

Innovation™  
Capital Advisors, LLC

## *Early Stage East: "Celebrating 10 Years of Innovation"*

Early Stage East (ESE) will be "Celebrating 10 Years of Innovation" with the **Early Stage East 2007 Venture Conference**. For the past decade, Early Stage East has been dedicated to seeing innovative, young companies succeed by providing them with a platform to promote their products and/or technologies and an opportunity to network with members of the venture capital community. ESE began this mission in 1998 with the inaugural Early Stage East Venture Conference, and expanded their efforts in 2002 with the **Bio-Life-Tech Venture Conference**. Companies that have presented at Early Stage East events have gone on to raise over \$750 million in institutional funding to date and include Blackboard (NASDAQ:BBBB) and Smart Button Associates.

The **Early Stage East 2007 Venture Conference** will take place June 13<sup>th</sup> and 14<sup>th</sup> at the DuPont Country Club, located in Wilmington, DE. The first day of the conference will include a golf outing on a newly renovated course. The highlight of the first day will be the Entrepreneurial Education program which gives our presenting companies many of the tools necessary to succeed and is widely regarded as one of the best educational sessions in the region geared toward aspiring entrepreneurs. On Thursday, June 14<sup>th</sup>, everyone at the conference will have the opportunity to view 20 of the most innovative early stage companies working in many different growing sectors of the economy that includes information technology, enterprise software, internet technology, chemicals and advanced materials, manufacturing technology, nanotechnology, medical instruments and devices, industrial bio technology, and electronic materials. Early Stage East is honored to be awarding Roger Novak, of Novak Biddle Partners, the Sal Buccieri Memorial Venture Impact Award given to an individual in the venture capital and entrepreneurial community

who exemplifies the passion towards seeing early stage entrepreneurial opportunities succeed and flourish. "If you are an early stage investor, Early Stage East is one of the premier early stage venture fairs for finding quality investments," says Mr. Novak of the **Early Stage East Venture Conference**. The Conference will also include a dynamic three-part panel presentation, featured speakers, an awards presentation, and exhibit area for entrepreneurs and service providers. ESE will start the "10 Years of Innovation" celebration with a gala opening reception at the Brantwyn Estate, a former DuPont Estate. The **Early Stage East 2007 Venture Conference** provides excellent opportunities to network with members of the venture capital and entrepreneurial communities, and fosters an environment conducive to deal making.

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To register visit  
[www.earlystageeast.org](http://www.earlystageeast.org)

## Innovation Ventures Makes Two New Investments

Innovation Ventures, LP is pleased to announce investments in COPD Partners and Maxion Technologies, Inc.

**COPD Partners** is a medical device company that is preparing to introduce a unique oxygen liquefaction and patient delivery technology that will establish a new standard of home respiratory care for chronic obstructive pulmonary disease patients (COPD). The COPD oxygen therapy market is comprised of 1.5 million individuals growing to 3.8 million patients by 2015. This dramatic growth, making COPD the fastest growing “large” disease is fueled by the aging “baby boomer” demographic and the incidence of smoking within that population. This population of new patients will require therapy solutions that enable them to restore their activity levels and improve disease management.

Innovation Ventures participated in the COPD’s series A-1 round along with Draper Triangle Ventures and Birchmere Ventures.

**Maxion Technologies, Inc.** is the world’s leading producer of high performance infrared semiconductor lasers based on single and multi-mode Interband Cascade and Quantum Cascade designs. Innovation Ventures participated in this \$2.95 million A round, which was led by Chart Venture Partners of New York City.

A team of leading laser scientists and engineers, who previously worked at the Army Research Laboratory, formed the company in 2000 and have continued to lead the evolution of mid-IR lasers for national defense and commercial applications.

