authority taking any of the actions described in clause (a) above, and such decision or such revocation, rescission, suspension, modification or non-renewal (i) has, or could reasonably be expected to have, a Material Adverse Change, or (ii) adversely affects the legal qualifications of Borrower or any of its Subsidiaries to hold such Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or non-renewal could reasonably be expected to affect the status of or legal qualifications of Borrower or any of its Subsidiaries to hold any Governmental Approval in any other jurisdiction.

9 BANK'S RIGHTS AND REMEDIES

9.1 Rights and Remedies. If an Event of Default has occurred and is continuing, Bank may, without notice or demand, do any or all of the following:

(a) declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Bank);

(b) stop advancing money or extending credit for Borrower's benefit under this Agreement or under any other agreement between Borrower and Bank;

(c) for any Letters of Credit, demand that Borrower (i) deposit cash with Bank in an amount equal to 105% of the Dollar Equivalent of the aggregate face amount of all Letters of Credit remaining undrawn (plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment)), to secure all of the Obligations relating to such Letters of Credit, as collateral security for the repayment of any future drawings under such Letters of Credit, and Borrower shall forthwith deposit and pay such amounts, and (ii) pay in advance all letter of credit fees scheduled to be paid or payable over the remaining term of any Letters of Credit;

(d) terminate any FX Contracts;

(e) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Bank considers advisable, notify any Person owing Borrower money of Bank's security interest in such funds;

(f) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Borrower shall assemble the Collateral if Bank requests and make it available as Bank designates. Bank may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Borrower grants Bank a license to enter and occupy any of its premises, without charge, to exercise any of Bank's rights or remedies;

(g) apply to the Obligations any (i) balances and deposits of Borrower it holds, or (ii) any amount held by Bank owing to or for the credit or the account of Borrower;

(h) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral. Bank is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, Borrower's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Bank's exercise of its rights under this Section, Borrower's rights under all licenses and all franchise agreements inure to Bank's benefit;

(i) place a "hold" on any account maintained with Bank and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(j) demand and receive possession of Borrower's Books; and

(k) exercise all rights and remedies available to Bank under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

9.2 Power of Attorney. Borrower hereby irrevocably appoints Bank as its lawful attorney-in-fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's name on any checks or other forms of payment or security; (b) sign Borrower's name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Bank determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Bank or a third party as the Code permits. Borrower hereby appoints Bank as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Bank's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations have been satisfied in full and Bank is under no further obligation to make Credit Extensions hereunder. Bank's foregoing appointment as Borrower's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until all Obligations have been fully repaid and performed and Bank's obligation to provide Credit Extensions terminates.

9.3 Protective Payments. If Borrower fails to obtain the insurance called for by Section 6.7 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document, Bank may obtain such insurance or make such payment, and all amounts so paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Bank will make reasonable efforts to provide Borrower with notice of Bank obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default.

9.4 Application of Payments and Proceeds. If an Event of Default has occurred and is continuing, Bank may apply any funds in its possession, whether from Borrower account balances, payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations in such order as Bank shall determine in its sole discretion. Any surplus shall be paid to Borrower by credit to the Designated Deposit Account or to other Persons legally entitled thereto; Borrower shall remain liable to Bank for any deficiency. If Bank, in its good faith business judgment, directly or indirectly enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Bank shall have the option, exercisable at any time, of either reducing the Obligations by the principal amount of the purchase price or deferring the reduction of the Obligations until the actual receipt by Bank of cash therefor.

9.5 Bank's Liability for Collateral. So long as Bank complies with reasonable banking practices regarding the safekeeping of the Collateral in the possession or under the control of Bank, Bank shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Borrower bears all risk of loss, damage or destruction of the Collateral.

9.6 No Waiver; Remedies Cumulative. Bank's failure, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Bank thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by the party granting the waiver and then is only effective for the specific instance and purpose for which it is given. Bank's rights and remedies under this Agreement and the other Loan Documents are cumulative. Bank has all rights and remedies provided under the Code, by law, or in equity. Bank's exercise of one right or remedy is not an election and shall not preclude Bank from exercising any other remedy under this Agreement or other remedy available at law or in equity, and Bank's waiver of any Event of Default is not a continuing waiver. Bank's delay in exercising any remedy is not a waiver, election, or acquiescence.

9.7 Demand Waiver. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Bank on which Borrower is liable.

10 <u>NOTICES</u>

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by electronic mail or facsimile transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Bank or Borrower may change its mailing or electronic mail address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower:	c/o The Rubicon Project, Inc. 1925 S. Bundy Drive Los Angeles, CA 90025 Attn: <u>Seizo Welch</u> Fax: <u>323-446-7119</u> Email: <u>SWelch@rubiconproject.com</u>
If to Bank:	Silicon Valley Bank 38 Technology Drive, Suite 150 Irvine, CA 92618 Attn: Victor Le Fax: 949-790-9020 Email: vlc@svb.com

11 <u>CHOICE OF LAW, VENUE, JURY TRIAL WAIVER AND JUDICIAL REFERENCE</u>

California law governs the Loan Documents without regard to principles of conflicts of law. Borrower and Bank each submit to the exclusive jurisdiction of the State and Federal courts in Santa Clara County, California; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Bank from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Bank. Borrower expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and Borrower hereby waives any objection that it may have based upon lack or personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Borrower hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to Borrower at the address set forth in, or subsequently provided by Borrower in accordance with, Section 10 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of Borrower's actual receipt thereof or three (3) days after deposit in the U.S. mails, proper postage prepaid.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY

CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BOTH PARTIES TO ENTER INTO THIS AGREEMENT. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

12 <u>GENERAL PROVISIONS</u>

12.1 Termination Prior to Revolving Line Maturity Date. This Agreement may be terminated prior to the Revolving Line Maturity Date by Borrower effective three (3) Business Days after written notice of termination is given to Bank. Notwithstanding any such termination, Bank's lien and security interest in the Collateral and all of Bank's rights and remedies under this Agreement shall continue until Borrower fully satisfies its Obligations. If such termination is (i) at Borrower's election or (ii) at Bank's election due to the occurrence and continuance of an Event of Default or (iii) if any of the Obligations become due and payable as a result of an Event of Default (including, without limitation, becoming due and payable as a result of an Insolvency Proceeding), Borrower shall pay to Bank, in addition to the payment of any other expenses or fees then-owing, a termination fee in an amount equal to one percent (1.0%) of the Maximum Dollar Amount if any such termination arises prior to the first anniversary of the Effective Date, provided that no termination fee shall be charged if the credit facility hereunder is replaced with a new facility from another division of Bank.

12.2 Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Borrower may not assign this Agreement or any rights or obligations under it without Bank's prior written consent (which may be granted or withheld in Bank's discretion). Bank has the right, without the consent of or notice to Borrower, to sell, transfer, assign, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights, and benefits under this Agreement and the other Loan Documents.

12.3 Indemnification. Borrower agrees to indemnify, defend and hold Bank and its directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Bank (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (b) all losses or expenses (including Bank Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions between Bank and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence or willful misconduct.

12.4 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.5 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.6 Correction of Loan Documents. Bank may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties so long as Bank provides Borrower with written notice of such correction and allows Borrower at least ten (l0) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Bank and Borrower.

12.7 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be enforceable or admissible unless, and only to the extent, expressly set forth in a writing signed by the party against which enforcement or admission is sought. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.8 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

12.9 Survival. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been paid in full and satisfied. The grant of security interest by Borrower in Section 4.1 shall survive until the termination of all Bank Services Agreements, and the obligation of Borrower in Section 12.3 to indemnify the Indemnified Persons shall survive until all statutes of limitation with respect to such claim or cause of action with respect to the Claims, losses and expenses for which indemnity is given shall have run.

12.10 Confidentiality. In handling any confidential information, which shall include all information about Borrower provided by Borrower to Bank hereunder or under the Warrant and any other information the nature of which should reasonably be understood to be confidential, Bank shall not disclose and shall exercise the same degree of care that it exercises for its own proprietary information, but disclosure of information may be made: (a) to Bank's Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Bank, collectively, "Bank Entities"); (b) to prospective transferees or purchasers of any interest in the Credit Extensions (provided, however, Bank shall use commercially reasonable efforts to obtain any prospective transferee's or purchaser's agreement to the terms of this provision or substantially similar terms); (c) as required by law, regulation, subpoena, or other order; (d) to Bank's regulators or as otherwise required in connection with Bank's examination or audit; (e) as Bank considers appropriate in exercising remedies under the Loan Documents; and (f) to third-party service providers of Bank so long as such service providers have executed a confidentiality agreement with Bank with terms no less restrictive than those contained herein. Confidential information does not include information that is either: (i) in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain after disclosure to Bank; or (ii) disclosed to Bank by a third party if Bank does not know that the third party is prohibited from disclosing the information.

Bank Entities may use the confidential information for reporting purposes and the development and distribution of databases and market analyses so long as such confidential information is aggregated and anonymized prior to distribution unless otherwise expressly prohibited by Borrower. The provisions of the immediately preceding sentence shall survive the termination of this Agreement.

12.11 Attorneys' Fees, Costs and Expenses. In any action or proceeding between Borrower and Bank arising out of or relating to the Loan Documents, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled.

12.12 Electronic Execution of Documents . The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act.

12.13 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.14 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.15 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.16 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

13 DEFINITIONS

13.1 Definitions. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" is any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Borrower.

"**Account Debtor**" is any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Adjusted EBITDA**" shall mean (a) Net Income, plus (b) Interest Expense, plus (c) to the extent deducted in the calculation of Net Income, depreciation expense, plus (d) income tax expense, plus (e) other non-cash amortization expenses, plus (f) FAS 123R stock compensation expense, plus (g) other non-cash expenses determined in accordance with GAAP.

"**Advance**" or "**Advances**" means an advance (or advances) under the Revolving Line.

"**Affiliate**" is, with respect to any Person, each other Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" is defined in the preamble hereof.

"**Availability Amount**" is (a) the lesser of (i) the Maximum Dollar Amount or (ii) the amount available under the Borrowing Base minus (b) the outstanding principal balance of any Advances.

"**Bank**" is defined in the preamble hereof.

"**Bank Expenses**" are all reasonable audit fees and expenses, costs, and expenses (including reasonable attorneys' fees and expenses) for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to Borrower or any Guarantor other Credit Party.

"**Bank Services**" are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Borrower or any of its Subsidiaries by Bank or any Bank Affiliate, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services as any such products or services may be identified in Bank's various agreements related thereto (each, a "**Bank Services Agreement**").

"**Borrower**" is defined in the preamble hereof.

"**Borrower's Books**" are all Borrower's books and records including ledgers, federal and state tax returns, records regarding Borrower's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrowing Base**" is **85%** of Eligible Accounts, as determined by Bank from Borrower's most recent Transaction Report; provided, however, that Bank may decrease the foregoing percentage in its good faith business judgment based on events, conditions, contingencies, or risks which, as determined by Bank, may adversely affect Collateral.

"**Borrowing Resolutions**" are, with respect to any Person, those resolutions adopted by such Person's Board of Directors and delivered by such Person to Bank approving the Loan Documents to which such Person is a party and the transactions contemplated thereby, together with a certificate executed by its Secretary on behalf of such Person certifying that (a) such Person has the authority to execute, deliver, and perform its obligations under each of the Loan Documents to which it is a party, (b) that set forth in such certificate is a true, correct, and complete copy of the resolutions then in full force and effect authorizing and ratifying the execution, delivery, and performance by such Person of the Loan Documents to which it is a party, (c) the names of the Persons authorized to execute the Loan Documents on behalf of such Person, together with a sample of the true signatures of such Persons, and (d) that Bank may conclusively rely on such certificate unless and until such Person shall have delivered to Bank a further certificate canceling or amending such prior certificate.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which Bank is closed.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) Bank's certificates of deposit issued maturing no more than one (1) year after issue; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**Code**" is the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of California; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Bank's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of California, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account.

"**Commodity Account**" is any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit B.

"**Contingent Obligation**" is, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; but "Contingent Obligation" does not include endorsements in the ordinary course of business. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Control Agreement**" is any control agreement entered into among the depository institution at which Borrower maintains a Deposit Account or the securities intermediary or commodity intermediary at which Borrower maintains a Securities Account or a Commodity Account, Borrower, and Bank pursuant to which Bank obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Credit Extension**" is any Advance, Equipment I Advance, Equipment II Advance or any other extension of credit by Bank for Borrower's benefit.

"**Credit Party**" means Borrower, and each of Borrower's Subsidiaries.

"**Default**" means any event which with notice or passage of time or both, would constitute an Event of Default.

"**Default Rate**" is defined in Section 2.3(b).

"**Deferred Revenue**" is all amounts received or invoiced in advance of performance under contracts and not yet recognized as revenue.

"**Deposit Account**" is any "deposit account" as defined in the Code with such additions to such term as may hereafter be made.

"**Designated Deposit Account**" is Borrower's deposit account, account number 3300661640, maintained with Bank.

"**Dollars**," "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Dollar Equivalent**" is, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in a Foreign Currency, the equivalent amount therefor in Dollars as determined by Bank at such time on the basis of the then-prevailing rate of exchange in San Francisco, California, for sales of the Foreign Currency for transfer to the country issuing such Foreign Currency.

"**Draw Period II**" is the period of time from the Effective Date through the earlier to occur of (a) December 31, 2011 or (b) an Event of Default.

"**Effective Date**" is defined in the preamble hereof.

"**Eligible Accounts**" means Accounts which arise in the ordinary course of Borrower's business that meet all Borrower's representations and warranties in Section 5.3. Bank reserves the right at any time and from time to time after the Effective Date to adjust any of the criteria set forth below and to establish new criteria in its good faith business judgment. Unless Bank otherwise agrees in writing, Eligible Accounts shall not include:

(a) Accounts for which the Account Debtor is Borrower's Affiliate, officer, employee, or agent;

(b) Accounts that the Account Debtor has not paid within ninety (90) days of invoice date regardless of invoice payment period terms;

(c) Accounts with credit balances over ninety (90) days from invoice date;

(d) Accounts owing from an Account Debtor, in which fifty percent (50%) or more of the Accounts have not been paid within ninety (90) days of invoice date;

(e) Accounts owing from an Account Debtor which does not have its principal place of business in the United States unless such Accounts are otherwise Eligible Accounts and (i) covered in full by credit insurance satisfactory to Bank, less any deductible, (ii) supported by letter(s) of credit acceptable to Bank, (iii) supported by a guaranty from the Export-Import Bank of the United States, or (iv) that Bank otherwise approves of in writing (the foreign accounts of Microsoft, Yahoo and AOL are hereby considered Eligible Accounts to the extent such Accounts are otherwise Eligible Accounts);

(f) Accounts billed and/or payable outside of the United States (sometimes called foreign invoiced accounts);

(g) Accounts owing from an Account Debtor to the extent that Borrower is indebted or obligated in any manner to the Account Debtor (as creditor, lessor, supplier or otherwise—sometimes called “contra” accounts, accounts payable, customer deposits or credit accounts).

(h) Accounts owing from an Account Debtor which is a United States government entity or any department, agency, or instrumentality thereof unless Borrower has assigned its payment rights to Bank and the assignment has been acknowledged under the Federal Assignment of Claims Act of 1940, as amended;

(i) Accounts for demonstration or promotional equipment, or in which goods are consigned, or sold on a “sale guaranteed”, “sale or return”, “sale on approval”, or other terms if Account Debtor’s payment may be conditional;

(j) Accounts owing from an Account Debtor where goods or services have not yet been rendered to the Account Debtor (sometimes called memo billings or pre-billings);

(k) Accounts subject to contractual arrangements between Borrower and an Account Debtor where payments shall be scheduled or due according to completion or fulfillment requirements where the Account Debtor has a right of offset for damages suffered as a result of Borrower’s failure to perform in accordance with the contract (sometimes called contracts accounts receivable, progress billings, milestone billings, or fulfillment contracts);

(l) Accounts owing from an Account Debtor the amount of which may be subject to withholding based on the Account Debtor’s satisfaction of Borrower’s complete performance (but only to the extent of the amount withheld; sometimes called retainage billings);

(m) Accounts subject to trust provisions, subrogation rights of a bonding company, or a statutory trust;

(n) Accounts owing from an Account Debtor that has been invoiced for goods that have not been shipped to the Account Debtor unless Bank, Borrower, and the Account Debtor have entered into an agreement acceptable to Bank in its sole discretion wherein the Account Debtor acknowledges that (i) it has title to and has ownership of the goods wherever located, (ii) a bona fide sale of the goods has occurred, and (iii) it owes payment for such goods in accordance with invoices from Borrower (sometimes called “bill and hold” accounts);

(o) Accounts for which the Account Debtor has not been invoiced;

(p) Accounts that represent non-trade receivables or that are derived by means other than in the ordinary course of Borrower’s business;

(q) Accounts for which Borrower has permitted Account Debtor’s payment to extend beyond 90 days;

(r) Accounts arising from chargebacks, debit memos or others payment deductions taken by an Account Debtor;

(s) Accounts arising from product returns and/or exchanges (sometimes called “warranty” or “RMA” accounts);

(t) Accounts in which the Account Debtor disputes liability or makes any claim (but only up to the disputed or claimed amount), or if the Account Debtor is subject to an Insolvency Proceeding, or becomes insolvent, or goes out of business;

(u) Accounts owing from an Account Debtor with respect to which Borrower has received Deferred Revenue (but only to the extent of such Deferred Revenue);

(v) Accounts owing from an Account Debtor, whose total obligations to Borrower exceed twenty-five percent (25%) of all Accounts, for the amounts that exceed that percentage, unless Bank approves in writing; and

(w) Accounts for which Bank in its good faith business judgment determines collection to be doubtful, including, without limitation, accounts represented by "refreshed" or "recycled" invoices.

"**Eligible Equipment**" is the following to the extent it complies with all of Borrower's representations and warranties to Bank, is acceptable to Bank in all respects, is located at 1925 S. Bundy Drive, Los Angeles, CA 90025 or such other location of which Bank has approved in writing, and is subject to a first priority Lien in favor of Bank: (a) general purpose equipment computer equipment, office equipment, test and laboratory equipment, furnishings, subject to the limitations set forth herein, and (b) Other Equipment.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**Equipment I Advance**" is defined in Section 2.1.2(a).

"**Equipment II Advance**" is defined in Section 2.1.3(a).

"**Equipment II Line**" is an Equipment II Advance or Equipment II Advances in an aggregate amount of up to Two Million Dollars ($2,000,000).

"**Equipment II Maturity Date**" is, for each Equipment II Advance, a date 36 months after such Equipment II Advance.

"**ERISA**" is the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" is defined in Section 8.

"**Exchange Act**" is the Securities Exchange Act of 1934, as amended.

"**Financed Equipment**" is all present and future Eligible Equipment in which Borrower has any interest which is financed by an Equipment I Advance or Equipment II Advance.

"**Foreign Currency**" means lawful money of a country other than the United States.

"**Funding Date**" is any date on which a Credit Extension is made to or for the account of Borrower which shall be a Business Day.

"**FX Contract**" is any foreign exchange contract by and between Borrower and Bank under which Borrower commits to purchase from or sell to Bank a specific amount of Foreign Currency on a specified date.

"**GAAP**" is generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**General Intangibles**" is all "general intangibles" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" is any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"**Governmental Authority**" is any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" is any present or future guarantor of the Obligations.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, such as reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, and (d) Contingent Obligations.

"**Indemnified Person**" is defined in Section 12.3.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means all of Borrower's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to a Borrower;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Interest Expense**" means for any fiscal period, interest expense (whether cash or non-cash) determined in accordance with GAAP for the relevant period ending on such date, including, in any event, interest expense with respect to any Credit Extension and other Indebtedness of Borrower and its Subsidiaries, including, without limitation or duplication, all commissions, discounts, or related amortization and other fees and charges with respect to letters of credit and bankers' acceptance financing and the net costs associated with interest rate swap, cap, and similar arrangements, and the interest portion of any deferred payment obligation (including leases of all types).

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Letter of Credit**" is a standby or commercial letter of credit issued by Bank upon request of Borrower based upon an application, guarantee, indemnity, or similar agreement.

"**Lien**" is a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement, the Warrant, the Perfection Certificate, any Bank Services Agreement, any Subordination Agreement, any note, or notes or guaranties executed by Borrower or any Guarantor, and any other present or future agreement by Borrower and/or any Guarantor with or for the benefit of Bank in connection with this Agreement, all as amended, restated, or otherwise modified.

"**Make-Whole Premium**" is an amount equal to one percent (1.0%) of the outstanding Equipment I Advances.

"**Material Adverse Change**" is (a) a material impairment in the perfection or priority of Bank's Lien in the Collateral or in the value of such Collateral; (b) a material adverse change in the business, operations, or condition (financial or otherwise) of Borrower; (c) a material impairment of the prospect of repayment of any portion of the Obligations or (d) Bank determines, based upon information available to it and in its reasonable judgment, that there is a reasonable likelihood that Borrower shall fail to comply with one or more of the financial covenants in Section 6 during the next succeeding financial reporting period.

"**Monthly Financial Statements**" is defined in Section 6.2.

"**Maximum Dollar Amount**" is $15,000,000.

"**Net Income**" means, as calculated on a consolidated basis for Borrower and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

"**Net Cash**" means Borrower's unrestricted cash maintained at Bank and Bank's Affiliates (including, without duplication, up to $3,000,000 of unrestricted cash maintained by Borrower at Bank or other financial institutions located outside the United States) less the aggregate outstanding principal amount of the Advances, Equipment I Advances and Equipment II Advances.

"**Obligations**" are Borrower's obligations to pay when due any debts, principal, interest, Bank Expenses and other amounts Borrower owes Bank now or later, whether under this Agreement, the Loan Documents (other than the Warrant), or otherwise, including, without limitation, any interest accruing after Insolvency Proceedings begin and debts, liabilities, or obligations of Borrower assigned to Bank, and to perform Borrower's duties under the Loan Documents (other than the Warrant).

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified with the Secretary of State of such Person's state of formation on a date that is no earlier than 30 days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Other Equipment**" is leasehold improvements, intangible property such as computer software and software licenses, equipment specifically designed or manufactured for Borrower, other intangible property, limited use property and other similar property and soft costs approved by Bank, including taxes, shipping, warranty charges, freight discounts and installation expenses.

"**Overadvance**" is defined in Section 2.2.

"**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same.

"**Payment**" means all checks, wire transfers and other items of payment received by Bank (including proceeds of Accounts and payment of the Obligations in full) for credit to Borrower's outstanding Credit Extensions or, if the balance of the Credit Extensions has been reduced to zero, for credit to its deposit accounts.

"**Perfection Certificate**" is defined in Section 5.1.

"**Permitted Indebtedness**" is:

(a) Borrower's Indebtedness to Bank under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Effective Date and shown on the Perfection Certificate;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(f) Indebtedness secured by Liens permitted under clauses (a) and (c) of the definition of "Permitted Liens" hereunder not to exceed Fifty Thousand Dollars ($50,000);

(g) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (f) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose more burdensome terms upon Borrower or its Subsidiary, as the case may be.

"**Permitted Investments**" are:

(a) Investments (including, without limitation, Subsidiaries) existing on the Effective Date and shown on the Perfection Certificate;

(b)(i) Investments consisting of Cash Equivalents, and (ii) any Investments permitted by Borrower's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Bank;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Borrower;

(d) Investments consisting of deposit accounts in which Bank has a perfected security interest;

(e) Investments accepted in connection with Transfers permitted by Section 7.1;

(f) Investments (i) by Borrower in Subsidiaries not to exceed Two Hundred and Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year and (ii) by Subsidiaries in other Subsidiaries not to exceed Two Hundred and Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year or in Borrower;

(g) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Borrower or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Borrower's Board of Directors;

(h) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

(i) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (i) shall not apply to Investments of Borrower in any Subsidiary; and

(j) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the non-exclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash investments by Borrower do not exceed Two Hundred and Fifty Thousand Dollars ($250,000) in the aggregate in any fiscal year.

"**Permitted Liens**" are:

(a) Liens existing on the Effective Date and shown on the Perfection Certificate or arising under this Agreement and the other Loan Documents;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Borrower maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted thereunder;

(c) purchase money Liens (i) on Equipment acquired or held by Borrower incurred for financing the acquisition of the Equipment securing no more than $100,000 in the aggregate amount outstanding, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Fifty Thousand Dollars ($50,000) and which have no priority over any of Bank's Lien, are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA) provided that they have no priority over any of Bank's Liens;

(f) Liens incurred in the extension, renewal or refinancing of the indebtedness secured by Liens described in (a) through (c), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not increase;

(g) leases or subleases of real property granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the ordinary course of Borrower's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Bank a security interest therein;

(h) non-exclusive license of Intellectual Property granted to third parties in the ordinary course of business, and licenses of Intellectual Property that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default under Sections 8.4 and 8.7; and

(j) Liens in favor of other financial institutions arising in connection with Borrower's deposit and/or securities accounts held at such institutions, provided that Bank has a perfected security interest in the amounts held in such deposit and/or securities accounts.

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prime Rate**" is, on any date, the highest of the prime rates most recently published in the Wall Street Journal as the base rate on corporate loans at large U.S. banks.

"**Registered Organization**" is any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Requirement of Law**" is as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Reserves**" means, as of any date of determination, such amounts as Bank may from time to time establish and revise in its good faith business judgment, reducing the amount of Advances and other financial accommodations which would otherwise be available to Borrower (a) to reflect events, conditions, contingencies or risks which, as determined by Bank in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Bank in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Bank's good faith belief that any collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Bank is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Bank determines in good faith constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default.

"**Responsible Officer**" is any of the Chief Executive Officer, President, Chief Financial Officer and Controller of Borrower.

"**Restricted License**" is any material license or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such license or agreement or any other property, or (b) for which a default under or termination of could interfere with the Bank's right to sell any Collateral.

"**Revolving Line**" is an Advance or Advances in an aggregate amount of up to the **Maximum Dollar Amount** outstanding at any time.

"**Revolving Line Maturity Date**" is September 27, 2013 [the date that is two years from the Effective Date].

"**SEC**" shall mean the Securities and Exchange Commission, any successor thereto, and any analogous Governmental Authority.

"**Securities Account**" is any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Streamline Period**" is defined in Section 2.1.1(b).

"**Subordinated Debt**" is indebtedness incurred by Borrower subordinated to all of Borrower's now or hereafter indebtedness to Bank (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Bank entered into between Bank and the other creditor), on terms acceptable to Bank.

"**Subsidiary**" is, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower or Guarantor.

"**Tangible Net Worth**" is, on any date, the consolidated total assets of Borrower and its Subsidiaries minus (a) any amounts attributable to (i) goodwill, (ii) intangible items including unamortized debt discount and expense, Patents, Trademarks, Copyrights, and research and development expenses except prepaid expenses, (iii) notes, accounts receivable and other obligations owing to Borrower from its officers or other Affiliates, and (iv) reserves not already deducted from assets, minus (b) Total Liabilities, plus (c) Subordinated Debt.

"**Total Liabilities**" is on any day, obligations that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness and current portion of Subordinated Debt permitted by Bank to be paid by Borrower, but excluding all other Subordinated Debt.

"**Trademarks**" means any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by such trademarks.

"**Tranche A**" is defined in Section 2.1.2(a).

"**Tranche B**" is defined in Section 2.1.2(a).

"**Tranche A Maturity Date**" is June 1, 2012.

"**Tranche B Maturity Date**" is October 1, 2012.

"**Transaction Report**" is that certain report of transactions and schedule of collections in the form attached hereto as Exhibit C.

"**Transfer**" is defined in Section 7.1.

"**Warrant**" is that certain Warrant to Purchase Stock dated March 26, 2009 executed by Borrower in favor of Bank.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date:

BORROWER:

THE RUBICON PROJECT, INC.

By /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

SITESCOUT CORPORATION

By /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

FOX AUDIENCE NETWORK, INC.

By /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

STRATEGIC DATA CORP.

By /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BANK:

SILICON VALLEY BANK

By /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any of the following, whether now owned or hereafter acquired: any copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, and the goodwill of the business of Borrower connected with and symbolized thereby, know-how, operating manuals, trade secret rights, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing; provided, however, the Collateral shall include all Accounts, license and royalty fees and other revenues, proceeds, or income arising out of or relating to any of the foregoing.

Pursuant to the terms of a certain negative pledge arrangement with Bank, Borrower has agreed not to encumber any of its copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, patent applications and like protections, including improvements, divisions, continuations, renewals, reissues, extensions, and continuations-in-part of the same, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, and the goodwill of the business of Borrower connected with and symbolized thereby, know-how, operating manuals, trade secret rights, rights to unpatented inventions, and any claims for damage by way of any past, present, or future infringement of any of the foregoing, without Bank's prior written consent.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: ______________________

FROM: THE RUBICON PROJECT, INC.

The undersigned authorized officer of The Rubicon Project, Inc., on behalf of itself and its Subsidiaries (jointly and severally, the "Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"), (1) Borrower is in complete compliance for the period ending _________ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower [or any of its Subsidiaries] relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	**Required**		**Complies**
Monthly financial statements with Compliance Certificate	Monthly within 30 days		Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days (annual financial statements for FYE 12/31/10 due with annual financial statements for FYE 12/31/11)		Yes No
Transaction Reports	Weekly if not on Streamline; otherwise, Monthly within 20 days		Yes No
A/R and A/P Agings and Reconciliations	Monthly within 30 days		Yes No
Annual Projections	Within 30 days of earlier of (i) approval by Board of (ii) start of FY		Yes No
10-Q, 10-K and 8-K (if applicable)	Within 5 days after filing with SEC		Yes No
Financial Covenant	**Required**	**Actual**	**Complies**
Maintain on a Monthly or Quarterly Basis (as applicable):			
Minimum Tangible Net Worth (tested monthly)	$7,500,000 plus (i) 50% of new equity and sub debt plus (ii) 50% of quarterly net income	$_______	Yes No
Minimum Fixed Charge Coverage Ratio (tested quarterly commencing with fiscal quarter ending 12/31/11)	1.25 to 1.0	____ to 1.0	Yes No

Performance Pricing		Applies
Net Cash ≥ $1.00	Prime + 1.50% (not applicable to Equipment I Advances or Equipment II Advances)	Yes No
Net Cash < $1.00	Prime + 3.00% (not applicable to Equipment I Advances or Equipment II Advances)	Yes No

The following financial covenant analysis and information set forth in Schedule I attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

The Rubicon Project, Inc.

