

**Venture Capital Community Statement of Support
for Amicus Brief Filed in *F.T.C. v. Microsoft Corp., and Activision Blizzard, Inc.***

As investors and venture capital firms, we enable innovative entrepreneurs to develop groundbreaking technologies, products, and services. Specifically, we provide seed capital and support to entrepreneurs to help them transform their visions into viable products that can then be scaled and shared broadly with consumers, typically through an acquisition by a larger company. Exits through acquisition provide venture capital firms and entrepreneurs an opportunity to realize a gain on the substantial investments of capital, time, and effort needed to support innovation. Exits thus enable venture capital firms to raise and re-deploy capital in support of innovation and enable and incentivize startup founders and employees to become serial entrepreneurs. Exits likewise provide established firms an opportunity to acquire new technologies and products that they may not have the capacity or incentive to develop themselves, and to scale and share those innovations and their benefits with consumers broadly. Exits through acquisition are critical to creating and maintaining a self-sustaining cycle of innovation.

We are concerned that recent enforcement actions and policy initiatives by the Federal Trade Commission pose a serious threat to American innovation. We are particularly troubled by the FTC's continued and unprecedented efforts to challenge Microsoft's acquisition of Activision-Blizzard, Inc. Despite having lost its case at the District Court, the FTC now argues on appeal that the legal standards it must meet to win a preliminary injunction blocking a merger should be lessened and that district courts should be limited in their ability to consider the full market reality of the transactions before them. If the FTC's approach were adopted, many more acquisitions would be subject to lengthy and expensive regulatory review and litigation that few if any transactions would be able to withstand. As a result, many transactions will be abandoned upon challenge or never pursued, grinding American innovation to a halt. This will be particularly harmful to the current generation of entrepreneurs – who are more diverse and reflective of America as a whole – who will not have the same opportunities as those who came before them.

In September, a group of the venture capital firms filed an amicus brief in the U.S. Court of Appeals for the Ninth Circuit highlighting the harm to innovation that the FTC's positions in the Microsoft-Activision Blizzard litigation – if adopted – will cause. We, the undersigned venture capital firms, fully endorse and reiterate the positions articulated in the amicus brief, which is attached. We share its grave concerns that the FTC's positions on appeal would have destructive impacts on venture capital investors and entrepreneurs, whose visions and tireless efforts together power the uniquely vibrant American innovation ecosystem for the benefit of all.

Signatories (Firms)

- Acrew Capital
- Athene Partners
- Audere Capital
- Aurelia Ventures
- Eclipse
- F2 Venture Capital
- Fuse
- Ignition Partners
- Khosla Ventures

- Lerer Hippeau
- Light Street Capital
- M12
- Mayfield
- Menlo Ventures
- NEA
- New North Ventures
- NfX
- North First Ventures
- Pavey Family Investments, LLC
- RA Capital Management, LP
- Ridgeline Partners
- Saba Venture Capital
- Sonoma Ventures
- Tiger Global Management
- TitledownTech
- Trilogy Search Partners, LLC
- Viola Ventures
- Zeev Ventures

Signatories (Individuals)

- Alan Abbott, Cottonwood Technology
- Stephen Rodriguez, One Defense
- Chuck Ng, Entrepreneur and Tech Investor