Maxion’s CEO and a Venture Partner at Chart, Dr. Fred Arnold, says “We see a large opportunity for our lasers in the homeland security, military communications, infrared countermeasures, chemical warfare agent detection, medical diagnostics, environmental monitoring, industrial process control, and combustion control sectors among many others”. Maxion’s President, Dr. John Bruno, credits Maxion’s patents, its unique approach to design and fabrication, and efficient manufacturing process for opening these opportunities.

## Delaware Innovation Fund Featured Company: Aviom, Inc.

Aviom’s signature A-Net® technology has found a new home in the reality television circuit as a provider of innovative solutions in audio transport.

Casting Aviom in its new reality role are MTV’s hit talent series, “Making the Band 4,” Nick at Nite’s comedian search, “Funniest Mom in America 3,” and VH1’s new relationship show, “Rock of Love with Bret Michaels.” Aviom’s products have also appeared in NBC’s “The Apprentice” and “Grease: You’re the One That I Want.” But reality TV is not the first television application for Aviom. NBC’s *Saturday Night Live* has been using Aviom’s products since 2003.

Regardless of the unique challenges in terms of audio needs, location and overall nature, each production resolved the typically time consuming, tedious and complicated cabling set-up and configuration with Aviom’s A-Net digital audio networking products.

Aviom is the world leader and pioneer of personal monitor mixing technology with its popular Pro16™ Series, as well as the exclusive developer of the revolutionary Pro64™ Series of audio networking products. All Aviom products are powered by A-Net, the company’s groundbreaking high-speed digital audio transmission protocol. Aviom products solve problems in a variety of different environments, including live sound reinforcement, audio recording studios, houses of worship, theater, broadcasting and post-production facilities, and numerous commercial installations.

For more information visit Aviom’s website at [www.aviom.com](http://www.aviom.com).

### Delaware Innovation Fund

#### Industry Focus:

Information and Internet  
technology

Software

Chemicals and Materials

Electronic Materials

Analytical Instruments

Advanced and Specialty  
Materials

#### Region:

Delaware and the Mid-Atlantic

#### Company Stage:

Seed, Start-up and Early  
Stage

#### Investment Range:

\$25,000 through \$50,000 in  
demonstration funding and  
\$50,000 to \$500,000 in  
commercialization funding.

#### Current Portfolio:

AIM-TO

Aquatic Designs

Aviom

Baton Networks

Foxtire Printing &  
Packaging

Mid-Atlantic Angel Group I

Smart Button

Solstice Software

For more information visit  
[www.difonline.com](http://www.difonline.com)

# Innovation Ventures Opens Satellite Office

Innovation Ventures, LP is pleased to announce the opening of its satellite office in Lancaster, Pennsylvania.

“The Pennsylvania Department of Community and Economic Development is very excited about Innovation Ventures opening their Lancaster office. We are pleased the New Pennsylvania Venture Capital Investment program could assist in bringing another quality early stage investor to the south-central Pennsylvania region. I am certain David Freschman and the whole team at Innovation Ventures will be very busy analyzing all the great deals that come his way through the opening of this office! We look forward to a great partnership,” said John Sider, Director of Venture Investment for the Pennsylvania Department of Community and Economic Development.

Innovation Ventures satellite office is located at 313 West Liberty Street, Suite 344 in Liberty Place.

## Second Deadly Sin

### *Avoid the Seven Deadly Sins Commonly Committed by Start-Ups*

— Patrick J. Foley, Ph.D., Managing Principal

*This article is the second in a series of seven, each one dealing with a fatal error when a technology company approaches early stage venture capital firms to obtain funding.*

#### **Assuming that a great technology will make a great business:**

We are often approached by entrepreneurs seeking funding who have invented or have rights to what appears to be a revolutionary new technological breakthrough. The invention often comes from a big name research institution, is patent protected, and appears to have applicability in broad areas. The entrepreneur will then want to wax eloquent in great technical detail about how the invention is unique, elegant, revolutionary, etc. While all of that is important for later discussions, it is not relevant to capturing the imagination of institutional investors in a first contact. The entrepreneur should keep in mind what an institutional investor is looking for in an “elevator speech”, executive summary, brief presentation, or first meeting. We want to hear a simple, compelling BUSINESS story around how this team and technology is solving a real-world business need, cost effectively, in real time, and how investors will earn a substantial return on their

money. They need to employ the “sixth grade test”...explain the concept to a smart sixth grader and see if they “get it”. If not, we are not likely to understand the idea either!

