

To view this e-mail as a Web page, go [here](#).



**ADVANTAGE**

**CAPITAL**

**PARTNERS**

**April 2006 Table of Contents**

- [Welcome](#)
- [News About Advantage Investments](#) NOVA Technology, AuthenTec, encryptX, Fortress Technologies, Alfalight, Kanoodle
- [Economic Development News](#) Wisconsin research grant
- [About Us](#)

**Welcome**

Welcome to Advantage Capital Partners' electronic newsletter for April. We think you'll find this month's news to be informative, with the latest news from some of our portfolio companies and other developments.

**News About Advantage Investments**

**Baker-Hughes' acquisition of NOVA Technology provides successful exit**

Advantage Capital Partners and Stonehenge Capital Company had a successful exit from investments in NOVA Technology Corp., an oilfield services company based in Lafayette, La., when Baker-Hughes Inc. purchased the company for \$70 million in an all-cash transaction earlier this year.

In 1998, the two venture capital firms each invested approximately \$1 million in NOVA's Series A round. After that first investment round, the company successfully expanded its product and service lines as well as its geographic footprint to become a world leader in its market segment.

"Advantage's investment in NOVA reflected our interest in the late 1990s in emerging energy technologies that would enable oil companies to exploit proven reserves, which we felt held tremendous business potential," said Crichton W. Brown, Advantage managing director. For more on the exit, go [here](#).

**AuthenTec fingerprint sensor added to Lenovo's new notebook computer**

Fingerprint sensors from AuthenTec, a leader in fingerprint sensor security, have been added to the new Lenovo 3000 N100, an easy-to-use notebook computer created for small business customers.

The Lenovo computer will come equipped with AuthenTec's EntrePad swipe sensor, which eliminates the need for authorized users to remember passwords. Instead, users can safely and securely access their favorite web pages and files by sliding their finger across the sensor

surface. The sensor, which uses AuthenTec's award-winning TruePrint technology, is the most proven slide sensor for PCs available today.

"Adding AuthenTec's advanced sensor technology enables convenient security that protects commercial and small business computer users," said Tom Aebli, director of PC segment marketing for AuthenTec. The company's sensors are used in more than 150 different notebook and tablet computers, portable hard drives, keyboards, cell phones and other devices.

The company also announced that it shipped 1 million fingerprint sensors to the PC market in the first quarter of 2006.

Advantage made its initial investment in AuthenTec, which is based in Melbourne, Fla., in 1999 through Florida's Certified Capital Companies program. For more information on AuthenTec's new partnership, go [here](#).

### **Colorado's encryptX introduces new USB flash drive encryption software**

encryptX, a leading developer of data security software and email regulatory compliance solutions, has released SecurFlash™ 7.0, a non-manufacturer specific USB flash encryption software. SecurFlash™ is ideal for consumers who need to affordably protect data on-the-go while using USB drives.

The popularity of USB drives among consumers and corporations brings data security concerns. "Most people now understand that data should be protected but worry that their encrypted information won't be easily accessible," said David Duncan, president and founder of encryptX. "It's our job to make data encryption so simple it's almost transparent to the user. With SecurFlash, just drag-and-drop and the data is protected—simply secured."

Advantage first invested in Colorado-based encryptX in 2005 in connection with Colorado's Certified Capital Companies program. To learn more about the SecurFlash™ 7.0, go [here](#).

### **CNE selects Florida-based Fortress Technologies to secure wireless network**

Gaming and hospitality company Cherokee Nation Enterprises (CNE) has selected Fortress Technologies of Tampa to secure its wireless network infrastructure. Fortress will secure CNE's complete wireless network, including a corporate campus, five casinos, two golf courses, retail operations and a hotel.

Many organizations in the gaming and hospitality industry, including top casino and resort properties in Las Vegas, have chosen Fortress' solutions to centralize network security across multiple locations. Fortress secures data on more than 12,000 networks within the defense, government, financial, healthcare and gaming industries.

"We selected Fortress' wireless security solution because of its reputation for high assurance security," said Steven Bilby, director of information technology for CNE. "In addition, Fortress was the only solution that offered the flexibility and interoperability needed to secure the legacy, current and future devices we deploy across multiple platforms."

Advantage invested in Fortress in 2001 in connection with Florida's Certified Capital Companies program. For more on the new partnership between Fortress and CNE, go [here](#).

### **Wisconsin's Alfalight receives \$4.7 million in funding from DARPA**

Alfalight Inc. has been awarded \$4.7 million in funding from the Defense Advanced Research Projects Agency (DARPA) to produce a multi-kilowatt diode laser system. Diode lasers are used for various industrial and military applications because of their output power, reliability and efficiency. The multi-kilowatt system will help improve the beam quality at very high power

operation.

"The goals of this program are directly in line with our company mission to develop and manufacture industry-leading, high-performance commercial diode laser solutions," said Mohan Warrior, president and CEO of Alfalight. "For this program, the Alfalight team will develop a device design with fundamentally improved beam quality versus current multimode laser designs. These performance improvements will be highly valuable in next-generation direct diode systems and defense applications."

Advantage first invested in Madison-based Alfalight in 2000 through Wisconsin's Certified Capital Companies program. For more on the company's DARPA agreement, go [here](#).

#### **Kanoodle announces exclusive deal with Dow Jones**

Kanoodle, a leading provider of sponsored links to many of the web's best sites, announced a multi-year exclusive agreement with Dow Jones & Co. to provide content-targeted sponsored links on the Dow Jones Online Web sites. These include The Wall Street Journal Online, CareerJournal.com, StartupJournal.com, RealEstateJournal.com and Barron's Online, among others. The deal also includes Kanoodle's second renewal with MarketWatch.com.

"Kanoodle has consistently outperformed for us on MarketWatch.com in terms of relevancy, client services and revenue generation, and we're pleased to extend our successful relationship to include the other online properties within Dow Jones," said Randy Kilgore, senior vice president of advertising-Dow Jones Online.

The company's sponsored links are distributed to leading content providers, including MSNBC, TheStreet.com, the sites of the CBS Television Stations Group and of CBS Radio, USATODAY.com, the Associated Press, NASCAR.com, PGA.com and Bloomberg.com. For more on the agreement, go [here](#).

### **Economic Development News**

#### **UW research institutes receive \$100 million in funds**

After securing \$100 million in funding, the first phase of the \$375 million Wisconsin Institutes for Discovery at the [University of Wisconsin-Madison](#) is expected to begin in late 2007. The two world-class research institutes, one private and one public, will aim to push the boundaries of medical science and create a thriving new sector of the economy in Wisconsin, Gov. Jim Doyle said in a recent announcement.

The private institute, the Morgridge Institute for Research, will enable the institute to capitalize more quickly on scientific opportunities and encourage cooperation with industry. Gov. Doyle estimates that biotech firms in Wisconsin bring 20,000 jobs and \$5 million into the state's economy. Two years ago, Gov. Doyle announced a \$750 million initiative to further biotechnology and stem cell research in Wisconsin.

For more on the Wisconsin Institutes for Discovery, go [here](#).

### **About Us**

[Advantage Capital Partners](#) is a private equity firm focused on investing in promising companies in connection with federal, state, and local economic development efforts. With offices in New Orleans, St. Louis, New York, Austin, Washington, D.C., Tampa, Madison, Denver and Huntsville, Advantage has raised more than \$700 million in institutional private equity since 1992 and has invested in companies and projects located in states and communities underserved by venture capital investment.