By: ______________________

Name: ______________________

Title: ______________________

BANK USE ONLY

Received by: ______________________
AUTHORIZED SIGNER

Date: ______________________

Verified: ______________________
AUTHORIZED SIGNER

Date: ______________________

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: ___________________

Tangible Net Worth (Section 6.9(a))

Required: $7,500,000 plus (i) 50% of the new equity and subordinated debt plus (ii) 50% of quarterly Net Income

Actual:

A.	Aggregate value of total assets of Borrower and its Subsidiaries	$_____
B.	Aggregate value of goodwill of Borrower and its Subsidiaries	$_____
C.	Aggregate value of intangible assets of Borrower and its Subsidiaries	$_____
D.	Aggregate value of investments of Borrower and its Subsidiaries consisting of minority investments in companies which investments are not publicly-traded	$_____
E.	Aggregate value of any reserves not already deducted from assets	$_____
F.	Aggregate value of liabilities of Borrower and its Subsidiaries (including all Indebtedness) and current portion of Subordinated Debt permitted by Bank to be paid by Borrower (but no other Subordinated Debt)	$_____
G.	Aggregate value of Indebtedness of Borrower subordinated to Borrower's Indebtedness to Bank	$_____
H.	Tangible Net Worth (line A minus line B minus line C minus line D minus line E minus line F plus line G)	$_____

Is line H equal to or greater than the Required amount?

_________ No, not in compliance _________ Yes, in compliance

II. Fixed Charge Coverage Ratio (Section 6.9(b))

Required: 1.25 to 1.0

Actual:

A. Net Income of Borrower $_____

B. To the extent included in the determination of Net Income

1. Interest expense $_____
2. Depreciation expense $_____
3. Income tax expense $_____
4. Non-cash amortization expense $_____
5. FAS 123R stock compensation expense $_____
6. Other non-cash expenses determined in accordance with GAAP $_____
7. The sum of lines B.1 through B.7 $_____

C. Adjusted EBITDA (line A plus line B.7) $_____

D. FCCR Numerator

1. Adjusted EBITDA (line C) $_____
2. Unfunded capital expenditures $_____
3. Taxes paid in cash $_____
4. Cash dividends $_____
5. Line D.1 minus lines D.2 through D.4 (all on a trailing 12 months basis) $_____

E. FCCR Denominator

1. Interest payments $_____
2. Principal payments $_____
3. Line E.1 plus line E.2 (all on a trailing 12 months basis) $_____

F. FCCR (line D.5 divided by line E.3) ___ to l.0

Is line F equal to or greater than the Required amount?

_________ No, not in compliance _________ Yes, in compliance

Net Cash Calculation (Streamline Trigger)

Required: Net Cash ≥ $1.00

Actual:

A.	Aggregate unrestricted cash of Borrower at Bank and Bank Affiliates	$_____
B.	Aggregate unrestricted cash of Borrower at financial institutions outside the United States (whether maintained at Bank or other financial institutions) (not to exceed $3,000,000)	$_____
C.	Aggregate unrestricted cash (line A plus line B)	$_____
D.	Aggregate outstanding principal amount of Advances	$_____
E.	Aggregate outstanding principal amount of Equipment I Advances	$_____
F.	Aggregate outstanding principal amount of Equipment II Advances	$_____
G.	Aggregate outstanding principal amounts of Bank Loans (line D plus line E plus line F)	$_____
H.	Net Cash (line C minus line G)	$_____

Is line H equal to or greater than the Required amount?

_________ No _________ Yes

EXHIBIT C

Transaction Report

[EXCEL spreadsheet to be provided separately from lending officer.]

Exhibit 10.8

CONSENT AND AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **CONSENT AND AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 22nd day of May 2012, by and between Silicon Valley Bank ("Bank") and The Rubicon Project, Inc., a Delaware corporation ("Rubicon"), Sitescout Corporation, a Washington corporation, Fox Audience Network, Inc., a Delaware corporation and Strategic Data Corp., a Delaware corporation (jointly and severally, the "Borrower") whose address is 1925 S. Bundy Drive, Los Angeles, CA 90025.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has advised Bank that Rubicon intends to acquire all of the outstanding capital stock of MobSmith, Inc. (the "Acquisition") pursuant to that certain Agreement and Plan of Merger dated May 22, 2012 (the "Merger Agreement") by and among Rubicon, MobSmith, Inc., a Delaware corporation (the "Company"), TRP Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Rubicon (the "Merger Sub") and various other parties identified in the Merger Agreement in exchange for the purchase price of up to $2,500,000 cash and up to 800,000 shares of common stock of Rubicon. Pursuant to the terms of the Merger Agreement, at the effective time of the Acquisition, the Company will be merged with and into Merger Sub, with Merger Sub as the surviving entity (the "Surviving Corporation"). Surviving Corporation will subsequently change its name to MobSmith, Inc. and will continue to be a wholly-owned subsidiary of Rubicon. Rubicon is prohibited from entering into the Merger Agreement and the Acquisition absent compliance with Section 7 of the Loan Agreement.

D. Borrower has requested that Bank consent to the Merger Agreement and the Acquisition and amend the Loan Agreement, as herein set forth, and Bank has agreed to the same, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Consent. Bank hereby consents to Rubicon entering into the Merger Agreement and the Acquisition on the terms previously disclosed to Bank in writing provided that upon and after the effectiveness of the Acquisition, no Advances will be made to the Surviving Corporation and no assets of Borrower (including any Collateral) may be transferred to the Surviving Corporation without the prior written consent of Bank until such time as all of the following have occurred:

(a) Surviving Corporation becomes a co-Borrower under the Loan Agreement,

(b) Surviving Corporation has granted Bank a first-priority security interest in the assets of Surviving Corporation, and Bank has received such evidence as it deems necessary to confirm the same, and

(c) Surviving Corporation has executed all such documents required by Bank in conjunction therewith (including, without limitation, a Cross-Corporate Guaranty).

2.2 Waiver of Requirement to Deliver FYE 2010 Audited Financial Statements. Borrower's requirement to provide Bank with audited consolidated financial statements pursuant to Section 6.2(f) of the Loan Agreement with respect to Borrower's fiscal year ending December 31, 2010 is hereby waived. It is understood by the parties hereto, however, that such waiver does not constitute a waiver of any other provision or term of the Loan Agreement or any related document, nor an agreement to waive in the future this covenant or any other provision or term of the Loan Agreement or any related document.

2.3 Extension Regarding Delivery of FYE 2011 Audited Financial Statements. Borrower's requirement to provide Bank with audited consolidated financial statements pursuant to Section 6.2(f) of the Loan Agreement with respect to Borrower's fiscal year ending December 31, 2011 within 180 days following the end of Borrower's fiscal year is hereby extended to August 15, 2012.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Bank of this Amendment by each party hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

BORROWER

The Rubicon Project, Inc.

By: /s/ Seizo Welch
Name: SEIZO WELCH
Title: SVP FINANCE

BORROWER

Fox Audience Network, Inc.

By: /s/ Seizo Welch
Name: SEIZO WELCH
Title: SVP FINANCE

BORROWER

Sitescout Corporation

By: /s/ Seizo Welch
Name: SEIZO WELCH
Title: SVP FINANCE

BORROWER

Strategic Data Corp.

By: /s/ Seizo Welch
Name: SEIZO WELCH
Title: SVP FINANCE

Exhibit 10.9

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **FIRST AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 24th day of July 2012 by and between Silicon Valley Bank ("Bank") and The Rubicon Project, Inc., a Delaware corporation ("Rubicon"), Sitescout Corporation, a Washington corporation, Fox Audience Network, Inc., a Delaware corporation and Strategic Data Corp., a Delaware corporation (jointly and severally, the "Borrower") whose address is 1925 S. Bundy Drive, Los Angeles, CA 90025.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement, as herein set forth, and Bank has agreed to the same, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Limited Waiver Regarding Minimum Tangible Net Worth Default. Borrower has advised Bank that Borrower has failed to comply with the Minimum Tangible Net Worth Financial Covenant set forth in Section 6.9(a) of the Loan Agreement for the compliance period ending May 31, 2012 (the "TNW Default"). Borrower hereby acknowledges the TNW Default. Bank and Borrower agree that the Borrower's TNW Default is hereby waived. It is understood by the parties hereto, however, that such waiver does not constitute a waiver of any other provision or term of the Loan Agreement or any related document, nor an agreement to waive in the future this covenant or any other provision or term of the Loan Agreement or any related document.

2.2 Modified Tangible Net Worth Financial Covenant. The Tangible Net Worth Financial Covenant set forth in Section 6.9(a) of the Loan Agreement is amended in its entirety and replaced with the following:

> (a) Tangible Net Worth. A Tangible Net Worth of at least $**3,250,000** plus (i) 50% of all consideration received after the date hereof for equity securities and subordinated debt of the Borrower, plus (ii) 50% of the Borrower's Net Income in each fiscal quarter ending after the date hereof. Increases in the Tangible Net Worth based on consideration received for equity securities and subordinated debt of the Borrower shall be effective as of the end of the month in which such consideration is received, and shall continue effective thereafter. Increases in the Tangible Net Worth based on net income shall be effective on the last day of the fiscal quarter in which said net income is realized, and shall continue effective thereafter. In no event shall the Tangible Net Worth be decreased.

2.3 Modified Provision Regarding Fixed Charge Coverage Ratio Financial Covenant. The last paragraph of the Fixed Charge Coverage Ratio Financial Covenant set forth in Section 6.9(b) of the Loan Agreement is hereby amended in its entirety to read as follows:

> Borrower's failure to comply with the foregoing financial covenant will not constitute an Event of Default hereunder if (i) availability under the Revolving Line is equal to or greater than the aggregate outstanding principal amounts of the Equipment I Advances and the Equipment II Advances and (ii) Borrower agrees to reduce the Availability Amount under the Revolving Line in an amount equal to all Obligations pertaining to the Equipment I Advances and Equipment II Advances (the **"Equipment Advances Reserve"**).
>
> If, subsequent to the establishment of an Equipment Advances Reserve, Borrower complies with the Fixed Charge Coverage Ratio Financial Covenant, Borrower may, at its option, request that the Equipment Advances Reserve be removed upon Bank's receipt of evidence, satisfactory to Bank in its good faith business judgment, of Borrower's compliance with the Fixed Charge Coverage Ratio Financial Covenant. If, after the removal of an Equipment Advances Reserve, Borrower subsequently fails to comply with the Fixed Charge Coverage Ratio Financial Covenant, the same will not constitute an Event of Default hereunder if the requirements set forth in the preceding paragraph are met and another Equipment Advances Reserve is established.

2.4 Modified Exhibit B Compliance Certificate. The form of Compliance Certificate, set forth in Exhibit B to the Loan Agreement, is hereby amended to read as set forth in Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto and (b) Borrower's payment of an amendment fee in an amount equal to $5,000.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

BORROWER

The Rubicon Project, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Fox Audience Network, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Sitescout Corporation

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Strategic Data Corp.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

EXHIBIT B

COMPLIANCE CERTIFICATE

TO:	SILICON VALLEY BANK	Date:
FROM:	THE RUBICON PROJECT, INC.	

The undersigned authorized officer of The Rubicon Project, Inc., on behalf of itself and its Subsidiaries (jointly and severally, the "Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"), (1) Borrower is in complete compliance for the period ending with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower [or any of its Subsidiaries] relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days (annual financial statements for FYE 12/31/11 due by 08/15/12)	Yes No
Transaction Reports	Weekly if not on Streamline; otherwise, Monthly within 20 days	Yes No
A/R and A/P Agings and Reconciliations	Monthly within 30 days	Yes No
Annual Projections	Within 30 days of earlier of (i) approval by Board or (ii) start of FY	Yes No
10-Q, 10-K and 8-K (if applicable)	Within 5 days after filing with SEC	Yes No

Financial Covenant	Required	Actual	Complies
Maintain on a Monthly or Quarterly Basis (as applicable):			
Minimum Tangible Net Worth (tested monthly)	\$3,250,000 plus (i) 50% of new equity and sub debt plus (ii) 50% of quarterly net income	\$	Yes No
Minimum Fixed Charge Coverage Ratio (tested quarterly commencing with fiscal quarter ending 12/31/11)	1.25 to 1.0	to 1.0	Yes No

Performance Pricing		Applies
Net Cash ≥ $1.00	Prime + 1.50% (not applicable to Equipment I Advances or Equipment II Advances)	Yes No
Net Cash < $1.00	Prime + 3.00% (not applicable to Equipment I Advances or Equipment II Advances)	Yes No

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

The Rubicon Project, Inc.

By: ____________________
Name: ____________________
Title: ____________________

BANK USE ONLY

Received by: ____________________
AUTHORIZED SIGNER

Date: ____________________

Verified: ____________________
AUTHORIZED SIGNER

Date: ____________________

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated:

Tangible Net Worth (Section 6.9(a))

Required: $3,250,000 plus (i) 50% of the new equity and subordinated debt plus (ii) 50% of quarterly Net Income

Actual:

A. Aggregate value of total assets of Borrower and its Subsidiaries	$______
B. Aggregate value of goodwill of Borrower and its Subsidiaries	$______
C. Aggregate value of intangible assets of Borrower and its Subsidiaries	$______
D. Aggregate value of investments of Borrower and its Subsidiaries consisting of minority investments in companies which investments are not publicly-traded	$______
E. Aggregate value of any reserves not already deducted from assets	$______
F. Aggregate value of liabilities of Borrower and its Subsidiaries (including all Indebtedness) and current portion of Subordinated Debt permitted by Bank to be paid by Borrower (but no other Subordinated Debt)	$______
G. Aggregate value of Indebtedness of Borrower subordinated to Borrower's Indebtedness to Bank	$______
H. Tangible Net Worth (line A minus line B minus line C minus line D minus line E minus line F plus line G)	$______

Is line H equal to or greater than the Required amount?

______No, not in compliance ______Yes, in compliance

II. Fixed Charge Coverage Ratio (Section 6.9(b))

Required: 1.25 to 1.0

Actual:

A.	Net Income of Borrower		$______
B.	To the extent included in the determination of Net Income		
	1.	Interest expense	$______
	2.	Depreciation expense	$______
	3.	Income tax expense	$______
	4.	Non-cash amortization expense	$______
	5.	FAS 123R stock compensation expense	$______
	6.	Other non-cash expenses determined in accordance with GAAP	$______
	7.	The sum of lines B.1 through B.7	$______
C.	Adjusted EBITDA (line A plus line B.7)		$______
D.	FCCR Numerator		
	1.	Adjusted EBITDA (line C)	$______
	2.	Unfunded capital expenditures	$______
	3.	Taxes paid in cash	$______
	4.	Cash dividends	$______
	5.	Line D.1 minus lines D.2 through D.4 (all on a trailing 12 months basis)	$______
E.	FCCR Denominator		
	1.	Interest payments	$______
	2.	Principal payments	$______
	3.	Line E.1 plus line E.2 (all on a trailing 12 months basis)	$______
F.	FCCR (line D.5 divided by line E.3)		__ to 1.0

Is line F equal to or greater than the Required amount?

____ No, not in compliance   ____ Yes, in compliance

Net Cash Calculation (Streamline Trigger)

Required: Net Cash $\geq$ \$1.00

Actual:

A.	Aggregate unrestricted cash of Borrower at Bank and Bank Affiliates	$______
B.	Aggregate unrestricted cash of Borrower at financial institutions outside the United States (whether maintained at Bank or other financial institutions) (not to exceed $3,000,000)	$______
C.	Aggregate unrestricted cash (line A plus line B)	$______
D.	Aggregate outstanding principal amount of Advances	$______
E.	Aggregate outstanding principal amount of Equipment I Advances	$______
F.	Aggregate outstanding principal amount of Equipment II Advances	$______
G.	Aggregate outstanding principal amounts of Bank Loans (line D plus line E plus line F)	$______
H.	Net Cash (line C minus line G)	$______

Is line H equal to or greater than the Required amount?

____No ____Yes

Exhibit 10.10

ASSUMPTION AND SECOND AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **ASSUMPTION AND SECOND AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 14th day of September 2012 by and between Silicon Valley Bank ("Bank"), on the one side, and The Rubicon Project, Inc., a Delaware corporation ("Rubicon"), SiteScout Corporation, a Washington corporation ("SiteScout"), Rubicon-FAN, Inc., a Delaware corporation (formerly known as Fox Audience Network, Inc., "R-FAN"), Strategic Data Corp., a Delaware corporation ("SDC" and together with Rubicon, SiteScout and R-FAN, jointly and severally, the "Existing Borrower) and Mobsmith, Inc., a Delaware corporation ("Mobsmith" and the "New Borrower") whose address is 1925 S. Bundy Drive, Los Angeles, CA 90025, on the other side.

RECITALS

A. Bank and Existing Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Existing Borrower for the purposes permitted in the Loan Agreement.

C. Existing Borrower has requested that Bank amend the Loan Agreement, as herein set forth, and Bank has agreed to the same, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Assumption and Amendments to Loan Agreement.

2.1 Assumption.

2.1.1 Assumption. New Borrower hereby assumes and agrees to pay and perform when due all present and future indebtedness, liabilities and obligations of Existing Borrower under, based on, or arising out of the Loan Agreement and any and all documents, instruments and agreements relating thereto, including, without limitation, all of the Obligations, and Existing Borrower and New Borrower shall be jointly and severally liable for all of the Obligations. All references in the Loan Agreement to "Borrower" shall be deemed to refer, jointly and severally, to Existing Borrower and New Borrower.

2.1.2 Obligations. New Borrower acknowledges that the Obligations are due and owing to Bank from Existing Borrower, and upon the effectiveness hereof will be due and owing from New Borrower, without any defense, offset or counterclaim of any kind or nature whatsoever.

2.1.3 Grant of Security Interest. Without limiting the generality of the provisions of Section 2.1.1 above, as security for all Obligations, New Borrower hereby grants Bank a continuing security interest in all of the following, whether now owned or hereafter acquired, and wherever located: All of the Collateral of New Borrower. All references in the Loan Agreement to Collateral shall be deemed to refer to the Collateral of Existing Borrower and New Borrower. New Borrower hereby authorizes Bank to prepare and file such financing statements, amendments and continuation statements as Bank may require to perfect or continue Bank's security interest in the Collateral or to effect the purposes of this Amendment and the Loan Agreement.

2.1.4 Cross-Corporate Continuing Guaranty. Reference is hereby made to that certain Cross-Corporate Continuing Guaranty dated September 27, 2011 and executed by Rubicon, SiteScout, Rubicon-FAN and SDC in favor of Bank (the "Guaranty"). Existing Borrower and New Borrower hereby agree to concurrently herewith execute and deliver to Bank an Amended and Restated Cross-Corporate Continuing Guaranty, in form and substance satisfactory to Bank, to amend and restate the Guaranty and in order to guaranty all Obligations of the other Borrowers in favor of Bank.

2.2 Modified Grant of Security Interest. The following language is hereby added at the end of Section 4.1 of the Loan Agreement and shall read as follows:

> If this Agreement is terminated, Bank's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are satisfied in full, and at such time, Bank shall, at Borrower's sole cost and expense, terminate its security interest in the Collateral and all rights therein shall revert to Borrower. In the event (x) all Obligations (other than inchoate indemnity obligations), except for Bank Services, are satisfied in full, and (y) this Agreement is terminated, Bank shall terminate the security interest granted herein upon Borrower providing cash collateral acceptable to Bank in its good faith business judgment for Bank Services, if any. In the event such Bank Services consist of outstanding Letters of Credit, Borrower shall provide to Bank cash collateral in an amount equal to 105% (110% if the Letter of Credit is denominated in a

currency other than U.S. Dollars) of the Dollar Equivalent of the face amount of all such Letters of Credit plus all interest, fees, and costs due or to become due in connection therewith (as estimated by Bank in its good faith business judgment), to secure all of the Obligations relating to such Letters of Credit.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended (except to reflect the name change of each Borrower), supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Bank of this Amendment by each party hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

BORROWER

The Rubicon Project, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

SiteScout Corporation

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Rubicon-FAN, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Strategic Data Corp.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

NEW BORROWER

Mobsmith, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

Exhibit 10.11

THIRD AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **THIRD AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 28th day of September 2012 by and between Silicon Valley Bank ("Bank") and The Rubicon Project, Inc., a Delaware corporation ("Rubicon"), Sitescout Corporation, a Washington corporation, Rubicon-FAN, Inc., a Delaware corporation, Strategic Data Corp., a Delaware corporation and Mobsmith, Inc., a Delaware corporation (jointly and severally, the "Borrower") whose address is 1925 S. Bundy Drive, Los Angeles, CA 90025.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement, as herein set forth, and Bank has agreed to the same, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Limited Waiver Regarding Delivery of FYE 2011 Audited Financial Statements Default. Borrower has advised Bank that Borrower has failed to comply with the reporting requirement set forth in Section 6.2(f) of the Loan Agreement that required Borrower to provide Bank with audited consolidated financial statements with respect to Borrower's fiscal year ending December 31, 2011 by August 15, 2012 (the "FYE 2011 Audited Financial Statements Default"). Borrower hereby acknowledges the FYE 2011 Audited Financial Statements Default. Bank and Borrower agree that the Borrower's FYE 2011 Audited Financial Statements Default is hereby waived. It is understood by the parties hereto, however, that such waiver does not constitute a waiver of any other provision or term of the Loan Agreement or any related document, nor an agreement to waive in the future this covenant or any other provision or term of the Loan Agreement or any related document.

2.2 Extension Regarding Delivery of FYE 2011 Audited Financial Statements. Borrower's requirement to provide Bank with audited consolidated financial statements pursuant to Section 6.2(f) of the Loan Agreement with respect to Borrower's fiscal year ending December 31, 2011 is hereby extended to November 15, 2012.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower,

(c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Bank of this Amendment by each party hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

BORROWER

The Rubicon Project, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Sitescout Corporation

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Rubicon-FAN, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Strategic Data Corp.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

BORROWER

Mobsmith, Inc.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: SVP Finance

Exhibit 10.12

FOURTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

THIS **FOURTH AMENDMENT** to Loan and Security Agreement (this "Amendment") is entered into this 8th day of February 2013 by and between Silicon Valley Bank ("Bank") and The Rubicon Project, Inc., a Delaware corporation ("Rubicon"), Sitescout Corporation, a Washington corporation, Rubicon-FAN, Inc., a Delaware corporation, Strategic Data Corp., a Delaware corporation and Mobsmith, Inc., a Delaware corporation (jointly and severally, the "Borrower") whose address is 1925 S. Bundy Drive, Los Angeles, CA 90025.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement, as herein set forth, and Bank has agreed to the same, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Extension Regarding Delivery of FYE 2011 Audited Financial Statements. The deadline by which Borrower is to provide Bank with audited consolidated financial statements pursuant to Section 6.2(f) of the Loan Agreement with respect to Borrower's fiscal year ending December 31, 2011 is hereby extended to February 28, 2013.

3. Limitation of Amendments.

3.1 The amendments set forth in **Section 2**, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows;

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower delivered to Bank on the Effective Date remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

6. Effectiveness. This Amendment shall be deemed effective upon the due execution and delivery to Bank of this Amendment by each party hereto.

[Signature page follows.]

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le
Name: Victor Le
Title: Relationship Manager

BORROWER

The Rubicon Project, Inc.

By: /s/ Seizo Welch
Name:
Title:

BORROWER

Sitescout Corporation

By: /s/ Seizo Welch
Name:
Title:

BORROWER

Rubicon-FAN, Inc.

By: /s/ Seizo Welch
Name:
Title:

BORROWER

Strategic Data Corp.

By: /s/ Seizo Welch
Name:
Title:

BORROWER

Mobsmith, Inc.

By: /s/ Seizo Welch
Name:
Title:

Exhibit 10.13

FIFTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This Fifth Amendment to Loan and Security Agreement (this "Amendment") is entered into as of September 30, 2013, by and between Silicon Valley Bank ("Bank") and The Rubicon Project, Inc., a Delaware corporation, Sitescout Corporation, a Washington corporation, Rubicon-FAN, Inc., a Delaware corporation, Strategic Data Corp., a Delaware corporation, and Mobsmith, Inc., a Delaware corporation (individually and collectively, jointly and severally, "Borrower") whose address is 12181 Bluff Creek Drive, Playa Vista, CA 90094.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same may from time to time be amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) increase the amount available to be borrowed under the Revolving Line, (ii) extend the maturity date, and (iii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

Now, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.1.1 (**Revolving Advances**). Section 2.1.1(a) is amended by adding the following sentence to the end of that section:

On the Fifth Amendment Date, Bank shall be deemed to have made an Advance to Borrower in an amount sufficient to, and which amount shall be used to, repay all Obligations with respect to the Equipment I Advances and the Equipment II Advances.

2.2 Section 2.1.1 (**Revolving Advances**). Section 2.1.1(b) is amended by adding the following sentence to the end of that section:

If transitioning from not having a Streamline Period in effect to having a Streamline Period in effect, Borrower must maintain Net Cash equal to or greater than One Dollar ($1.00) for three (3) consecutive months prior to such Streamline Period taking effect

2.3 Section 2.1.1 (**Revolving Advances**). A new Section 2.1.1(d) is added to the Loan Agreement as follows:

(d) Reserves. Notwithstanding anything in this Agreement to the contrary, Bank shall have the right (but not the obligation) to establish, increase, reduce, eliminate, or otherwise adjust Reserves from time to time against the Borrowing Base or the Maximum Dollar Amount in such amounts, and with respect to such matters, as Bank in its reasonable business judgment shall deem necessary or appropriate.

2.4 Section 2.1.2 (**Equipment I Advances**). Sections 2.1.2(b) and (c) are amended in their entirety and replaced with the following:

(b) Repayment. All Obligations with respect to the Equipment I Advances shall be repaid on the Fifth Amendment Date in accordance with Section 2.1.1(a). For purposes of clarification, no Make-Whole Premium shall be due in connection with such repayment.

(c) Reserved.

2.5 Section 2.1.3 (**Equipment II Advances**). Section 2.1.3(b) is amended in its entirety and replaced with the following:

(b) Repayment. All Obligations with respect to the Equipment II Advances shall be repaid on the Fifth Amendment Date in accordance with Section 2.1.1(a).

2.6 Section 2.3 (**Payment of Interest on the Credit Extensions**). Section 2.3 is amended in its entirety and replaced with the following:

2.3 Payment of Interest on the Credit Extensions.

(a) Interest; Payment. Each Advance shall bear interest on the outstanding principal amount thereof from the date when made, continued or converted until paid in full at a rate per annum equal to (i) for Prime Rate Advances, the Prime Rate plus the applicable Prime Rate Margin, and (ii) for LIBOR Advances, the LIBOR Rate plus the applicable LIBOR Rate Margin. On and after the expiration of any Interest Period applicable to any LIBOR Advance outstanding on the date of occurrence of an Event of Default or acceleration of the Obligations, the amount of such LIBOR Advance shall, during the continuance of such Event of Default or after acceleration, bear interest at a rate per annum equal to the Prime Rate plus five percent (5.00%). Pursuant to the terms hereof, interest on each Advance shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of any Advance pursuant to this Agreement for the portion of any Advance so prepaid and upon payment (including prepayment) in full thereof. All accrued but unpaid interest on the Advances shall be due and payable on the Revolving Line Maturity Date.

(b) Prime Rate Advances. Each change in the interest rate of the Prime Rate Advances based on changes in the Prime Rate shall be effective on the effective date of such change and to the extent of such change.

(c) LIBOR Advances. The interest rate applicable to each LIBOR Advance shall be determined in accordance with Section 3.7(a) hereunder. Subject to Sections 3.7 and 3.8, such rate shall apply during the entire Interest Period applicable to such LIBOR Advance, and interest calculated thereon shall be payable on the Interest Payment Date applicable to such LIBOR Advance.

(d) Computation of Interest: Float Charge. Any interest hereunder will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days. In computing interest on any Credit Extension, the date of the making of such Credit Extension shall be included and the date of payment shall be excluded; provided, however, that if any Credit Extension is repaid on the same day on which it is made, such day shall be included in computing interest on such Credit Extension. In addition, Bank shall be entitled to charge Borrower a "float" charge in an amount equal to three (3) Business Days interest, at the interest rate applicable to the Advances whether or not any Advances are outstanding, on all Payments received by Bank. Such float charge is not included in interest for purposes of computing minimum monthly interest (if any) under this Agreement. The float charge for each month shall be payable on the last day of the month.

(e) Default Rate. Except as otherwise provided in Section 2.3(a), upon the occurrence and during the continuance of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.0%) above the rate that would otherwise be applicable thereto (the "**Default Rate**"), Payment or acceptance of the increased interest provided in this Section 2.3(e) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Bank.

2.7 Section 2.4 (**Fees**). Sections 2.4(b), (c) and (d) are amended in their entirety and replaced with the following:

(b) Supplemental Commitment Fee. A fully earned, non-refundable commitment fee of One Hundred Twenty Thousand Dollars ($120,000), on the Fifth Amendment Date;

(c) Unused Revolving Line Facility Fee. Payable monthly in arrears on the last day of each calendar month occurring prior to the Revolving Line Maturity Date, and on the Revolving Line Maturity Date, a fee (the "**Unused Revolving Line Facility Fee**") in an amount equal to fifteen-hundredths of one percent (0.15%) per annum of the average unused portion of the Revolving Line, as determined by Bank. The unused portion of the Revolving Line, for purposes of this calculation, shall be calculated on a calendar year basis and shall equal the difference between (i) the Maximum Dollar Amount, and (ii) the average for the period of the daily closing balance of the Revolving Line outstanding;

(d) Reserved.

2.8 Section 3.5 (**Procedures for Borrowing**). Section 3.5 is amended in its entirety and replaced with the following:

3.5 Procedures for Borrowing. Subject to the prior satisfaction of all other applicable conditions to the making of an Advance set forth in this Agreement, an Advance shall be made upon Borrower's irrevocable written notice delivered to Bank by electronic mail in the form of a Notice of Borrowing executed by an Authorized Signer or without instructions if any Advances is necessary to meet Obligations which have become due. Such Notice of Borrowing must be received by Bank prior to 12:00 p.m. Pacific time, (i) at least three (3) Business Days prior to the requested Funding Date, in the case of any LIBOR Advance, and (ii) on the requested Funding Date, in the case of a Prime Rate Advance, specifying: (1) the amount of the Advance; (2) the requested Funding Date; (3) whether the Advance is to be comprised of LIBOR Advances or Prime Rate Advances; and (4) the duration of the Interest Period applicable to any such LIBOR Advances included in such notice; provided that if the Notice of Borrowing shall fail to specify the duration of the Interest Period for any Advance comprised of LIBOR Advances, such Interest Period shall be one (1) month. In addition to such Notice of Borrowing, Borrower must promptly deliver to Bank by electronic mail a completed Transaction Report executed by an Authorized Signer together with such other reports and information, including without limitation, sales journals, cash receipts journals, accounts receivable aging reports, as Bank may request in its sole discretion.

2.9 Section 3.6 (**Conversion and Continuation Elections**). A new Section 3.6 is added to the Loan Agreement as follows:

3.6 Conversion and Continuation Elections.

(a) So long as (i) no Event of Default exists; (ii) Borrower shall not have sent any notice of termination of this Agreement; and (iii) Borrower shall have complied with such customary procedures as Bank has established from time to time for Borrower's requests for LIBOR Advances, Borrower may, upon irrevocable written notice to Bank:

(1) elect to convert on any Business Day, Prime Rate Advances into LIBOR Advances;

(2) elect to continue on any Interest Payment Date any LIBOR Advances maturing on such Interest Payment Date; or

(3) elect to convert on any Interest Payment Date any LIBOR Advances maturing on such Interest Payment Date into Prime Rate Advances.