My experience has taught me that all technologies work in the lab, but I want to know if the management team and the idea can compete in the marketplace! The entrepreneurs must be able to explain the competitive arena they plan to enter and how their skills will win versus the incumbents....show me how their solution to the problem is better and cheaper than what the world is contentedly doing today. Finally, I will want to know what it is going to cost and how long it will take to get a product to market (considering any regulatory issues) and begin generating commercial sales. If all of the above captures our interest, we can then move on into all the details that may lead to a positive investment decision.

*Next issue: Third deadly sin -- Lack of Focus*

#### **Innovation Ventures**

##### **Industry Focus:**

Chemicals and Materials

Electronic Materials and Devices

Nanotechnology

Information and Internet Technology

Enterprise software with an emphasis in the legal and financial services industries

Biotechnology (excluding human therapeutics)

Medical Devices

Analytical Instruments

##### **Region:**

Mid-Atlantic

##### **Company Stage:**

Growth and Early Stage

##### **Investment Range:**

\$250,000 to \$1 million

##### **Current Portfolio:**

Business Intelligence International

COPD Partners

Maxion Technologies

Nanocomp Technologies

Skill Survey

For more information visit  
[www.innovationventures.com](http://www.innovationventures.com)

## *New Innovation Ventures Portfolio Companies*

**Business Intelligence International** ([www.aline4value.com](http://www.aline4value.com)) is a global expert in providing the frameworks, structures and analytics that allow businesses to properly manage risk and performance. For more than ten years, BI International has led the development of key business solutions for players both large and small across many industries. More recently, it used its “expert to the experts” know-how to create Aline™. The Aline platform is made up of an affordable set of easy-to-learn and easy-to-use tools that untangle the complexities of a business and organize critical information to a point of clarity, flagging key issues and driving successful decision making.



**COPD Partners** is a clinically focused respiratory device company with proprietary oxygen therapy technologies designed to transform the economics of providing oxygen services and improve the quality of life for home oxygen patients.



**Maxion Technologies, Inc.** ([www.maxion.com](http://www.maxion.com)) is a world leader in the development and commercialization of long-wavelength (3-12 microns) infrared semiconductor lasers. Maxion is the only company in the world selling both interband cascade (IC) and quantum cascade (QC) lasers to business and government customers. Their laser products are being used by customers developing product solutions in the areas of homeland security, military communications, infrared countermeasures, chemical warfare agent detection, explosives detection, medical diagnostics, industrial process controls, remote gas leak detection, pollution monitoring, and real-time combustion controls.



**Nanocomp Technologies, Inc.** ([www.nanocomptech.com](http://www.nanocomptech.com)) was formed in 2004 as a spin-out of Synergy Innovations, Inc. a Lebanon, NH based technology development company. NCTI's purpose is to leverage its proprietary and fundamental advancements in the production of long carbon nanotubes together with a unique ability to fabricate them into physically strong, lightweight, electro-thermally conductive fibers, yarns and felts. The company's goal is to create products with revolutionary performance benefits, creating a new generation of advanced structural materials and electro-energy devices.



**SkillSurvey** ([www.skillsurvey.com](http://www.skillsurvey.com)) delivers on-demand reference checking via a proprietary online process. The technology enables employers to efficiently, economically and effectively review applicants' professional references using a 360 approach for assessing past performance. The confidential format and 24/7 accessibility increases response rates by an average of 50 percent over phone references and yield more useable information. Recruiters save time, reach more references per candidate, and increase submittal-to-hire ratios with more in-depth candidate profiles.



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