

Edgar Filing: BREAKAWAY SOLUTIONS INC - Form 4

BREAKAWAY SOLUTIONS INC
Form 4
September 10, 2001

FORM 4

[] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b)

OMB APPROVAL

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*

SCP Private Equity Partners II, L.P.

(Last) (First) (MI)

435 Devon Park Drive, Building 300

(Street)

Wayne, PA 19087

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Breakaway Solutions, Inc. (BWAY)

3. IRS or Social Security Number
of Reporting Person (Voluntary)

4. Statement for Month/Year | 5. If Amendment, Date of
08/2001 | Original (Month/Year)
|

6. Relationship of Reporting Person to Issuer (Check all applicable)

[] Director [X] 10% Owner
[] Officer [] Other (specify below)
(give title below)

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7. Individual or Joint/Group Reporting (Check Applicable Line)

Form filed by One Reporting Person

 Form filed by More than One Reporting Person

TABLE I - Non-Derivative Securities Acquired, Disposed of,
 or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Secu of (
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5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

(Over)
 SEC 2270 (7-96)

FORM 4 (continued)

TABLE II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
 (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	4. Trans Code 8)

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Warrant to Purchase Common Stock Series A Preferred Stock	\$70.00 (FN1)	08/29/01	J

6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)
Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Presently	07/03/11	Series A Preferred Stock (FN1)	6,667 (FN1)	(FN1)

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9. Number of Derivative Securities Beneficially Owned at End of Month (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
(FN1)	(FN1)	(FN1)

Explanation of Responses:

(FN1) On August 29, 2001 SCP Private Equity Partners II, L.P. ("SCP") entered into the Indemnification Agreement with ICG Holdings, Inc. ("ICG"), Internet Capital Group, Inc. and the Issuer (the "Indemnification Agreement"), under which ICG has agreed to indemnify SCP with respect to one-third of any loss or liability SCP may suffer under its guaranty of the Issuer's obligations under the Loan and Security Agreement dated July 3, 2001, between the Issuer and Silicon Valley Bank (the "Bank") and the Master Lease Agreement dated as of September 28, 1999, between the Issuer and the Bank. As consideration for such indemnification, SCP assigned a one-third interest in its July 3, 2001 warrant to purchase up to 20,000 shares of the Issuer's Series A Preferred Stock, \$.0001 par value (the "Series A Preferred Stock") to ICG, which entitles ICG to purchase up to 6,667 shares of the Series A Preferred Stock. The initial exercise price of the warrant and the number of shares of Series A Preferred Stock underlying the warrant are subject to adjustment upon certain events as set forth in the warrant. Each share of Series A Preferred Stock is initially convertible into 100 shares of common stock of the Issuer, subject to increase for dividends and dilutive issuances as set forth in the Issuer's Designation of the Series A Preferred Stock. In addition to the remaining 13,333 shares of Preferred Stock under the warrant, as of the end of the month, the following derivative securities of the Issuer are beneficially owned by the reporting persons: (1) warrants to purchase up to 35,063,060 shares of the Issuer's common stock and (2) 214,286 shares of Series A Preferred (collectively the "SCP Securities"). For purposes of Section 16 reporting, SCP is deemed to be a direct beneficial owner of the SCP Securities. SCP Private Equity II, LLC (the "Manager") is deemed to be an indirect beneficial owner of the SCP Securities because of a contractual agreement with SCP which grants the Manager the power to make voting and investment decisions regarding the securities held by SCP.