(b) Borrower shall deliver a Notice of Conversion/Continuation by electronic mail to be received by Bank prior to 12:00 p.m. Pacific time (i) at least three (3) Business Days in advance of the Conversion Date or Continuation Date, if any Advances are to be converted into or continued as LIBOR Advances; and (ii) on the Conversion Date, if any Advances are to be converted into Prime Rate Advances, in each case specifying the:

(1) proposed Conversion Date or Continuation Date;

(2) aggregate amount of the Advances to be converted or continued;

(3) nature of the proposed conversion or continuation; and

(4) if the resulting Advance is to be a LIBOR Advance, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to any LIBOR Advances, Borrower shall have timely failed to select a new Interest Period to be applicable to such LIBOR Advances or request to convert a LIBOR Advance into a Prime Rate Advance, Borrower shall be deemed to have elected to convert such LIBOR Advances into Prime Rate Advances.

(d) Any LIBOR Advances shall, at Bank's option, convert into Prime Rate Advances in the event that (i) an Event of Default exists and has not been cured, or (ii) the aggregate principal amount of the Prime Rate Advances which have been previously converted to LIBOR Advances, or the aggregate principal amount of existing LIBOR Advances continued, as the case may be, at the beginning of an Interest Period shall at any time during such Interest Period exceeds the lesser of the Revolving Line or the Borrowing Base. Borrower agrees to pay Bank, upon demand by Bank (or Bank may, at its option, debit the Designated Deposit Account or any other account Borrower maintains with Bank) any amounts required to compensate Bank for any loss (excluding loss of anticipated profits), cost, or expense incurred by Bank, as a result of the conversion of LIBOR Advances to Prime Rate Advances pursuant to this Section 3.6(d).

(e) Notwithstanding anything to the contrary contained herein, Bank shall not be required to purchase Dollar deposits in the London interbank market or other applicable LIBOR market to fund any LIBOR Advances, but the provisions hereof shall be deemed to apply as if Bank had purchased such deposits to fund the LIBOR Advances.

2.10 Section 3.7 (**Special Provisions Governing LIBOR Advances**). A new Section 3.7 is added to the Loan Agreement as follows:

3.7 Special Provisions Governing LIBOR Advances. Notwithstanding any other provision of this Agreement to the contrary, the following provisions shall govern with respect to LIBOR Advances as to the matters covered:

(a) <u>Determination of Applicable Interest Rate</u>. As soon as practicable on each Interest Rate Determination Date, Bank shall determine (which determination shall, absent manifest error in calculation, be final, conclusive and binding upon all parties) the interest rate that shall apply to the LIBOR Advances for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to Borrower.

(b) Inability to Determine Applicable Interest Rate. In the event that Bank shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any LIBOR Advance, that by reason of circumstances affecting the London interbank market adequate and fair means do not exist for ascertaining the interest rate applicable to such LIBOR Advance on the basis provided for in the definition of LIBOR, Bank shall on such date give notice (by facsimile or by telephone confirmed in writing) to Borrower of such determination, whereupon (i) no Advances may be made as, or converted to, LIBOR Advances until such time as Bank notifies Borrower that the circumstances giving rise to such notice no longer exist, and (ii) any Notice of Borrowing or Notice of Conversion/Continuation given by Borrower with respect to LIBOR Advances in respect of which such determination was made shall be deemed to be rescinded by Borrower.

(c) Compensation for Breakage or Non-Commencement of Interest Periods. If (i) for any reason, other than a default by Bank or any failure of Bank to fund LIBOR Advances due to impracticability or illegality under Sections 3.8(c) and 3.8(d) of this Agreement, a borrowing or a conversion to or continuation of any LIBOR Advance does not occur on a date specified in a Notice of Borrowing or a Notice of Conversion/Continuation, as the case may be, or (ii) any complete or partial principal payment or reduction of a LIBOR Advance, or any conversion of any LIBOR Advance, occurs on a date prior to the last day of an Interest Period applicable to that LIBOR Advance, including due to voluntary or mandatory prepayment or acceleration, then, in each case, Borrower shall compensate Bank, upon written request by Bank, for all losses and expenses incurred by Bank in an amount equal to the excess, if any, of:

(A) the amount of interest that would have accrued on the amount (1) not borrowed, converted or continued as provided in clause (i) above, or (2) paid, reduced or converted as provided in clause (ii) above, for the period from (y) the date of such failure to borrow, convert or continue as provided in clause (i) above, or the date of such payment, reduction or conversion as provided in clause (ii) above, as the case may be, to (z) in the case of a failure to borrow, convert or continue as provided in clause (i) above, the last day of the Interest Period that would have commenced on the date of such borrowing, conversion or continuing but for such failure, and in the case of a payment, reduction or conversion prior to the last day of an Interest Period applicable to a LIBOR Advance as provided in clause (ii) above, the last day of such Interest Period, in each case at the applicable rate of interest or other return for such LIBOR Advance(s) provided for herein (excluding, however, in each case, the LIBOR Rate Margin included therein, if any, and any incremental interest payable as a result of the existence of an Event of Default), over

(B) the interest which would have accrued to Bank on the applicable amount provided in clause (A) above through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to the definition of LIBOR Rate on the date of such failure to borrow, convert or continue as provided in clause (i) above, or the date of such payment, reduction or conversion as provided in clause (ii) above, as the case may be, for a period equal to the remaining period of such applicable Interest Period provided in clause (A) above.

Bank's request shall set forth the manner and method of computing such compensation and such determination as to such compensation shall be conclusive absent manifest error.

(d) Assumptions Concerning Funding of LIBOR Advances. Calculation of all amounts payable to Bank under this Section 3.7 and under Section 3.8 shall be made as though Bank had actually funded each relevant LIBOR Advance through the purchase of a Eurodollar deposit bearing interest at the rate obtained pursuant to the definition of LIBOR Rate in an amount equal to the amount of such LIBOR Advance and having a maturity comparable to the relevant Interest Period; provided, however, that Bank may fund each of its LIBOR Advances in any manner it sees fit and the foregoing assumptions shall be utilized only for the purposes of calculating amounts payable under this Section 3.7 and under Section 3.8.

(e) LIBOR Advances After Default. After the occurrence and during the continuance of an Event of Default, (i) Borrower may not elect to have an Advance be made or continued as, or converted to, a LIBOR Advance after the expiration of any Interest Period then in effect for such Advance and (ii) subject to the provisions of Section 3.7(c), any Notice of Conversion/Continuation given by Borrower with respect to a requested conversion/continuation that has not yet occurred shall, at Bank's option, be deemed to be rescinded by Borrower and be deemed a request to convert or continue Advances referred to therein as Prime Rate Advances.

2.11 Section 3.8 (**Additional Requirements/Provisions Regarding LIBOR Advances**). A new Section 3.8 is added to the Loan Agreement as follows:

3.8 Additional Requirements/Provisions Regarding LIBOR Advances.

(a) Borrower shall pay Bank, upon demand by Bank, from time to time such amounts as Bank may determine to be necessary to compensate it for any costs incurred by Bank that Bank determines are attributable to its making or maintaining of any amount receivable by Bank hereunder in respect of any LIBOR Advances relating thereto (such increases in costs and reductions in amounts receivable being herein called "**Additional Costs**"), in each case resulting from any Regulatory Change (exclusive of Regulatory Changes that are already accounted for in the determination of LIBOR Rate) which:

(i) changes the basis of taxation of any amounts payable to Bank under this Agreement in respect of any LIBOR Advances (other than changes which affect taxes measured by or imposed on the overall net income of Bank by the jurisdiction in which Bank has its principal office);

(ii) imposes or modifies any reserve, special deposit or similar requirements relating to any extensions of credit or other assets of, or any deposits with, or other liabilities of Bank (including any LIBOR Advances or any deposits referred to in the definition of LIBOR); or

(iii) imposes any other condition affecting this Agreement (or any of such extensions of credit or liabilities).

Bank will notify Borrower of any event occurring after the Effective Date which will entitle Bank to compensation pursuant to this Section 3.8(a) as promptly as practicable after it obtains knowledge thereof and determines to request such compensation. Bank will furnish Borrower with a statement setting forth the basis (including reasonable supporting detail) and amount of each request by Bank for compensation under this Section 3.8(a). Determinations and allocations by Bank for purposes of this Section 3.8(a) of the effect of any Regulatory Change on its costs of maintaining its obligations to make LIBOR Advances, of making or maintaining LIBOR Advances, or on amounts receivable by it in respect of LIBOR Advances, and of the additional amounts required to compensate Bank in respect of any Additional Costs, shall be conclusive absent manifest error.

(b) If Bank shall determine that the adoption or implementation of any applicable law, rule, regulation, or treaty regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by Bank (or its applicable lending office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on capital of Bank or any person or entity controlling Bank (a "**Parent**") as a consequence of its obligations hereunder to a level below that which Bank (or its Parent) could have achieved but for such adoption, change, or compliance (taking into consideration policies with respect to capital adequacy) by an amount deemed by Bank to be material, then from time to time, within five (5) days after demand by Bank, Borrower shall pay (without duplication of amounts contemplated by Section 3.8(a)) to Bank such additional amount or amounts as will compensate Bank for such reduction. A statement of Bank claiming compensation under this Section 3.8(b) and setting forth the additional amount or amounts to be paid to it hereunder (including reasonable supporting detail in respect thereof) shall be conclusive absent manifest error.

Notwithstanding anything to the contrary in this Section 3.8, Borrower shall not be required to compensate Bank pursuant to this Section 3.8(b) for any amounts incurred more than nine (9) months prior to the date that Bank notifies Borrower of Bank's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower arising pursuant to this Section 3.8(b) shall survive the Revolving Line Maturity Date, the termination of this Agreement and the repayment of ail Obligations.

(c) If, at any time, Bank, in its sole and absolute discretion, determines that (i) the amount of LIBOR Advances for periods equal to the corresponding Interest Periods are not available to Bank in the offshore currency interbank markets, or (ii) LIBOR does not accurately reflect the cost to Bank of lending the LIBOR Advances, then Bank shall promptly give notice thereof to Borrower. Upon the giving of such notice, Bank's obligation to make the LIBOR Advances shall terminate; provided, however, LIBOR Advances shall not terminate if Bank and Borrower agree in writing to a different interest rate applicable to LIBOR Advances.

(d) If it shall become unlawful for Bank to continue to fund or maintain any LIBOR Advances, or to perform its obligations hereunder, upon demand by Bank, Borrower shall convert to Prime Rate Advances all LIBOR Advances, and in connection therewith pay all amounts payable hereunder in connection with such conversion pursuant to Section 3.7(c)(ii). Notwithstanding the foregoing, to the extent a determination by Bank as described above relates to a LIBOR Advance then being requested by Borrower pursuant to a Notice of Borrowing or a Notice of Conversion/Continuation, Borrower shall have the option, subject to the provisions of Section 3.7(c)(ii), to (i) rescind such Notice of Borrowing or Notice of Conversion/Continuation by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such rescission on the date on which Bank gives notice of its determination as described above, or (ii) modify such Notice of Borrowing or Notice of Conversion/Continuation to obtain a Prime Rate Advance or to have outstanding Advances converted into or continued as Prime Rate Advances by giving notice (by facsimile or by telephone confirmed in writing) to Bank of such modification on the date on which Bank gives notice of its determination as described above.

2.12 Section 6.2 (**Financial Statements, Reports, Certificates**). Sections 6.2(a) and (b) are amended in their entirety and replaced with the following:

(a) weekly and at the time of each request for an Advance, a Transaction Report (and any schedules related thereto) and accounts receivable agings, aged by invoice date; provided, however, if a Streamline Period is in effect, then within twenty (20) days after the end of each month and at the time of each request for an Advance, a Transaction Report (and any schedules related thereto) and accounts receivable agings, aged by invoice date;

(b) twenty (20) days after the end of each month, (A) monthly accounts payable agings, aged by invoice date, and outstanding or held check registers, if any, and (B) monthly reconciliations of accounts receivable agings (aged by invoice date), transaction reports and general ledger;

2.13 Section 6.2 (**Financial Statements, Reports, Certificates**). Section 6.2(f) is amended by deleting the proviso in its entirety and replacing it with the following:

provided, however, with respect to Borrower's audited consolidated financial statements for the fiscal years ending December 31, 2011 and December 31, 2012, drafts of such audited consolidated financial statements shall be delivered to Bank by no later than September 30, 2013, and final versions shall be delivered to Bank by no later than December 31, 2013;

2.14 Section 6.9 (**Financial Covenants).** Section 6.9 is amended in its entirety and replaced with the following:

6.9 Financial Covenants. Maintain as of the last day of each month, on a consolidated basis with respect to Borrower and its Subsidiaries:

(a) Fixed Charge Coverage Ratio. For any month ending immediately prior to a Triggering Period taking effect, and for any month occurring during a Triggering Period, a Fixed Charge Coverage Ratio, measured on a trailing twelve (12) month basis, of not less than 1.10 to 1.00.

2.15 Section 7.5 (Distributions; Investments). Section 7.7 hereby is amended by deleting the reference to "One Hundred Thousand Dollars ($100,000)" appearing therein and inserting "One Million Dollars ($1,000,000)" in lieu thereof.

2.16 Section 12.1 (**Termination Prior to Revolving Line Maturity Date**). Section 12.1 is amended by deleting the last sentence in its entirety.

2.17 Section 13 (**Definitions**). The following terms and their respective definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

"**Adjusted EBITDA**" shall mean (a) Net Income, plus (b) Interest Expense, plus (c) income tax expense, plus (d) depreciation expense, plus (e) amortization expense, plus (f) non-cash stock compensation expense, plus (g) purchase accounting adjustments, plus (h) amounts representing non-cash adjustments arising by reason of the application of accounting principles with respect to ASC 815 (relating to the valuation of hedging transactions), ASC 805 (relating to fair value measurements in business combinations) and ASC 350 (relating to accounting for the impairment of goodwill and other intangibles), plus (i) other expenses or charges reducing Net Income which do not represent a cash item in such period or any future period, plus (j) other non-recurring losses or expenses for such period up to an aggregate amount not to exceed Five Hundred Thousand Dollars ($500,000) in any trailing twelve month period, minus (g) cash paid for income taxes, minus (h) non-financed capital expenditures (including software), minus (i) capitalized costs in connection with the initial public offering of Borrower's equity securities.

"**Availability Amount**" is (a) the lesser of (i) the Maximum Dollar Amount or (ii) the amount available under the Borrowing Base, minus (b) any Reserves required by Bank, minus (c) the outstanding principal balance of any Advances.

"**Borrowing Base**" is 85% of Eligible Accounts, as determined by Bank from Borrower's most recent Transaction Report, minus payments due to publishers which have not been paid within thirty (30) days of their respective due dates (for purposes of clarification, only the amounts over thirty (30) days will be offset); provided, however, that Bank may decrease the foregoing percentage in its good faith business judgment based on events, conditions, contingencies, or risks which, as determined by Bank, may adversely affect Collateral.

"**Default Rate**" is defined in Section 2.3(e).

"**Maximum Dollar Amount**" is Forty Million Dollars ($40,000,000); provided, however, that upon the request of Borrower, if Bank approves in its sole and absolute discretion (which approval may depend upon, among other factors, Bank's success in finding one or more co-lenders acceptable to Bank to provide all or a portion of the additional availability), the Maximum Dollar Amount may be increased to Seventy Million Dollars ($70,000,000).

"**Net Cash**" means Borrower's unrestricted cash maintained at Bank and Bank's Affiliates, plus up to Three Million Dollars ($3,000,000) of unrestricted cash maintained by Borrower at institutions outside the United States so long as Bank has readily available insight into the deposit balances through the SVBeConnect online platform, less the aggregate outstanding principal amount of the Advances.

"**Revolving Line Maturity Date**" is September 27, 2018.

2.18 Section 13 (**Definitions**). Clause (f) of the definition of Permitted Indebtedness is amended by deleting the reference to "not to exceed Fifty Thousand Dollars ($50,000)" appearing therein.

2.19 Section 13 (**Definitions**). Clause (f) of the definition of Permitted Investments is amended in its entirety and replaced with the following:

(f) Investments (i) by Borrower in other Persons composing Borrower, (ii) by Borrower in Subsidiaries that do not compose Borrower in an aggregate principal amount not to exceed Three Million Dollars ($3,000,000) in any fiscal year, and (iii) by Subsidiaries that do not compose Borrower in other Subsidiaries that do not compose Borrower;

2.20 Section 13 (**Definitions**). Clause (j) of the definition of Permitted Investments is amended and restated in its entirety as follows:

(j) Investments in joint ventures or strategic alliances, provided, that the aggregate principal amount of such investments in any fiscal year do not exceed Three Million Dollars ($3,000,000).

2.21 Section 13 (**Definitions**). Clause (c) of the definition of Permitted Liens is amended by deleting the reference to "$100,000" and inserting "Five Hundred Thousand Dollars ($500,000)" in lieu thereof.

2.22 Section 13 (**Definitions**). The following terms and their respective definitions are added to Section 13.1, in appropriate alphabetical order, as follows:

"**Additional Costs**" is defined in Section 3.8(a).

"**Authorized Signer**" is any individual listed in Borrower's Borrowing Resolution who is authorized to execute the Loan Documents, including any Notice of Borrowing or other Advance request, on behalf of Borrower.

"**Continuation Date**" means any date on which Borrower continues a LIBOR Advance into another Interest Period.

"**Conversion Date**" means any date on which Borrower converts a Prime Rate Advance to a LIBOR Advance or a LIBOR Advance to a Prime Rate Advance.

"**Domestic Subsidiary**" means a Subsidiary organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"**Fifth Amendment**" is that certain Fifth Amendment to Loan and Security Agreement by and between Bank and Borrower dated as of September __, 2013 (the "**Fifth Amendment Date**").

"**Fixed Charge Coverage Ratio**" is measured on a trailing twelve (12) month basis and is the ratio of Borrower's Adjusted EBITDA to Borrower's Fixed Charges.

"**Fixed Charges**" are, as of any date of determination, the sum of interest expenses accrued and principal payments required to be paid during the immediately preceding twelve (12) month period.

"**Foreign Subsidiary**" means any Subsidiary which is not a Domestic Subsidiary.

"**Interest Payment Date**" means, with respect to any LIBOR Advance, the last day of each Interest Period applicable to such LIBOR Advance and, with respect to Prime Rate Advances, the first day of each month (or, if that day of the month does not fall on a Business Day, then on the first Business Day following such date), and each date a Prime Rate Advance is converted into a LIBOR Advance to the extent of the amount converted to a LIBOR Advance.

"**Interest Period**" means, as to any LIBOR Advance, the period commencing on the date of such LIBOR Advance, or on the conversion/continuation date on which the LIBOR Advance is converted into or continued as a LIBOR Advance, and ending on the date that is one, two, or three months thereafter, in each case as Borrower may elect in the applicable Notice of Borrowing or Notice of Conversion/Continuation; provided, however, that (a) no Interest Period with respect to any LIBOR Advance shall end later than the Revolving Line Maturity Date, (b) the last day of an Interest Period shall be determined in accordance with the practices of the LIBOR interbank market as from time to time in effect, (c) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of a LIBOR Advance, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day, (d) any Interest Period pertaining to a LIBOR Advance that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period, and (e) interest shall accrue from and include the first Business Day of an Interest Period but exclude the last Business Day of such Interest Period.

"**Interest Rate Determination Date**" means each date for calculating the LIBOR for purposes of determining the interest rate in respect of an Interest Period. The Interest Rate Determination Date shall be the second Business Day prior to the first day of the related Interest Period for a LIBOR Advance.

"**LIBOR**" means, for any Interest Rate Determination Date with respect to an Interest Period for any Advance to be made, continued as or converted into a LIBOR Advance, the rate of interest per annum determined by Bank to be the per annum rate of interest at which deposits in Dollars are offered to Bank in the London interbank market (rounded upward, if necessary, to the nearest 0.0001%) in which Bank customarily participates at 11:00 a.m. (local time in such interbank market) two (2) Business Days prior to the first day of such Interest Period for a period approximately equal to such Interest Period and in an amount approximately equal to the amount of such Advance.

"**LIBOR Advance**" means an Advance that bears interest based at the LIBOR Rate.

"**LIBOR Rate**" means, for each Interest Period in respect of LIBOR Advances comprising part of the same Advances, an interest rate *per annum* (rounded upward, if necessary, to the nearest 0.0001%) equal to LIBOR for such Interest Period *divided by* one (1) *minus* the Reserve Requirement for such Interest Period.

"**LIBOR Rate Margin**" is (a) at all times when a Streamline Period is in effect, two percent (2.00%) and (b) at all times when a Streamline Period is not in effect, three and one-half percent (3.50%).

"**Notice of Borrowing**" means a notice given by Borrower to Bank in accordance with Section 3.5(a), substantially in the form of Exhibit D, with appropriate insertions.

"**Notice of Conversion/Continuation**" means a notice given by Borrower to Bank in accordance with Section 3.6, substantially in the form of Exhibit E, with appropriate insertions.

"**Parent**" is defined in Section 3.8(b).

"**Prime Rate Advance**" means an Advance that bears interest based at the Prime Rate.

"**Prime Rate Margin**" is (a) at all times when a Streamline Period is in effect, zero percent (0.00%) and (b) at all times when a Streamline Period is not in effect, one and one-half percent (1.50%).

"**Regulatory Change**" means, with respect to Bank, any change on or after the date of this Agreement in United States federal, state, or foreign laws or regulations, including Regulation D, or the adoption or making on or after such date of any interpretations, directives, or requests applying to a class of lenders including Bank, of or under any United States federal or state, or any foreign laws or regulations (whether or not having the force of law) by any court or governmental or monetary authority charged with the interpretation or administration thereof.

"**Reserve Requirement**" means, for any Interest Period, the average maximum rate at which reserves (including any marginal, supplemental, or emergency reserves) are required to be maintained during such Interest Period under Regulation D against "Eurocurrency liabilities" (as such term is used in Regulation D) by member banks of the Federal Reserve System. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by Bank by reason of any Regulatory Change against (a) any category of liabilities which includes deposits by reference to which the LIBOR Rate is to be determined as provided in the definition of LIBOR or (b) any category of extensions of credit or other assets which include Advances.

"**Triggering Period**" means (a) any period during which an Event of Default has occurred and is continuing, and (b) any period during which the Availability Amount (whether as a result of Reserves being required or otherwise) is less than twenty percent (20%) of the Maximum Dollar Amount.

"**Unused Revolving Line Facility Fee**" is defined in Section 2.4(c).

2.23 Exhibit A (**Collateral**). Exhibit A to the Loan Agreement is amended in its entirety and replaced with Exhibit A attached hereto.

2.24 Exhibit B (**Compliance Certificate**). Exhibit B to the Loan Agreement is amended in its entirety and replaced with Exhibit B attached hereto.

2.25 Exhibit D (**Notice of Borrowing**). A new Exhibit D is added to the Loan Agreement in the form of Exhibit D attached hereto.

2.26 Exhibit E (**Notice of Conversion/Continuation**). A new Exhibit E is added to the Loan Agreement in the form of Exhibit E attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower most recently delivered to Bank remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on either Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and the Loan Agreement, as amended by this Amendment, is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) Borrower's payment of the supplemental commitment fee due in accordance with Section 2.4(b) of the Loan Agreement, and (c) payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le

Name: Victor Le

Title: VP

BORROWER

The Rubicon Project, Inc.

By: __________

Name: __________

Title: __________

Sitescout Corporation

By: __________

Name: __________

Title: __________

Rubicon-FAN, Inc.

By: __________

Name: __________

Title: __________

Strategic Data Corp.

By: __________

Name: __________

Title: __________

Mobsmith, Inc.

By: __________

Name: __________

Title: __________

[Signature Page to Fifth Amendment to Loan and Security Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: ____________________

Name: ____________________

Title: ____________________

BORROWER

The Rubicon Project, Inc.

By: /s/ Todd Tappin

Name: Todd Tappin

Title: COO/CFO

Sitescout Corporation

By: /s/ Seizo Welch

Name: SEIZO WELCH

Title: ASSISTANT SECRETARY

Rubicon-FAN, Inc.

By: /s/ Seizo Welch

Name: SEIZO WELCH

Title: ASST. SECRETARY

Strategic Data Corp.

By: /s/ Seizo Welch

Name: SEIZO WELCH

Title: VP FINANCE

Mobsmith, Inc.

By: /s/ Seizo Welch

Name: SEIZO WELCH

Title: SVP FINANCE

[Signature Page to Fifth Amendment to Loan and Security Agreement]

EXHIBIT A

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

All goods, Accounts (including health-care receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (except as provided below), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

all Borrower's Books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include any of the following: (a) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Foreign Subsidiary which shares entitle the holder thereof to vote for directors or any other matter, (b) more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Borrower of any Domestic Subsidiary that is a disregarded entity for United States federal income tax purposes substantially all of the assets of which consist of equity securities in one or more Foreign Subsidiaries, (c) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is enforceable under applicable law); (d) any interest of Borrower as a lessee under an Equipment lease if Borrower is prohibited by the terms of such lease from granting a security interest in such lease or under which such an assignment or Lien would cause a default to occur under such lease; provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by Borrower or Bank, and (e) Intellectual Property; provided, however, the Collateral shall include all Accounts and all proceeds of Intellectual Property. If a judicial authority (including a U.S. Bankruptcy Court) would hold that a security interest in the underlying Intellectual Property is necessary to have a security interest in such Accounts and such property that are proceeds of Intellectual Property, then the Collateral shall automatically, and effective as of the Effective Date, include the Intellectual Property to the extent necessary to permit perfection of Bank's security interest in such Accounts and such other property of Borrower that are proceeds of the Intellectual Property.

Pursuant to the terms of a certain negative pledge arrangement with Bank, Borrower has agreed not to encumber any of its Intellectual Property without Bank's prior written consent.

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date:
FROM: THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC., STRATEGIC DATA CORP. and MOBSMITH, INC.

The undersigned authorized officer of The Rubicon Project, Inc., on behalf of itself and its Subsidiaries (jointly and severally, "Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"): (1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days (annual financial statements for FYE 12/31/11 and FYE 12/31/12 due by 12/31/13; drafts due by 9/30/13)	Yes No
Transaction Reports, A/R Agings	Weekly if not on Streamline; otherwise, Monthly within 20 days	Yes No
A/P Agings and Reconciliations	Monthly within 20 days	Yes No
Annual Projections	Within 30 days of earlier of (i) approval by Board or (ii) start of FY	Yes No
10-Q, 10-K and 8-K (if applicable)	Within 5 days after filing with SEC	Yes No

Financial Covenants	Required	Actual	Complies
Maintain on a Monthly Basis:			
Minimum Fixed Charge Coverage Ratio*	1.10:1.00	:1.00	Yes No

* Only required during a Triggering Period and the month immediately preceding such Triggering Period.

	Streamline Periods/Performance Pricing	Applies
Net Cash $1.00*	Streamline Period is in effect; Prime + 0.00% or LIBOR + 2.00%	Yes No
Net Cash < $1.00	Streamline Period is not in effect; Prime + 1.50 or LIBOR + 3.50%	Yes No

* If transitioning from not having a Streamline Period in effect to having a Streamline Period in effect, Borrower must maintain Net Cash equal to or greater than One Dollar ($1.00) for three (3) consecutive months prior to such Streamline Period taking effect.

The following financial covenant analysis and information set forth in Schedule I attached hereto are true and accurate as of the date of this Certificate.

Other Matters

Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

The Rubicon Project, Inc., on behalf of itself and all Borrowers	**BANK USE ONLY**
	Received by: ________________ AUTHORIZED SIGNER
By: ________________	Date: ________________
Name: ________________	
Title: ________________	Verified: ________________ AUTHORIZED SIGNER
	Date: ________________
	Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated:

1. Fixed Charge Ratio (Section 6.9(a)) (Only required during a Triggering Period and the month immediately preceding such Triggering Period.)

Required: 1.10:1.00

Actual: :1.00

A.	Net Income of Borrower during the trailing 12-month period		$____
B.	To the extent included in the determination of Net Income		
	1.	The provision for income taxes	$____
	2.	Depreciation expense	$____
	3.	Amortization expense	$____
	4.	Interest Expense	$____
	5.	Non-cash stock compensation expense	$____
	6.	Purchase accounting adjustments	$____
	7.	Non-cash adjustments under ASC 350, 805 and 815	$____
	8.	Other expenses or charges which do not represent a cash item	$____
	9.	Other non-recurring losses or expenses up to $500,000	$____
	10.	Cash paid for income taxes	$____
	11.	Capital Expenditures (including software)	$____
	12.	IPO capitalized costs	$____
	13.	The sum of lines 1 through 9 minus lines 10 through 12	$____
C.	Adjusted EBITDA (line A plus line B.13)		$____
D.	Interest expenses accrued during trailing 12-month period		$____
E.	Principal payments required to be paid during trailing 12-month period		$____
F.	Fixed Charges (line D plus line E)		$____
G.	Fixed Charge Coverage Ratio (line C divided by line F)		____:1.00

Is line G equal to or greater than 1.10:1:00?

____ No, not in compliance ____ Yes, in compliance

<u>EXHIBIT D</u>

FORM OF NOTICE OF BORROWING

THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC., STRATEGIC DATA CORP. and MOBSMITH, INC.

Date: ___________________

TO: **SILICON VALLEY BANK**
3003 Tasman Drive
Santa Clara, CA 95054
Attention: Victor Le
Email: vle@svb.com

RE: Loan and Security Agreement dated as of September 27, 2011 (as amended, modified, supplemented or restated from time to time, the "*Loan Agreement*"), by and between **THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC., STRATEGIC DATA CORP. AND MOBSMITH, INC.** (individually and collectively, "*Borrower*"), and Silicon Valley Bank (the "*Bank*")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein and used herein as so defined, and hereby gives you notice irrevocably, pursuant to Section 3.5 of the Loan Agreement, of the borrowing of an Advance.

1. The Funding Date[1], which shall be a Business Day, of the requested borrowing is .

2. The aggregate amount of the requested Advance is $.

3. The requested Advance shall consist of $ of Prime Rate Advances and $ of LIBOR Advances.

4. The duration of the Interest Period for the LIBOR Advances included in the requested Advance shall be months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Advance before and after giving effect thereto, and to the application of the proceeds therefrom, as applicable:

(a) all representations and warranties of Borrower contained in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

1 Advance requests for LIBOR Advances must be submitted by 12:00 pm Pacific time at least three (3) Business Days prior to Funding Date. Advance requests for Prime Rate Advances must be submitted by 12:00 pm Pacific time on the Funding Date.

