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Daryl Otte – Chief Executive Officer
Thomas J. Etergino – Chief Financial Officer

Other Participants

Mohannad Aama – Managing Director, Beam Capital Management

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and thank you for standing by. And welcome to the TheStreet's Third Quarter of 2011 Earnings Conference Call. This call is being webcast live on the Investor Relations section of TheSteet's website at www.t.st. This call is property of TheStreet, and any recordings, reproduction or transmission of this call without the expressed written consent of TheStreet is strictly prohibited. As a reminder, today's call is being recorded. You may listen to the webcast replay of this call by going to the Investor Relations section of TheStreet's website.

I will now like to turn the call over to Erica Mannion of Sapphire Investor Relations for TheStreet.

Erica Mannion, Investor Relations, Sapphire Investor Relations, LLC

Good afternoon. Thank you for joining us to discuss TheStreet's financial and operating results for the third quarter of 2011.

With me today are Daryl Otte, Chief Executive Officer; and Tom Etergino, Executive Vice President and Chief Financial Officer. Today, Daryl will begin with an overview of the third quarter's progress and achievements, and he will also outline the company's strategy for new listeners. Tom will then review third quarter financial results.

All statements made on this call, other than statements of historical facts, are deemed to be forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, including those described in the company's filings with the Securities and Exchange Commission that could cause actual results to differ materially from those reflected in the forward-looking statements. Although the company believes that the expectations reflected in the forward-looking statements are reasonable, the company cannot guarantee future results or occurrences.

The company disclaims any obligation to update these forward-looking statements, whether as a result of new information, further developments, or otherwise. You may obtain copies of the company's filings with the SEC at the SEC's website at www.sec.gov. And additional information related to matters discussed today will be set forth in the company's quarterly report on Form 10-Q for the third quarter of 2011, which the company expects to file shortly.

Now, I will turn the call over to Daryl Otte.

Daryl Otte, Chief Executive Officer

Thanks, Erica. Welcome to our third quarter of 2011 earnings call. As you will have seen from our earnings release sent earlier, we made significant progress in executing on our strategy this quarter, namely, leveraging our investment in high-quality content for our vertical against larger and larger audiences, while building the monetization tools to drive incremental revenue at a high operating margin.

For the quarter, we recorded $14.3 million in revenue are essentially flat year-over-year in a market where little was going right for the vertical we cover. The company delivered good year-on-year gains in adjusted EBITDA and cash flow, as we carefully managed those two.

During today's call, I will provide an overview of how we see the market conditions and our performance given those market conditions. I will also discuss the milestones we achieved over the past three months, and reiterate our overall strategy for those listening to our call, who may be new to TheStreet.

Tom will review for you our financial results in detail and then we'll take any questions there may be from our listeners today.

In the third quarter retail investors and advertisers exhibited a cautious sentiment as uncertainty in the global financial markets and consumer confidence continued on from the conditions of the second quarter. That said, we have built a business where we endeavor to outperform these conditions, and in many instances we did. In particular, I'd note that continued traffic growth, lower subscriber churn, ongoing subscription bookings growth and stable consolidated revenue all as key proof points to support this.

This quarter is an example where the value to investors of our diversified revenue stream is clearly evident. We earned roughly two thirds of our revenue from subscription and one-third from advertising. The stability of subscription revenue growth helps to dampen volatility on the marketing services side of our business.

As noted above, we delivered progress on many of our key strategic imitative during the quarter. We remain convinced that we have the right strategy for the long haul and also have the proof points to demonstrate traction.

We remained committed to investing in this strategy however we are also mindful of the need to adjust to the changing environment. And I believe the results demonstrate a thoughtful balance between investing for the future while managing costs and cash flow to match the times.

Before going onto key points covering traffic development, marketing services revenue and premium services revenue, I highlight that the company continued its dividend payment policy during the quarter, providing a cash return and a good yield to investors, as we managed through the environment and continue to build the business.

Now, onto some detail, with respect to traffic in the third quarter, the size of the audience to our sites grew by more than 40% year-over-year according to our internal measurements, demonstrating both the continued demand for our content, and the improved distribution power we have been building. This internally measured growth is corroborated by industry recognized external rating services, which show even larger growth.

