



STONEGATE
SECURITIES

- NASD Registered Broker Dealer
- Founded 1972
- Small Cap Equity Focus
 - Public Companies (Market Caps 25M-500M)

Needs of a Small Cap Company

Small Cap Company Needs

- Wall Street Sponsorship →
- Institutional Ownership →
- Orderly Trading in Shares →
- Access to Capital →
- Manage Shareholder Base →

Stonegate Services

- Research
- Institutional Roadshow
- Trading Desk
- Private Placements
- Block Transactions

\$6,000,000

Common Stock



Stonepath Group

AMEX: STG

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

February 2003

\$4,462,500

Common Stock



AirNet Systems

NYSE: ANS

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

January 2003

\$600,000

Common Stock



Decorize

AMEX: DCZ

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

December 2002

\$4,100,000

Common Stock



Alternative Technology Resources

OTC:BB: ATEK

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

October 2002

\$30,000,000

Common Stock



Precis, Inc.

NASDAQ: PCIS

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

April 2002

\$11,607,500

Common Stock



Cross Media Marketing

AMEX: XMM

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

March 2002

\$6,075,000

Convertible Debentures



U.S. Search, Inc.

NASDAQ: SRCH

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

March 2002

\$4,325,000

Common Stock



Datatrak International

NASDAQ: DATA

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

January 2002

\$54,300,000

Common Stock



Rail America, Inc.

NASDAQ: RAIL

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

December 2001

\$7,900,000

Common Stock



InteliData, Inc.

NASDAQ: INTD

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

November 2001

\$40,850,000

Common Stock



Rail America, Inc.

NASDAQ: RAIL

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

June 2001

\$28,200,000

Common Stock



BriteSmile

NASDAQ: BSML

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

April 2001

\$12,500,000

Senior Secured Convertible Debt



Probex Corp.

AMEX: PRB

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

November 2000

\$17,500,000

Common Stock



NaPro BioTherapeutics, Inc.

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NASDAQ: NPRO

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

November 2000

\$6,100,000

Common Stock



Irvine Sensors Corp.

NASDAQ: IRSN

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

July 2000

\$11,600,000

Series A Convertible Preferred Stock



Information Architects, Inc.

NASDAQ: IARC

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

June 2000

\$27,600,000

Common Stock



Intellect Communications, Inc.

NASDAQ: ICOM

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

March 2000

\$5,800,000

Common Stock



International Isotopes, Inc.

NASDAQ: INIS

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

February 2000

\$18,000,000

Common Stock



Intellect Communications, Inc.

NASDAQ: ICOM

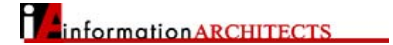
The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

January 2000

\$7,500,000

Common Stock



Information Architects, Inc.

NASDAQ: IARC

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

November 1999

\$7,500,000

Common Stock



Interleaf, Inc.

NASDAQ: LEAF

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

September 1999

\$22,000,000

Junior Convertible Subordinated Debentures



Rail America, Inc.

NASDAQ: RAIL

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

August 1999

\$10,000,000

Common Stock



Rail America, Inc.

NASDAQ: RAIL

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

February 1999

\$15,000,000

Series A Convertible Preferred Stock



Rail America, Inc.

NASDAQ: RAIL

The undersigned acted as financial advisor to the company and placement agent for the financing.

STONEGATE
SECURITIES

December 1998

3,000 Institutional Relationships

- Mutual funds
- Large Institutions
- Specialty Funds
- Hedge Funds
- Private Equity Funds



Institutional Database

- Detailed Information About Each Investor
- Investment styles:
 - Growth, Value, GARP, etc.
 - Market cap ranges
 - Trading volume requirements
 - Ability to buy restricted securities
- Contacts:
 - Portfolio Managers, Analyst, Traders
- Investment Objectives:
 - Short-term, long-term, catalyst-driven, etc.
- Purchase Methods
 - Open market, private placement, etc.



Why is Stonegate Different?

- **Traditional Model**
 - Brokers have individual agenda
 - Brokers are driven by commissions-- new idea daily
- **Stonegate Model**
 - Brokers have Stonegate agenda
 - Stonegate is solely suited for Blocks or Private Offerings



The Stonegate Process

- **Due Diligence**
 - Validate Idea and Create Information Memorandum
- **Roadshow and Marketing**
 - Roadshow – 50 to 60 Institutional Meetings
 - Follow Up – Assist Institutions to Validate Idea
 - Due Diligence Conference Call – Final Validation
- **Closing of Transaction**
 - Only to the “Right” Institutions at the “Right” Price



PCIS Stonegate Roadshow

Dallas

Sales Force Presentation
HBK Investments
Luther King Capital
White Rock Capital
Walker Smith
Renaissance Capital
Gryphon Partners

Boston

Boston Partners
Granahan Investments
Wellington Company
David L. Babson
GRT Capital
Ironwood Capital
Delta Partners

New York

Pequot Capital
JP Morgan Flemming
Hull Capital
C.L.King/Paradigm
Langley Capital
Potomac Capital
Alliance Capital

San Francisco

Capital Research
Robertson Stevens
Boston Partners
Ascend Capital
Polynous Capital
VA Partners

New York

SG Cowen
Special Situations
Saratoga Partners
Kern Capital
Clark Estates
EOS Partners
Archery Capital

San Francisco

RS Investments
Sterling Johnston
Passport Capital
Micro Capital
Trinity Capital
Davis Skaggs Inv

Boston

Putnam Investment
Fidelity Investments
HLM Mgmt
State Street
US Trust
Goldman Capital
Boston American Asset

MidWest

Broadview Advisors
Heartland Fund
FirstAmerican Microcap
Stoneridge Invest.
Greenville Capital
Oberweiss Asset Mgmt



Precis (PCIS) Summary

- \$30 Million Transaction
- Met with over 85 Institutions
- Stock Price up 13% During Roadshow (Nasdaq down 4%)
- Increased Institutional Ownership from 5% to 30%
- Increased Public Float from 2.8 mm to 5.8 mm Shares
- Participating Investors Included:
 - Capital Research & Mgmt
 - SG Cowen
 - Gardner Lewis
 - Boston Partners
 - Luther King Capital Mgmt



Stonegate's Value Proposition

- Consistently Among the Leaders for Small Cap Placement Agents
- Promotes Long-term Institutional Relationships
- Creates a Competitive Environment for your Stock
- Common Stock Transactions at Minimal Discounts
- Strong Stock Performance Pre/Post Transaction
- Successful Track Record