(b) no Event of Default has occurred and is continuing, or would result from such proposed Advance; and

(c) the requested Advance will not cause the aggregate principal amount of the outstanding Advances to exceed, as of the designated Funding Date, the Revolving Line.

BORROWER

THE RUBICON PROJECT, INC., on behalf of itself and all Borrowers

By: ____________________
Name: ____________________
Title: ____________________

For internal Bank use only

LIBOR Pricing Date	LIBOR	LIBOR Variance	Maturity Date
		%	

EXHIBIT E

FORM OF NOTICE OF CONVERSION/CONTINUATION

**THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC.,
STRATEGIC DATA CORP. and MOBSMITH, INC.**

Date: ___________________

TO: **SILICON VALLEY BANK**
3003 Tasman Drive
Santa Clara, CA 95054
Attention: Victor Le
Email: vle@svb.com

RE: Loan and Security Agreement dated as of September 27, 2011 (as amended, modified, supplemented or restated from time to time, the "*Loan Agreement*"), by and between **THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC., STRATEGIC DATA CORP. AND MOBSMITH, INC.** (individually and collectively, "*Borrower*"), and Silicon Valley Bank (the "*Bank*")

Ladies and Gentlemen:

The undersigned refers to the Loan Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 3.6 of the Loan Agreement, of the [conversion] [continuation] of the Advances specified herein, that:

1. The date of the [conversion] [continuation] is , 20 .

2. The aggregate amount of the proposed Advances to be [converted] is $ or [continued] is $.

3. The Advances are to be [converted into] [continued as] [LIBOR] [Prime Rate] Advances.

4. The duration of the Interest Period for the LIBOR Advances included in the [conversion] [continuation] shall be months.

The undersigned, on behalf of Borrower, hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed [conversion] [continuation], before and after giving effect thereto and to the application of the proceeds therefrom:

(a) all representations and warranties of Borrower stated in the Loan Agreement are true, accurate and complete in all material respects as of the date hereof; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(b) no Event of Default has occurred and is continuing, or would result from such proposed [conversion] [continuation]; and

(c) the requested [conversion] [continuation] will not cause the aggregate principal amount of the outstanding Advances to exceed, as of the designated Funding Date, the Revolving Line.

BORROWER	**THE RUBICON PROJECT, INC.**, on behalf of itself and all Borrowers
	By: ____________________
	Name: ____________________
	Title: ____________________

For internal Bank use only

LIBOR Pricing Date	LIBOR	LIBOR Variance	Maturity Date
		%	

SIXTH AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This Sixth Amendment to Loan and Security Agreement (this "Amendment") is entered into this 19th day of December, 2013, by and among Silicon Valley Bank ("Bank"), The Rubicon Project, Inc., a Delaware corporation, Sitescout Corporation, a Washington corporation, Rubicon-FAN, Inc., a Delaware corporation, Strategic Data Corp., a Delaware corporation, and Mobsmith, Inc., a Delaware corporation (individually and collectively, jointly and severally, "Borrower") whose address is 12181 Bluff Creek Drive, Playa Vista, CA 90094.

RECITALS

A. Bank and Borrower have entered into that certain Loan and Security Agreement dated as of September 27, 2011 (as the same has been and may from time to time be further amended, modified, supplemented or restated, the "Loan Agreement").

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to extend the date by which Borrower must deliver its audited financial statements for Borrower's 2011 and 2012 fiscal years.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 6.2 (**Financial Statements, Reports, Certificates**). Section 6.2(f) is hereby amended by deleting the reference to "December 31, 2013" and replacing it with "January 31, 2014".

2.2 Exhibit B (**Compliance Certificate**). Exhibit B to the Loan Agreement is amended in its entirety and replaced with Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower most recently delivered to Bank remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, and (b) payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK

Silicon Valley Bank

By: /s/ Victor Le

Name: Victor Le

Title: Vice President

BORROWER

The Rubicon Project, Inc.

By: /s/ David Day

Name: David Day

Title: Chief Accounting Officer

Sitescout Corporation

By: /s/ David Day

Name: David Day

Title: Chief Accounting Officer

Rubicon-FAN, Inc.

By: /s/ David Day

Name: David Day

Title: Chief Accounting Officer

Strategic Data Corp.

By: /s/ David Day

Name: David Day

Title: Chief Accounting Officer

Mobsmith, Inc.

By: /s/ David Day

Name: David Day

Title: Chief Accounting Officer

[signature page of Sixth Amendment to Loan and Security Agreement]

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date:
FROM: THE RUBICON PROJECT, INC., SITESCOUT CORPORATION, RUBICON-FAN, INC., STRATEGIC DATA CORP. and MOBSMITH, INC.

The undersigned authorized officer of The Rubicon Project, Inc., on behalf of itself and its Subsidiaries (jointly and severally, "Borrower") certifies that under the terms and conditions of the Loan and Security Agreement between Borrower and Bank (the "Agreement"): (1) Borrower is in complete compliance for the period ending with all required covenants except as noted below; (2) there are no Events of Default; (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date; (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement; and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenants	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 180 days (annual financial statements for FYE 12/31/11 and FYE 12/31/12 due by 1/31/14	Yes No
Transaction Reports, A/R Agings	Weekly if not on Streamline; otherwise, Monthly within 20 days	Yes No
A/P Agings and Reconciliations	Monthly within 20 days	Yes No
Annual Projections	Within 30 days of earlier of (i) approval by Board or (ii) start of FY	Yes No
10-Q, 10-K and 8-K (if applicable)	Within 5 days after filing with SEC	Yes No

Financial Covenants	Required	Actual	Complies
Maintain on a Monthly Basis:			
Minimum Fixed Charge Coverage Ratio*	1.10:1.00	:1.00	Yes No

* Only required during a Triggering Period and the month immediately preceding such Triggering Period.

Streamline Periods/Performance Pricing		Applies	
Net Cash □ $1.00*	Streamline Period is in effect; Prime + 0.00% or LIBOR + 2.00%	Yes	No
Net Cash < $1.00	Streamline Period is not in effect; Prime + 1.50% or LIBOR + 3.50%	Yes	No

* If transitioning from not having a Streamline Period in effect to having a Streamline Period in effect, Borrower must maintain Net Cash equal to or greater than One Dollar ($1.00) for three (3) consecutive months prior to such Streamline Period taking effect.

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

Other Matters

Have there been any amendments of or other changes to the capitalization table of Borrower and to the Operating Documents of Borrower or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate. Yes No

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

The Rubicon Project, Inc., on behalf of itself and all Borrowers

By: ______________________

Name: ______________________

Title: ______________________

BANK USE ONLY

Received by: ______________________

AUTHORIZED SIGNER

Date: ______________________

Verified: ______________________

AUTHORIZED SIGNER

Date: ______________________

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated:

I. **Fixed Charge Ratio** (Section 6.9(a)) (Only required during a Triggering Period and the month immediately preceding such Triggering Period.)

Required: 1.10:1.00

Actual: :1.00

A.	Net Income of Borrower during the trailing 12-month period		$____
B.	To the extent included in the determination of Net Income		
	1.	The provision for income taxes	$____
	2.	Depreciation expense	$____
	3.	Amortization expense	$____
	4.	Interest Expense	$____
	5.	Non-cash stock compensation expense	$____
	6.	Purchase accounting adjustments	$____
	7.	Non-cash adjustments under ASC 350, 805 and 815	$____
	8.	Other expenses or charges which do not represent a cash item	$____
	9.	Other non-recurring losses or expenses up to $500,000	$____
	10.	Cash paid for income taxes	$____
	11.	Capital Expenditures (including software)	$____
	12.	IPO capitalized costs	$____
	13.	The sum of lines 1 through 9 minus lines 10 through 12	$____
C.	Adjusted EBITDA (line A plus line B.13)		$____
D.	Interest expenses accrued during trailing 12-month period		$____
E.	Principal payments required to be paid during trailing 12-month period		$____
F.	Fixed Charges (line D plus line E)		$____
G.	Fixed Charge Coverage Ratio (line C divided by line F)		____:1.00

Is line G equal to or greater than 1.10:1:00?

____ No, not in compliance ____ Yes, in compliance

Exhibit 10.15

STOCK PLEDGE AGREEMENT

This Stock Pledge Agreement (this "Agreement") is entered into as of October 3, 2013 by and between SILICON VALLEY BANK ("Bank") and THE RUBICON PROJECT, INC. ("Pledgor").

RECITAL

Pledgor wishes to borrow money from time to time from Bank pursuant to that certain Loan and Security Agreement dated as of September 27, 2011, executed by and among Pledgor, Sitescout Corporation, Rubicon-FAN, Inc., Strategic Data Corp., Mobsmith, Inc., and Bank (as amended, restated, or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement). Bank has agreed to extend credit and provide other financial accommodations to Pledgor upon the terms and conditions set forth in the Loan Agreement provided Pledgor secures the Obligations in accordance with the terms of this Agreement.

NOW, THEREFORE, Pledgor and Bank agree as follows:

1. CREATION OF SECURITY INTEREST.

1.1. Grant of Security Interest

(a) Pledgor hereby pledges, assigns and delivers to Bank and grants to Bank a security interest in the property described on Exhibit A attached hereto (the "Pledged Collateral") as security for the prompt payment and performance of all of the Obligations.

(b) The term "Pledged Collateral" shall also include any securities, investment properties, instruments or distributions of any kind issuable, issued or received by Pledgor upon conversion of, in respect of, or in exchange for any other Pledged Collateral, including, but not limited to, those arising from a stock dividend, stock split, reclassification, reorganization, merger, consolidation, sale of assets or other exchange of securities or any dividends or other distributions of any kind upon or with respect to the Pledged Collateral.

1.2. Delivery of Additional Documentation Required. Pledgor will from time to time execute and deliver to Bank, at the request of Bank, all financing statements and other documents that Bank may reasonably request, in form satisfactory to Bank, to perfect and continue the perfection of Bank's security interests in the Pledged Collateral. Pledgor authorizes Bank to file financing statements without notice to Pledgor, in all appropriate jurisdictions, as Bank deems appropriate, to perfect or protect Bank's interest in the Pledged Collateral. The certificate or certificates for the securities included in the Pledged Collateral, accompanied by an instrument of assignment duly executed in blank by Pledgor, have been, or will, within five (5) days after the date hereof, be delivered by Pledgor to Bank. Pledgor shall cause the books of the issuers listed on Exhibit A to reflect the pledge of the Pledged Collateral.

1.3. Voting Prior to Demand. So long as Pledgor has not received a notice from the Bank that an Event of Default (as defined below) has occurred and is continuing and as a result thereof the Bank is terminating Pledgor's voting privileges hereunder, Pledgor shall be entitled to exercise any voting rights with respect to the Pledged Collateral and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights of Pledgor to vote and give consents, waiver and ratifications shall upon notice to Pledgor cease in case such an Event of Default hereunder shall occur and be continuing.

2. REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants that:

2.1. Due Organization and Qualification. Pledgor is duly existing and in good standing under the laws of its state of formation and is qualified and licensed to do business in, and is in good standing in, any state in which the conduct of its business or its ownership of property requires that it be so qualified.

2.2. Due Authorization; No Conflict. The execution, delivery, and performance of this Agreement are within Pledgor's powers, have been duly authorized, and neither conflict with nor constitute a breach of any provision contained in Pledgor's formation documents or bylaws, nor will they constitute an event of default under any material agreement to which Pledgor is a party or by which Pledgor is bound.

2.3. No Prior Encumbrances. Pledgor has good title to the Pledged Collateral, free and clear of any liens, security interests, or other encumbrances other than Permitted Liens.

2.4. Litigation. There is no action, suit or proceeding affecting Pledgor pending or, to Pledgor's knowledge, threatened before any court, arbitrator, or governmental authority, domestic or foreign, which may have a material adverse effect on the ability of Pledgor to perform its obligations under this Agreement.

2.5. Solvency. The incurrence of Pledgor's obligations under this Agreement will not cause Pledgor to (a) become insolvent; (b) be left with unreasonably small capital for any business or transaction in which Pledgor is presently engaged or plans to be engaged; or (c) be unable to pay its debts as such debts mature.

3. NEGATIVE COVENANTS

Pledgor covenants and agrees that, until the payment in full of the Obligations and for so long as Bank may have any obligation to extend credit to Pledgor or otherwise perform under the Loan Agreement, Pledgor shall not do any of the following, unless permitted by the Loan Agreement:

3.1. Dispositions. Convey, sell, lease, transfer, pledge, assign control over or otherwise dispose of all or any part of the Pledged Collateral.

3.2. Encumbrances. Create, incur, assume or suffer to exist any security interest, lien or encumbrance with respect to the Pledged Collateral, other than the security interest in favor of Bank.

4. EVENTS OF DEFAULT

Any one or more of the following events shall constitute an "Event of Default" under this Agreement:

4.1. Loan Agreement. If an Event of Default occurs under the Loan Agreement.

5. BANK'S RIGHTS AND REMEDIES

5.1. Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Pledgor:

(a) Exercise all such rights as a secured party under the Uniform Commercial Code of the State of California as it, in its sole judgment, shall deem necessary or appropriate, including the right to sell all or any part of the Pledged Collateral at one or more public or private sales upon five (5) days prior written notice to Pledgor, and any such sale or sales may be made for cash, upon credit, or for future delivery, and in connection therewith, Bank may grant options, provided that any such terms or options shall, in the best judgment of Bank, be extended only in order to obtain the best possible price.

(b) Declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 of the Loan Agreement occurs all Obligations are immediately due and payable without any action by Bank).

5.2. Sale of Pledged Collateral. Pledgor recognizes that Bank may be unable to effect a public sale of all or a part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Act"), so that Bank may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Pledged Collateral for their own account, for investment and without a view to the distribution or resale thereof. Pledgor understands that private sales so made may be at prices and on other terms less favorable to the seller than if the Pledged Collateral were sold at public sales, and agrees that Bank has no obligation to delay the sale of any of the Pledged Collateral for the period of time necessary (even if Bank would agree), to register such securities for sale under the Act. Pledgor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

5.3. Remedies Cumulative. Bank's rights and remedies under this Agreement, the Loan Agreement, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Pledgor's part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it.

5.4. Demand; Protest. Pledgor waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Bank on which Pledgor may in any way be liable.

5.5. Hold on Pledged Collateral. Pledgor agrees that, until the later of the termination of the Loan Agreement and payment in full of all Obligations, Bank may hold and refuse to release the Pledged Collateral to any party, including Pledgor.

5.6. Power of Attorney. When an Event of Default occurs and continues, Pledgor irrevocably appoints Bank as its lawful attorney to transfer the Pledged Collateral into the name of Bank or a third party as the Code permits and cause new certificates representing the Pledged Collateral to be issued in the name of Bank. Bank may exercise the power of attorney to sign Pledgor's name on any documents necessary to perfect or continue the perfection of any security interest regardless of whether an Event of Default has occurred. Bank's appointment as Pledgor's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until the later of the payment in full of all Obligations or so long as Bank may have any obligation to perform under the Loan Agreement.

5.7. Bank Expenses. If Pledgor fails to pay any amount due hereunder or furnish any required proof of payment to third persons in connection with the Pledged Collateral, Bank may make all or part of the payment and take any action Bank deems prudent. Any amounts paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then applicable rate and secured by the Pledged Collateral. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default. After the sale of any of the Pledged Collateral, Bank may deduct all reasonable legal and other expenses and attorneys' fees for preserving, collecting, selling and delivering the Pledged Collateral and for enforcing its rights with respect to the Obligations, and shall apply the remainder of the proceeds to the Obligations in such manner as Bank in its reasonable discretion shall determine, and shall pay the balance, if any, to Pledgor.

5.8. Bank's Liability for Pledged Collateral. If Bank complies with reasonable banking practices, it is not liable or responsible for the safekeeping of the Pledged Collateral.

6. NOTICES

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by certified mail, postage prepaid, return receipt requested, or by prepaid facsimile to Pledgor or to Bank, as the case may be, at its addresses and facsimile numbers set forth below:

If to Pledgor: The Rubicon Project, Inc.
12181 Bluff Creek Drive
Playa Vista, CA 90094
Attn:
Fax:

If to Bank: Silicon Valley Bank
38 Technology Drive West, Suite 150
Irvine, CA 92618
Attn: Victor Le
Fax: (949) 790-9020

Either party hereto may change the address or facsimile number at which it is to receive notices hereunder by notice in writing in the foregoing manner given to the other.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each of Pledgor and Bank hereby submits to the exclusive jurisdiction of the state and Federal courts located in the State of California. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PLEDGOR AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE LOAN AGREEMENT, AND ANY RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

8. GENERAL PROVISIONS

8.1. Amendment of Loan Documents. Pledgor authorizes Bank, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, extend, or otherwise change the terms of the Loan Documents or any part thereof; (b) take and hold security for the payment of the Loan Documents, and exchange, enforce, waive and release any such security; and (c) apply such security and direct the order or manner of sale thereof as Bank in its sole discretion may determine.

8.2. Pledgor Waivers. Pledgor waives any right to require Bank to (a) proceed against any guarantor or any other person; or (b) pursue any other remedy in Bank's power whatsoever. Bank may, at its election, exercise or decline or fail to exercise any right or remedy it may have against any security held by Bank, including without limitation the right to foreclose upon any such security by judicial or nonjudicial sale, without affecting or impairing in any way the liability of Pledgor hereunder. Pledgor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation, or incurring of new or additional indebtedness. Pledgor assumes the responsibility for being and keeping itself informed of all circumstances bearing upon the risk of nonpayment of any indebtedness or nonperformance of any obligation, warrants to Bank that it will keep so informed, and agrees that absent a request for particular information by Pledgor, Bank shall have no duty to advise Pledgor of information known to Bank regarding such condition or any such circumstances. Pledgor waives the benefits, if any, of any statutory or common law rule that may permit a subordinating creditor to assert any defenses of a surety or guarantor, or that may give the subordinating creditor the right to require a senior creditor to marshal assets, and Pledgor agrees that it shall not assert any such defenses or rights.

8.3. Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Pledgor may not assign this Agreement or any rights under it without Bank's prior written consent which may be granted or withheld in Bank's reasonable discretion. Bank has the right, without the consent of or notice to Pledgor, to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits under this Agreement.

8.4. Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

8.5. Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

8.6. Amendments in Writing, Integration. All amendments to this Agreement must be in writing and executed by the parties hereto. This Agreement represents the entire agreement about this subject matter and supersedes prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement merge into this Agreement.

8.7. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, are an original, and all taken together, are one agreement.

8.8. Survival. All covenants, representations and warranties made in this Agreement continue in full force while any obligations remain outstanding.

8.9. Attorneys' Fees, Costs and Expenses. In any action or proceeding between Pledgor and Bank arising out of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled, whether or not a lawsuit is filed.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Stock Pledge Agreement to be executed as of the date first written above.

Pledgor	THE RUBICON PROJECT, INC.
	By: /s/ Brian Copple Title: General Counsel
Bank	SILICON VALLEY BANK
	By: /s/ [ILLEGIBLE] Title: Vice President

EXHIBIT A

The Pledged Collateral consists of all of Pledgor's right, title and interest in and to the following whether owned now or hereafter arising and whether the Pledgor has rights now or hereafter has rights therein and wherever located:

All Pledged Equity; and

all Pledgor's books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof.

Notwithstanding the foregoing, the Pledged Collateral does not include more than 65% of the presently existing and hereafter arising issued and outstanding shares of capital stock owned by Pledgor of any Foreign Issuer which shares entitle the holder thereof to vote for directors or any other matter.

As used herein:

"Equity Interest" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, equity security or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

"Foreign Issuer" means any Issuer which is not organized under the laws of the United States or any state or territory thereof or the District of Columbia.

"Issuer" means Strategic Data Corp., SiteScout Corporation, Mobsmith, Inc., The Rubicon Project Ltd., The Rubicon Project GmbH, The Rubicon Project Australia Pty. Ltd. and any other issuer of any of the Pledged Equity.

"Pledged Equity" means, to the extent set forth on Schedule 1 hereto, the Equity Interests of each Issuer owned by Pledgor, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

(i) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(ii) in the event of any consolidation or merger involving the Issuer thereof and in which such Issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger.

SCHEDULE 1

PLEDGED EQUITY

Issuer; Type and Place of Organization	Number of Shares	Type	Certificate Number	Percentage Ownership
Strategic Data Corp.				100%
SiteScout Corporation				100%
Mobsmith, Inc.				100%
The Rubicon Project Ltd.				65%
The Rubicon Project GmbH				65%
The Rubicon Project Australia Pty. Ltd.				65%

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) represented by Certificate No(s). ______ in STRATEGIC DATA CORP. ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: ______20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _______________ all of its Equity Interests (as hereinafter defined) represented by Certificate No(s). ______ in SITESCOUT CORPORATION ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint __________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated:______20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) represented by Certificate No(s). ______ in MOBSMITH, INC. ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated:______20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) representing not more than 65% of the issued and outstanding shares of capital stock owned by Pledgor which Equity Interests entitle the holder thereof to vote for directors or any other matter represented by Certificate No(s). ______ in THE RUBICON PROJECT LTD. ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: ______ 20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) representing not more than 65% of the issued and outstanding shares of capital stock owned by Pledgor which Equity Interests entitle the holder thereof to vote for directors or any other matter represented by Certificate No(s). ______ in THE RUBICON PROJECT GMBH ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: ______ 20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

STOCK POWER

FOR VALUE RECEIVED, the undersigned, The Rubicon Project, Inc., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) representing not more than 65% of the issued and outstanding shares of capital stock owned by Pledgor which Equity Interests entitle the holder thereof to vote for directors or any other matter represented by Certificate No(s). ______ in THE RUBICON PROJECT AUSTRALIA PTY. LTD. ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: ______ 20__

PLEDGOR:

The Rubicon Project, Inc.

By: /s/ Brian W. Copple
Name: Brian W. Copple
Title: General Counsel

Exhibit 10.16

STOCK PLEDGE AGREEMENT

This Stock Pledge Agreement (this "Agreement") is entered into as of October 3, 2013 by and between SILICON VALLEY BANK ("Bank") and STRATEGIC DATA CORP. ("Pledgor").

RECITAL

Pledgor wishes to borrow money from time to time from Bank pursuant to that certain Loan and Security Agreement dated as of September 27, 2011, executed by and among Pledgor, The Rubicon Project, Inc., Sitescout Corporation, Rubicon-FAN, Inc., Mobsmith, Inc., and Bank (as amended, restated, or otherwise modified from time to time, the "Loan Agreement"; capitalized terms used but not otherwise defined herein shall have the meanings given them in the Loan Agreement). Bank has agreed to extend credit and provide other financial accommodations to Pledgor upon the terms and conditions set forth in the Loan Agreement provided Pledgor secures the Obligations in accordance with the terms of this Agreement.

NOW, THEREFORE, Pledgor and Bank agree as follows:

1. CREATION OF SECURITY INTEREST.

1.1. Grant of Security Interest

(a) Pledgor hereby pledges, assigns and delivers to Bank and grants to Bank a security interest in the property described on Exhibit A attached hereto (the "Pledged Collateral") as security for the prompt payment and performance of all of the Obligations.

(b) The term "Pledged Collateral" shall also include any securities, investment properties, instruments or distributions of any kind issuable, issued or received by Pledgor upon conversion of, in respect of, or in exchange for any other Pledged Collateral, including, but not limited to, those arising from a stock dividend, stock split, reclassification, reorganization, merger, consolidation, sale of assets or other exchange of securities or any dividends or other distributions of any kind upon or with respect to the Pledged Collateral.

1.2. Delivery of Additional Documentation Required. Pledgor will from time to time execute and deliver to Bank, at the request of Bank, all financing statements and other documents that Bank may reasonably request, in form satisfactory to Bank, to perfect and continue the perfection of Bank's security interests in the Pledged Collateral. Pledgor authorizes Bank to file financing statements without notice to Pledgor, in all appropriate jurisdictions, as Bank deems appropriate, to perfect or protect Bank's interest in the Pledged Collateral. The certificate or certificates for the securities included in the Pledged Collateral, accompanied by an instrument of assignment duly executed in blank by Pledgor, have been, or will, within five (5) days after the date hereof, be delivered by Pledgor to Bank. Pledgor shall cause the books of the issuers listed on Exhibit A to reflect the pledge of the Pledged Collateral.

1.3. Voting Prior to Demand. So long as Pledgor has not received a notice from the Bank that an Event of Default (as defined below) has occurred and is continuing and as a result thereof the Bank is terminating Pledgor's voting privileges hereunder, Pledgor shall be entitled to exercise any voting rights with respect to the Pledged Collateral and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights of Pledgor to vote and give consents, waiver and ratifications shall upon notice to Pledgor cease in case such an Event of Default hereunder shall occur and be continuing.

2. REPRESENTATIONS AND WARRANTIES. Pledgor represents and warrants that:

2.1. Due Organization and Qualification. Pledgor is duly existing and in good standing under the laws of its state of formation and is qualified and licensed to do business in, and is in good standing in, any state in which the conduct of its business or its ownership of property requires that it be so qualified.

2.2. Due Authorization; No Conflict. The execution, delivery, and performance of this Agreement are within Pledgor's powers, have been duly authorized, and neither conflict with nor constitute a breach of any provision contained in Pledgor's formation documents or bylaws, nor will they constitute an event of default under any material agreement to which Pledgor is a party or by which Pledgor is bound.

2.3. No Prior Encumbrances. Pledgor has good title to the Pledged Collateral, free and clear of any liens, security interests, or other encumbrances other than Permitted Liens.

2.4. Litigation. There is no action, suit or proceeding affecting Pledgor pending or, to Pledgor's knowledge, threatened before any court, arbitrator, or governmental authority, domestic or foreign, which may have a material adverse effect on the ability of Pledgor to perform its obligations under this Agreement.

2.5. Solvency. The incurrence of Pledgor's obligations under this Agreement will not cause Pledgor to (a) become insolvent; (b) be left with unreasonably small capital for any business or transaction in which Pledgor is presently engaged or plans to be engaged; or (c) be unable to pay its debts as such debts mature.

3. NEGATIVE COVENANTS

Pledgor covenants and agrees that, until the payment in full of the Obligations and for so long as Bank may have any obligation to extend credit to Pledgor or otherwise perform under the Loan Agreement, Pledgor shall not do any of the following, unless permitted by the Loan Agreement:

3.1. Dispositions. Convey, sell, lease, transfer, pledge, assign control over or otherwise dispose of all or any part of the Pledged Collateral.

3.2. Encumbrances. Create, incur, assume or suffer to exist any security interest, lien or encumbrance with respect to the Pledged Collateral, other than the security interest in favor of Bank.

4. EVENTS OF DEFAULT

Any one or more of the following events shall constitute an "Event of Default" under this Agreement:

4.1. Loan Agreement. If an Event of Default occurs under the Loan Agreement.

5. BANK'S RIGHTS AND REMEDIES

5.1. Rights and Remedies. Upon the occurrence and during the continuance of an Event of Default, Bank may, at its election, without notice of its election and without demand, do any one or more of the following, all of which are authorized by Pledgor:

(a) Exercise all such rights as a secured party under the Uniform Commercial Code of the State of California as it, in its sole judgment, shall deem necessary or appropriate, including the right to sell all or any part of the Pledged Collateral at one or more public or private sales upon five (5) days prior written notice to Pledgor, and any such sale or sales may be made for cash, upon credit, or for future delivery, and in connection therewith, Bank may grant options, provided that any such terms or options shall, in the best judgment of Bank, be extended only in order to obtain the best possible price.

(b) Declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 of the Loan Agreement occurs all Obligations are immediately due and payable without any action by Bank).

5.2. Sale of Pledged Collateral. Pledgor recognizes that Bank may be unable to effect a public sale of all or a part of the Pledged Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended (the "Act"), so that Bank may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Pledged Collateral for their own account, for investment and without a view to the distribution or resale thereof. Pledgor understands that private sales so made may be at prices and on other terms less favorable to the seller than if the Pledged Collateral were sold at public sales, and agrees that Bank has no obligation to delay the sale of any of the Pledged Collateral for the period of time necessary (even if Bank would agree), to register such securities for sale under the Act. Pledgor agrees that private sales made under the foregoing circumstances shall be deemed to have been made in a commercially reasonable manner.

5.3. Remedies Cumulative. Bank's rights and remedies under this Agreement, the Loan Agreement, and all other agreements shall be cumulative. Bank shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by Bank of one right or remedy shall be deemed an election, and no waiver by Bank of any Event of Default on Pledgor's part shall be deemed a continuing waiver. No delay by Bank shall constitute a waiver, election, or acquiescence by it.

5.4. Demand; Protest. Pledgor waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees at any time held by Bank on which Pledgor may in any way be liable.

5.5. Hold on Pledged Collateral. Pledgor agrees that, until the later of the termination of the Loan Agreement and payment in full of all Obligations, Bank may hold and refuse to release the Pledged Collateral to any party, including Pledgor.

5.6. Power of Attorney. When an Event of Default occurs and continues, Pledgor irrevocably appoints Bank as its lawful attorney to transfer the Pledged Collateral into the name of Bank or a third party as the Code permits and cause new certificates representing the Pledged Collateral to be issued in the name of Bank. Bank may exercise the power of attorney to sign Pledgor's name on any documents necessary to perfect or continue the perfection of any security interest regardless of whether an Event of Default has occurred. Bank's appointment as Pledgor's attorney in fact, and all of Bank's rights and powers, coupled with an interest, are irrevocable until the later of the payment in full of all Obligations or so long as Bank may have any obligation to perform under the Loan Agreement.

5.7. Bank Expenses. If Pledgor fails to pay any amount due hereunder or furnish any required proof of payment to third persons in connection with the Pledged Collateral, Bank may make all or part of the payment and take any action Bank deems prudent. Any amounts paid by Bank are Bank Expenses and immediately due and payable, bearing interest at the then applicable rate and secured by the Pledged Collateral. No payments by Bank are deemed an agreement to make similar payments in the future or Bank's waiver of any Event of Default. After the sale of any of the Pledged Collateral, Bank may deduct all reasonable legal and other expenses and attorneys' fees for preserving, collecting, selling and delivering the Pledged Collateral and for enforcing its rights with respect to the Obligations, and shall apply the remainder of the proceeds to the Obligations in such manner as Bank in its reasonable discretion shall determine, and shall pay the balance, if any, to Pledgor.

5.8. Bank's Liability for Pledged Collateral. If Bank complies with reasonable banking practices, it is not liable or responsible for the safekeeping of the Pledged Collateral.

6. NOTICES

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by certified mail, postage prepaid, return receipt requested, or by prepaid facsimile to Pledgor or to Bank, as the case may be, at its addresses and facsimile numbers set forth below:

If to Pledgor: Strategic Data Corp.
12181 Bluff Creek Drive
Playa Vista, CA 90094
Attn:
Fax:

If to Bank: Silicon Valley Bank
38 Technology Drive West, Suite 150
Irvine, CA 92618
Attn: Victor Le
Fax: (949) 790-9020

Either party hereto may change the address or facsimile number at which it is to receive notices hereunder by notice in writing in the foregoing manner given to the other.

