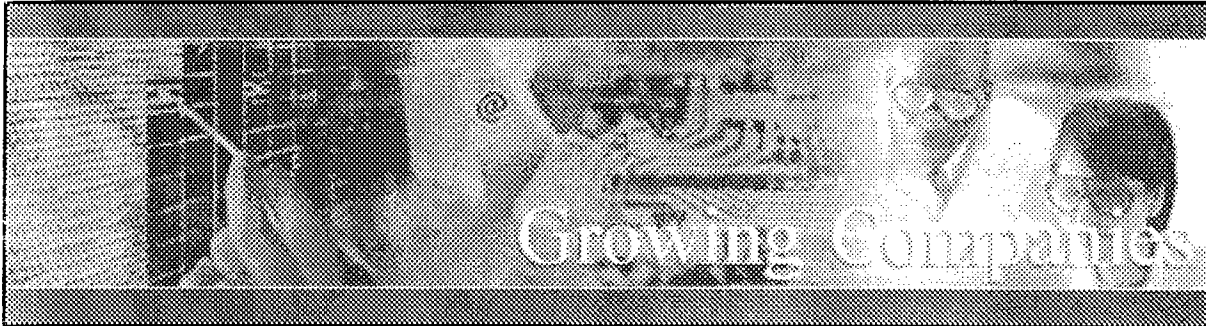


Dunkin, Carter

From: Advantage Capital [reply@advantagecap.com]
Sent: Wednesday, November 03, 2004 2:56 PM
To: Dunkin, Carter
Subject: News from Advantage Capital - November 2004

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Welcome

Welcome to Advantage Capital Partners' electronic monthly newsletter. In this issue, you'll find quick-to-read items on growing companies, recent investments and new economic development efforts -- building businesses, creating jobs and strengthening communities. We think you and other decision-makers in business, finance, government, economic development and higher education will find these topics informative.

Economic Development News

President signs bill enhancing New Markets Tax Credits program

The "American Jobs Creation Act of 2004," signed into law on October 22, includes provisions to enhance community revitalization incentives in distressed areas by enhancing eligibility criteria for Renewal Communities and New Markets Tax Credits (NMTC). These include authorizing the Secretary of the Treasury to designate targeted populations as low-income communities and providing that certain census tracts with populations of less than 2,000 will be treated as low-income communities.

The New Markets Tax Credit program, administered by the U.S. Department of the Treasury, provides tax credits for up to \$15 billion of private-sector investment in economically distressed communities through certified Community Development Entities (CDEs). In 2003, Advantage received an allocation of \$110 million, one of only 66 allocations made that year. To date, Advantage has raised more than half of its NMTC allocation for investment in low-income communities.

To learn more about the New Markets program, [go here](#).

Madison conference focuses on need for cooperation among states

At its inaugural conference on October 8 in Madison, Wis., the Coalition for Capital Growth & Research brought together more than 60 business, government, economic and academic leaders from around the nation to discuss ways underserved states and regions can work together to attract more capital for investment in small business. According to the National Venture Capital Association, California, New York and Massachusetts together receive more than two-thirds of all venture capital invested in the United States.

Speakers and panelists included Wisconsin Secretary of Commerce Cory Nettles; Missouri Rep. Tom Dempsey; Missouri Director of Agriculture Peter Hofherr; Mark Heesen, National Venture Capital Association; Glenn Yago, Milken Institute; Elizabeth Donley, Wisconsin Alumni Research Foundation; and educators Anne Miner of the University of Wisconsin, Luigi Zingales from the University of Chicago and Ken Harrington of Washington University.

For more on the conference, [go here](#).

Recent Investments

Advantage invests \$1 million in Alabama software developer

ACTEK Inc., a compensation-software developer based in Birmingham, has received a \$1 million investment from Advantage Capital Alabama. The funds will help ACTEK accelerate its growth in the commission software market.

ACTEK develops browser-based component software capable of operating in a wide range of computing environments. Its Acom3 Commission and Incentive Compensation System delivers features to utilize the Internet and create an accurate, efficient and paperless commission and incentive compensation payout process for insurance companies, financial services, banks, telecommunications companies, and other sales forces. ACTEK's CEO Mark P. Majdos said the investment will allow the company to add sales, marketing and implementation staff and hasten the market penetration of its Acom3 System. For more on the investment, [go here](#).

Advantage makes additional investments in two Colorado companies

Advantage increased its investment in two Colorado companies: cardiovascular diagnostic products manufacturer Ischemia Technologies in Denver and online vitamin and supplement vendor Whole Health Products of Clear Creek County.

The \$3 million Ischemia financing round -- in concert with other existing investors -- will aid the company's development of unique in vitro cardiovascular and acute care diagnostic products. The \$200,000 Whole Health investment -- provided in partnership with New West Mezzanine Fund -- will help the company augment its line of premium vitamins, herbs and supplements and add staff. To find out more about the Ischemia investment, [go here](#); for the Whole Health funding, [go here](#).

Portfolio Company News

Hoku Scientific buys land for production facility

Hoku Scientific Inc. of Honolulu has purchased 2.2 acres in an Oahu business park to build a headquarters and manufacturing facility. The facility will include offices, research and development labs, and production space. The company expects to break ground early next year. Dustin Shindo, Hoku's chairman and chief executive officer, hailed the step as a "major

milestone for Hoku Scientific as we begin the automated production of our fuel cell membrane and MEA products."

Fuel cells can be used to generate electrical power for a variety of applications, promising a way to make electricity more efficiently with less pollution. Hoku Scientific, in which Advantage invested in late 2003, develops advanced components for Proton Exchange Membrane fuel cells, one of the most promising technologies. The company announced last month that it had secured a major automaker's agreement to purchase significant volumes of its fuel cell products. For more information on the new facility, [go here](#).

Pasteuria Bioscience featured in *Business Florida* magazine

Pasteuria Bioscience "could well be the next big success story to emerge from the University of Florida Sid Martin Biotechnology Incubator in Alachua, near Gainesville," according to an article in *Business Florida* on promising companies in the state's north central region. Pasteuria, a startup in which Advantage has invested, is one of 14 companies in the highly regarded Sid Martin incubator.

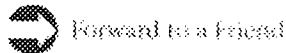
Pasteuria Bioscience has a proprietary technology enabling the in-vitro growth and reproduction of a naturally occurring pathogen that can be used to control plant-parasitic nematodes. These parasites cause nearly \$80 billion in worldwide crop damage annually. To read more, [go here](#).

Roving Planet introduces new virus protection product

Roving Planet of Westminster, Colo., the leading provider of scalable wireless LAN management and security software solutions, announced a new module in its wireless LAN management and security software suite that prevents infected devices from corrupting the network. Called Roving Planet Scan & Block, "our customers can have confidence in addressing their requirements for managing vulnerabilities at the device level as well as part of network access control," said Greg Mesch, Roving Planet's president and chief executive officer. To read more, [go here](#).

About Us

Advantage Capital Partners is a venture capital and private equity firm focused on promising companies and other investments supporting state and local economic development. With offices in New Orleans, St. Louis, New York, Tampa, Madison, Denver and Huntsville, Advantage has raised more than \$600 million in institutional private equity since 1992 and has invested in companies and projects located in states and communities underserved by venture capital investment.



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