In September, we were ranked in the top ten of the Financial News & Research Site's competitive set as defined my comScore. This represents a movement upward of two ranking points compared to the same period last year. I would like to note also that according to comScore, TheStreet was among the only larger sites in our competitive set, which grew in audience size for the period.

TheStreet sites performed well in terms of user engagement as measured by time per visit for the quarter, ranking among the top of the leaders in our field.

Engagement is an important measure of the intensity and interest with which users consume contents on a site, and our performance in this statistics shows that as we grow audience size, we are retaining quality. Our robust traffic growth is due in part to investments we have continued to make in improving natural search discovery of our content, the roll out of our new mobile offerings, and expanded third-party content distribution arrangements. These three sources deliver new high-quality qualified users and as a group have become a important source of audience for us in recent quarters.

Listeners who follow our business will know that we are increasing the size of our audience via content distribution agreements. To this end some important new deals were signed in this past quarter. Among them were arrangements with a variety of horizontal news outlets including large newspaper chains such as GateHouse Media Network and Freedom Communications. These agreements, when fully implemented, present an opportunity for significantly extended distribution of the company's content, putting it in front of incremental quality audiences.

Many of these arrangements were signed in conjunction with the roll out of our newly launched TheStreet Business Desk service, which is the right offering at the right time in my view for horizontal quality publishers seeking comprehensive business and markets coverage for their audiences. We ended the quarter with agreements for the service, which will bring the number of instances for this service to over 300.

You will begin to see them online soon as we have built some proprietary technology to develop and manage these quite efficiently. Even at this current early stage of our build out, TheStreet Business Desk will reach an unduplicated national business audience of scale, reaching underserved audiences in high economic pockets in 26 states. With the roll out of this new service, TheStreet is becoming the Internet's business section.

With regard to mobile, early in the quarter, we launched another new offering an iTunes newsstand version of our flagship TheStreet service. This is the daily digest of our best content delivered to your iPad each morning. I believe we were the first of our peers to take advantage of this new periodical functionality through iTunes and adoption thus far has been positive.

All these traffic developments are important because we believe that increasing the size and quality of the audience visiting our sites is the single most important factor in determining long-term revenue momentum for both subscription and advertising revenue.

With respect to advertising, while traffic grew robustly in the quarter, our ability to monetize the audience through advertising during the quarter fell short of our ambition at 7% lower than in the same quarter last year. We aim to do better even in less than ideal environments like that of the third quarter, and particularly given the momentum, we are seeing in building the size of our audience.

The mood of advertisers certainly played a part. Also for a good part of the period, we had a couple of key sales and marketing leadership positions open and it's undoubtedly contributed to the quarter's performance.

We now have filled these key positions and we've also made some organizational changes intended to bolster our sales efforts into Q4, our seasonally strongest quarter traditionally. And the time when we prepare for the upcoming upfront advertising sales season for next year.

On the positive side, the number of advertising clients doing business with TheStreet site during the quarter reached a higher level than we have seen in some time. We interpret this as a good sign, we are reaching larger numbers of account who see the value of our offerings and are launching trial campaigns with us.

We'd note also that the growth of TheStreet Business Desk product is intended in part to put our content in front of an incremental more general business audience, an audience we believe to be more stable and an advertising market broader and less volatile than the pure finance vertical.

We have also added a number of new advertising products to our offering, focusing on non-traditional advertising units and supportive of our consultative value-added selling strategies for advertising clients.

Additionally, we are also in the process of rolling out a number of high engagement sponsored content units like our ETF Alternatives tool, which is both highly engaging for users and a sponsorship opportunity for advertisers, right at the point where users are making investment decisions.

While advertising results in the third quarter were less than optimal, our pipeline going into Q4 has been improving suggestive at this time a better performance in Q4, although we would caution this cannot be assured. We continue to see momentum already into 2012 as well, in terms of both our upfront selling for our core advertising clients and in RFP flow reflective of the more fully staffed team hitting its stride and some improving advertiser sentiment.

Now moving onto Premium Services, Premium Services bookings were up 5% compared to the prior year, a nice step forward for the business. I'd add as a reminder for new listeners of the call that we view bookings as the best metric by which to evaluate our current period's performance on the Premium Services side of our business. And it's a measure of a dollar value of new and renewal subscriptions recorded for the quarter net of cancellations and chargebacks.