7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of California, without regard to principles of conflicts of law. Each of Pledgor and Bank hereby submits to the exclusive jurisdiction of the state and Federal courts located in the State of California. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, PLEDGOR AND BANK EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE LOAN AGREEMENT, AND ANY RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Santa Clara County, California Superior Court) appointed in accordance with California Code of Civil Procedure Section 638 (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Santa Clara County, California; and the parties hereby submit to the jurisdiction of such court. The reference proceedings shall be conducted pursuant to and in accordance with the provisions of California Code of Civil Procedure §§ 638 through 645.1, inclusive. The private judge shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any dispute, a party desires to seek provisional relief, but a judge has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the Santa Clara County, California Superior Court for such relief. The proceeding before the private judge shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The private judge shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. The parties agree that the selected or appointed private judge shall have the power to decide all issues in the action or proceeding, whether of fact or of law, and shall report a statement of decision thereon pursuant to California Code of Civil Procedure § 644(a). Nothing in this paragraph shall limit the right of any party at any time to exercise self-help remedies, foreclose against collateral, or obtain provisional remedies. The private judge shall also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph.

8. GENERAL PROVISIONS

8.1. Amendment of Loan Documents. Pledgor authorizes Bank, without notice or demand and without affecting its liability hereunder, from time to time to (a) renew, extend, or otherwise change the terms of the Loan Documents or any part thereof; (b) take and hold security for the payment of the Loan Documents, and exchange, enforce, waive and release any such security; and (c) apply such security and direct the order or manner of sale thereof as Bank in its sole discretion may determine.

8.2. Pledgor Waivers. Pledgor waives any right to require Bank to (a) proceed against any guarantor or any other person; or (b) pursue any other remedy in Bank's power whatsoever. Bank may, at its election, exercise or decline or fail to exercise any right or remedy it may have against any security held by Bank, including without limitation the right to foreclose upon any such security by judicial or nonjudicial sale, without affecting or impairing in any way the liability of Pledgor hereunder. Pledgor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Agreement and of the existence, creation, or incurring of new or additional indebtedness. Pledgor assumes the responsibility for being and keeping itself informed of all circumstances bearing upon the risk of nonpayment of any indebtedness or nonperformance of any obligation, warrants to Bank that it will keep so informed, and agrees that absent a request for particular information by Pledgor, Bank shall have no duty to advise Pledgor of information known to Bank regarding such condition or any such circumstances. Pledgor waives the benefits, if any, of any statutory or common law rule that may permit a subordinating creditor to assert any defenses of a surety or guarantor, or that may give the subordinating creditor the right to require a senior creditor to marshal assets, and Pledgor agrees that it shall not assert any such defenses or rights.

8.3. Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Pledgor may not assign this Agreement or any rights under it without Bank's prior written consent which may be granted or withheld in Bank's reasonable discretion. Bank has the right, without the consent of or notice to Pledgor, to sell, transfer, negotiate, or grant participation in all or any part of, or any interest in, Bank's obligations, rights and benefits under this Agreement.

8.4. Time of Essence. Time is of the essence for the performance of all obligations set forth in this Agreement.

8.5. Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

8.6. Amendments in Writing, Integration. All amendments to this Agreement must be in writing and executed by the parties hereto. This Agreement represents the entire agreement about this subject matter and supersedes prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement merge into this Agreement.

8.7. Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, are an original, and all taken together, are one agreement.

8.8. Survival. All covenants, representations and warranties made in this Agreement continue in full force while any obligations remain outstanding.

8.9. Attorneys' Fees, Costs and Expenses. In any action or proceeding between Pledgor and Bank arising out of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which it may be entitled, whether or not a lawsuit is filed.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Stock Pledge Agreement to be executed as of the date first written above.

Pledgor	STRATEGIC DATA CORP.
	By: /s/ Seizo Welch Title: VP Finance
Bank	SILICON VALLEY BANK
	By: /s/ [ILLEGIBLE] Title: Vice President

EXHIBIT A

The Pledged Collateral consists of all of Pledgor’s right, title and interest in and to the following whether owned now or hereafter arising and whether the Pledgor has rights now or hereafter has rights therein and wherever located:

All Pledged Equity; and

all Pledgor’s books relating to the foregoing and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to and proceeds thereof.

As used herein:

“Equity Interest” means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, equity security or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

“Issuer” means Rubicon-FAN, Inc. and any other issuer of any of the Pledged Equity.

“Pledged Equity” means, to the extent set forth on Schedule 1 hereto, the Equity Interests of each Issuer owned by Pledgor, in each case together with the certificates (or other agreements or instruments), if any, representing such shares, and all options and other rights, contractual or otherwise, with respect thereto, including, but not limited to, the following:

(i) all Equity Interests representing a dividend thereon, or representing a distribution or return of capital upon or in respect thereof, or resulting from a stock split, revision, reclassification or other exchange therefor, and any subscriptions, warrants, rights or options issued to the holder thereof, or otherwise in respect thereof; and

(ii) in the event of any consolidation or merger involving the Issuer thereof and in which such Issuer is not the surviving Person, all shares of each class of the Equity Interests of the successor Person formed by or resulting from such consolidation or merger.

SCHEDULE 1

PLEDGED EQUITY

Issuer; Type and Place of Organization	Number of Shares	Type	Certificate Number	Percentage Ownership
Rubicon-FAN, Inc.				100%

STOCK POWER

FOR VALUE RECEIVED, the undersigned, Strategic Data Corp., a Delaware corporation ("**Pledgor**") does hereby sell, assign and transfer to _________ all of its Equity Interests (as hereinafter defined) represented by Certificate No(s). ______ in RUBICON-FAN, INC. ("**Issuer**"), standing in the name of Pledgor on the books of said Issuer. Pledgor does hereby irrevocably constitute and appoint _________, as attorney, to transfer the Equity Interest in said Issuer with full power of substitution in the premises. The term "**Equity Interest**" means any security, share, unit, partnership interest, membership interest, ownership interest, equity interest, option, warrant, participation, "equity security" (as such term is defined in Rule 3(a)11-1 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or any similar statute then in effect, promulgated by the Securities and Exchange Commission and any successor thereto) or analogous interest (regardless of how designated) of or in a corporation, partnership, limited partnership, limited liability company, limited liability partnership, business trust or other entity, of whatever nature, type, series or class, whether voting or nonvoting, certificated or uncertificated, common or preferred, and all rights and privileges incident thereto.

Dated: ______ 20__

PLEDGOR:

Strategic Data Corp.

By: /s/ Seizo Welch
Name: Seizo Welch
Title: VP Finance

Exhibit 10.18

EXECUTIVE SEVERANCE AND VESTING ACCELERATION AGREEMENT

THIS EXECUTIVE VESTING AND SEVERANCE AGREEMENT (this "***Agreement***"), dated as of , 2013, is entered into by and between The Rubicon Project, Inc. (the "***Company***"), and [EXECUTIVENAME] ("***Executive***").

The Company and Executive are currently parties to the following documents:

(i) an Employment Letter dated [ELDATE] (the "***Employment Letter***") and

(ii) Notices of Stock Option Grant(s) and Stock Option Agreement(s) (the "***Option Agreements***"), dated as follows:

a. [GRANTAGREEMENT]

b. [GRANTAGREEMENT]

The undersigned desire to enter into this Agreement to set forth the terms by which Executive would receive certain accelerated vesting and severance pay under certain circumstances in connection with a termination of Executive's employment. With respect to severance and change in control protection, this Agreement supersedes the Employment Letter, Option Agreements, and any other contracts between Executive and the Company or policies of the Company (collectively with the Employment Letter and Option Agreements, the "***Existing Documents***") as set forth below.

1. Certain Defined Terms. As used herein:

(a) "***Base Salary***" means Executive's then-current base salary.

(b) "***Cause***" means the occurrence of one or more of the following:

(i) Executive's refusal to materially perform Executive's duties and responsibilities, or to devote substantially all of Executive's normal business time to the business and affairs of the Company or its successor (except in the case of Disability);

(ii) Executive's material misappropriation of the Company's or its successor's funds or property;

(iii) Executive's conviction of, or plea of guilty to or admission of, a felony;

(iv) Executive's willful misconduct or gross negligence which materially injures or could reasonably be expected to materially injure the reputation, business or business relationships of the Company, its successor or their respective affiliates; or

(v) Executive's material breach of any material provision of any written agreement between Executive and the Company or its successor.

Notwithstanding the foregoing, in no event shall Executive's termination be for "Cause" unless (1) an event or circumstance set forth in clauses (i) through (v) shall have occurred and the Company or its successor provides Executive with written notice thereof within thirty days after it first has knowledge of the occurrence or existence of any such event or circumstance, which notice specifically identifies the event or circumstance that it believes constitutes Cause, and (2) to the extent correctable, Executive fails to correct the circumstance or event so identified within thirty days after receipt of such notice.

(c) “***Code***” means Internal Revenue Code of 1986, as amended and “***Section 409A***” and “***Section 280G***” refer to Sections 409A and 280G of the Code.

(d) “***Date of Termination***” means the date of the Separation of Service.

(e) “***Disability***” means Executive is “disabled” within the meaning of Section 409A.

(f) “***Good Reason***” means the occurrence of any one or more of the following events:

(i) the Company or its successor relocates Executive’s principal place of employment by more than twenty miles;

(ii) a material reduction in Executive’s compensation (including Executive’s base salary and/or performance-related bonuses targets, but excluding discretionary bonuses (if any)); or

(iii) Executive’s position, duties, or reporting relationship are materially and adversely changed, resulting in a position of materially less stature or responsibility; *provided*, that a change in Executive’s title alone will not constitute “Good Reason” unless there is also a material and adverse change in Executive’s position, duties, or reporting relationship. Without limiting other instances of material reduction in Executive’s position, duties, or reporting relationship, a material reduction of Executive’s position, duties, or reporting relationship is deemed to occur if (i) following a Sale Transaction Executive is no longer serving as the [EXECUTIVEPOSITION] of the combined and/or successor entity, or (ii) even if following a Sale Transaction Executive is serving as the [EXECUTIVEPOSITION] of the combined and/or successor entity, that combined and/or successor entity is a division or subsidiary of a larger operating company.

Notwithstanding the foregoing, Executive’s termination shall not constitute a termination for “Good Reason” as a result of any event in (i)-(iii) above unless (1) Executive first provides the Company or its successor with written notice thereof within ninety days after the occurrence of such event, (2) to the extent correctable, the Company or its successor fails to cure the circumstance or event so identified within thirty days after receipt of such notice, and (3) Executive designates an effective date for Executive’s termination for Good Reason no later than thirty days after the expiration of the Company’s cure period, subject to any extension of such effective date requested by the Company or its successor and agreed by Executive.

(g) “***Involuntary Termination***” means a termination of Executive’s employment by the Company without Cause or by Executive for Good Reason.

(h) “***Sale Transaction***” means a Change in Control as defined in the Company’s 2007 Stock Incentive Plan or any successor plan, as well as: (i) the Company shall sell, lease, transfer, convey, or otherwise dispose of, in any single transaction or series of related transactions, all or substantially all of the assets or intellectual property of the Company and its subsidiaries, taken as a whole (except where such sale, lease, transfer, conveyance or disposition is to a wholly owned subsidiary of the Company), or the sale or disposition, whether by merger or otherwise, of one or more of the Company’s subsidiaries if all or substantially all of the assets or intellectual property of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries (except where such sale or other disposition is to the Company or another of the Company’s wholly-owned subsidiaries); (ii) upon a transaction or series of related transactions to which the Company is a party in which a majority of the Company's voting power is transferred (other than a transaction or series of related transactions solely for bona fide equity financing purposes in which cash is received by the Company or any successor, in which indebtedness of the Company is cancelled or converted or in which both cash is received and indebtedness is cancelled or converted); or (iii) upon a merger, consolidation or similar transaction or series of transactions in which the Company or a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger, consolidation or similar transaction or series of transactions, other than a merger or consolidation in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent, immediately following such merger or consolidation, a majority of the voting power of the surviving or resulting corporation or other entity (or the parent corporation or other entity of such surviving or resulting corporation or other entity).

(i) "***Separation of Service***" means a "separation of service" from the Company within the meaning of Section 409A.

(j) "***Target Bonus***" means, for any given year, the amount that would be paid if Executive earned 100% of the sum of his then current on-target performance-based bonuses.

2. Payments and Vesting Acceleration Upon Involuntary Termination.

(a) Accrued Obligations. In the event that Executive's employment under this Agreement terminates for any reason, upon such termination, the Company will pay to Executive in a single lump sum payment, within thirty days after the Date of Termination (as defined below), or such earlier date as may be required by applicable law, the aggregate amount of (i) any earned but unpaid Base Salary, (ii) any accrued, but unused vacation (if any), (iii) unreimbursed business expenses incurred prior to the Date of Termination that that are reimbursable in accordance with applicable Company policies, and (iv) any earned but unpaid incentive bonus or commission payments (together, the "***Accrued Obligations***"). Vested or earned benefits under any employee benefit plan shall be governed by the terms and conditions of the applicable plans except as expressly set forth herein.

(b) Involuntary Termination Prior To a Sale Transaction. Subject to Section 3, in the event of an Involuntary Termination prior to and not in connection with the consummation of a Sale Transaction, Executive will be entitled, upon Executive's Separation from Service, to the payments and benefits set forth in this Section 2(b):

(i) 6 Months Salary Severance. The Company shall pay to Executive an amount equal to six months of Executive's Base Salary, payable in substantially equal installments in accordance with the Company's normal payroll practices during the six month period following the Termination Date (the "***Salary Severance***"), *provided, however*, that no payments under this Section 2(b)(i) shall be made prior to the Company's first regularly scheduled payroll date occurring on or after the 60th day following the Date of Termination (the "***First Payment Date***") and any amounts that would otherwise have been paid pursuant to this Section 2(b)(i) prior to the First Payment Date shall instead be paid on the First Payment Date (without interest thereon).

(ii) Pro-Rated Bonus. The Company shall pay to Executive a pro-rated portion of the Target Bonus for the year in which the Date of Termination occurs, determined by (i) multiplying Executive's Target Bonus for the full calendar year in which the Date of Termination occurs by a fraction, the numerator of which equals the number of days elapsed during the calendar year in which the Date of Termination occurs through and including the Date of Termination and the denominator of which equals 365 and (ii) subtracting the amount of any portion of Executive's performance-bonus paid to Executive prior to the Date of Termination (the "***Pro-Rated Bonus***"). The Pro-Rated Bonus shall be payable in a single lump-sum payment on the First Payment Date, without regard to any performance conditions or requirements.

(iii) 6 Months Health Benefits. During the six month period following the Date of Termination or, if earlier, the date on which Executive becomes eligible for coverage under a subsequent employer's group health plan (in any case, the "***COBRA Period***"), subject to Executive's valid election to continue healthcare coverage under Section 4980B of the Code and the regulation thereunder, the Company shall, in its sole discretion, either (A) provide to Executive (and Executive's dependents to the extent covered under the Company's group health plan at the time of termination), at the Company's expense, or (B) reimburse Executive for, coverage under its group health plan at the same levels in effect on the Date of Termination; *provided, however*, that if (I) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A under Treasury Regulation Section 1.409A-1(a)(5), (II) the Company is otherwise unable to continue to cover Executive (or Executive's dependents if applicable) under its group health plans, or (III) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to each remaining Company obligation shall thereafter be paid to Executive in substantially equal monthly installments over the COBRA Period (or remaining portion thereof).

(iv) 6 Months Vesting Acceleration and Exercise Term Extension.

(A) Vesting Acceleration. All outstanding options to purchase Company common stock and any restricted stock, restricted stock units or other equity interest in the Company (each separate award is an "***Equity Interest***") held by Executive as of the Date of Termination that are described in subsections (1) and (2) below shall become vested and exercisable on the First Payment Date (or upon a Sale Transaction, if earlier).

(1) Any Equity Interest that would have otherwise vested in accordance with its terms, absent termination of employment, during the 183-day period immediately following the Date of Termination (the "***Acceleration Period***").

(2) With respect to each Equity Interest that vests less frequently than monthly and/or has not already passed, as of the end of the Acceleration Period, any vesting cliff imposed on such Equity Interest, the product of (A) the number of shares of such Equity Interest that would have vested, absent termination of employment, on the first vesting date scheduled to occur after the Acceleration Period, and (B) the quotient obtained by dividing (X) the total number of calendar days between (i) the immediately preceding vesting date for such Equity Interest, even if such immediately preceding vesting date occurs during the Acceleration Period or (ii) the vesting commencement date of such Equity Interest if no vesting date will have occurred by the end of the Acceleration Period, and the end of Acceleration Period, by (Y) the total number of calendar days between (i) the immediately preceding vesting date for such Equity Interest, even if such immediately preceding vesting date occurs during the Acceleration Period or (ii) the vesting commencement date of such Equity Interest if no vesting date will have occurred by the end of the Acceleration Period, and the vesting date first occurring after the Acceleration Period.

(B) Extension of Exercise Term. The term during which Executive may exercise any stock option or other exercisable Equity Interest shall be extended until the earlier of the first anniversary of the Date of Termination or the expiration date that would apply to such stock option or other exercisable Equity Interest had Executive remained employed with the Company.

(c) Involuntary Termination In Connection With or Following a Sale Transaction. Subject to Section 3, in the event of an Involuntary Termination that occurs in connection with or following the consummation of a Sale Transaction, Executive will be entitled to all of the payments and benefits set forth in Section 2(b) above on the terms and conditions provided therein, except that:

(i) 12 Months Salary Severance. The Salary Severance shall equal twelve months of Executive's Base Salary (instead of six months), payable over the twelve months following the Date of Termination in accordance with Section 2(b)(i) above

(ii) 12 Months Health Benefits. The COBRA Period shall continue for a period of twelve months following the Date of Termination (instead of six months) or, if earlier, the date on which Executive becomes eligible for coverage under a subsequent employer's group health plan; and

(iii) Full Vesting Acceleration. All of Executive's Equity Interests shall vest in full effective upon the Involuntary Termination, and shall remain exercisable for the period set forth in Section 2(b)(iv)(B) above.

(d) Death or Disability. If Executive's employment is terminated for Death or Disability prior to the consummation of a Sale Transaction, Executive will be entitled to all of the payments and benefits set forth in Section 2(b) above on the terms and conditions provided therein, except that the Acceleration Period shall be 365 days (instead of 183 days). If Executive's employment is terminated as a result of Death or Disability following the consummation of a Sale Transaction, Executive will be entitled to all of the payments and benefits set forth in Section 2(c) above on the terms and conditions provided therein.

(e) Other Terminations. If Executive's employment is terminated for any reason not described in Sections 2(b) or (c) or (d) above including, without limitation, due to a termination of Executive's employment by the Company for Cause or by Executive without Good Reason, the Company will pay Executive only the Accrued Obligations.

(f) No Other Payments. Except to the extent required by law, the Company shall not be obligated to pay Executive any other amounts upon termination of Employee's employment for any reason except as set forth in this Section 2.

3. Conditions to Severance and Vesting. As a condition to Executive's right to receive any payments or benefits under Section 2 hereof:

(a) Release. Executive shall execute and deliver to the Company a release agreement in substantially the form attached hereto as Exhibit A (the "***Release***") within twenty-one days (or such longer period of time as may be required by applicable law in order to make it enforceable) following the Date of Termination and that Executive not revoke such Release during any applicable revocation period. The form of the Release may be modified as needed to reflect changes in applicable law or regulations that are needed to provide a legally enforceable and binding release of the scope contemplated by the Release at the time of execution.

(b) Intellectual Property Assignment and Confidential Information Agreement. Executive shall acknowledge in writing, and honor, Executive's obligations under the Intellectual Property Assignment and Confidential Information Agreement executed by Executive in favor of the Company (or any other agreement providing for confidentiality or the assignment of intellectual property).

(c) Recoupment of Benefits. In the event of any material breach by Executive of any term of this Agreement or the Release that is not cured within 30 days of receipt by Executive from the Company or its successor of written notice of such breach and demand for cure, without limiting any other remedy available to the Company, the Company shall have the right to (i) terminate any payments or benefits provided for herein; and (ii) recoup any sums previously paid, or the benefits of any vesting acceleration or Equity Interest term extension provided for, hereunder.

4. Certain Tax Matters.

(a) Six-Month Delay. Notwithstanding anything to the contrary in this Agreement, no compensation or benefits, including without limitation any severance payments under Section 2 hereof, shall be paid to Executive during the six month period following Executive's Separation from Service if the Company determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A of the Code without resulting in a prohibited distribution, including as a result of Executive's death), the Company shall pay Executive a lump-sum amount equal to the cumulative amount that would have otherwise been payable to Executive during such period (without interest).

(b) 280G – Limited Excise Tax Gross-Up or Best Results.

(i) Limited Gross-Up. Notwithstanding any other provision of this Agreement, if a Sale Transaction occurs pursuant to an agreement entered into on or prior to the first anniversary of the date that the Company's securities are first publicly-traded and any payments or benefits received (or to be received) by Executive whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement ("**Payments**") constitute "parachute payments" as defined in Section 280G(b)(2) of the Code (**"Parachute Payments**") and are subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**") then Executive shall be entitled to an additional payment (a "**Gross-Up Payment**") in an amount such that after payment by Executive of all applicable taxes (including any Excise Tax and taxes imposed on the Gross Up Payment, but excluding any tax, penalty or interest imposed under Section 409A of the Code), Executive retains an amount of the Gross-Up Payment equal to the sum of (1) the Excise Tax imposed upon the Parachute Payments and (2) the product of (x) any deductions disallowed because of the inclusion of the Gross-Up Payment in Executive's adjusted gross income and (y) the highest applicable marginal rate of federal and applicable state income tax for the calendar year in which the Gross-Up Payment is to be made.

(ii) Best Results Provision. If a Sale Transaction occurs pursuant to an agreement entered into after the first anniversary of the date that the Company's securities are first publicly-traded, if any Payments constitute Parachute Payment and the net after-tax amount of any such Parachute Payments, taking into account the Excise Tax, is less than the net after-tax amount if the Payments were three times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) less $1.00, then the Parachute Payments shall be reduced to an amount equal to three times Executive's base amount less $1.00. If a reduction in Parachute Payments to three times Executive's base amount less $1.00 is necessary pursuant to the preceding sentence, the reduction will occur in the following order: (1) reduction of cash payments; (2) cancellation of accelerated vesting of equity awards; and (3) reduction of employee benefits.

(iii) All calculations and analysis required by Section 4(b) shall be performed in a manner consistent with this Section 4(b)(iii) by an independent, nationally recognized accounting firm (the "**Independent Advisors**") selected by the Company and reasonably acceptable to Executive.

For purposes of determining whether and the extent to which any Payments are Parachute Payments and/or would be subject to the Excise Tax, (1) no portion of the Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner so as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (2) no portion of the Payments shall be taken into account which, in the written opinion of the Independent Advisors, does not constitute a Parachute Payment" (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Payments shall be taken into account which, in the written opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; (3) the value of any non-cash benefit or any deferred payment or benefit included in the Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code, and (4) Executive shall be deemed to (x) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Gross-Up Payment is to be made, (y) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes and (z) if necessary, have otherwise allowable deductions for federal income tax purposes at least equal to those which could be disallowed because of the inclusion of a Gross-Up Payment in Executive's adjusted gross income.

(c) Section 409A.

(i) To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other such guidance that may be issued after the Effective Date (collectively, "***Section 409A***"). Notwithstanding any provision of this Agreement to the contrary, in the event that following the Effective Date, the Company determines that any compensation or benefits payable under this Agreement may be subject to Section 409A, the Company may adopt such amendments to this Agreement or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other actions that the Company determines are necessary or appropriate to preserve the intended tax treatment of the compensation and benefits payable hereunder, including without limitation actions intended to (i) exempt the compensation and benefits payable under this Agreement from Section 409A, and/or (ii) comply with the requirements of Section 409A, *provided*, *however*, that this Section 4(c) does not, and shall not be construed so as to, create any obligation on the part of the Company to adopt any such amendments, policies or procedures or to take any other such actions or to create any liability on the part of the Company for any failure to do so.

(ii) Any right to a series of installment payments pursuant to this Agreement is to be treated as a right to a series of separate payments. To the extent permitted under Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Section 409A.

5. At-Will. Nothing herein shall be deemed to affect the "at-will" nature of Executive's employment. Accordingly, Executive's employment with the Company may be terminated at any time, with or without cause or notice, and without any severance payment or similar obligation except to the extent set forth herein. The "at will" nature of Executive's employment cannot be changed by an oral agreement and can only be changed by a written agreement, executed by the Company, expressly providing therefor.

6. Miscellaneous.

(a) Effect on Existing Documents. This Agreement shall supersede the Existing Documents with respect to the subject matter hereof. The Existing Documents shall otherwise remain in full force and effect with respect to any subject matter not covered by this Agreement.

(b) Successors. This Agreement is personal to Executive and, without the prior written consent of the Company, shall not be assignable by Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered either personally, by reputable overnight courier or by United States certified or registered mail, return receipt requested, postage prepaid, addressed (i) if to Executive at Executive's last known address evidenced on the Company's payroll records; and (ii) if to the Company, at the Company's principal executive offices, attention Head of Human Resources and General Counsel or, in each case, or to such other address as any party may have furnished to the other in writing in accordance with this Agreement, except that notices of change of address shall be effective only upon receipt.

(d) Withholding. All payments hereunder will be subject to any required withholding of federal, state and local taxes pursuant to any applicable law or regulation and the Company shall be entitled to withhold any and all such taxes from amounts payable hereunder.

(e) Amendment; Waiver; Survival. No provisions of this Agreement may be amended, modified, or waived unless agreed to in writing and signed by Executive and by a duly authorized officer of the Company. No waiver by either party of any breach by the other party of any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. The respective rights and obligations of the parties under this Agreement shall survive Executive's termination of employment and the termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations. For avoidance of doubt, the provisions of this Agreement shall govern all future equity awards made to Executive unless the agreements for such future Awards specifically reference and waive this Section 6(e).

(f) Governing Law and Venue. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without regard to its conflicts of law principles. The sole and exclusive venue for any actions filed with a court shall be the Superior Court of Los Angeles County and/or the United States District Court for the Southern District of California shall have exclusive jurisdiction and venue over all controversies in connection with this Agreement. Following a Sale Transaction, notwithstanding whether Executive and Company have previously entered into an agreement to arbitrate future disputes, Executive will be able to choose to bring a court action to enforce his rights under this Agreement.

(g) Attorney's Fees. In the event that Executive brings an action to enforce or effect his rights under this Agreement, Executive shall be entitled to recover his costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

(h) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(i) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

(j) Section Headings. The section headings in this Agreement are for convenience of reference only, and they form no part of this Agreement and will not affect its interpretation.

(k) Entire Agreement. This Agreement sets forth the final and entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by the Company and Executive, or any representative of the Company or Executive, with respect to the subject matter hereof.

(l) Further Assurances. The parties hereby agree, without further consideration, to execute and deliver such other instruments and to take such other action as may reasonably be required to effectuate the terms and provisions of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have executed this Executive Severance and Vesting Acceleration Agreement effective the date first above written.

THE COMPANY:

The Rubicon Project, Inc.

By: ______________________

Name: ______________________

Title: ______________________

EXECUTIVE

____

[EXECUTIVENAME]

EXHIBIT A

RELEASE AGREEMENT

This Release Agreement (the “***Release***”) is being executed in connection with the provision of certain severance, termination or other benefits, including those provided for under the Executive Severance and Vesting Acceleration Agreement (the “***Agreement***”) to which this Release is attached as an exhibit. Terms used but not defined herein shall have the meanings given to them in the Agreement.

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, Executive does hereby release and forever discharge the “***Releasees***” hereunder, consisting of The Rubicon Project, Inc. (the “***Company***”) and its parents, subsidiaries, affiliates, shareholders, investors, partners, members, managers, associates, affiliates, subsidiaries, successors, heirs, assigns, agents, directors, officers, employees, shareholders, representatives, lawyers, insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys’ fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called “***Claims***”), which Executive now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof.

The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to Executive’s employment with, or service to, the Releasees, or any of them, or the termination thereof; any claim for wages, salary, commissions, bonuses, fees, incentive payments, profit-sharing payments, expense reimbursements, leave, vacation, severance pay or other benefits; any claim for benefits under any stock option, restricted stock or other equity-based incentive plan of the Releasees, or any of them (or any related agreement to which any Releasee is a party); any alleged breach of any express or implied contract of employment; any alleged torts or other alleged legal restrictions on any Releasee’s right to terminate the employment of the undersigned; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Claims arising under: the Age Discrimination in Employment Act as amended, 29 U.S.C. § 621 et seq.; Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq. the Fair Labor Standards Act, 29 U.S.C. § 215 et seq., the Sarbanes-Oxley Act of 2002; or any other federal, state or local law.

Notwithstanding the foregoing, this general release shall not operate to release any rights or claims which Executive may have to (i) payments and/or benefits under the Agreement; (ii) accrued or vested benefits, if any, as of the date hereof, under any applicable employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended; or (iii) any Claims that cannot be waived as a matter of law. Further, nothing in this Release waives or releases or prevents Executive from in any way pursuing any rights or claims Executive may have (i) to indemnity and defense from the Company and its subsidiaries and their successors pursuant to provisions of the charter documents the Company or its subsidiaries, any contract of indemnity, or applicable law; (ii) to coverage under policies of insurance maintained by the Company or its subsidiaries (including without limitation insurance covering directors’ and officers’ liability, fiduciary liability, employment practices liability, general liability, automobile damage and liability, and employed attorneys’ liability) according to the terms of such policies; (iii) to reimbursement of expenses properly incurred by Executive in the course of service to the Company; (iv) under plans or contracts governing equity awards made to Executive; (vi) as a former employee under the Company's retirement and welfare plans under which Executive is a beneficiary or participant, including without limitation the Company's 401(k) plan and plans or policies or insurance providing for health care; or (v) as a stockholder of the Company.

Executive acknowledges that Executive has been advised by legal counsel and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Executive, being aware of said code section, hereby expressly waives any rights Executive may have thereunder, as well as under any other statutes or common law principles of similar effect.

