



## February 2008

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## ADVANTAGE CAPITAL NEWS

### **New York CAPCO investment ThreadSmith raises \$1 million in venture capital financing**

Advantage Capital has announced participation in a \$1 million funding round for ThreadSmith, a custom embroidery company in Vestal, N.Y. ThreadSmith will use the funding for working capital, sales and marketing needs.

ThreadSmith recently launched its website, [ThreadSmith.com](http://ThreadSmith.com), where consumers can custom-design embroidered products in an efficient and cost-effective way. ThreadSmith founder and CEO David Goldman invented a digitization software technology that turns a graphic image into computerized stitch instructions which are then fed to an industrial sewing machine. The patented automation technology eliminates the need for manually entering design specifications into an embroidery machine.

"ThreadSmith's compelling technology will revolutionize the custom embroidery process," said Scott Murphy, Advantage Capital managing director. "David Goldman is an entrepreneur and visionary with a determination to remake the industry. We expect this investment will enable ThreadSmith to become a leader in an expanding market."

Advantage Capital invested in ThreadSmith with funds raised in connection with New York's Certified Capital Company program. To read more on this investment, go [here](#).

### **Advantage Capital invests in NeuWave Medical through Wisconsin CAPCO program**

NeuWave Medical Inc., a medical device company with a microwave ablation system for cancerous tumors, has raised \$4.5 million from Advantage Capital and Venture Investors. NeuWave will use the funding to develop its prototype into a device that can be submitted for U.S. Food and Drug Administration approval.

Madison-based NeuWave (formerly Micrablate) was founded by two University of Wisconsin-Madison professors whose minimally invasive microwave technology aims to destroy liver, kidney and lung tumors. The company's patented probe is inserted into a patient's skin to deliver microwaves that destroy the tumor. NeuWave Medical started in January under the leadership of its CEO, Laura King, a former GE Healthcare executive.

"NeuWave is the culmination of the great research and interdisciplinary interaction that occurs at the UW. Laura's involvement lends tremendous credibility to the company and speaks to the enormity of the market opportunity for NeuWave," said Scott Button, managing director at Venture Investors in Madison.

Advantage Capital's investment in NeuWave was made in connection with Wisconsin's Certified Capital Company program.

### **Advantage Capital participates in funding round for New York's Mezmeriz**

Advantage Capital recently participated in a round of financing for [Mezmeriz Inc.](#), an Ithaca startup company that has developed a new high-definition television technology. Mezmeriz will use the funding to build a prototype of its technology, a matchbook-sized projector that can be used to create high-definition television.

Mezmeriz's technology is based on research at Cornell University by Shahyaa Desai, an entrepreneur with a master's degree in materials science. Desai founded the company, along with former CEO of SightSpeed Brad Treat. The technology is designed to replace silicon with carbon fibers in micro-electronic mechanical systems, which would allow for thinner and lower cost high-definition displays.

Advantage Capital made its investment in Mezmeriz with funds raised in connection with New York's Certified Capital Company program. For more on the Mezmeriz investment, go [here](#).

## **PORTFOLIO COMPANY NEWS**

**New York's iCardiac has strong pulse**

Advantage Capital portfolio company [iCardiac](#) was recently featured in a *Rochester Democrat and Chronicle* article titled, "[Strong pulse at iCardiac in Brighton.](#)" The article highlights the breakthrough that iCardiac has made with regard to biotechnology advances and also talks about the company's latest round of funding and the impact on the upstate New York economy.

*Democrat and Chronicle* staff writer Peter Flanigan notes, "Less than two years after obtaining exclusive rights to UR software that tests a drug's effect on the human heart, iCardiac has more than doubled its work force, discovered a promising new application for its core technology and won a new round of funding from investors."

iCardiac Technologies develops and implements advanced ECG-based cardiac safety biomarkers. The company's advanced ECG-based cardiac safety analysis stems from more than 30 years of research at the University of Rochester.

Advantage Capital was a participant in iCardiac's latest round of funding in November 2007. The company has used the funds to increase its staff from 10 to 22 employees. Advantage Capital made its investment in iCardiac with funds raised in connection with New York's Certified Capital Company program. To read more on iCardiac, go [here](#).