We generally sell annual subscription, so the last 12 months bookings serve as a guide to any particular period's revenue. With that in mind revenue growth for the quarter registered 4% higher compared to the same quarter last year. This period's results show why we like the subscription business as it adds stability, predictability, and good cash flow characteristics to our business model.

We saw strength derived from new channels we have built particularly our telesales and search marketing channels, and a steady momentum in our nascent institutional business which is continuing to gain ground.

This was offset in part by lower performance from our e-mail channel, a result of some technical issues now resolved. On institutional, there were a number of instances in the last quarter in which our ChatOnTheStreet service reported on market moving event well ahead of traditional media. And our subscribers who are in a position to capitalize on these opportunities well ahead of the market.

As to the mix of business, we have said previously and have bore out this quarter as well that in times of increased market volatility our paying subscribers stay with us, but more effort is required to acquire new subscribers. The proof point here is that, average monthly churn dropped substantially to 2.7% from 3.8% last quarter.

This 110 basis point drop or almost 30% takes us to a level we've not seen since we've started disclosing the statistic, subscription levels flattened, but average revenue per user was up as we emphasized renewals, higher value products, and upsells through telesales.

A key development during the quarter in this line of business was the migration of our two flagship premium services RealMoney and RealMoney Pro at the end of August to a new publishing platform and a new look and feel.

We talked about this last quarter, but I would like to reiterate the benefits of this change. These new services were launched on our new content management systems, which allow us to publish content more quickly, and with greater flexibility than our legacy system offering a substantially better user experience and cost us less to maintain.

These launches leverage development work previously undertaken, related to earlier launches of our Options Profits and ETF Profits services, while adding new functionality.

Those listening, who use our services will surely have seen the robust commentary about the changes, both with suggestions for improvement and recognition that the change was long overdue. Migrations to new user interfaces can be controversial. This is especially true when sites have not been updated for a long time, as was the case with RealMoney and RealMoney Pro. Our users offered a number of excellent suggestions for improvement, which we have added to product road maps.

We also received feedback on the challenges some users had in relearning how the sites worked. It was great to see this level of passion from our users and also rewarding to see the vast majority of this feedback taking place on the site social media function, a functionality that largely had been unavailable for users in the sites old incarnation.

We took each customer's input seriously in our ongoing effort to provide the best user experience. The sites will continue to evolve and we have a number of enhancements in the work. Given the changes, you might imagine that we have been monitoring site behavior and renewal rates closely. We're happy to report that overall metrics for the two sites have been great. Usage, engagement, renewal rates and other collective measures of user acceptance of the sites are solid.

That covers our Premium Services business. Now, for those new to TheStreet, I'd like to take a moment and review our strategic plan to build long-term profitable growth and value for the business and describe how we are executing on that plan. We are applying the proven and profitable business model inherent in vertical media against our key assets, which are TheStreet's strong market position and brand in the finance vertical, our robust editorial content and our strong advertising and subscription monetization skills. We are focusing on generating original top quality timely content and monetizing the consumption of that content with diverse and robust revenue streams.

We create a large volume of content over 3,000 original articles and 500 videos a month, produced at high journalistic standards with deep domain expertise and overlaid with strong digital publishing skills.

We offer a growing suite of data tools and utilities and a growing number of mobile versions of our content. All of this content is produced by our professional in-house editorial team and through a select group of hand-chosen practicing professionals.

This content because of its quality and relevance attracts highly engaged users, affluent, educated professionals who come to our content for a purpose. These users attract both endemic advertisers in the financial category, and non-endemic advertisers that are attracted to the demographic characteristics of our audience and the high level of engagement they have with our sites.

We have been an industry leader in building a large scale consumer subscription business in digital media. Having both subscription revenue and advertising revenue allows us to monetize our high-quality content in a superior manner. Our diversified revenue sources add stability and positive cash flow characteristics to our business model relative to advertising-only supported businesses. A key part of our strategy has been to build the size and engagement levels of the audience that visits our sites, while maintaining the targeted and highly valuable demographic characteristics of that audience.

The quality audience growth is a precursor to revenue growth for both our premium services and advertising businesses, which in turn allows us to earn a higher return on investment on the relatively fixed cost of our business.

