

# ADVANTAGE CAPITAL PARTNERS

November 2009

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### Ticker Tape Update:

To date, Advantage Capital has partnered with its portfolio companies to help create

## Advantage Capital News

### Advantage Capital awarded \$70 million New Markets Tax Credit program allocation

In a highly competitive process, [Advantage Capital Partners](#) has been awarded a \$70 million allocation in the seventh round of the [federal New Markets Tax Credit program](#). Advantage Capital was one of 99 organizations selected this round out of a total of 249 that applied earlier this year. This latest allocation brings the firm's total awards to \$388 million.

U.S. Treasury Secretary Timothy Geithner made the allocation announcement on October 30th during a ceremony at a job training center in Chicago. The New Markets Tax Credit program is administered by the U.S. Department of the Treasury and is designed to stimulate economic growth and job creation in low-income neighborhoods by providing much-needed investment capital, financial counseling and other services. To continue reading, go [here](#).

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### Advantage Capital finances Mississippi's Old South Brick & Supply Co.

Advantage Capital Partners and its small business lending division [BizCapital](#) has provided Mississippi New Markets Development program financing to Old South Brick & Supply Co., a Jackson-based distributor and retailer for bricks, brick supplies, fireplaces and fireplace accessories. The funding will allow Old South Brick to retain its 60 employee workforce and position itself for future growth. To continue reading, go [here](#).

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### Advantage Capital makes \$10 million investment in St. Louis home products manufacturer

Advantage Capital today announced that it has provided \$10 million in financing to St. Louis-based [Willert Home Products](#), the largest manufacturer of moth preventatives in the United States. Advantage Capital partnered with Southwest Bank on the financing, made in connection with the federal New Markets Tax Credit program and Missouri New Markets Development program. The funding enables Willert to consolidate its manufacturing operations and helps position the company for future growth. To read more, go [here](#).

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more than 14,168 jobs nationwide and our investments have resulted in more than \$6 billion in follow-on capital.

## Portfolio Company News

### **New York CAPCO investment Kionix acquired by Rohm Co., Ltd.**

Advantage Capital portfolio company [Kionix, Inc.](#) has entered into a definitive acquisition agreement with [Rohm Co., Ltd.](#) of Kyoto, Japan. The acquisition closed on October 13, 2009. Kionix has become a wholly owned subsidiary of Rohm, a publicly-traded (Tokyo Stock Exchange), multi-billion dollar, leading manufacturer of semiconductors and electronic components. Kionix will continue to carry its name and advance the Kionix brand, and its products will continue to be produced at its headquarters facility in Ithaca, NY. The company will maintain its employee talent base at all levels of operation with the expectation of substantial growth in the micro-machined microelectromechanical systems (MEMS) inertial sensor manufacturing sector. To continue reading, go [here](#).

Kionix is a global leader in the design and fabrication of high-performance, MEMS inertial sensors. Advantage Capital first invested in the company in 2003 in connection with New York's Certified Capital Company program. Since the investment, Kionix has grown from 55 to nearly 170 employees.

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### **Advantage Capital portfolio company Quickoffice receives Dallas 100 Award from Southern Methodist University's Caruth Institute for Entrepreneurship**

Advantage Capital portfolio company [Quickoffice](#) was recently honored with a [Dallas 100 Award](#) from the Caruth Institute for Entrepreneurship at Southern Methodist University. The Dallas 100™ Awards is an event that identifies and honors the 100 fastest-growing privately held companies in the Dallas area.

Quickoffice is a world leader in providing mobile office document software for smart phones. Advantage Capital first invested in the company in 2005 in connection with the Texas Certified Capital Company program.

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### **GridPoint acquires ADMMicro, extending smart grid solutions to commercial & industrial customers**

[GridPoint, Inc.](#), a leading smart grid company, recently announced that it has acquired ADMMicro, a leader in energy management systems for the commercial and industrial (C&I) sector. The acquisition extends GridPoint's smart grid solutions to a broader customer base, further strengthening the company's commitment to transforming the distribution and consumption of electricity. To continue reading, go [here](#).