### **Colorado CAPCO investment Adventure Central hits company milestone**

[Adventure Central](#), the leading provider of distribution and online booking services for the adventure and experiential travel industry, has reached a company milestone with the addition of its 100th travel supplier partner.

"We want all our supplier partners to experience greater profitability and growth. One of our key initiatives for 2008 is to significantly expand our distribution network, providing them with greater customer access while giving our affiliates the very best adventure and experiential inventory that can't be found through anyone else," commented Dick Schulte, CEO of Adventure Central.

Adventure Central finished 2007 with record growth, more than doubling its number of travel supplier partners and more than tripling retail transactions over 2006. In the fourth quarter alone, 24 tour operators chose Adventure Central's reservation management and online distribution solutions representing adventures from Alaska, Hawaii, California, Mexico, the Caribbean, Central and South America, Canada and more.

Advantage first invested in Adventure Central in 2005, in connection with Colorado's Certified Capital Company program. Read more about Adventure Central [here](#).

### **Bizzuka, a Louisiana CAPCO investment, receives local honors**

[Bizzuka Inc.](#), a provider of component-based Web and intranet-based solutions, was recently honored at the seventh annual Business Appreciation Awards for the St. Tammany West Chamber of Commerce. The awards are presented to businesses in eight categories and this year Bizzuka was recognized with the High Tech Award.

Bizzuka has created [OnDeCC](#) (On Demand Content and Components), a web-based content management system that is a dynamic and robust yet easy-to-use platform that gives small to medium-sized companies affordable access to the sophisticated features and capabilities of systems utilized by Fortune 500 companies. The product also allows clients to take advantage of software upgrades immediately with no additional cost.

Since relocating its Tampa-based operations to Lafayette, Louisiana in 2003, Bizzuka has quadrupled in size and was named a finalist in the New Orleans City Business Innovator of the Year Awards.

Advantage Capital invested in Bizzuka in 2007 with funds raised in connection with the Louisiana Certified Capital Company program. To read more on Bizzuka, go [here](#).

### **Able Planet's LINX AUDIO technology enhanced with patent**

[Able Planet](#), a company founded on the principle of hearing preservation, enhancement and superior sound performance, has been awarded a patent for its [LINX AUDIO](#) technology. The technology delivers superior sound quality and maximum clarity. It also increases the perception of loudness without increasing volume, enabling listeners to achieve rich sound at lower volumes.

"We are extremely excited about being awarded this patent," said Kevin R. Semcken, chairman and CEO of Able Planet, Inc. "The LINX AUDIO patent represents a major milestone for Able Planet and for those looking for superior sound quality."

Able Planet designs and manufactures innovative audio and communication devices to enhance sound quality and speech clarity For All Levels of Hearing™. The company's products include headphones, headsets, hearing aids and assistive listening devices. All products feature Able Planet's patented LINK AUDIO™ technology.

Advantage first invested in Able Planet in 2005 with funds raised in connection with Colorado's Certified Capital Company program. Go [here](#) for more on Able Planet's award-winning products.

## **ECONOMIC DEVELOPMENT NEWS**

### **Wisconsin companies raise most VC since 2001**

According to an article in the *Milwaukee Journal Sentinel*, Wisconsin companies raised more venture capital in 2007 than in any other year since 2001, with a total of \$87.6 million raised last year. Three Advantage Capital portfolio companies were highlighted in the article:

The first, [Virent Energy Systems](#), raised \$21 million from the firm and other investors in September. In total, Virent has received grants and venture funding of nearly \$40 million since its founding in 2002. In addition, Advantage portfolio company [TomoTherapy](#) was given credit as one of the big exits for the year. TomoTherapy made an initial public offering of approximately \$185 million in May 2007. Including the IPO, the company has raised more than \$220 million in private capital to date. Finally, the state is said to be off to a good start in terms of venture capital funding this year with Madison-based [Collectar](#) having raised \$13 million from Advantage and other investors.

Advantage Capital is one of the leading participants in the Wisconsin Certified Capital Company (CAPCO) program, an economic development tool designed to encourage the flow of investment capital to promising companies located in the state. To date, Advantage has invested more than \$15 million in Wisconsin companies, facilitated an additional \$374.3 million in follow-on capital and helped create or sustain more than 500 jobs.

## **ABOUT US**

[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 \$950 million in institutional venture capital since 1992.

#### **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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