Let me conclude by thanking our employees and contributors for their great work this quarter. I would also like to thank our shareholders, subscribers, advertisers, and distribution and content partners for their support.

With that, I'll hand the call over to Tom, who will provide some additional financial details and then we'll take any questions you might have.

Thomas J. Etergino, Chief Financial Officer

Thanks, Daryl, and welcome everyone. The company recorded revenue of $14.3 million in the third quarter of 2011, essentially flat compared to the prior year period with $4.3 million in revenue contribution from Marketing Services and $10 million in revenue contribution from our Premium Services business.

The company's Marketing Services revenue declined 7% compared to the same period last year. Although we're not satisfied with the decline we do attribute it largely to a mix of macroeconomic factors and the internal staffing and organizational issues that Daryl mentioned earlier.

The third quarter had larger than normal asymmetry to it, with post-holiday September, the most important month. While there is certainly no clarity on how macroeconomic conditions will evolve, we were glad to see that we gained strength at the end of the quarter as compared to the prior year period with year-over-year revenue growth in the mid single-digits for the month of September.

Throughout the quarter we continued to experience solid demand from our repeat advertisers, while also seeing towards the end of the quarter good traction with new advertisers producing the largest number of advertisers we have had this year. We feel this should bode well for us with any market recovery.

As Daryl mentioned regarding our traffic, the size of the audience to our site grew by more than 40% year-over-year according to our internal measurements speaking well of the long-term prospects for our business and the investments we made in improving our distribution, content quality, and technology infrastructure over the past year.

Moving on to the company's Premium Services business, subscription bookings were $8.4 million for the third quarter of 2011, an increase of 5% as compared to the third quarter of 2010, with particularly strong contributions from our telesales and search marketing channels. This bookings growth includes year-on-year growth in bookings from both our investing oriented premium services as well as our RateWatch bank rate information service, which notably has build a nice book of business with non-traditional clients.

Bookings performance during the quarter exhibited the same asymmetry that we experienced in the advertising business and this despite the adverse effects of certain technical issues with respect to e-mail marketing systems, which we experienced in September, now largely resolved.

Revenue from our Premium Services businesses increased 4% year-over-year. The increase was primarily attributable to a 1% increase in the average number of subscriptions during the quarter as compared to the prior year period.

Additionally, average revenue per subscription or ARPU increased almost 4%, as compared to the prior year period. This increase in ARPU was supported by a favorable product mix and the benefits of higher renewal pricing, again showing the value of our telesales force in the execution of our upsell strategy.

Our average monthly churn rate was 2.7% in the third quarter of 2011, compared to 3.8% in the third quarter of 2010. We are pleased to see churn down so low. But as a reminder, we expect that there will be moderate quarterly fluctuations in churn due to the quarterly fluctuations in the size of the subscription renewal pools and other factors with the third quarter results being at the low end. Operating expense were $16 million in the third quarter of 2011, a decrease of 3%, as compared to the prior year period. The decrease in operating expenses is primarily a result of a $900,000 decrease in G&A expenses resulting from reduced professional recruiting, consulting and compensation costs combined with a cost of service decrease of $200,000. All this partially offset by a $400,000 increase in sales and marketing expense, and $200,000 increase in depreciation and amortization.

The increase in sales and marketing was driven by our continued investment in revenue producing head count including one-time recruiting fees associated with this head count increase. As for cost expectations around the set up of the new TheStreet Business Desk service is an excellent example of the return on investment of our new Drupal platform that we've installed over the last several quarters. We are able to launch the Business Desk service with new partners utilizing existing resources without material incremental costs.

The company reported a net loss of $1.5 million in the third quarter of 2011 as compared to a net loss of $1.8 million in the prior year period. Adjusted EBITDA was a positive $500,000 in the third quarter of 2011 as compared to an adjusted EBITDA of negative $300,000 in the prior year period. Adjusted EBITDA was a positive $800,000 for the nine month year-to-date as well. As stated in our Q1 and Q2 calls, we believe adjusted EBITDA will be positive for the full year of 2011.

The company ended the quarter with cash, cash equivalents, restricted cash and marketable securities of $76.8 million, a decrease of $600,000 compared to June 30 of 2011. The company generated $1.3 million in cash flow from operations for the quarter and $800,000 in free cash flow.