[In accordance with the Older Workers Benefit Protection Act of 1990, Executive is hereby advised as follows: (1) Executive is hereby advised to consult with an attorney before signing this release; (2) Executive has at twenty-one days from the date of termination of employment (which is more than twenty-one days from Executive's receipt of this release) to consider the this release before signing it; (3) Executive waives any extension or renewal of the twenty-one day period in the event of a material change to this release or the consideration for it; and (3) if Executive signs this release prior to the expiration of the twenty-one day period, Executive waives the balance of that period; and (4) Executive has seven days under the Age Discrimination in Employment Act after signing this release to revoke it, and this release will become effective upon the expiration of those revocation periods. If Executive wishes to revoke this release, Executive shall provide written notice to the company's head of human resources and General Counsel so that such notice is received no later than 5:00 pm on the fifteenth day following Executive's execution of this Release, in which case Executive understands that Executive will not be entitled to the consideration offered for this Release.] *[if applicable]*

Executive acknowledges and represents that Executive has not suffered any discrimination or harassment by any of the Releasees and do not have any other claims against any of the Releasees. Executive acknowledges that Executive has not been denied any leave, benefits or rights to which Executive may have been entitled under any law, including the Family and Medical Leave Act, that Executive has not suffered any job-related wrongs or injuries for which Executive might still be entitled to compensation or relief. Executive further acknowledges and represents that, except as expressly provided in the Agreement, Executive has been paid all amounts that any of the Releasees have ever owed Executive and been issued all Equity Interests to which Executive is entitled and Executive understands that Executive will not receive any additional compensation or benefits after the Date of Termination except as expressly set forth in the Agreement.

Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim which Executive may have against Releasees, or any of them, and Executive agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against Executive under this indemnity.

Executive agrees that if Executive hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then Executive shall pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim. Notwithstanding the foregoing, this provision shall not apply to any suit or Claim to the extent is challenges the effectiveness of this release with respect to a claim under the Age Discrimination in Employment Act.

Executive further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to Executive.

Executive agrees not to disparage the Company, its officers, directors, employees or agents in any manner likely to be harmful to them or their business, personal reputation or business reputation, and the Company shall not, and shall cause its officers not to, disparage Executive in any manner likely to be harmful to Executive or Executive's personal reputation or business reputation; provided however, that statements which are made in good faith in response to inquiries or requests for information required by legal process shall not violate this paragraph.

Executive acknowledges that different or additional facts may be discovered in addition to what is now known or believed to be true by him or her with respect to the matters released in this Release, and Executive agrees that this Agreement shall be and remain in effect in all respects as a complete and final release of the matters released, notwithstanding any different or additional facts.

IN WITNESS WHEREOF, Executive and the Company have executed this Release this day of 20 .

Executive:

____
[Name]

Company:

By: ________________________________
Name: ______________________________
Title: ______________________________

Exhibit 10.19

SUBLEASE

This Sublease ("**Sublease**") is made as of January 9, 2013 by and between Fox Interactive Media, Inc., a Delaware corporation ("**Sublessor**"), and The Rubicon Project, Inc., a Delaware corporation ("**Sublessee**").

R E C I T A L S:

A. Sublessor is the tenant under that certain Office Lease dated June 27, 2008 (the "**Original Lease**"), as amended by that certain First Amendment of Office Lease dated July 1, 2009 (the "**First Amendment**") and that certain Second Amendment of Office Lease dated December 15, 2009 (the "**Second Amendment**," and together with the Original Lease and the First Amendment, the "**Master Lease**"), with Horizon PH I Office Holdings, LLC, a Delaware limited liability company, as successor in interest to Lincoln ASB Playa Vista Phase I, LLC, a Delaware corporation ("**Landlord**"), pursuant to which Sublessor leases from Landlord the "**Premises**," as more particularly defined and described in the Master Lease. A true and correct copy of such Master Lease is attached hereto as Exhibit "A" (with certain provisions redacted).

B. Subject to the terms and conditions of the Master Lease, as redacted, Sublessor now wishes to sublease to Sublessee, and Sublessee now wishes to sublease from Sublessor, upon the terms and conditions set forth in this Sublease, a portion of the Premises.

NOW, THEREFORE, the parties hereto agree as follows:

1. Defined Terms. All capitalized, defined terms used in this Sublease that are not otherwise defined herein shall have the meanings given to them in the Master Lease.

2. Sublet Premises. Subject to the consent of Landlord pursuant to Section 27.1 below, Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, upon the terms and conditions set forth in this Sublease, that certain portion of the Premises more particularly depicted on Exhibit "B" attached hereto, which the parties agree consists of 46,643 rentable square feet located on the fourth (4th) floor of "Building 1" (as defined in the Original Lease and commonly referred to as 12181 Bluff Creek Drive) (the "**Sublet Premises**"). Subtenant's leasehold interest in the Sublet Premises shall include any and all existing improvements in the Sublet Premises, subject to Sublessee's initial improvements and alteration rights set forth in this Sublease. The parties agree that the Sublet Premises consists of 46,643 rentable square feet in the

aggregate shall not be subject to re-measurement. Appurtenant to the Sublet Premises, subject to the terms and conditions of the Master Lease, Sublessee will have the nonexclusive right to use such common areas and facilities as may be reasonably required by Sublessee for the use of and access to the Sublet Premises, including, without limitation, the main building lobby on the first floor of Building 1, the building electrical and telephone room, and overhead cable-runs and riser space as required for electrical and telephone service to the Sublet Premises (the "**Appurtenant Rights**").

3. Term: Early Access.

3.1 Term. The term of this Sublease ("**Term**") shall commence on the date (the "**Commencement Date**") which is the later of (a) June 1, 2013, and (b) the date which is one hundred twenty (120) days after the "**Delivery Date**". The "Delivery Date" shall be the date which is the later to occur of (i) the date Landlord consents to this Sublease in writing, (ii) the date Sublessor and Sublessee mutually execute and deliver this Sublease, and (iii) January 1, 2013. The Term shall continue until, and shall expire on, April 30, 2021 (the "**Termination Date**"), unless sooner terminated pursuant to any provision of this Sublease or the Master Lease or extended pursuant to the terms of this Sublease provided, however, subject to Section 3.2 below, Sublessor agrees to provide Delivery no less than one-hundred twenty (120) days prior to the Commencement Date. Sublessor shall use its commercially reasonable efforts to obtain Landlord's written consent to this Sublease (which consent shall be in form and substance reasonably acceptable to Sublessee and Sublessor) and a Recognition Agreement (as defined in the Master Lease), however Sublessor's failure to obtain the same shall not be deemed a breach or default of this Sublease, and Sublessor shall have no liability or obligation to Sublessee for such failure, provided, however, if Sublessor has not obtained such Landlord's written consent to this Sublease on or before the date which is 30 days after the mutual execution and delivery of this Sublease , Sublessee may terminate this Sublease by written notice to Sublessor on or before the date which is 40 days after the mutual execution and delivery of this Sublease . The Commencement Date shall be confirmed in writing by the parties, on the form of the Commencement Date Notice attached hereto as Exhibit "D".

3.2 Early Access. From and after the Delivery Date, Sublessee shall have the right to occupy the Sublet Premises, and to utilize the Appurtenant Rights, for performance of the Tenant Improvements and for the Permitted Uses, provided that Sublessee has delivered (a) the first month's Base Rent pursuant to Section 7.1 of this Sublease, (b) the Letter of Credit, as defined in Section 15 of this Sublease, and (c) insurance certificates confirming that Sublessee has obtained the insurance required to be carried of Sublessee pursuant to Section 14 of this Sublease. Such occupancy shall be subject to all of the terms and conditions of this Sublease and the Master Lease, except that Sublessee's obligation to pay Base Rent or Direct Expenses shall not commence until the Commencement Date. Notwithstanding anything in this Section 3 which may be construed to the contrary, if Sublessee fails to deliver any of the items required in (a), (b) and (c) hereof, the Delivery Date shall be deemed to be the date the Delivery Date would have occurred pursuant to Section 3.1 above, but for Sublessee's failure to timely deliver such required items.

3.3 Access to Showers. Subject to the terms of this Sublease and the Master Lease and the reasonable rules and regulations of Landlord and Sublessor, Sublessee shall have the non-exclusive right to use the common area showers on the ground floor of the Building.

4. Early Termination. Sublessee shall have the one-time right to terminate the Sublease with respect to the entire Sublet Premises (and not a portion) (the "**Early Termination Option**") as of the end of the thirty-sixth (36th) month of the Term (the "**Early Termination Effective Date**") in accordance with the terms and provisions of this Section 4. The Early Termination Option may be exercised, if at all, by written notice (the "**Early Termination Notice**") delivered to Sublessor no later than twelve (12) months prior to the Early Termination Effective Date and no earlier than eighteen (18) months prior to the Early Termination Effective Date. Sublessee's right to terminate the Sublease with respect to the entire Sublet Premises as of the Early Termination Effective Date is contingent upon (a) Sublessee not being in default beyond applicable notice and cure periods of any term or condition of this Sublease as of the delivery of the Early Termination Notice, (b) Sublessee having cured any then existing defaults prior to and as a condition precedent to the Early Termination Effective Date, and (c) Sublessee paying to Sublessor the "**Early Termination Fee**" (as hereinafter defined) within thirty (30) days after the date Sublessee delivers the Early Termination Notice to Sublessor, and Sublessee's failure to timely pay such Early Termination Fee conclusively be deemed Sublessee's irrevocable waiver of its early termination rights pursuant to this Section 4. The "**Early Termination Fee**" shall be equal to $1,166,075, except that if Sublessee draws down more than $1,000,000 of the "Improvement Allowance" (as defined in the Work Letter) (including, without limitation, any credit against Rent pursuant to Section 2(b) of the Work Letter), then the Early Termination Fee shall be equal to $1,166,075, as increased by One Dollar for each Dollar that Sublessee draws down from the Improvement Allowance in excess of $1,000,000. Tenant's obligation to pay the Early Termination Fee is in addition to and not in lieu of Tenant's obligation to pay all Rent due under the Sublease through (and including) the Early Termination Effective Date.

5. Intentionally Omitted.

6. Services. Subject to the terms of the Master Lease, after hours (Mondays – Fridays, after 7:00 p.m. or before 8:00 a.m.; Saturdays, after 1:00 p.m. or before 9:00 a.m., and all day Sundays) HVAC is available for Sublessee's use upon request in accordance with the request procedures to be established by Sublessor. The current rate for such after hours HVAC is $75.00 per hour. Subject to the terms of the Master Lease, Landlord provides manned security in the main lobby of the Building on a 24/7 basis, and roving guards to patrol the parking garage and surrounding grounds.

7. Monthly Rent/Additional Rent.

7.1 Concurrently with Sublessee's execution and delivery of this Sublease, Sublessee shall pay to Sublessor an amount equal to the first month's Base Rent.

7.2 Except as otherwise provided in this Sublease, commencing on the Commencement Date and continuing on the first day of each calendar month thereafter, Sublessee shall pay to Sublessor during the Term without deduction, setoff, prior notice, or demand, monthly rent for the Sublet Premises in accordance with the base rent schedule set forth below ("**Base Rent**").

Months of Term	Base Rent (per annum)	Base Rent (per month)	Base Rent (per rentable square foot, per month)
1-12	$1,763,105.40	$146,925.45	$ 3.15
13-24	$1,819,077.00	$151,589.75	$ 3.25
25-36	$1,875,048.60	$156,254.05	$ 3.35
37-48	$1,931,020.20	$160,918.35	$ 3.45
49-60	$1,986,991.80	$165,582.65	$ 3.55
61-72	$2,048,560.50	$170,713.38	$ 3.66
73-84	$2,110,129.30	$175,844.11	$ 3.77
85-96	$2,171,698.00	$180,974.84	$ 3.88
97-Termination Date	$2,238,864.00	$186,572.00	$ 4.00

7.3 Notwithstanding anything in the foregoing to the contrary, the monthly installments of Base Rent specified above for months 2-6, 13, 14, 25-27, 37-39 and 49-52 are hereby waived by Sublessor in full (collectively, "**Waived Rent**"). This waiver shall not affect Sublessee's obligation to pay any other "Rent" (as defined in Section 7.8 below) or any other charges payable by Sublessee under the Sublease.

7.4 In addition to the Base Rent, Sublessee shall pay to Sublessor as additional rent ("**Additional Rent**"): (a) "**Sublessee's Expense Payment**," which shall be equal to "Sublessee's Share" (as hereinafter defined) of the increase in "Direct Expenses" (as defined in the Master Lease) allocated to Building 1 (the "**Building 1 Expenses**") for each "Expense Year" (as hereinafter defined) over the Building 1 Expenses for calendar year 2013 (the "**Base Year Costs**"); and (b) an administrative charge equal to one percent (1%) of Sublessee's Share of the Direct Expenses for Building 1 for any calendar year, which administrative charge shall not exceed $8,000 per year (the "**Administrative Fee**").

7.4.1 "**Sublessee's Share**" shall mean 19.49%, which is the proportion that the rentable square footage of the Sublet Premises bears to 239,274 rentable square feet (the total rentable square footage of Building 1 as set forth in the Master Lease).

7.4.2 "**Expense Year**" shall mean each calendar year in which any portion of the Term falls, through and including the calendar year in which the Term expires. Notwithstanding anything to the contrary in this Sublease, in no event shall Sublessee be responsible for any costs or expenses related to periods prior to or after the expiration or termination of the Term.

7.4.3 Base Year Costs Relating to Taxes. Notwithstanding the amount of Tax Expenses billed to Sublessor under the Master Lease, for purposes of calculating the Base Year Costs, Tax Expenses shall include all supplemental taxes and tax increases resulting from the initial build-out and occupancy of the Buildings, and any supplemental taxes resulting from any sale of the Buildings which occurs prior to or during the 2013 Base Year. If such Taxes have not yet been so assessed, Base Year Costs shall initially be based upon a reasonable estimate of the amount of such taxes and will be subject to adjustment once such reassessment is completed.

7.4.4 Gross-Up of Direct Expenses by Sublessor. Sublessee acknowledges that Article 4.26 of the Master Lease provides that if the Project is not one hundred percent (100%) occupied, then Landlord may elect to adjust Operating Expenses to reflect 100% occupancy. Whether or not Landlord elects to make such adjustment, Sublessor shall make such reasonable adjustment for purposes of calculating Sublessee's Expense Payment for each Expense Year that Building 1 is not one hundred percent (100%) occupied, including the Base Year.

Sublessor will use customary and reasonable real estate management principles, consistently applied, in making any such adjustments, and shall provide Sublessee with an explanation of its methodology and reasonable supporting documentation as more particularly described in Section 7.6 below.

7.4.5 In the event Sublessor incurs Direct Expenses in years subsequent to the Base Year associated with or relating to items, categories or subcategories of Direct Expenses which were not part of Direct Expenses during the entire Base Year, but would have reasonably been expected as a necessary cost incurred in similar first class office buildings in the immediate vicinity of the Building during the Base Year, then Base Year Costs shall be adjusted to include the first full year of such Direct Expenses appropriately adjusted downward for any increases in the Consumer Price Index for All Urban Consumers (Los Angeles-Riverside-Orange County, CA) occurring between the Base Year and the first full year such Direct Expenses are incurred, together with an appropriate adjustment to reflect one hundred percent (100%) occupancy. In furtherance of the foregoing, if Sublessor implements a valet parking program pursuant to Section 9.6 below or a visitor parking program pursuant to Section 9.7 below and the Direct Expenses for such programs are not part of Base Year Costs, then the Base Year Costs shall be adjusted to include the costs incurred by Sublessor for such valet and/or visitor program in accordance with the prior sentence.

7.5 Estimated Payments. Upon Sublessor's receipt of an Estimate Statement (as defined in Section 4.4.2 of the Master Lease) applicable to any period of the Term after calendar year 2013 (the "**Base Year**") (it being agreed that Sublessee shall have no obligation to pay Direct Expenses prior to January 1, 2014), Sublessor may require Sublessee to pay, on the first day of each calendar month during the Term commencing January 1, 2014, 1/12th of the estimated Sublessee's Expense Payment payable by Sublessee with respect to such calendar year.

7.6 Reconciliation of Sublessee's Expense Payments. After the close of each Expense Year after the Base Year, Sublessor shall issue a statement to Sublessee setting forth the actual Sublessee's Expense Payment payable by Sublessee with respect to such Expense Year, which statement shall reflect the Building 1 Expenses for such Expense Year, the Base Year Costs and Sublessee's Share of the excess of such Building 1 Expenses over the Base Year Costs. As part of any such statement setting forth the actual Sublessee's Expense Payment due and payable by Sublessee, Sublessor shall disclose the methodology used by Sublessor with respect to the calculation of Sublessee's Expense Payment, and shall provide copies of the applicable Statement (as defined in Section 4.4.1 of the Master Lease) of Direct Expenses within 30 days after it was received by Sublessor from Landlord indicating the date on which Sublessor received such Statement and reasonable documentation regarding the allocation of Direct Expenses to Building 1 and any gross-up adjustments made pursuant to Article 4.2.6 of the Master Lease or pursuant to Section 7.4.4 above. If the estimated Sublessee's Expense Payments made by Sublessee for the applicable Expense Year are less than the actual Sublessee's Expense Payment for such Expense Year, Sublessee shall pay such deficiency to Sublessor within 30 days following Sublessee's receipt of Sublessor's statement. If the estimated Sublessee's Expense Payments made by Sublessee for such Expense Year exceed the actual Sublessee's Expense Payment for such Expense Year, then Sublessee shall be entitled to a credit against Rent next due by Sublessee under this Sublease (or upon the expiration of this Sublease, a refund to Sublessee) for the amount of such overpayment.

7.7 Audit Rights. Sublessee hereby acknowledges that any actual Sublessee's Expense Payment shall be based entirely on the Direct Expenses set forth in any applicable Statement of Direct Expenses received by Sublessor from Landlord (subject to gross up adjustments, adjustments made by Sublessor to Base Year Costs for Tax Expenses and the Administrative Fee payable to Sublessor, all in accordance with Section 7.4 above, and adjustments made by Sublessor for any valet parking program implemented by Sublessor pursuant to Section 9.6 below). Sublessee acknowledges that Sublessor is not responsible or liable for the accuracy of any such Statement and that Landlord may change or reissue a Statement of Direct Expenses, at Landlord's election or as a result of an audit performed by Sublessor or another tenant. Sublessee shall have no right to directly audit any Statement or to review Landlord's books or records. If Sublessor elects to exercise its audit rights under the Master Lease Sublessor will notify Sublessee of the same if such audit involves the Direct Expenses allocated to Building 1. In the event Sublessee wishes an audit to be conducted with respect thereto, Sublessee must notify Sublessor in writing at least sixty (60) days prior to the expiration of Sublessor's right to dispute a Statement from Landlord as set forth in the Master Lease. If Sublessee timely notifies Sublessor, Sublessor will exercise Sublessor's rights to review the applicable Statement in accordance with the terms of the Master Lease, using a lease audit firm selected in Sublessor's reasonable discretion. In such event, Sublessee shall pay all reasonable and actual out-of-pocket costs and expenses related to such audit and resolution of any disputes arising therefrom, and shall also be required to pay Sublessor an administrative fee, not to exceed $6,000, to defray the cost incurred by Sublessor to identify, retain and manage the lease audit firm (provided that if Sublessor's other subtenants request such audit, then Sublessee shall only be required to pay its share of the cost and expenses of the audit and the administrative fee, which share shall be determined based on the proportion which the square footage of the Sublet Premises bears to the square footage of the premises leased by all of the requesting subtenants, including Sublessee). Sublessor will engage the lease audit firm and Sublessee acknowledges that it shall have no privity with the lease audit firm. Notwithstanding the foregoing, Sublessor and Sublessee will reasonably coordinate and cooperate with each other in the performance of such audit, including, without limitation, Sublessor will solicit and reasonably incorporate Sublessee's comments and recommendations concerning the audit, Sublessee may discuss the audit directly with the lease audit firm so long as it first notifies Sublessor and Sublessor and Sublessee will coordinate a mutually agreeable time to jointly conduct such discussions with the lease audit firm, Sublessor will provide Sublessee with copies of all reports and other materials produced by the audit firm and otherwise keep Sublessee reasonably informed as to the progress and status of the audit. Notwithstanding the foregoing, however, if the comments or recommendations of Sublessee will impair or adversely affect Sublessor's rights and privileges under the Master Lease, then Sublessor shall have no obligation to pursue the recommendations and course of action suggested by Sublessee. In addition, Sublessor does not guaranty or otherwise covenant that any savings will result from any such audit or review. If any such audit or review ultimately determines that Sublessee has overpaid the actual Sublessee's Expense Payments due by Sublessee for the applicable Expense Year, then upon Sublessor's receipt from Landlord of such overpayment, Sublessor will reimburse Sublessee and any other subtenants who requested the audit, for their respective pro rata shares of the cost of the audit, up to the amount of the overpayment actually received by Sublessor from Landlord. If there are any net overpayment amounts remaining after such reimbursement, then Sublessor will pay to Sublessee and each of the tenants and occupants of the Premises (including Sublessor with respect to any space leased by Sublessor or its affiliates) their respective pro rata shares of the net overpayment funds. Sublessee shall be entitled to a credit against Rent next due by Sublessee under this Sublease (or upon the expiration of this Sublease, a refund to Sublessee) for the amount of Sublessee's overpayment of the actual Sublessee's Expense Payment due by Sublessee for the applicable Expense Year. If any such audit or review ultimately determines that Sublessee has underpaid the actual Sublessee's Expense Payments due by Sublessee for the applicable Expense Year, then Sublessee shall pay such deficiency to Sublessor within 30 days following Sublessee's receipt of notice of such ultimate determination.

7.8 Sublessee shall pay the Base Rent and the Additional Rent in advance on or before the first day of each calendar month during the Term of this Sublease. All rent payable hereunder shall be paid to Sublessor in lawful money of the United States of America, which shall be legal tender at the time of payment, to Sublessor at the address set forth below. For purposes of this Sublease, the term "**Rent**" shall include Base Rent, Additional Rent, and all other amounts payable by Sublessee to Sublessor hereunder. Rent for any period during the Term that is for less than one month shall be a prorated portion of said rent, based upon the actual number of days in such month.

8. Acceptance of Sublet Premises. Sublessee shall accept possession of the Sublet Premises in its AS-IS condition and Sublessee agrees that neither Sublessor nor any agent of Sublessor has made any representation or warranty with respect to the Sublet Premises, the Building or the Project with respect to the suitability of either for the conduct of Sublessee's business, except as expressly provided in Exhibit "C" of this Sublease or elsewhere in this Sublease. Notwithstanding anything in this Section 8 that may be construed to the contrary, in the event there are any base building deficiencies which Landlord is obligated to repair and/or correct pursuant to the Master Lease, then the terms and provisions of Sections 19 and 24 below will apply. Subject to the terms and conditions of this Sublease and the Master Lease (including, without limitation, Section 12 of this Sublease), Sublessee shall be solely responsible, at Sublessee's sole cost and expense, for running, stringing and maintaining fiber, which exclusively serves the Sublet Premises to the Sublet Premises and Building 1.

9. Parking.

9.1 Beginning on the Commencement Date and continuing during the Term, Sublessee shall have the right to purchase up to 5 parking permits per 1,000 rentable square feet within the Sublet Premises ("Sublessee's Parking Allotment"), for unreserved (or reserved if converted pursuant to Section 9.3 below) parking, provided that (a) beginning on the Commencement Date and during the first three (3) years of the Term, Sublessee shall be obligated to purchase no less than 2.5 parking permits per 1,000 rentable square feet within the Sublet Premises, for unreserved parking, and (b) commencing as of the first day of the fourth (4th) year of the Term and thereafter during the remainder of the Term, Sublessee shall be obligated to purchase no less than 3 parking permits per 1,000 rentable square feet within the Sublet Premises for unreserved parking. The parking passes purchased (or required to be purchased) by Sublessee shall located as follows: (a) 1 parking permit per 1,000 rentable square feet within the Sublet Premises shall be located underneath Building 1, (b) 2 parking permits per 1,000 rentable square feet within the Sublet Premises shall be located within the "Phase 1 Exclusive Parking Area" (as defined in the Original Lease), and (c) 2 parking permit per 1,000 rentable square feet within the Sublet Premises shall be located within the "Phase 2 Exclusive Parking Area" (as defined in the Original Lease). The parking rates payable by Sublessee for the unreserved parking passes purchased (or required to be purchased) by Sublessee shall be $75 per space per month, which rate shall increase in accordance with prevailing parking rates for the Project, but in no event by more than three percent (3%) per annum.

9.2 So long as Sublessee is not in default under this Sublease, the parking charges for those parking permits purchased pursuant to Sublessee's Parking Allotment shall be waived for months one through twelve of the Term.

9.3 Subject to availability, Sublessee may elect to purchase additional parking permits (including reserved parking permits), on a month-to-month basis, at the prevailing parking rates charged by Sublessor from time to time. In addition, Sublessee shall have the right to convert up to 25 of the unreserved parking permits purchased by Sublessee to reserved parking permits (the "Maximum Number of Reserved Permits"), which reserved parking spaces shall be in locations reasonably designated by Sublessor (taking into account the other occupancies of the Premises) and the parking rates payable for such reserved parking permits shall be equal to the prevailing parking rates for the Project, from time to time. As of the date of this Lease, the rates charged for the reserved parking permits equal $125 per reserved parking permit per month, which rate shall increase in accordance with prevailing parking rates for the Project, but in no event by more than three percent (3%) per annum.

9.4 Sublessee shall be responsible for the cost of any parking cards or stickers charged by Landlord for Sublessee's parking permits. In addition, Sublessor reserves the right, in its sole discretion, to implement a tandem parking and/or valet parking program, however, Sublessor agrees that any such tandem parking system will be "valet assisted" and will not be a "tandem buddy parking" system, and that the tandem, valet assisted parking system will be operated in a manner such that Sublessee will continue to have the right to reserved parking spaces purchased by Sublessee. If Sublessor so implements such valet parking program, then the reasonable and actual out-of-pocket costs incurred by Sublessor from time to time for the operation of such valet parking program shall be included in the Direct Expenses charged to Sublessee, in which event the Base Year Costs shall be adjusted pursuant to Section 7.4.5 above if the costs for such valet program are not included in the Base Year Costs.

9.5 During the Term, Landlord or Sublessor may elect to implement a commercially reasonable visitor parking system. In such event, Sublessee will comply with Sublessor's or Landlord's, as applicable, reasonable rules and regulations respecting such visitor parking system, and the reasonable and actual out-of-pocket costs incurred by Sublessor or Landlord, as applicable, to operate such visitor parking program shall be included in the Direct Expenses charged to Sublessee, in which event the Base Year Costs shall be adjusted pursuant to Section 7.4.5 above if the costs for such visitor program are not included in the Base Year Costs. As of the date of this Lease, the rates charged for visitor parking is $1/15 minutes; $10 daily maximum, which rate shall increase in accordance with prevailing visitor parking rates for the Project but by not more than three percent (3%) per annum.

10. Tenant Improvements: Improvement Allowance. Sublessee may make certain initial tenant improvements (the "**Tenant Improvements**") to prepare the Sublet Premises for Sublessee's use and occupancy subject to Sublessor's consent (which shall not be unreasonably withheld, conditioned or delayed) and Landlord's prior written consent (if required by the terms of the Master Lease), the applicable provisions of this Sublease (including Exhibit "C" attached hereto) and the Master Lease (including Articles 8 and 29.38). Sublessor will provide Sublessee with an improvement allowance ("**Improvement Allowance**") equal to $1,924,023.70 (calculated as $41.25 per rentable square feet in the initial Sublet Premises). The Improvement Allowance will be disbursed in accordance with Exhibit "C" attached hereto.

11. Signage. Subject to Landlord's approval and the other conditions of the Master Lease, Sublessee shall be provided, at Sublessee's sole cost and expense, with the following signage: (a) one listing of Sublessee's name or logo in the Building lobby directory, and (b)

Sublessee's name or logo on a Building-standard door plaque on the suite entry door of the Sublet Premises. Sublessee shall have the right to discuss directly with Landlord whether Sublessee may install its name/logo on an exterior sign monument at the Project (which exterior sign monument has not been, and may not be, constructed). Any agreement between Landlord and Sublessee concerning such exterior signage, including without limitation, the monument signage program itself and the location, design and other elements of Sublessee's sign panels, shall be subject to Sublessor's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Sublessor will have no obligation to incur any cost or expense in connection with such exterior sign monument or Sublessee's sign panels, it being agreed that, among other things, it shall be deemed reasonable for Sublessor to withhold its consent pursuant to the prior sentence if any agreement between Landlord and Sublessee concerning exterior signage would result in Sublessor incurring any cost or expense in connection with such exterior sign monument or Sublessee's sign panel. Except as expressly permitted in this Section 11, Sublessee shall have no right whatsoever to install any signs in, on or about the Sublet Premises, Building 1 or the Project without the prior written consent of Sublessor and Landlord, which may be given or withheld in Sublessor's or Landlord's sole discretion.

12. Alterations; Surrender.

12.1 Sublessee may make Alterations to the Sublet Premises, subject to Sublessor's consent (which shall not be unreasonably withheld, conditioned or delayed) and Landlord's prior written consent (to the extent required under the Master Lease), and the applicable provisions of the Master Lease and this Sublease. Sublessee shall reimburse Sublessor for Sublessor's reasonable and actual out-of-pocket costs and expenses incurred in connection with Sublessor's review of plans and drawings related to any Alterations, in addition to reimbursing Landlord, as required under the Master Lease, for Landlord's reasonable and actual out-of-pocket costs and expenses incurred in connection with Landlord's review of plans and drawings for any Alterations. Sublessee's general contractor and all of its other consultants, subcontractors, laborer's, materialmen and suppliers shall maintain the insurance required pursuant to the Master Lease. In addition, Sublessee's general contractor, any subcontractors working on any Building system, and any other subcontractors performing work which costs $10,000 or more, shall be subject to Sublessor's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

12.2 Upon the expiration or earlier termination of this Sublease, Sublessee shall surrender the Sublet Premises to Sublessor in a broom clean "as is" condition and otherwise in the condition required under Section 15 of the Master Lease, provided, however, Sublessee will be required to remove only (a) any "non-standard" office improvements installed by Sublessee which Sublessor notifies Sublessee, in writing at the time Sublessor approves Sublessee's plans for such alterations, that Sublessor will require Sublessee to remove at the expiration or earlier termination of the Term, (b) any alterations which Sublessee performs without Sublessor's prior consent, (c) any cabling installed by Sublessee, and (d) any Alterations installed by Sublessee and required to be removed by Landlord in accordance with the terms of the Master Lease.

13. Assignment and Subletting.

13.1 Sublessee shall not have the right to assign this Sublease or further sublease all or any portion of the Sublet Premises or otherwise engage in any Transfer (as defined in

Section 14 of the Master Lease) without the prior written consent of Landlord (which consent shall be given or withheld in accordance with the terms of the Master Lease) and Sublessor (which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, Sublessee may assign this Sublease or sublease all or a portion of the Sublet Premises to a "Permitted Transferee" (as defined in the Master Lease) pursuant to the terms and conditions of the Master Lease. For example, subject to Landlord's prior consent and the terms and conditions of the Master Lease, the assignment or subletting of all or a portion of the sublet premises to an entity which is controlled by, controls or is under common control with Sublessee (for purposes hereof, "control" shall be as defined in the Master Lease) or an assignment or sublease to an entity which is the resulting entity of a merger, consolidation, dissolution or other reorganization of Sublessee shall not be deemed an assignment or sublease under the Sublease and shall not require prior approval or consent by Sublessor or the sharing of profits. In addition, subject to Landlord's prior consent and the terms and conditions of the Master Lease, for purposes of this Sublease, but only so long as the original named Sublessee is the sublessee under this Sublease, a Transfer (as defined in the Master Lease) shall not include a sale, mortgage, hypothecation or pledge of a majority of Sublessee's unencumbered assets or the sale or transfer of a majority interest in Sublessee's shares, in all cases as part of one single transaction, provided that in the event of a sale or transfer of a majority interest in Sublessee's shares, the shareholders existing as of the date of this Sublease shall thereafter retain the remaining interest in Sublessee's shares.

