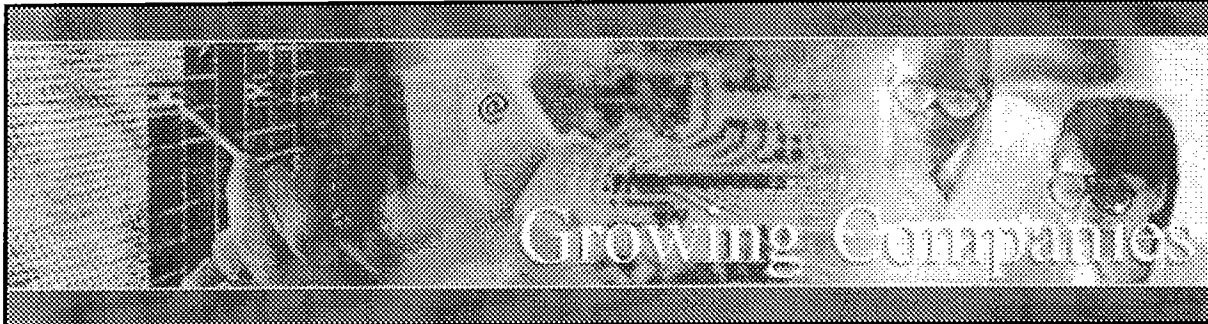


Dunkin, Carter

**From:** Advantage Capital [reply@advantagecap.com]  
**Sent:** Thursday, January 27, 2005 2:23 PM  
**To:** Dunkin, Carter  
**Subject:** News from Advantage Capital - January 2005

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#### Welcome

Welcome to Advantage Capital Partners' electronic newsletter for January. We think you and other decision-makers in business, finance, government, economic development and higher education will find these topics informative.

#### Economic Development News

##### Demand for SBA loans at record level

During the first three months of fiscal 2005, the [U.S. Small Business Administration](#) backed a record 23,197 loans through its flagship 7(a) guaranteed loan program - an increase of 23 percent from the same period a year ago. American small businesses received more than \$3.5 billion.

SBA Administrator Hector V. Barreto said the heavy demand indicated entrepreneurs' restored confidence in starting new businesses and growing companies. During fiscal 2004, the 7(a) guaranteed loan program set an all-time volume record, and so far, 2005 is on pace to eclipse that, Barreto said. To read more, go [here](#).

#### Recent Investments

### **Advantage leads \$2 million round for radiology services company**

St. Louis-based Quick Study Radiology Inc. (QSR) has received a \$2 million investment led by Advantage Capital Partners. These funds will help QSR grow its share of the \$1.9-billion radiology information systems market.

QSR brings leading-edge radiology technologies to smaller community and rural hospitals, offering an integrated solution for storing, viewing and tracking all digital radiology images. "This is a rapidly growing market and we need capital to continue growing our business," said Dr. Skip Sallee, QSR's Chief Executive Officer. Mantic Investments and prior QSR investors Schroder Ventures, Mi3, Fletcher Spaght Ventures, Prolog Capital, Mississippi Valley Capital and Eagle River also participated in the funding round. For more on the investment, go [here](#).

Earlier this month, the *St. Louis Post-Dispatch* featured a profile on Dr. Sallee. "Sallee knows his market," according to the article. His parents "taught him to serve others, which he does first as a physician and then as an entrepreneur." Sallee mentioned the following as the three best aspects of his job: improving medical care in rural communities, watching an idea grow from a kitchen-table scribble to a functioning business, and providing jobs for quality people. To read more, go [here](#).

### **New York Internet content provider receives additional funding**

Advantage Capital led a multimillion-dollar funding round in Synacor Inc., which provides portals and technology content and services to Internet service providers. Advantage first invested in Synacor in spring 2003.

Synacor, based in Buffalo, N.Y., enables Internet service providers to bundle a variety of subscription-only premium, entertainment and value-added services into their Internet access products. Synacor has integrated more than 30 content and service providers into its private label platform, Portelus, and its ISP network includes more than 5 million broadband subscribers. For more on the investment round, which included Crystal Venture Capital, Intel Capital, Rand Capital and Walden International, go [here](#).

### **Florida company developing nematode control technology receives investment**

Advantage Capital and Gordon River Capital invested an additional \$250,000 in Pasteuria Bioscience LLC in Alchua, Fla., for technology and commercial development. "This funding will enable us to further scale up production of our product, and to start field tests this spring," said Dr. Kelly Smith, Pasteuria's CEO.

Pasteuria is a research company focused on controlling plant parasitic nematodes through environmentally safe pathogens. These tiny worms are the largest uncontrolled problem in agriculture today, causing an estimated \$87 billion in worldwide crop losses annually. For more on the investment, go [here](#).

## **Portfolio Company News**

### **TomoTherapy announces new CEO, expects to double revenue in 2005**

TomoTherapy Inc. of Madison, Wis., has come a long way from humble beginnings in 1997. According to an article in the *Wisconsin State Journal*, the company looks to add staff, build a second facility and double its sales from \$45 million to \$90 million. Earlier this month, the company welcomed its new CEO, Dr. Frederick Robertson, formerly the chief executive of Marquette Medical Systems.

Advantage Capital first invested in TomoTherapy, which seeks to provide better and more cost-effective radiation treatment for cancer patients worldwide, in 2000. Its TomoTherapy machine,

which treats cancerous tumors with precise radiation beams, is used in hospitals throughout the United States, Canada and Europe. To read more, go [here](#).

## Advantage in the news

### Investment professional presents tips for pitching VC firms

The January issue of the *St. Louis Small Business Monthly* features a guest column by Jeremy Degenhart, senior associate in Advantage's St. Louis office, who discussed the "dos and don'ts" of soliciting funds from venture capital firms. Among Jeremy's points of advice:

- Have a good elevator pitch.
- Don't be surprised by tough questions.
- Understand your primary goal: getting a second meeting.

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 \$650 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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