

Group of Leading Brokers Sign Letter of Intent to Acquire Cogent Consulting

SUMMIT, NJ, May 19, 2009 -- Cogent Consulting LLC of Summit, NJ, a leading developer of commission management systems for the securities industry, has signed a non-binding letter of intent for the sale of a majority of the company to a group of leading global institutional broker-dealers.

Cogent's CSA Trak enables multiple broker-dealers and money managers to manage efficiently commission sharing arrangements (CSAs) and client commission arrangements (CCAs) through a single online portal that shows all balances and activities both by broker-dealer and virtually aggregated. "The objective of this transaction is to have a widely used industry platform that will make it easier and cost-effective for broker-dealers to offer CSAs and CCAs and for money managers to take advantage of them," said Robin Hodgkins, President, CEO and founder of Cogent.

CSAs and CCAs enable money managers to accumulate credits from trading that can then be allocated to service providers for the payment of certain research or brokerage/execution services that they value. Cogent's other industry leading products include trade reconciliation and a broker voting platform.

None of the broker-dealers will individually acquire a controlling interest in Cogent, and the current owners will remain a minority stake owner in the company. Mr. Hodgkins will continue to serve as the President and CEO, and the existing Cogent management team will remain in place. "Cogent will continue to operate as a stand-alone, third party service provider after the consummation of the proposed transaction," Mr. Hodgkins added. "Cogent products will remain available to sell-side and buy-side firms globally, and all trade, commission and payment information will continue to be confidential."

Other terms were not disclosed, and closing of the transaction is subject to various conditions.

According to Hodgkins, the large number of major broker-dealer firms using CSA Trak should help overcome any apprehension among users of CSAs/CCAs stemming from recent market uncertainties. “Through CSATrak, the buy-side can more easily manage their CSA/CCA credits held with multiple firms,” Mr. Hodgkins explained.

Mr. Hodgkins said that the development of a common communications protocol for trade reconciliation and processing should lead to a new era in which money managers can more easily allocate CSA/CCA credits to pay service providers that deliver research or brokerage/execution services that they value.

About Cogent

Cogent Consulting LLC (www.cogentconsulting.com) of Summit, NJ is a world leader in systems that enable money managers to gain control and transparency over their CSA/CCA credits. Money managers and broker-dealers around the world currently use Cogent systems to automate the broker voting process, relationship management, commission reconciliation, commission sharing arrangements (CSAs) and client commission arrangements (CCAs).

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