13.2 If Sublessee assigns this Sublease or subleases all or a portion of the Sublet Premises to a person or entity other than a Permitted Transferee, Sublessee shall pay to Sublessor fifty percent (50%) of any "Transfer Premium," as hereinafter defined, actually received by Sublessee in connection with such Transfer. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Base Rent and Additional Rent payable by Sublessee under this Sublease during the term of the Transfer (on a per rentable square foot basis if less than all of the Sublet Premises is transferred), after deducting the reasonable and actual out-of-pocket expenses incurred by Sublessee for (i) any free rent provided to the Transferee, (ii) any brokerage commissions in connection with the Transfer, (iii) any improvement allowance paid by Sublessee to the Transferee in connection with the Transfer, (iv) any sublease fees paid to Landlord or Sublessor, and (v) reasonable attorneys' fees incurred by Sublessee in connection with the Transfer, provided that the total aggregate costs which may be deducted by Sublessee for item (v) in calculating the Transfer Premium for any Transfer shall not exceed $0.25 per square foot of the portion of the Sublet Premises subject to such proposed Transfer.

13.3 If, pursuant to Sublessee's notice requesting Sublessor's and Landlord's consent to any proposed Transfer, Sublessee desires to sublease or assign the entire Sublet Premises, then Sublessor shall have the option to recapture the Sublet Premises pursuant to the terms and provisions of Section 14.4 (except, as provided in Section 19.1 below, the last sentence of Section 14.4 shall have no force and effect as between Sublessor and Sublessee). Notwithstanding anything herein to the contrary, Sublessor shall have no right to recapture the Sublet Premises in connection with Sublessee's Transfer to a Permitted Transferee.

14. Insurance. Sublessee acknowledges and agrees that Sublessee shall be responsible to maintain and pay for the insurance policies required to be maintained by the "Tenant" under Sections 8.4, 10.3, 10.4, 10.5, and 10.6 of the Master Lease, which are applicable to the Sublet Premises.

15. Letter of Credit.

15.1 As security for Sublessee's obligations under this Sublease, concurrently upon Sublessee's execution of this Sublease, Sublessee shall deliver to Sublessor an unconditional, irrevocable, transferable, and negotiable commercial Letter of Credit (the "**Letter of Credit**") in the amount of $1,350,000.00 (the "**Initial Letter of Credit Amount**"), provided that if Sublessee draws down more than $1,100,000 of the Improvement Allowance (including, without limitation, any credit against Rent pursuant to Section 2(b) of the Work Letter), then Sublessee shall be required to increase the amount of the Letter of Credit , which increased Letter of Credit amount shall be equal to $1,350,000, as increased by One Dollar for each Dollar that Sublessee draws down from the Improvement Allowance in excess of $1,100,000 (as so increased, the "**Increased Letter of Credit Amount**"). For purposes of this Sublease, the term "**Letter of Credit Amount**" shall mean either the Initial Letter of Credit Amount (if the Sublessee does not draw down more than $1,100,000 of the Improvement Allowance), or the Increased Letter of Credit Amount (if Sublessee draws down more than $1,100,000 of the Improvement Allowance), as applicable. The Letter of Credit shall be issued in the applicable Letter of Credit Amount by a United States commercial bank which is reasonably acceptable to Sublessor with at least a AA- rating as published by Standard and Poor's Corporation or at least a Aa3 rating as published by Moody's and which has an office in Los Angeles, California at which draws can be made under the Letter of Credit, naming Sublessor (or its successor as Sublessor) as beneficiary and in form and substance acceptable to Sublessor in its sole discretion. Upon issuance of the Letter of Credit, a copy of it shall be attached to this Sublease. Sublessor reserves the right to periodically review the financial condition of the issuing bank for any Letter of Credit and any renewal or replacement Letter of Credit and if Sublessor determines that the issuing bank no longer satisfies the criteria set forth above, Sublessor may require a replacement Letter of Credit, in the applicable Letter of Credit Amount, and in form and substance and from a United States bank acceptable to Sublessor which satisfies the criteria set forth above. Sublessor may draw upon the Letter of Credit at any time Sublessee is in default under this Lease. The Letter of Credit shall have a term of at least 12 months, and it shall by its terms be renewed automatically each year by the bank, unless the bank gives written notice to the beneficiary, at least 60 days prior to the expiration date of the then existing Letter of Credit, that the bank elects that it not be renewed. If Sublessee fails to provide a replacement Letter of Credit because the issuing bank no longer satisfies the criteria set forth above or if the Letter of Credit is ever not renewed and has less than 30 days remaining in its term, Sublessor may draw on it and will then hold the proceeds as a security deposit in accordance with the terms of Section 15.2 of this Sublease. The Letter of Credit shall be transferable and the proceeds assignable. Sublessee shall reimburse Sublessor for all transfer fees incurred. If the financial institution which issued the initial Letter of Credit is ever declared insolvent or closed by the FDIC or other applicable governmental authority or is closed for any other reason (other than periodic branch closures which occur in the normal course of business), then Sublessee shall, within 30 days after notice from Sublessor, provide a substitute Letter of Credit in the applicable Letter of Credit Amount to Sublessor from another financial institution acceptable to Sublessor in its sole discretion and which otherwise complies with the terms of this section. Sublessee agrees and acknowledges that Sublessee has no property interest whatsoever in the Letter of Credit or the proceeds thereof and that, in the event Sublessee becomes a debtor under any chapter of the Federal Bankruptcy Code, neither Sublessee, any trustee, nor Sublessee's bankruptcy estate shall have any right to restrict or limit Sublessor's claim and/or rights to the Letter of Credit and/or the proceeds thereof by application of Section 502(b)(6) of the Federal Bankruptcy Code. Any cure periods for a default by Sublessee under this Sublease shall not be applicable to a default by Sublessee of the terms of this section.

15.1.1 The applicable Letter of Credit Amount may be reduced from time to time subject to the terms and provisions of this Section 15.1.1. Commencing as of the first (1st) day of the thirteenth (13th) month of the Term, and every 12 months thereafter during the Term, provided that Sublessee is not then in monetary default or material non-monetary default under this Sublease, the then applicable Letter of Credit Amount shall be reduced by an amount equal to 18.5% of the initial Initial Letter Credit Amount (if Sublessee does not draw down more than $1,100,000 of the Improvement Allowance) or an amount equal to 18.5% of the initial Increased Letter of Credit Amount (if Sublessee draws down more than $1,100,000 of the Improvement Allowance), provided that in no event shall the applicable Letter of Credit Amount be less than $600,000, and provided further that the reduction amount will not be modified as the Letter of Credit Amount decreases in accordance with the burn-off procedures described in this Section 15.1.1 (except only as may be necessary to prevent the Letter of Credit Amount from being less than $600,000). Exhibit F sets forth an illustration of the reductions described in this Section 15.1.1. Notwithstanding the foregoing, in no event shall the Letter of Credit Amount decrease during any period in which Sublessee is in monetary or material non-monetary default under this Sublease, provided that any scheduled decrease shall take place retroactively after such default is cured, provided that no such decrease shall thereafter take effect in the event the Sublease is terminated early due to such default by Sublessee.

15.2 Any amounts drawn by Sublessor under the Letter of Credit and held by Sublessor as security deposit pursuant to express terms of this Sublease (the "**Security Deposit**") shall be held by Sublessor as security for the faithful performance by Sublessee of all of the terms, covenants, and conditions of this Sublease, it being expressly understood and agreed that the deposit is neither an advance Rent deposit nor a measure of Sublessor's damages in case of Sublessee's default. The Security Deposit may be retained, used or applied by Sublessor to remedy any default by Sublessee which continues beyond the applicable notice and cure provisions of this Sublease, and to repair damage caused by Sublessee to any part of the Project and otherwise return the Sublet Premises to the condition required by this Sublease upon the expiration or earlier termination of the Sublease, as well as to reimburse Sublessor for any amount which Sublessor may spend by reason of Sublessee's default or to compensate Sublessor for any other loss or damage which Sublessor may suffer by reason of Sublessee's default (whether such losses or damages accrue before or after summary proceedings or other reentry by Sublessor). If any portion of said deposit is so used or applied, Sublessee shall, within ten (10) days after written demand therefor, deposit cash with Sublessor in an amount sufficient to restore said deposit to the full amount required hereunder, and Sublessee's failure to do so shall be a material breach of this Sublease. Sublessor shall not be required to keep the Security Deposit separate from its general funds, and Sublessee shall not be entitled to interest on such deposit. Sublessee may not elect to use any portion of said Security Deposit as a Rental payment although Sublessor may elect to do so in the event Sublessee is in default hereunder or is insolvent. If Sublessee shall fully and faithfully perform every provision of this Sublease to be performed by it, the Security Deposit or any balance thereof shall be returned to Sublessee at Sublessee's last known address, or, at Sublessor's option, to the last assignee of Sublessee's interest hereunder, within thirty (30) days after the Sublease term has ended and the Sublet Premises have been vacated by Sublessee in the manner required by this Sublease. Sublessor's use or application of all or any portion of the Security Deposit shall not preclude or impair any other rights or remedies provided for under this Sublease or under applicable Law and shall not be construed as a payment of liquidated damages.

16. Use; CC&R's. The Sublet Premises shall be used solely for the use set forth in the Master Lease. In addition, Sublessee shall comply with, and the Sublease is subject and subordinate to, the "CC&R's," any "Future CC&R's" and the "Governing Documents" (all as defined in the Master Lease).

17. Casualty. Sublessee's consent shall not be required prior to (i) the waiver by Sublessor of Landlord's obligation under the Master Lease to rebuild or restore the Premises upon the occurrence of a Casualty during the Term and (ii) any election by Sublessor to terminate or continue the Master Lease pursuant to the terms thereof. Sublessee shall have the option to terminate the Sublease following damage or destruction to the Sublet Premises, the parking facilities or access to the Sublet Premises or parking facilities if the estimated period of time for Landlord's repairs will exceed two hundred forty (240) days from the date of Casualty, such right to be exercised within thirty (30) days of receipt of notice by Sublessee of such estimated period of restoration. If neither Landlord nor Sublessor elect to terminate the Master Lease as a result of such casualty, and Sublessee does not elect to terminate this Sublease pursuant to the terms of this Section 17, then Sublessor shall use commercially reasonable efforts to cause Landlord to complete Landlord's restoration obligations under the Master Lease with respect to the Base Building and the Common Areas. Sublessor shall have no obligation to perform any restoration work concerning the Sublet Premises, and Sublessee shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements, any subsequent alterations installed by Sublessee and the original tenant improvements existing in the Sublet Premises as of the delivery of the Sublet Premises to Sublessee (exclusive of the Base Building, which includes, to Sublessor's actual knowledge as of the date hereof, the items described in Exhibit "E" attached hereto, and which Landlord is required to restore pursuant to the Master Lease). If the Premises are to be rebuilt or restored following a casualty, Sublessee shall only be entitled to an abatement of Rent to the extent Sublessor actually receives an abatement of Rent pursuant to the Master Lease. The amount of such abatement payable to the Sublessee shall be in the same proportion which the square footage of the affected portion of the Sublet Premises bears to the square footage of the affected portion of the total Premises (including the Sublet Premises) for which Sublessor receives the abatement under the Master Lease. If Sublessee is required to restore any portion of the Sublet Premises as a result of a casualty, Sublessee's general contractor, any subcontractors working on any Building system, and any subcontractors performing work which costs $10,000 or more shall be subject to Sublessor's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. In addition, Sublessee's general contractor and all of its other consultants, subcontractors, laborer's, materialmen and suppliers shall maintain the insurance required under the Master Lease. Sublessee hereby waives the provisions of Section 1932(2) and Section 1933(4) of the California Civil Code, or any other statute or law that may be in effect at the time of a casualty under which a lease is automatically terminated or a lessee is given the right to terminate a lease due to a casualty.

18. Condemnation.

18.1 Total Taking. In the event of a taking of all or a material part of the Premises, Project Buildings or Project, and as a result, the Master Lease is terminated, this Sublease shall terminate as of the date of such taking. Sublessee shall pay to Sublessor any Base Rent and Additional Rent due Sublessor under this Sublease, prorated as of the date of such taking, and Sublessor shall refund any Base Rent or Additional Rent prepaid by Sublessee for periods after the date of such taking. In addition, to the extent Sublessor would be allowed to retain any such amounts under the terms of the Master Lease, Sublessor shall pay to Sublessee any portion of an award actually received by Sublessor that is attributable to Sublessee's trade fixtures and the unamortized cost of tenant improvements installed by Sublessee, if any.

18.2 Partial Taking. In the event of a taking of less than a material part of the Sublet Premises, this Sublease shall continue in full force and effect as to the portion of the Sublet Premises which has not been taken, and the Base Rent shall be adjusted based on the proportion that the square footage of the portion of the Sublet Premises which was taken bears to the square footage of the entire Sublet Premises, provided, however, if (i) more than 20% of the rentable area of the Sublet Premises is taken, (ii) access to and/or use of the Sublet Premises is substantially impaired as a result of a taking, or (iii) more than 20% of Sublessee's parking privileges are taken and Sublessor does not provide alternative parking privileges within a reasonable walking distance of the Sublet Premises, in each case for a period in excess of one hundred eighty (180) days, Sublessee shall have the option to terminate this Sublease effective as of the date possession is required to be surrendered to the authority.

19. Master Lease.

19.1 The Master Lease, except to the extent clearly inapplicable to this transaction or inconsistent with the terms of this Sublease, is incorporated herein by this reference as if set out in full, except that the following provisions are specifically excluded from this Sublease (collectively, the "**Excluded Provisions**"): (a) the following provisions of the Original Lease: Articles 2.2 (Premises), 3 (Lease Term), 4 (Base Rent), 5 (Tenant's Share), 7 (Security Deposit), 8 (Address of Tenant), 9 (Address of Landlord), 10 (Broker), 11 (Guarantor), 12 (Tenant Improvement Allowance) and 13 (Relocation Allowance) of the Summary of Basic Lease Information; Articles 1.1.1, 1.1.2.1, clause (i) of Section 1.1.3, (it being agreed that remainder of Article 1.1.3 shall constitute an Incorporated Provision), 1.2, 1.3, 1.4, 1.5, 2, 3,4.1, the 2 paragraphs immediately following clause (vv) of Article 4.2.6, 4.2.8, 4,2.9, 4.2.10, 4.4, 4.6, the 2nd sentence of Article 6.1.2, the last sentence of Article 6.1.8, 6.1.9 (except for the 1st, 2nd and 3rd sentences of Article 6.1.9, which shall constitute Incorporated Provisions), 6.3, 7.2, the 4th sentence of Article 8.3, the second sentence of Article 10.1.2, the second sentence of Article 10.3.5, 10.7, 11, 13, 14.3, the last sentence of Article 14.4, 14.9, 14.10, 18, 19.5.2, 21, 22, 23, 28, 29.6, 29.20, 29.24, 29.26, 29.32, 29.35, 29.37 (except for the 1st sentence of Article 29.37, which shall constitute an Incorporated Provision), 29.38(b), 29.39, 29.41, 29.42 (except as otherwise provided in this Sublease), Exhibits A, B, C, C-1, F, H-1, H-2, H-3, J, K, L, N, O-1, O-2, P, R, (b) the following provisions of the First Amendment: Sections 2-5 (inclusive), Exhibits A-l and A-2, and (c) the following provisions of the Second Amendment: Sections 2-15 (inclusive), Exhibits T and U. The foregoing list may not be an all-inclusive or exhaustive list of excluded provisions, and to the extent that any provisions of the Master Lease not included in the foregoing list are by their own terms inconsistent with or contrary to the provisions of this Sublease, such provisions shall be deemed to constitute Excluded Provisions. All of the terms and conditions of the Master Lease which do not constitute Excluded Provisions shall be referred to in this Sublease as "**Incorporated Provisions**." Sublessee's rights pursuant to this Sublease are subject and subordinate at all times to the Master Lease (as the same may be modified, amended, replaced or supplemented) and to all of the covenants and agreements of the

Master Lease, provided, however, that Sublessor shall not consent to any termination, cancellation, modification, amendment, replacement or supplement to the Master Lease which would materially affect the rights or obligations of Sublessee under the Sublease. Sublessee agrees that all rights and privileges granted hereunder are subject to the limitations imposed on Sublessor by the Master Lease and that, except as expressly provided herein, Sublessor is not granting any rights or privileges to Sublessee that are not expressly granted to Sublessor under the Master Lease. Notwithstanding anything herein which may be construed to the contrary: (a) with respect to work, services, repairs, restoration, provision of insurance or the performance of any other obligation of Landlord under the Master Lease, except as otherwise provided herein, the sole obligation of Sublessor shall be to, upon request from Sublessee, use commercially reasonable efforts, at Sublessee's sole cost and expense (subject to Section 24 below), to obtain the same from Landlord as and when requested to do so by Sublessee, and to use Sublessor's reasonable good faith efforts, at Sublessee's sole cost and expense (subject to Section 24 below), to obtain the Landlord's performance (including (if available), exercising Sublessor's rights under Section 7.2 of the Original Lease); (b) Sublessor shall have no liability to Sublessee with respect to (i) representations and warranties made by Landlord under the Master Lease, (ii) any indemnification obligations of Landlord under the Master Lease, or other obligations or liabilities of Landlord under the Master Lease with respect to compliance with laws, condition of the Premises or Hazardous Materials, and (iii) obligations of Landlord under the Master Lease to repair, maintain, restore, or insure all or any portion of the Premises or the Project, regardless of whether the incorporation of one or more provisions of the Master Lease might otherwise operate to make Sublessor liable therefor; (c) with respect to any obligation of Sublessee to be performed under this Sublease, wherever the Master Lease grants to Sublessor a specified number of days to perform its obligations under the Master Lease, Sublessee shall have three (3) fewer days to perform the obligation, including, without limitation, curing any defaults (provided, however, that if any cure period provides for three (3) days or less to perform, Sublessee shall have two (2) days to perform); (d) with respect to any consent required of both Landlord and Sublessor under this Sublease, Sublessor shall have three (3) additional days to grant or deny any such consent after Sublessor obtains Landlord's response to such request for consent; and (e) in the event Sublessor obtains a rent abatement from Landlord pursuant to Section 19.5.2 of the Master Lease as a result of an "Abatement Event" (as defined in Section 19.5.2 of the Master Lease) which affects or is otherwise applicable to the Sublet Premises, then Sublessee shall be entitled to Sublessee's pro rata share of such rent abatement based on the proportion which the square footage of the affected portion of the Sublet Premises bears to the square footage of the affected portion of the Sublet Premises plus the square footage of the remainder of the Premises covered by such rent abatement. Further, any right, option or privilege existing in the Master Lease in favor of Sublessor to renew or extend the term thereof, or to take or expand into additional space in the Building or the Project are hereby by this reference deemed to constitute Excluded Provisions and are of no force and effect as to Sublessee, and create no rights or privileges to, for or on behalf of Sublessee. It is also hereby acknowledged and agreed that Sublessor shall have no obligation or duty to, for or on behalf of Sublessee to exercise any rights or options to renew or take additional space notwithstanding that the same may be set forth in the Master Lease.

19.2 Sublessee agrees to perform all obligations and covenants, and agrees to be bound by all restrictions which are set forth in the Incorporated Provisions of the Master Lease with respect to the Sublet Premises in the same manner as such obligations, covenants and restrictions are binding upon Sublessor, as tenant under the Master Lease, except as specifically modified by this Sublease.

19.3 Notwithstanding anything to the contrary contained in this Sublease, Sublessee and Sublessor, each shall not do or knowingly permit anything to be done by its employees, agents, contractors or invitees which would constitute a violation or breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination or forfeiture reserved by or vested in Landlord. Each party shall indemnify, defend and hold the other party harmless from and against any and all losses, claims, liabilities, damages, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising from each party's failure to perform or observe any of the terms and conditions of the Master Lease as they relate to the Sublet Premises or the Building. The obligations and indemnity in this Section shall survive the expiration or sooner termination of this Sublease.

19.4 All rights of "Landlord" under the Master Lease shall constitute rights of Sublessor hereunder except as specifically modified by this Sublease.

19.5 Sublessor agrees to furnish Sublessee with copies of all notices and other communications which Sublessor receives from Landlord and relate to the Sublet Premises within two (2) business days after Sublessor's receipt thereof.

19.6 In all instances where the consent or approval of the Landlord is required pursuant to the Master Lease and the consent or approval of Sublessor is also required hereunder, Sublessor's withholding of approval shall in all events be deemed reasonable if for any reason Landlord's approval is not obtained. Sublessor agrees to promptly send to Landlord copies of Sublessee's written request for any consents required. Notwithstanding the foregoing however, in any case in which Landlord's consent is required under the Master Lease and such consent is obtained, it will be reasonable for Sublessor to withhold its consent if giving Sublessor's consent would materially and adversely affect Sublessor's interest in, or rights and privileges concerning, the Premises or the Master Lease. Unless otherwise specified, whenever Sublessor's consent is required herein, Sublessor shall respond to such request for consent within the time period set forth in this Sublease or if no time period is set forth, then within ten (10) business days after such request, but in all events subject to Section 19.1(d) above. If Sublessor fails to respond within the stated time period or such ten (10) business day period, as applicable, but subject to Section 19.1(d) above, Sublessee may deliver a written reminder notice to Sublessor, and if Sublessor fails to respond within five (5) business days after Sublessor's receipt of such reminder notice, then Sublessor's failure to respond shall be deemed Sublessor's consent thereto.

19.7 For purposes of the Incorporated Provisions, except as limited herein or where the context otherwise requires, the word "Tenant," as used in the Master Lease, shall mean "Sublessee," the word "Landlord" shall mean "Sublessor," the word "Premises" shall mean "Sublet Premises," the word "Leased Project Building" shall mean Building 1 (except where such reference is clearly inapplicable), the word "Lease" shall mean "Sublease," the word "Lease Term" shall mean "Term" as defined in this Sublease, and the word "Base Rent" shall mean "Base Rent" as defined in this Sublease; provided, however, that the word "Landlord" in the following provisions shall continue to mean Landlord, and not Sublessor: the following provisions of the Original Lease: Sections 1.1.3, 4.2, 4.3, 5.3, 5.5, 6.1, the first sentence of Article 6.2, 7.1 (except that the references to "Landlord" in the 4^{th}, 6^{th} and 8^{th} sentences of Article 7.1 shall refer to both Landlord and Sublessor), 10.2, 24, 29.7, the first three sentences of 29.13, 29.29. In addition, the word "Landlord" in the following provisions of the Master Lease shall refer to both Landlord and Sublessor: (a) the following provisions of the Master Lease: Sections 4.5, 5.1, 6.2 (except that the reference to "Landlord" in the 1st sentence of Article 6.2 shall refer to Landlord only), 8 (except that the reference to "Landlord" in the 1st sentence of Article 8.5 shall refer to Sublessor only), 9, 10.6, 14, 27, 29.15, 29.30.

19.8 This Sublease shall immediately terminate if the Master Lease is terminated for any reason. The consent of the Sublessee shall be required for any modification of the Master Lease if such modification materially and adversely affects the rights or obligations of Sublessee under this Sublease or would alter any economic term of this Sublease.

19.9 (A) In any case where "Tenant" is to indemnify, release or waive claims against "Landlord" under the Incorporated Provisions of the Master Lease, such indemnity, release or waiver shall be deemed to run from Sublessee to both Landlord and Sublessor with respect to the Sublet Premises. In any case where "Tenant" is to execute and deliver certain documents or notices to "Landlord" under the Incorporated Provisions of the Master Lease, such obligation shall be deemed to run from Sublessee to both Landlord and Sublessor with respect to the Sublet Premises. Sublessee covenants and agrees to indemnify, defend and hold harmless Sublessor and its members, managers, agents, officers, directors, employees, and contractors harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including but not limited to reasonable attorneys' fees and disbursements), which Sublessor may incur or pay out by reason of (a) any losses, damages or injuries to persons or property occurring in, on or about the Sublet Premises, (b) any breach or default by Sublessee in the performance of Sublessee's obligations under this Sublease (including under the Master Lease as incorporated herein), (c) any work done in, on, about, or to the Sublet Premises (unless the same shall have been caused as a result of any work done in or to the Premises by Sublessor), or (d) any negligence or willful misconduct on the part of Sublessee and/or its officers, directors, representatives, employees, agents, customers and/or invitees, or any person claiming through or under Sublessee. Sublessee's liability hereunder shall survive any expiration or termination of this Sublease. Sublessor covenants and agrees to indemnify, defend and hold harmless Sublessee and its members, managers, agents, officers, directors, employees, and contractors harmless against and from any and all injuries, costs, expenses, liabilities, losses, damages, injunctions, suits, actions, fines, penalties, and demands of any kind or nature (including, but not limited to, reasonable attorneys' fees and disbursements), which Sublessee may incur or pay out by reason of (a) any breach or default by Sublessor in the performance of Sublessor's obligations under this Sublease (including under the Master Lease as incorporated herein), (b) any work done in, on, about, or to the Premises by Sublessor, or (c) any negligence or willful misconduct on the part of Sublessor and/or its officers, directors, representatives, employees, agents, customers and/or invitees, or any person claiming through or under Sublessor. Sublessor's liability hereunder shall survive any expiration or termination of this Sublease.

(B) In addition, in the event Sublessor, at Sublessee's request, files suit or engages in any other dispute resolution process in order to seek enforcement of any Landlord indemnification of Sublessor or other obligation of Landlord pursuant to the Master Lease, then Sublessee shall promptly pay Sublessor, upon demand, for any and all costs and expenses (including, reasonable attorneys' fees and costs) incurred by Sublessor in connection with such lawsuit or other dispute resolution process (except that if Sublessor's other subtenants request such lawsuit or other dispute resolution process, then Sublessee shall only be required to pay its share of the cost and expenses of such lawsuit or other dispute resolution process, which share shall be determined based on the proportion which the square footage of the Sublet Premises bears to the square footage of the premises leased by all of the requesting subtenants, including Sublessee). Sublessor will engage counsel to represent Sublessor in connection with such enforcement action and Sublessee acknowledges that it shall have no privity with Sublessor's counsel. Notwithstanding the foregoing, Sublessor and Sublessee will reasonably coordinate and cooperate with each other in accordance with such enforcement action, including, without limitation, Sublessor will solicit and reasonably incorporate Sublessee's comments and recommendations in connection with such lawsuit or other enforcement action, Sublessee may discuss the enforcement action directly with Sublessor's counsel so long as Sublessor's representatives are also present during such discussions, Sublessor will provide Sublessee with copies of all filings and other materials concerning such lawsuit or dispute resolution process and otherwise keep Sublessee reasonably informed as to the progress and status of the lawsuit or dispute resolution process. Notwithstanding the foregoing, however, if the comments or recommendations of Sublessee will impair or adversely affect Sublessor's rights and privileges under the Master Lease, then Sublessor shall have no obligation to pursue the recommendations or course of action suggested by Sublessee. In addition, Sublessor does not guaranty or otherwise covenant that any particular conduct or outcome will result from such enforcement action. In the event Sublessor receives any monetary recovery from Landlord as a result of such lawsuit or other dispute resolution process, Sublessor will first promptly reimburse Sublessee for the costs and expenses paid by Sublessee in connection with such lawsuit or other dispute resolution process up the amount actually recovered by Sublessor from Landlord (it being agreed that Sublessor shall have no obligation to Sublessee if the amount of such recovery does not fully reimburse Sublessee for its costs and expenses). If there are any recovery funds remaining after Sublessor reimburses Sublessee for the costs and expenses paid by Sublessee, then Sublessor shall pay to Sublessee "Sublessee's Enforcement Share" of the remaining recovery. For purposes hereof, "**Sublessee's Enforcement Share**" shall mean (a) if such lawsuit or other dispute resolution process solely relates to the Sublet Premises or solely benefits Sublessee, Sublessee's Enforcement Share shall equal 100%, or (b) if such enforcement action relates to the Sublet Premises and other portions of the Premises or benefits Sublessee and Sublessor (or Sublessor's other subtenants), Sublessee's Enforcement Share shall be equal to the proportion which the square footage of the Sublet Premises bears to the total square footage of the Premises (including the Sublet Premises) to which such enforcement action relates.

(C) In the event Sublessor seeks enforcement of any Landlord indemnification of Sublessor or other obligation of Landlord pursuant to the Master Lease, and the relief sought by Sublessor is not at Sublessee's request, then Sublessee shall not be responsible for the cost thereof, and Sublessor shall have no obligation to reasonably coordinate with Sublessee concerning such enforcement action, including, without limitation, Sublessor will not be required to solicit and consider Sublessee's comments and recommendations concerning such enforcement action, Sublessee shall have no right to discuss the enforcement action directly with Sublessor's counsel and Sublessor shall have no obligation to provide Sublessee with copies of any filings and other materials concerning such enforcement action or otherwise keep Sublessee reasonably informed as to the progress and status of the enforcement action. Sublessor does not guaranty or otherwise covenant that any particular conduct or outcome will result from such enforcement action. In the event Sublessor receives any monetary recovery from Landlord as a result of such lawsuit or other dispute resolution process, Sublessor will first reimburse itself for any and all costs and expenses incurred by Sublessor in connection with such lawsuit or other dispute resolution process. If there are any recovery funds remaining after Sublessor reimburses itself for such costs and expenses, then Sublessor shall pay to Sublessee Sublessee's Enforcement Share of the remaining recovery.

20. Sublessor's Representations and Warranties.

20.1 Sublessor represents and warrants to Sublessee that as of the date of this Sublease:

20.1.1 The Master Lease attached to this Sublease as Exhibit "A" constitutes the entire agreement between Landlord and Sublessor regarding the Sublet Premises, and there are no written or oral amendments or modifications thereto;

20.1.2 Sublessor has not assigned, transferred or encumbered any of its rights under the Master Lease with respect to the Sublet Premises to any third parties;

20.1.3 The Master Lease is in full force and effect;

20.1.4 To Sublessor's actual knowledge, Sublessor has not defaulted in any of its obligations under the Master Lease and to Sublessor's knowledge, Landlord is not in default of any of its obligations under the Master Lease; and

20.1.5 Each of the persons executing this Sublease on behalf of Sublessor warrant and represent that they have full power and authority to execute this Sublease and to bind Sublessor, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessor.