For the nine months ended September 30, the company generated $3.3 million in operating cash flow and $1.8 million in free cash flow. There has been no change to our Q1 and Q2 views that we will be free cash flow positive for the year.

As Daryl mentioned, I would also like to highlight that the company continued its dividend payment policy during the quarter, providing the cash return and a good yield to investors as we managed through the environment and continue to build the business.

Now, I would like to ask the operator to open the line for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you, sir. [Operator Instructions] Our first questioner in queue is [ph] Michael Moskoff with MRM Capital (23:00). Please go ahead. Your line is now open.

<Q>: Hey, Tom.

<A – Thomas Etergino – TheStreet, Inc.>: Hey, how are you doing Mike?

<Q>: Okay. Regarding the bookings, can you give a dollar figure?

<A – Thomas Etergino – TheStreet, Inc.>: A dollar figure for...

<Q>: Can you quantify the bookings as far as – it was up 5% year-over-year, what was the dollar figure?

<A – Thomas Etergino – TheStreet, Inc.>: Sure. Bookings, year-over-year increase was, I had my percentage here. Sorry, about this.

<A – Daryl Otte – TheStreet, Inc.>: So, Mike you're asking for the actual dollar amount or?

<A – Thomas Etergino – TheStreet, Inc.>: About $400,000, Mike.

Operator: Well, thank you, sir. Next questioner in queue is [indiscernible] (23:49). Your line is open. Please go ahead.

<Q>: Hi, guys. Thanks for taking my question.

<A – Daryl Otte – TheStreet, Inc.>: Sure.

<Q>: My question is about the level of cash you have? Just to confirm, you guys have roughly $2.40 of net cash per share and no debt, nothing to offset that, correct?

<A – Daryl Otte – TheStreet, Inc.>: Yes, that's true, yes.

<Q>: And I guess just – okay, so what's the level of cash do you feel you need to run the business here? You're running things well; you're free cash flow positive. Why the need for such a high cash balance?

<A – Daryl Otte – TheStreet, Inc.>: The company raised the cash in 2007, and we weren't here when that happened, but it's – no, they raised it I assume for the purpose for acquisition.

<Q>: Is that something – well, since you guys now are here, what – I mean what do you tend to do with that other than pay out a modest dividend?

<A – Daryl Otte – TheStreet, Inc.>: We are looking, I think – we feel that there is a lot of growth opportunities organically and we're focused on those right now. We're happy to have the strength of that cash behind us. And if there are opportunities to acquire businesses that are accretive, we will certainly look to do so.

<Q>: Okay. So, but – or is that to imply that your CapEx needs going forward are going to increase substantially, I mean, you're already free cash flow positive this year in a pretty subdued operating environment, I would imagine – I mean, can you – what could you spend that much money on other than an acquisition internally?

<A – Daryl Otte – TheStreet, Inc.>: No, I think the limitations are more operational. We want to be sure that we have our internal operations in order and that we are focused on maximizing our existing assets before we reach out and acquire more assets.

<Q>: Yes. You guys have held the dividend constant since I believe 2008, and certainly that made sense at the time, but I mean, have you thought about potentially increasing the dividend?

<A – Daryl Otte – TheStreet, Inc.>: The term – we have a slug of preferred shares in our cap table, which restrict our ability to raise the dividend.

<Q>: Okay. And I assume that it also prevent you from doing share buybacks?

<A – Daryl Otte – TheStreet, Inc.>: Yes.

<A – Thomas Etergino – TheStreet, Inc.>: Yes.

<Q>: Okay. Does it prevent you as management from buying stock? In the free market.

<A – Thomas Etergino – TheStreet, Inc.>: Can you repeat that question?

<Q>: Does it prevent you as – does it prevent you guys as managers from acquiring stock?

<A – Daryl Otte – TheStreet, Inc.>: No, there are no limitations in that agreement for us.

<A – Thomas Etergino – TheStreet, Inc.>: Okay.

Operator: Thank you, sir. Next questioner in queue is Mohannad Aama with Beam Capital Management. Please go ahead.

<Q – Mohannad Aama – Beam Capital Management>: Hi, good afternoon.

