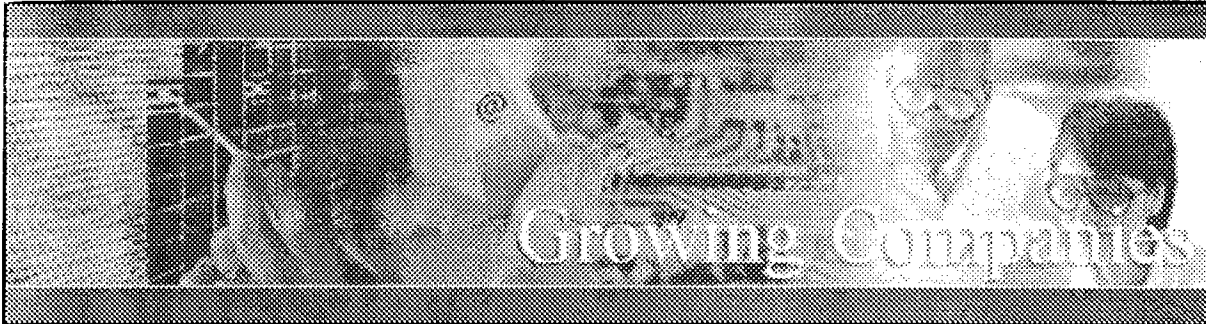


Dunkin, Carter

From: Advantage Capital [reply@advantagecap.com]
Sent: Friday, October 01, 2004 12:59 PM
To: Dunkin, Carter
Subject: News from Advantage Capital - October 2004

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



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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.

Portfolio Company News

Stereotaxis completes IPO, begins trading

One of our Missouri investments, Stereotaxis Inc. in St. Louis, recently completed its [initial public offering](#).

Stereotaxis (NASDAQ: STXS) designs, manufactures and markets an advanced cardiology instrument control system for use in the cath lab to enhance the treatment of coronary artery disease and arrhythmias. The Stereotaxis System is designed to allow physicians to more effectively navigate catheters, guidewires and stent delivery devices through the blood vessels and chambers of the heart to treatment sites. This is achieved using computer-controlled, externally applied magnetic fields that precisely and directly govern the motion of the working tip of the catheter, guidewire or stent delivery device.

Advantage first invested in Stereotaxis in 1998, at a critical time for the company. That funding enabled Stereotaxis to begin to expand the clinical application of its technology from neurological to cardiovascular uses. In addition, we introduced another investor that led a

subsequent round of funding. Advantage continued to invest in Stereotaxis along with many others - Stereotaxis raised an aggregate of more than \$125 million in private equity financing from inception.

Stereotaxis also has contributed in critical ways to St. Louis' nationally recognized efforts to establish the region as the BioBelt, the Center for Plant and Life Sciences. The company has created high-paying professional jobs, developed and marketed new, much-needed medical technologies, and generated economic development in the City of St. Louis, where too many companies have moved out, not in, over the last decade. With help from innovative entrepreneurial companies like Stereotaxis, leading major corporations, involved academic and research institutions, and strong public-private collaborations, the St. Louis region's BioBelt effort has energized the entire community.

AIR2LAN partners with Level 3 to introduce VoIP service

AIR2LAN, a leading provider of broadband Internet access and end-to-end Internet services for corporate customers, is partnering with Level 3 Communications to market and sell VoIP services to businesses in the southeastern United States. VoIP is the technology used to deliver voice traffic across Internet and private IP networks and is one of the most active areas of telecommunications today.

"AIR2LAN's broadband Internet customers know the value of broadband for data," said Mark Rodgers, AIR2LAN's CEO. "And now we can offer the same high value and quality of service ... all over the same network and at very attractive prices."

AIR2LAN is an investment of Enterprise Corporation of the Delta, which invests funds from Advantage, other institutional investors, and foundations. To read AIR2LAN's announcement, go [here](#).

Global automaker orders fuel cell products from Hoku Scientific

Hoku Scientific Inc., one of Advantage's Hawaii investments, recently reached an agreement with a global auto company to sell significant quantities of Hoku Membrane and Hoku MEA. This company is evaluating Hoku Scientific's fuel cell membrane technology for integration into its fuel cell vehicles.

"We have been working closely with this company over the past several months to demonstrate the advantages of Hoku Membrane and Hoku MEA," says Dustin Shindo, chairman and CEO of Hoku Scientific. "Receiving this order from a global leader in the automobile market validates the investment we have made in developing an alternative to today's leading fuel cell membrane technology. A successful outcome will likely serve as the basis for a long-term customer relationship with this company."

Go [here](#) to read Hoku's announcement.

Recent Investments

Advantage invests in Flow Logic International of Baton Rouge

Advantage Capital invested \$100,000 in Flow Logic International, which is located in the Louisiana Technology Park in Baton Rouge.

Flow Logic develops and distributes innovative plant design software for process operations, such as oil and gas, chemicals, food and beverages, pharmaceuticals, power generation, and pulp and paper. The company's family of products is called ACPlant Designer. Advantage's investment is part of a \$1.4 million financing round that will be used to reduce debt, hire sales staff and increase working capital.

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

Economic development news

Fund created for emerging companies in Louisiana incubators

A new \$2.3 million investment fund stands ready to do what no other fund has done before: invest solely in Louisiana's emerging technology companies. The Louisiana Technology Fund is a three-year effort from the state's four research parks along with Advantage Capital, Enhanced Capital and Whitecap Louisiana Growth Fund.

This statewide fund is controlled by the state's four research parks. The fund will invest in companies engaged in, or intending to engage in, technology-based products or services in information technology, communications, medical, biomedical, advanced materials, food, environmental or micro-manufacturing technologies. The research parks included are the Louisiana Technology Park in Baton Rouge, University of New Orleans Research and Technology Park, University Research Park in Lafayette and InterTech Science Park in Shreveport.

"The fund will help the state's economic development efforts," said Michael J. Olivier, Louisiana's Secretary of Economic Development. "This type of investment fund is critical for a state to grow and nurture these new companies."

For more information, go [here](#).

New York authorizes fourth phase of successful venture capital program

Reaffirming the strong economic performance of New York's Certified Capital Company (CAPCO) program, state lawmakers recently authorized an additional \$60 million in tax credits to provide investment stimulus to small businesses across the state. The renewal of the program, the fourth authorization by the New York State Legislature, brings to \$340 million the amount of funds authorized by the State of New York.

"When I first proposed the CAPCO program in 1997, it was done to provide badly needed venture capital in our state," said New York Assembly Speaker Sheldon Silver. "The CAPCO program is critical not only to developing the highly sought-after, next generation of high tech companies and the employment opportunities they would bring to New York, but also to ensuring the success of our home-grown small businesses and to building a strong and healthy state economy."

For more information, 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.