21. Sublessee's Representations and Warranties. Sublessee represents and warrants to Sublessor that each of the persons executing this Sublease on behalf of Sublessee has full power and authority to execute this Sublease and to bind Sublessee, and upon their execution, this Sublease shall constitute a valid and binding obligation upon Sublessee.

22. Defaults.

22.1 Defaults by Sublessor Under Master Lease. In the event of default by Sublessor under the Master Lease beyond any applicable notice and grace period, the terms and provisions of Landlord's written consent to this Sublease shall govern with respect to Landlord's right to either terminate this Sublease or require Sublessee to attorn to Landlord.

22.2 Defaults by Sublessee. If Sublessee shall at any time during the Term fail to perform any of the obligations, conditions or covenants of Sublessee under this Sublease (including under the Master Lease as incorporated herein), Sublessor shall give Sublessee written notice of default to the extent such notice is required under the terms of this Sublease or of the Master Lease which are incorporated herein by reference. If such default shall not be cured within the cure period, if any, with respect to such default as set forth in this Sublease or the Master Lease and incorporated herein, (a) Sublessor shall have all rights and remedies available at law, in equity or available to Landlord under the Master Lease against Sublessor if Sublessor had committed such breach under the Master Lease, and (b) Sublessor shall have the right, but not the obligation, to immediately perform any such obligation, condition or covenant in order to protect Sublessor's leasehold interest. In the event Sublessor suffers any reasonable and actual out-of-pocket cost or expense as a result of such performance, Sublessee shall reimburse Sublessor within thirty (30) days following Sublessee's receipt of notice for all such cost or expense, together with interest at the rate of ten percent (10%) per annum from the date of Sublessee's receipt of such notice to the date of reimbursement by Sublessee.

22.3 Cooperation. The parties agree to act in good faith with respect to all matters arising under this Sublease.

23. Subordination. This Sublease shall be subject and subordinate to all present and, subject to Sublessor's receipt of a subordination, non-disturbance and attornment agreement pursuant to Article 18 of the Master Lease, future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Sublease be superior thereto.

24. Liability of Sublessor. Sublessor and Sublessee acknowledge and agree that to the extent any provision of the Master Lease that is incorporated herein requires Sublessor to perform any obligation which is also owed by Landlord to Sublessor under the Master Lease, performance by Landlord of such obligation shall constitute performance by Sublessor; provided, however, Sublessor shall not have any liability for Landlord's failure to perform any such obligation under the Master Lease. The parties contemplate that Landlord will perform its obligations under the Master Lease. In the event of any default or failure in such performance by Landlord, then, Sublessor shall notify Landlord of Landlord's non-performance under the Master Lease and use commercially reasonable efforts to obtain Landlord's performance of Landlord's obligations under the Master Lease, except that Sublessor shall have no obligation to file suit against Landlord or engage in any other formal dispute resolution proceeding unless Sublessee requests the same. If Sublessee so requests, then the terms of Section 19.9(B) shall apply, and Sublessee shall indemnify, defend and hold harmless Sublessor from and against any and all Claims incurred by Sublessor, including without limitation, reasonable attorneys' fees and costs, arising out of or relating to such lawsuit or dispute resolution process to the extent related to the Sublet Premises (except to the extent caused by Sublessor or its agents', employees', contractors' or representatives) or Sublessee's (or its agents', employees', contractors' or representatives') negligence or willful misconduct. If Sublessee does not request such suit or other formal dispute resolution proceeding then the terms of Section 19.9(C) shall apply. If such default constitutes an "Abatement Event" (as defined in Section 19.5.2 of the Master Lease), Sublessee shall be entitled to Sublessee's pro rata share of such rent abatement which is applicable to the Sublet Premises in accordance with Section 19.1(e) above. If, despite Sublessor's commercially reasonable efforts to obtain Landlord's performance of Landlord's obligations under the Master Lease (which efforts shall be consistent with the requirements of Section 19.1 herein), Landlord fails to cure its default or breach under the Master Lease within one hundred eighty (180) days after Sublessor first receives notice of such failure from Sublessee (or

such longer period as is afforded Landlord under the Master Lease to cure such default or breach), and such failure materially impairs Sublessee's use and occupancy of the Sublet Premises such that Sublessee is unable to (and does not) operate from the Sublet Premises, then Sublessee shall have the right to terminate this Sublease upon not less than thirty (30) days' prior written notice delivered to Sublessor, provided that if such default or breach of Landlord is cured prior to the termination date stated in Sublessee's termination notice, then such termination shall be null and void and this Sublease shall continue in full force and effect.

25. Notices. Any and all notices, approvals or demands required or permitted under this Sublease shall be in writing and shall be served either personally or via reputable overnight courier or by United States certified mail, postage prepaid, return receipt requested, in compliance with the requirements of the Master Lease and addressed to the parties at the following addresses:

If to Sublessor:	Fox Interactive Media, Inc. c/o Twentieth Century Fox Film Corporation 10301 W. Pico Boulevard, Suite 126 Los Angeles, CA 90064 Attention: Markley Lumpkins
with a required copy to:	Friedman & Associates, Inc. 9665 Wilshire Blvd., Ste. 810 Beverly Hills, California, 90212 Attention: Andrew Friedman, Esq.
If to Sublessee:	Rubicon Project, Inc. 12181 Bluff Creek Drive, Suite 400 Los Angeles, CA 90094 Attention: Victoria von Szeliski

26. Brokers. Sublessor and Sublessee warrant to each other that each has had no dealings with any real estate broker or agent in connection with the negotiation of this Sublease other than Cushman & Wakefield ("**Sublessor's Broker**") and Cresa Los Angeles ("**Sublessee's Broker**"). Sublessor shall pay Sublessor's Broker, who shall then be obligated to pay Sublessee's Broker, all pursuant to a separate written agreement (collectively, the "**Commission**"). Notwithstanding the foregoing to the contrary, Sublessor shall have no obligation to pay the Commission if (i) the Landlord does not consent to this Sublease, (ii) this Sublease is terminated by Sublessee prior to the Commencement Date, or (iii) this Sublease is terminated by Sublessor prior to the Commencement Date due to a default by Sublessee. Sublessor and Sublessee each hereby agree to indemnify, defend and hold the other harmless from and against any losses, causes of action, liabilities, damages, claims, demands, costs and expenses (including reasonable attorneys' fees and costs) incurred, or to be incurred, by reason of any other brokerage fee, commission or finder's fee alleged to be payable because of an act, omission or statement of the indemnifying party.

27. Consent of Landlord.

27.1 Consent of Landlord. This Sublease shall not be effective until Landlord consents in writing to this Sublease.

27.2 Effect of Sublease and Landlord's Consent. Notwithstanding this Sublease and any consent of Landlord to this Sublease:

(1) Such consent to this Sublease will not release Sublessor of its obligations or alter the primary liability of Sublessor to pay the rent and perform and comply with all of the obligations of Sublessor to be performed under the Master Lease.

(2) The acceptance of rent or any other sums by Landlord from Sublessee and/or anyone else liable under the Master Lease shall not be deemed a waiver by Landlord of any provisions of the Master Lease.

(3) Landlord's consent to this Sublease shall not constitute a consent to any subsequent subletting or assignment.

28. Attorneys' Fees. In the event of the bringing of any action or suit by any party or parties hereto against another party or parties hereunder alleging a breach of any of the covenants, conditions, agreements or provisions of this Sublease, the prevailing party or parties shall recover all costs and expenses of suit, including actual, reasonable and documented attorneys' fees and fees of expert witnesses.

29. Entire Agreement. This Sublease contains the entire understanding between the parties concerning the subject matter hereof and supersedes all prior and contemporaneous agreements, statements, understandings, terms, conditions, negotiations, representations and warranties, whether oral or written, made by any of the parties concerning the matters covered by this Sublease. Without limiting the generality of the preceding sentence, each party acknowledges and agrees that no promise, inducement, agreement, representation or warranty of any kind which is not expressly set forth in this Sublease has been made to induce such party to enter into this Sublease.

30. Modifications. This Sublease may be modified only by a written agreement signed by Sublessor and Sublessee.

31. Counterparts. This Sublease may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

32. No Recordation. Neither Sublessor nor Sublessee shall record this Sublease or a memorandum thereof.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the day and year first above written.

SUBLESSOR:

FOX INTERACTIVE MEDIA, INC.,
a Delaware corporation

By:	/s/ DAVID MILLER
Printed Name:	DAVID MILLER
Its:	VP & TREASURER

SUBLESSEE:

THE RUBICON PROJECT, INC.,
a Delaware corporation

By:	/s/ Frank Addante
Printed Name:	Frank Addante
Its:	CEO

By:	/s/ VICTORIA VON SZELISKI
Printed Name:	VICTORIA VON SZELISKI
its:	GENERAL COUNSEL

SUBLEASE

MASTER LEASE

EXHIBIT “A”

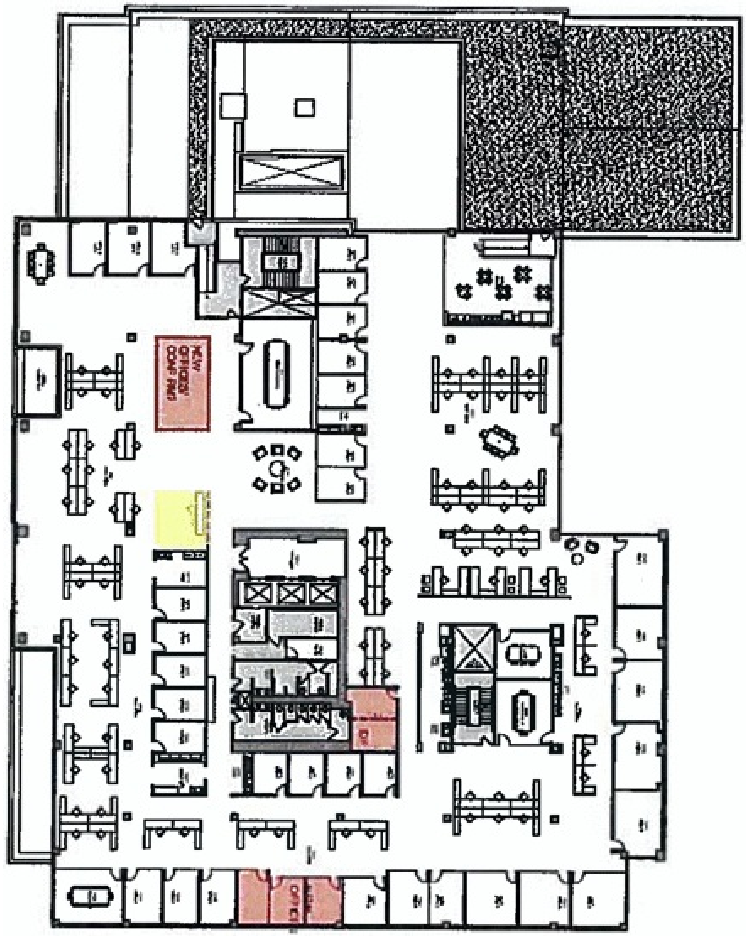
See attached.

SUBLEASE

SUBLET PREMISES

EXHIBIT “B”

To be attached.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SUBLEASE

TENANT IMPROVEMENTS—WORK LETTER AGREEMENT

EXHIBIT "C"

This Work Letter Agreement ("Work Letter Agreement") shall set forth the terms and conditions relating to the construction of the Sublet Premises. All references in this Work Letter Agreement to "the Sublease" shall mean the relevant portions of the Sublease to which this Work Letter Agreement is attached as Exhibit "C".

1. Tenant Improvements. The plans ("Plans") for the Tenant Improvements will be prepared by OKB as architect who is hereby approved by Sublessor ("Architect"). The Architect will be employed and paid by Sublessee pursuant to a written contract between Sublessee and such Architect. The Plans shall be produced on CAD. Sublessee shall be obligated to cause the Plans to comply in all material respects with all applicable laws, ordinances, directives, rules, regulations, and other requirements imposed by any and all governmental authorities having or asserting jurisdiction over the Premises. Sublessor shall review the Plans and either approve or reasonably disapprove or reasonably condition its approval of them, in writing, within five (5) business days after Sublessor's receipt of the same (or five (5) business days after receipt of Landlord's approval or disapproval of the Plans if required under the Master Lease). Should Sublessor reasonably disapprove or reasonably condition its approval of them, Sublessor shall specify in reasonable detail any corrective measures required to obtain Sublessor's approval. Sublessee shall make any necessary modifications and resubmit the Plans to Sublessor for approval or reasonable disapproval or reasonable conditioning of its approval following receipt of Sublessor's reasonable disapproval or reasonable conditioning of its approval of them. The approval by Sublessor of the Plans shall not: (a) imply Sublessor's approval of the quality of design or fitness of any material or device used; (b) imply that the Plans are in compliance with any codes or other requirements of governmental authority; or (c) impose any liability on Sublessor to Sublessee or any third party. Once the Plans have been approved by Sublessor, and if required, by Landlord, Sublessee shall not make any material modifications to the Plans without Sublessor's and Landlord's prior written approval, which approval will not be unreasonably withheld, conditioned or delayed. Sublessor will not charge Sublessee a supervision or construction management fee in connection with the Tenant Improvements, provided, however, Sublessee shall be solely responsible for any supervision or construction management fee or other charge payable to Landlord under the Master Lease in connection with the Tenant Improvements. In addition, notwithstanding the foregoing, if the Architect is not OKB, Sublessee shall reimburse Sublessor for Sublessor's reasonable and actual out-of-pocket costs and expenses incurred in connection with Sublessor's review of plans and drawings related to the Tenant Improvements, in addition to reimbursing Landlord, as required under the Master Lease, for Landlord's reasonable and actual out-of-pocket costs and expenses incurred in connection with Landlord's review of plans and drawings for the Tenant Improvements as provided in the Master Lease. The Tenant Improvements shall be constructed by a contractor selected by Sublessee who is approved in writing by Sublessor (not to be unreasonably withheld, conditioned, or delayed), and Landlord ("General Contractor"). In addition, Sublessee's other consultants, subcontractors, laborer's, materialmen and suppliers shall be subject to Landlord's (to the extent required by the Master Lease) and Sublessor's prior written approval (if such subcontractor would work on any Building system or if the cost of such subcontractor's work equals or exceeds $10,000), which approval shall not be unreasonably withheld, conditioned or delayed, provided that (i) Sublessee shall engage MDC Engineers (Jacob

Chan) to perform all mechanical, engineering and plumbing engineering work, whose fees will be competitive with other comparable qualified MEP engineers, and (ii) Sublessee shall engage Morrow-Meadows Corporation (Melvin Lara) to perform all cabling work. Sublessee's General Contractor and all other subcontractors, laborers, materialmen and suppliers shall comply with the Master Lease, including Section 29.38 and any insurance requirements set forth therein. A copy of the General Contractor's work schedule and all building or other governmental permits required for the Tenant Improvements shall be delivered to Sublessor before commencement of the Tenant Improvements. Sublessor shall cooperate as reasonably necessary so that Sublessee's General Contractor may cause the Tenant Improvements to be completed promptly and with due diligence. The Tenant Improvements shall be performed in conformance with the approved Plans and shall be done in a good and workmanlike manner. All work shall be done in compliance with all other applicable provisions of the Master Lease (and only after obtaining all necessary Landlord approvals, as required by the Master Lease) and with all applicable laws, ordinances, directives, rules, regulations, and other requirements of any governmental authorities having or asserting jurisdiction over the Sublet Premises. Before the commencement of any work by Sublessee, Sublessee shall furnish to Sublessor and Landlord certificates evidencing the existence of builder's risk, commercial general liability, and workers' compensation insurance complying with the requirements of the Master Lease. Any damage to any part of the Building that occurs as a result of the Tenant Improvements shall be promptly repaired by Sublessee.

Sublessee shall also ensure compliance with the following requirements concerning construction:

(a) Sublessee and all construction personnel shall abide by Landlord's job site rules and regulations and cooperate with Sublessor's and Landlord's construction representatives in coordinating all construction activities in the Building, including reasonable rules and regulations concerning working hours, parking, use of the construction elevator and restrictions on the hours during which noisy or disruptive work may be performed.

(b) Sublessee shall, upon request, deliver to Sublessor and Landlord all forms of approval provided by the appropriate local governmental authorities to certify that the Tenant Improvements have been completed and the Sublet Premises are ready for occupancy, including a final, unconditional certificate of occupancy. Sublessee shall also be obligated to obtain and deliver to Sublessor a certificate of substantial completion executed by the architect who prepared the Plans.

During construction, Sublessee shall allow Sublessor and Landlord reasonable access at reasonable times to the Sublet Premises for inspection purposes.

2. <u>Tenant Improvement Allowance</u>. Sublessee shall be entitled to a one-time tenant improvement allowance (the "Improvement Allowance") in the amount of Forty-One and 25/100 Dollars ($41.25) per rentable square foot of the Sublet Premises (i.e., $1,924,023.70 based on 46,643 rentable square feet of the Sublet Premises) for all of the hard and/or soft costs relating to the initial design and construction of Sublessee's initial improvements for the Sublet Premises (the "Tenant Improvements"), including, without limitation, space plans, design fees, the cost of architectural, electrical and mechanical working drawings, engineering fees, architect's fees, contractor and

construction management fees, voice/data infrastructure and furniture, fixtures and equipment, as well as actual, documented and reasonable moving costs. Any unused amount of the Improvement Allowance may be credited against rent, spread evenly throughout the initial Term, as further described in Subsection (b) below. In no event shall Sublessor be obligated to make disbursements pursuant to this Work Letter Agreement in a total amount that exceeds the Improvement Allowance.

(a) Sublessee shall be entitled to the Improvement Allowance in accordance with the terms of this Exhibit "C" and the Sublease. If Sublessee is in default under this Sublease, Sublessor may, in addition to all of its other available rights and remedies, withhold, until such default is cured, payment of the Improvement Allowance, provided, however, if such default is not cured, any amounts to which Sublessor may be entitled shall be calculated on the basis of the Sublessee receiving credit for any amount of the Improvement Allowance not paid.

The Improvement Allowance will be paid in one installment in accordance with the following:

(I). Once the Tenant Improvements are substantially completed, Sublessee may deliver to Sublessor: (i) a request for reimbursement, in a commercially reasonable form, for sums incurred or previously expended by Sublessee (but not to exceed one hundred percent (100%) of the Improvement Allowance), (ii) properly executed unconditional mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all subcontractors, laborers, materialmen and suppliers for labor rendered and materials delivered to the Sublet Premises, (iii) Sublessee's General Contractor's certificate, in a form reasonably acceptable to Sublessor, certifying that the construction of the Tenant Improvements has been substantially completed, (iv)a certificate of occupancy or other governmental sign off or approval permitting the legal occupancy of the Sublet Premises, and (v) a copy of a recorded, valid Notice of Completion. Within thirty (30) days after Sublessor's receipt of any request for payment which satisfies the requirements described above, Sublessor will deliver a check to Sublessee for the Improvement Allowance. Payment of such amounts to Sublessee shall not be deemed Sublessor's approval or acceptance of the work furnished or materials supplied as set forth in Sublessee's payment request. In the event Sublessor identifies any material non-compliance of any portion of the Tenant Improvements with the Plans or Applicable Law, Sublessor may provide Sublessee with a detailed statement identifying such non-compliance, and if the same is so materially non-compliant, Sublessee shall cause such work to be corrected.

If Corporate Contractors, Incorporated serves as the general contractor for the Tenant Improvements, the Improvement Allowance will be paid in two installments in accordance with the following:

(I). Once the Tenant Improvements are 50% completed, Sublessee may deliver to Sublessor: (i) a request for reimbursement, in a commercially reasonable form, for sums incurred or previously expended by Sublessee (but not to exceed fifty hundred percent (50%) of the Improvement Allowance), (ii) properly executed unconditional mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all subcontractors, laborers, materialmen and suppliers for labor rendered and materials delivered to the Sublet Premises and included in Sublessee's statement, (iii) Sublessee's General Contractor's certificate, in a form reasonably acceptable to Sublessor, certifying that the construction of the Tenant Improvements has been 50% completed. Within thirty (30) days after Sublessor's receipt of any request for payment which satisfies the requirements described above, Sublessor will deliver a check to Sublessee for the amount requested. Payment of such amounts to Sublessee shall not be deemed Sublessor's approval or acceptance of the work furnished or materials supplied as set forth in Sublessee's payment request.

(II). Once the Tenant Improvements are substantially completed, Sublessee may deliver to Sublessor: (i) a request for reimbursement, in a commercially reasonable form, for sums incurred or previously expended by Sublessee (but, together with all such previously reimbursed sums, not to exceed one hundred percent (100%) of the Improvement Allowance), (ii) properly executed unconditional mechanic's lien releases in compliance with both California Civil Code Section 3262(d)(2) and either Section 3262(d)(3) or Section 3262(d)(4) from all subcontractors, laborers, materialmen and suppliers for labor rendered and materials delivered to the Sublet Premises, (iii) Sublessee's General Contractor's certificate, in a form reasonably acceptable to Sublessor, certifying that the construction of the Tenant Improvements has been substantially completed, (iv) a certificate of occupancy or other governmental sign off or approval permitting the legal occupancy of the Sublet Premises, and (v) a copy of a recorded, valid Notice of Completion. Within thirty (30) days after Sublessor's receipt of any request for payment which satisfies the requirements described above, Sublessor will deliver a check to Sublessee for the Improvement Allowance. Payment of such amounts to Sublessee shall not be deemed Sublessor's approval or acceptance of the work furnished or materials supplied as set forth in Sublessee's payment request. In the event Sublessor identifies any material non-compliance of any portion of the Tenant Improvements with the Plans or Applicable Law, Sublessor may provide Sublessee with a detailed statement identifying such non-compliance, and if the same is so materially non-compliant, Sublessee shall cause such work to be corrected.

(b) Sublessee shall be solely responsible for the payment of all costs associated with the Tenant Improvements that exceed the Improvement Allowance. If Sublessee is in default under this Lease, Sublessor may, in addition to all of its other available rights and remedies, withhold, until such default is cured, payment of the Improvement Allowance. Any portion of the Improvement Allowance which is not disbursed to Sublessee prior to the commencement of the 12th month of the Term may, upon Sublessee's written request to Sublessor delivered no later than the commencement of the 13th month of the Term, be credited against the Rent next coming due under this Sublease on a monthly basis, it being agreed that the monthly credit which will be applied against the Rent next coming due shall be an amount so requested by Sublessee but which shall in no event exceed the amount which is equal to the total undisbursed balance of the Improvement Allowance, divided by the number of months remaining in the initial Term.

(c) If Sublessor fails to timely fulfill its obligation to fund any installment of the Improvement Allowance, Sublessee shall be entitled to deliver notice (the "**Payment Notice**") thereof to Sublessor. If Sublessor still fails to fulfill such obligation within ten (10) business days after Sublessor's receipt of the Payment Notice from Sublessee and if Sublessor fails to deliver notice to Sublessee within such ten (10) business day period explaining Sublessor's good faith reasons that the amounts described in Sublessee's Payment Notice are not due and payable by Sublessor ("**Refusal Notice**"), Sublessee shall be entitled to offset the amount set forth in the subject Payment

Notice, plus interest thereon from and after the date such Improvement Allowance was due and payable at the Interest Rate (as defined in Article 25 of the Master Lease), against Sublessee's next obligations to pay Rent. However, if Sublessor has delivered a written default notice to Sublessee which remains uncured at the time that such offset would otherwise be applicable, Sublessee shall not be entitled to such offset until such default is cured. If Sublessor delivers a Refusal Notice, and if Sublessor and Sublessee are not able to agree on the amounts to be so paid by Sublessor, if any, within ten (10) business days after Sublessee's receipt of a Refusal Notice, Sublessee may submit such dispute to arbitration in accordance with Section 29.36 of the Master Lease. If Sublessee prevails in any such arbitration, and Sublessor does not pay Sublessee when and as required under the arbitration award, Sublessee shall be entitled to apply such award, plus interest thereon from and after the date such Improvement Allowance was due and payable pursuant to the arbitration award at the Interest Rate (as defined in Article 25 of the Master Lease), as a credit against Sublessee's obligations to pay Rent. The terms and conditions of Section 29.36 of the Master Lease shall also apply to any determination under this Section 2(c).

3. Space Planning. Sublessor shall, at Sublessor's sole cost and expense, cause Sublessor's space planner, OKB Architects, to meet with Sublessee for the purpose of preparing one (1) test fit and two (2) revisions.

4. Sublessee's Representative. Sublessee has designated Victoria von Szeliski and Mark Torres, as its sole representatives with respect to the matters set forth in this Work Letter Agreement, who, until further notice to Sublessor, shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter Agreement, provided that any one of Sublessee's representatives acting alone shall be sufficient to bind Sublessee.

5. Sublessor's Representative. Sublessor has designated Markley Lumpkins as its sole representative with respect to the matters set forth in this Work Letter Agreement, who, until further notice to Sublessee, shall have full authority and responsibility to act on behalf of Sublessor as required in this Work Letter Agreement.

SUBLEASE

COMMENCEMENT DATE ACKNOWLEDGMENT

EXHIBIT "D"

This Commencement Date Acknowledgement is made this day of , 200 by and between Fox Interactive Media, Inc., as sublessor ("Sublessor") and ("Sublessee") with reference to that certain Sublease (the "Sublease"), dated covering premises located at , California ("Sublet Premises"). All capitalized terms herein shall have the meaning given such term in the Sublease.

Sublessor and Sublessee desire to confirm the Commencement Date and the expiration date of the Term under the Sublease. In consideration of the mutual covenants herein contained, Sublessor and Sublessee agree as follows:

1. The Commencement Date is and the initial Term shall expire on .

2. The Sublease is in full force and effect and is hereby ratified and confirmed.

Sublessor and Sublessee have executed this Commencement Date Acknowledgment as of the date first written above.

"SUBLESSOR"

Fox Interactive Media, Inc.,
a Delaware corporation

, 200

By: ____________________
Name: ____________________
Title: ____________________

"SUBLESSEE"

____________________,
a ____________________

, 200

By: ____________________
Name: ____________________
Title: ____________________

, 200

By: ____________________
Name: ____________________
Title: ____________________

SUBLEASE

ITEMS INCLUDED IN BASE BUILDING (SUBLEASE ¶17)

EXHIBIT "E"

BASE BUILDING: To Sublessor's actual knowledge as of the date hereof, the Landlord has constructed, at its sole cost and expense, a building core and shell as part of the Base Building Work in accordance with the Master Lease, which includes the following items:

1. Men's and women's toilet rooms that comply with all current local building codes including, but not limited to Title 24 accessibility standards, ADA compliance, with running hot and cold water with finishes that are new and existing.
2. Drinking fountain at the Core.
3. Electrical/telephone closets with five and one half (5.5) watts demand load per square foot of rentable area of normal power in the floor electrical closet (excluding lighting and air-conditioning load).
4. 208/120 volt panels for normal power and 480/277 volt power panels with capacity for one and one half (1.5) watts per rentable square foot for lighting connected to Building transformers serving Subtenant's floor and the electrical runs from the transformers to power panels.
5. Access and pathways in accordance with the plans that attached to the master lease. Subtenant at its sole cost and expense shall provide its own telephone and telecommunications conduit for cabling and wiring (up to four 4" dedicated conduit risers) with drag lines and all necessary pull boxes from the main terminal boxes in the basement of the Building (i.e., point of entry) to the terminal box on Sublessee's floor.
6. Mechanical equipment room with a ducted mechanical exhaust system, including fans, main loop around the floor, return air and exhaust system for standard office use.
7. Smooth, flat and level concrete floors in an AS-IS condition.
8. Landlord shall improve the common area and elevator lobby on Sublessor's multi tenant floor.
9. All HVAC main duct loop work in good operating condition.
10. Condenser water on the floor(s) of occupancy to provide capacity for up to 5 tons of 24-hour cooling capacity including fresh air per floor for Sublessee's computer room as well as special use.
11. Base building air conditioning for cooling up to seven (7) watts per square foot of electrical connected load and up to 1 person per 350 square feet occupancy load.
12. Sprinklers: Permanent protection consisting of mains, laterals and uprights, installed according to Building code.

13. Fire protection alarm and communication system installed according to current Building code in the Sublet Premises and common areas.

14. Any life safety or life support systems in the common areas as may be required by current Building code (including the connection of such systems to the Building's main system, if applicable).

15. Any other mechanical, electrical and/or life safety Core and Shell improvements, which are dictated by current code and/or regulatory requirements, including but not, limited to ADA.

16. Adequate supply of cold water to a single point on each floor for standard office use.

SUBLEASE

ILLUSTRATION OF LETTER OF CREDIT REDUCTIONS

EXHIBIT "F"

1. If Sublessee does not draw down more than $1,100,000 of the Improvement Allowance, the Letter of Credit Amount shall be equal to the Initial Letter Credit Amount of $1,350,000. In such event, the reductions in the Initial Letter of Credit Amount shall be calculated in accordance with Section 15.1.1 as follows:

Reduction Date (reduction effective as of the 1st day of the month indicated)	Letter of Credit Amount (prior to reduction)	Amount of Reduction	New Letter of Credit Amount (after giving effect to reduction)
13th month	$1,350,000.00	$ 250,000.00	$ 1,100,000.00
25th month	$1,100,000.00	$ 250,000.00	$ 850,000.00
37th month	$ 850,000.00	$ 250,000.00	$ 600,000.00*

* Letter of Credit Amount cannot be less than $600,000.

2. If Sublessee draws down more than $1,100,000 of the Improvement Allowance, the Letter of Credit Amount shall be equal to $1,350,000, as increased by One Dollar for each Dollar that Sublessee draws down more than $1,100,000. For illustration purposes only, if Sublessee draws down $1,750,000 from the Improvement Allowance, the Increased Letter of Credit Amount shall be equal to $2,000,000 (calculated as $1,350,000 plus $650,000 (the difference between the $1,750,000 drawn down under the Improvement Allowance by Sublessee and $1,100,000). In such event, the reductions in the Increased Letter of Credit Amount shall be calculated in accordance with Section 15.1.1 as follows:

Reduction Date (reduction effective as of the 1st day of the month indicated)	Letter of Credit Amount (prior to reduction)	Amount of Reduction	New Letter of Credit Amount (after giving effect to reduction)
13th month	$ 2,000,000	$ 370,000.00	$ 1,630,000.00
25th month	$ 1,630,000	$ 370,000.00	$ 1,260,000.00
37th month	$1,260,000.00	$ 370,000.00	$ 890,000.00
49th month	$ 890,000.00	$ 370,000.00*	$ 600,000.00*

* Letter of Credit Amount cannot be less than $600,000, hence the applicable reduction would be reduced to $290,000.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement to Form S-1 of The Rubicon Project, Inc. of our report dated January 16, 2014 relating to the consolidated financial statements of The Rubicon Project Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
February 3, 2014