<A – Daryl Otte – TheStreet, Inc.>: Hi.

<Q – Mohannad Aama – Beam Capital Management>: Can we state – can we assume that a good portion of the shortfall in the marketing revenue is due to shortage or a lack of proper staff and those psoitions that has been, as of this quarter remedied as was mentioned? Is that a safe statement to assume?

<A – Daryl Otte – TheStreet, Inc.>: Well, it was a mix between the two. I think it's pretty hard to quantify the exact percentages between the two. They're both contributing factors. We publish for the finance vertical and obviously there have been a lot of volatility in our market. So and that clearly affects advertiser sentiment.

And also we had some key positions open, which we have filled. And we – in some of the, kind of precursor to revenue elements that Tom mentioned in terms of our September performance relative to the earlier two months in the quarter and the number of accounts that we have brought in, albeit initially at low dollar amounts suggested that new team is in place and gathering momentum.

<Q – Mohannad Aama – Beam Capital Management>: I guess a follow-up to that particular answer is, how far in advance do you sell your content?

<A – Daryl Otte – TheStreet, Inc.>: On the subscription side?

<Q – Mohannad Aama – Beam Capital Management>: No, on the marketing side, I mean...

<A – Daryl Otte – TheStreet, Inc.>: How far in advance do we book advertising?

<Q – Mohannad Aama – Beam Capital Management>: Correct.

<A – Daryl Otte – TheStreet, Inc.>: There are two elements to our advertising sales strategies. The first is, every year there is an upfront selling season, which occurs November, December and into January, where we lock in our largest advertisers into annual commitments. And, second there is a much shorter market where the RFP, which is RFP driven, which has a shorter selling cycle, generally – will depend on the advertiser, but generally a month or two.

<Q – Mohannad Aama – Beam Capital Management>: Got you. And one final thing, regarding your business of the new syndication product, how soon or when will that contribute to the bottom line?

<A – Daryl Otte – TheStreet, Inc.>: We are up and we're beginning to implement the sites now. We have a couple of handfuls of sites up and we're headed north of 300 between now and the early part of next year. And we will start then generating traffic and – against that. And when we do then we will start selling advertising against it and that largely falls to the bottom line after our partners share to the extent we pay partners.

Operator: Thank you, sir. [Operator Instructions] Our next questioner in queue is Michael Moskoff. Please go ahead.

<Q>: Hey Tom, the line item where it said provision doubtful accounts of $133,000. I didn't see that in the previous quarter.

<A – Thomas Etergino – TheStreet, Inc.>: We always have a provision for doubtful accounts. I don't know that – we always have a provision.

<A – Daryl Otte – TheStreet, Inc.>: And I think – you were talking about accounts receivable on the balance sheet, right?

<Q>: And the cash flow statement, it showed $133,089 and when I looked at it last quarter, I didn't see that line item. So...

<A – Thomas Etergino – TheStreet, Inc.>: That could be us, yes, that's us just chewing up our provision for the quarter for doubtful accounts.

<Q>: I mean, what I'm saying is that for the nine months, it was $133,000, what was it after Q2? Because I didn't see the line item on Q2?

<A – Thomas Etergino – TheStreet, Inc.>: That's probably true actually. We actually took the charge in quarter – in Q3. I think year-to-date, we had, if anything, it was a very small number.

<Q>: Okay. And that's for people that just don't pay their subscription...

<A – Thomas Etergino – TheStreet, Inc.>: Yes, exactly, or advertisers actually. Again, it's very small and if company has $60 million in revenue, the amount of AR collection issues that we have is actually very minor.

<Q>: This Street Business Desk, is that the same thing as the deal that you cut with Metro and Freedom? Is that like – is that...

<A – Thomas Etergino – TheStreet, Inc.>: Yes, that's exactly, yes.

<A – Daryl Otte – TheStreet, Inc.>: Yes, those were some of our partners, yes.

<A – Thomas Etergino – TheStreet, Inc.>: Those are some of the people under that.

<Q>: All right. Let me ask you this last question. Like the second caller, you have a stock that pays dividend after today's close at $1.84, of 5.43%. You have a stock that back in '09 when the world was coming to an end traded as low as $1.69.

