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BREAKAWAY SOLUTIONS INC
Form SC 13D/A
January 26, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO
RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

(AMENDMENT NO. 1)

BREAKAWAY SOLUTIONS, INC.
(Name of Issuer)

Common Stock, Par Value \$.000125 Per Share
(Title of Class of Securities)

105372 10 5
(CUSIP number)

Henry N. Nassau, Esq.
Managing Director and General Counsel
Internet Capital Group, Inc.
The 600 Building
435 Devon Park Drive
Wayne, PA 19087
(610) 989-0111

(Name, address and telephone number of
Person Authorized to Receive Notices
and Communications)

Copy to:

Christopher G. Karras, Esq.
Dechert
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, Pennsylvania 19103-2793

January 19, 2001
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

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CUSIP No. 105372 10 5

1) Name of Reporting Person	Internet Capital Group, Inc.
SS. Or I.R.S. Identification No. of Above Person	23-2996071
2) Check the Appropriate Box if a Member of a Group	(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3) SEC Use Only	
4) Source of Funds	00
5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	<input type="checkbox"/>
6) Citizenship or Place of Organization	Delaware
Number of Shares Beneficially Owned By Reporting Person With	7) Sole Voting Power 15,229,234 ----- 8) Shared Voting Power 9,737,447 ----- 9) Sole Dispositive Power 15,229,234 ----- 10) Shared Dispositive Power 9,737,447 -----
11) Aggregate Amount Beneficially Owned by Each Reporting Person	24,966,681
12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	<input type="checkbox"/>
13) Percent of Class Represented by Amount in Row (11)	44.7%
14) Type of Reporting Person	CO

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1) Name of Reporting Person	ICG Holdings, Inc.
SS. Or I.R.S. Identification No. of Above Person	51-0396570
2) Check the Appropriate Box if a Member of a Group	(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3) SEC Use Only	

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4) Source of Funds	WC
5) Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	<input type="checkbox"/>
6) Citizenship or Place of Organization	Delaware
Number of Shares Beneficially Owned By Reporting Person With	7) Sole Voting Power 0 8) Shared Voting Power 9,737,447 9) Sole Dispositive Power 0 10) Shared Dispositive Power 9,737,447
11) Aggregate Amount Beneficially Owned by Each Reporting Person	9,737,447
12) Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	<input type="checkbox"/>
13) Percent of Class Represented by Amount in Row (11)	17.4%
14) Type of Reporting Person	CO

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ITEM 1. SECURITY AND ISSUER

This Amendment No. 1 to Schedule 13D amends and supplements the Schedule 13D filed with the Securities and Exchange Commission on January 26, 2001.

This Statement on Schedule 13D relates to the acquisition of warrants (the "Warrants") to purchase up to 9,737,447 shares of Common Stock, par value \$.000125 per share (the "Common Stock"), at a per share exercise price of \$.6875, of Breakaway Solutions, Inc. (the "Issuer"), whose principal executive office is located at 2 Seaport Lane, Boston, MA 02210. The Common Stock is currently traded on the NASDAQ under the symbol "BWAY."

The exercise price of the Warrants and the number of shares of Common Stock underlying the Warrants are subject to adjustment upon certain events as described in the warrant filed as Exhibit 1 hereto, the terms of which are incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND

(a) The names of the filing persons are Internet Capital Group, Inc., a Delaware corporation ("ICG") and ICG Holdings, Inc., a Delaware corporation ("ICGH," together with ICG, the "Reporting Persons"). ICGH is a wholly-owned subsidiary of ICG. The name, address, present principal occupation or employment and, if applicable, the name, principal business and address

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of any corporation or other organization in which such employment is conducted, of the directors and executive officers of the Reporting Persons (collectively, the "Directors and Executive Officers") are set forth in Appendix I hereto, which is incorporated herein by reference.