Since the company's inception in November 2003, GridPoint has raised more than \$220 million in equity capital. Advantage Capital was an early investor in GridPoint, having invested in the company in 2005.

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### **Advantage Capital portfolio company DC BioDiesel collaborates with National Wind Solutions**

[National Wind Solutions, Inc.](#) (NWND) announced today that it has signed a letter of intent with DC BioDiesel, LLC to explore collaborative opportunities for BioDiesel production and distribution in the DC Metro area. While biodiesel can be produced from a number of different plant based oils such as algae, jatropha, palm oil or soybean oil, DC BioDiesel intends to utilize waste cooking oil as the core feedstock to produce its transportation fuels. Extensive research at universities around the world has advanced the ability to use common non-food sources such as algae to produce biodiesel. To continue reading, go [here](#).

Advantage Capital made an investment in DC BioDiesel earlier this year. The funds were raised in connection with the DC Certified Capital Company (CAPCO) program.

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## Advantage People



### **Crichton Brown participates as judge in guest panel on the Capital Landscape at Tulane University**

Advantage Capital's Crichton Brown recently participated in a panel discussion covering the *Capital Landscape* at Tulane University. Sponsored by The Idea Village, the goal of the panel was to introduce Tulane's Entrepreneurship class (senior level BSM students) to the different sources of capital (venture capital, angel investing and corporate lenders), their risk profile and investment criteria. Brown represented the venture capital segment of the panel. The other panel participants included John Elstrott from Whole Foods Markets, representing angel capital and Keith Johnson Jr. from Chase Business Banking, representing corporate lenders.

[The Idea Village](#) mission is to identify, support and retain entrepreneurial talent in New Orleans by providing business resources to high-impact ventures. As of June 2009, The Idea Village has supported over 255 local entrepreneurial ventures, representing 946 jobs and over \$69 million in revenue. Students, professionals and collaborative partners have contributed over 34,000 hours toward business consulting and resource development and allocated over \$1.5 million in grants directly to businesses.

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## About Us

### **About Advantage Capital Partners**

[Advantage Capital Partners](#) is a venture capital and small business finance firm focused on investing in promising companies located in areas underserved by traditional venture capital. With offices and partners in New Orleans, St. Louis, Austin, Washington, D.C., and other U.S. cities, Advantage Capital has raised more than \$1 billion in capital since 1992.

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### **About the federal New Markets Tax Credit program**

The federal [New Markets Tax Credit program](#), administered by the U.S. Department of the Treasury, encourages private-sector investment in economically distressed communities through tax incentives. In a highly competitive allocation procedure, the Treasury

Department awards the tax credits based on applications submitted for each tax year. Advantage has participated in the New Markets program since 2003, raising private capital for investment in low-income communities. These investments have spurred economic growth through innovative business ventures and job creation throughout the United States.

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## About the state New Markets Development programs

In addition to the federal New Markets Tax Credit program, Advantage Capital also participates in a number of state-level New Markets programs, which attract investment in low-income communities through a state tax credit modeled after the federal program. The tax credits are only available to highly qualified investors who have been accredited under the federal program. The goal of these initiatives is to attract large, long-term investors to a state's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state. To date, the following states have passed a state-level New Markets Development program: Louisiana, Missouri, Mississippi, Illinois and Florida.

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## About the Certified Capital Company program

Advantage Capital Partners is a leading participant in the [Certified Capital Company \(CAPCO\) program](#), a state economic development tool designed to strengthen state economies by stimulating the flow of investment capital to local small businesses, creating high-paying jobs and increasing state tax revenues. Under a CAPCO program, insurance companies are encouraged to invest in certified capital companies; the state allows the insurance companies to claim tax credits for qualified investments in CAPCO funds. Taken over time, the tax credits generate large pools of private venture capital to be invested in the state. CAPCOs leverage the funds received from insurance companies to invest in qualified small businesses.

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