So, and then if you go back to – right after 9/11 when I first got involved in your company, this is the second time now, involved, the stock was trading right around cash per share, didn't have a dividend, didn't have the exposure like you do now, et cetera, et cetera. And TCV got involved with you guys back in '07 between $11.75 and $14.75 is where the stock was trading at that month when they put in the...

<A – Thomas Etergino – TheStreet, Inc.>: So Mike, is there a question in there?

<Q>: Yes, the question is very simple. Do you think your stock is cheap?

<A – Daryl Otte – TheStreet, Inc.>: We are definitely going out to shareholders to promote the value of the stock. I'm personally surprised at where it is. I think some of the issues revolve around it are that we are just now starting to build analyst coverage and we need to introduce the stock to new investors and build trading volumes at the share prices determined by relatively small number of shares. And if someone decides to sell, they can affect the price pretty dramatically. And that's my personal assessment of what's happened over the last couple months.

Operator: Thank you, sir. Next questioner in queue is [indiscernible] (33:13) Please go ahead.

<Q>: Thanks guys. Just curious if – how much of your revenue comes from products directly tied to Jim Cramer?

<A – Thomas Etergino – TheStreet, Inc.>: We don't disclose that.

Operator: Thank you. Our next question comes from Mohan Aman (sic) [Mohannad Aama] (33:40). Please go ahead.

<Q – Mohannad Aama – Beam Capital Management>: Hi, it's Mohannad again. Following up on the previous caller question regarding acquisitions, I know it has been – it is under consideration as you said, but have you done an analysis versus leveraging up the existing business as you had indicated versus in essence buying EPS in an accretive acquisition that is being offset by your quite substantial tax loss carry forwards. And its effect on the bottom line EPS and the P/E multiple and effect the share price. Have you looked at this in this prism?

<A – Daryl Otte – TheStreet, Inc.>: We're spending less time focusing on financial engineering to drive the share price and more on the driving the share price through our strategy, and we think we made great progress on the strategy this quarter. And that's where we're spending our time.

<Q – Mohannad Aama – Beam Capital Management>: That is definitely a fair answer. So I guess looking forward in the next 12 months, you anticipate that the organic growth of the business will out – will basically out – will be more beneficial than any other acquisition or financial engineering like you said?

<A – Daryl Otte – TheStreet, Inc.>: Well, I can't – I don't have a crystal ball, I can't tell you what the future will hold. But we are very encouraged by the kind of solid performance we're seeing in the precursors to revenue, particularly the adoption of TheStreet Business Desk by our partners, by the – kind of high quality growth, very, very aggressive growth in our audience.

And we think that the monetization opportunities around that are very encouraging and we will only entertain distracting acquisitions or other activities if they can add substantially higher value than the track that we're on now.

Operator: Thank you, sir. Our next questioner in queue is [indiscernible] (35:47). Please go ahead

<Q>: Thanks guys. I'm just wondering if you had a view of why your founder continues to sell stock, I know it's a 10b5-1 plan, but he is essentially selling stock at a price that is cash, of what your net cash is, I mean, do you have any thoughts on that? And he's supposedly a smart investor

<A – Daryl Otte – TheStreet, Inc.>: Well, Jim, I mean, -- we can't speak for Jim. You would have to ask him that question. My observation is that it's a relatively small number of shares and not particularly material to its holding.

<Q>: Okay, great. It'd be nice, it'd great if he could acquire some. Thanks, guys.

<A – Daryl Otte – TheStreet, Inc.>: Yes.

Operator: Thank you. And with that, that does conclude our time for questions and answers. I'd like to turn the program back over to Daryl Otte for any closing remarks.

Daryl Otte, Chief Executive Officer

Sure. Thanks everyone for participating in the call today. I just want to kind of headline some of the key points we think from the – you can take away from the release today. We feel that Q2, while a little bit challenging on the environmental front, we demonstrated great progress strategically, solid revenue performance, given the environmental, particularly helped by the balance sources of revenue that we have, good cost and cash flow management. And a dividend, which very clearly has an attractive yield.

So, we look forward to speaking with everyone soon and have a good afternoon.

Operator: Thank you, sir. Ladies and gentlemen, this does conclude today's presentation. Thank you once again for your participation. You may now disconnect. Have a great day.