(b)-(c) The address of the principal office and principal place of business of ICG is The 600 Building, 435 Devon Park Drive, Wayne, PA 19087. ICG is an Internet company actively engaged in business to business e-commerce through a network of partner companies. ICGH's principal business is to hold securities. The address and principal place of business of ICGH is Pencader Corporate Center, 100 Lake Drive, Suite 4, Newark, DE 19702.

(b) During the past five years, none of the Reporting Persons or the Directors and Executive Officers have been convicted in a criminal proceeding.

(c) During the past five years, none of the Reporting Persons or the Directors and Executive Officers have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(d) Each of the Directors and Executive Officers is a United States citizen, except Nigel Andrews, who is a citizen of the United Kingdom.

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ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

On January 19, 2001, ICGH entered into agreements for a secured financing pursuant to which ICGH loaned the Issuer \$5.0 million at an interest rate of 12% per annum (or 18% after an event of default). Principal and interest on this loan are due on March 12, 2001, and are secured by a pledge of substantially all of the Issuer's assets. As partial consideration for such loan, the Issuer issued ICGH the Warrants.

ITEM 4. PURPOSE OF TRANSACTION

ICGH acquired the Warrants as partial consideration for the loans described more fully in Item 3.

ICG has acquired the Warrants through its wholly-owned subsidiary ICGH, and the Common Stock, as part of its operating strategy to integrate ICG's partner companies into a collaborative network that leverages its collective knowledge and resources. ICG intends to review, from time to time, its interest in the Issuer on the basis of various factors, including but not limited to the Issuer's business, financial condition, results of operations and prospects, synergies with other partner companies and integration in the network, general economic and industry conditions, as well as other developments and other acquisition opportunities. Based upon those considerations, ICG may seek to exercise the Warrants in whole or in part, acquire additional shares of Common Stock on the open market or in privately negotiated transactions, or to dispose of all or a portion of the Warrants or the Common Stock, including the Common Stock underlying the Warrants.

Except as set forth above, the Reporting Persons and the Directors and Executive Officers have not formulated any plans or proposals of the types referred to in clauses (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

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(a)-(b) Before the exercise of any of the Warrants, ICG may be deemed to be the beneficial owner with the sole power to vote and dispose of a total of 15,229,234 shares of Common Stock (or 32.9% of the outstanding Common Stock). ICGH may be deemed to be the beneficial owner of the Common Stock underlying the Warrants, which would, if fully exercised, give ICGH 9,737,447 shares of Common Stock (or 17.4% of the outstanding Common Stock). Because ICGH is a wholly-owned subsidiary of ICG, ICG may be deemed to be the beneficial owner of the Common Stock underlying the Warrants, with ICG and ICGH sharing the power to exercise the Warrants, and upon exercise of the Warrants, to vote and dispose of the shares of Common Stock underlying the Warrants. Walter W. Buckley, III, the President, Chief Executive Officer and a director of ICG and the President and a director of ICGH, jointly with his wife Susan Buckley, are the beneficial owners of 50,000 shares of Common Stock. Mr. and Mrs. Buckley share the power to vote and dispose of these shares.

(c) On December 5, 2000, Henry N. Nassau, the Managing Director, General Counsel and Secretary of ICG and a Vice President, Secretary and a director of ICGH, sold 5,700 shares of Common Stock on the open market at a price of \$2.0313 per share and 1,300 shares on the open market at a price of \$2.00 per share. On December 1, 2000, Dr. Thomas P. Gerrity, a director of ICG, purchased 3,500 shares of Common Stock on the open market at a price of \$2.1875 per share,

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16,500 shares of Common Stock on the open market at a price of \$2.25 per share and 11,200 shares of Common Stock at a price of \$2.3125 per share. On December 20, 2000, Dr. Gerrity sold 40,000 shares of Common Stock on the open market at a price of \$1.00 per share. On December 21, 2000, Dr. Gerrity sold 36,200 shares of Common Stock on the open market at a price of \$1.00 per share.

(d) Not applicable.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Except for the right to receive Common Stock upon exercise of the Warrants, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons, the Directors or Executive Officers, or among any of such persons and any other person, with respect to any securities of the Issuer, including but not limited to transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit 1 Warrants to Purchase up to 9,737,447 Shares of Common Stock of Breakaway Solutions, Inc.

Exhibit 2 Joint Filing Agreement between ICG and ICGH.

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Signature

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After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 26, 2001

INTERNET CAPITAL GROUP, INC.

By: /s/ Henry N. Nassau

Name: Henry N. Nassau

Title: Managing Director,

General Counsel and

Secretary

ICG HOLDINGS, INC.

By: /s/ Henry N. Nassau

Name: Henry N. Nassau

Title: Vice President and

Secretary

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APPENDIX I

ICG Directors

Name	Principal Occupation	Address
Robert E. Keith, Jr.	President and Chief Executive Officer, TL Ventures	TL Ventures The 700 Building 435 Devon Park Drive Wayne, PA 19087 (early stage venture capit
David Berkman	Managing Partner, Associated Group LLC	Associated Group, LLC 3 Bala Plaza East, Suite 5 Bala Cynwyd, PA 19004 (venture capital firm)
Walter W. Buckley, III	President and Chief Executive Officer, Internet Capital Group, Inc.	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Kenneth A. Fox	Managing Director, Office of the President, Internet Capital	Internet Capital Group, Inc. The 600 Building

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	Group, Inc.	435 Devon Park Drive Wayne, PA 19087
Thomas P. Gerrity	Professor, Wharton School of the University of Pennsylvania	The Wharton School University of Pennsylvania Suite 2000 Steinberg Hall Dietrich Hall Philadelphia, PA 19104-6377
Warren V. Musser	Chairman and CEO, Safeguard Scientifics, Inc.	Safeguard Scientifics, Inc. 800 The Safeguard Building 435 Devon Park Drive Wayne, PA 19087 (develops and operates internet infrastructure companies)
Peter A. Solvik	Senior Vice President and Chief Information Officer, Cisco Systems, Inc.	Cisco Systems, Inc. 170 West Tasman Drive San Jose, CA 95134-1619 (provides hardware and software used in internet networking)

ICG Executive Officers

Name	Principal Occupation	Address
-----	-----	-----
Walter W. Buckley, III	President, Chief Executive Officer	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Nigel Andrews	Managing Director, Office of the President	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Kenneth A. Fox	Managing Director, Office of the President	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Ronald W. Hovsepian	Managing Director, Operations	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Henry N. Nassau	Managing Director, General Counsel and Secretary	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Edward H. West	Chief Financial Officer	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087

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ICGH Directors

Name	Principal Occupation	Address
-----	-----	-----
Walter W. Buckley, III	President, Chief Executive Officer, Internet Capital Group, Inc.	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087

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Kenneth A. Fox	Managing Director, Office of the President, Internet Capital Group, Inc.	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Henry N. Nassau	Managing Director, General Counsel and Secretary, Internet Capital Group, Inc.	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087
Edward H. West	Chief Financial Officer, Internet Capital Group, Inc.	Internet Capital Group, Inc. The 600 Building 435 Devon Park Drive Wayne, PA 19087

ICGH Executive Officers

Name	Principal Occupation	Address
-----	-----	-----
Walter W. Buckley, III	President	ICG Holdings, Inc. Pencader Corporate Center 100 Lake Drive, Suite 4 Newark, DE 19702
Kenneth A. Fox	Vice President	ICG Holdings, Inc. Pencader Corporate Center 100 Lake Drive, Suite 4 Newark, DE 19702
Henry N. Nassau	Vice President and Secretary	ICG Holdings, Inc. Pencader Corporate Center 100 Lake Drive, Suite 4 Newark, DE 19702
Edward H. West	Chief Financial Officer and Assistant Secretary	ICG Holdings, Inc. Pencader Corporate Center

100 Lake Drive, Suite 4
Newark, DE 19702