

# Angel

A D V I S O R

## Washington's John May Pooling the Capital's Capital

**Setting Valuations**  
One Simple System

**Exclusive Survey**  
The Top 10 Angel  
Groups Tell All

**Better Deal Making**  
Do Your Methods  
Measure Up?

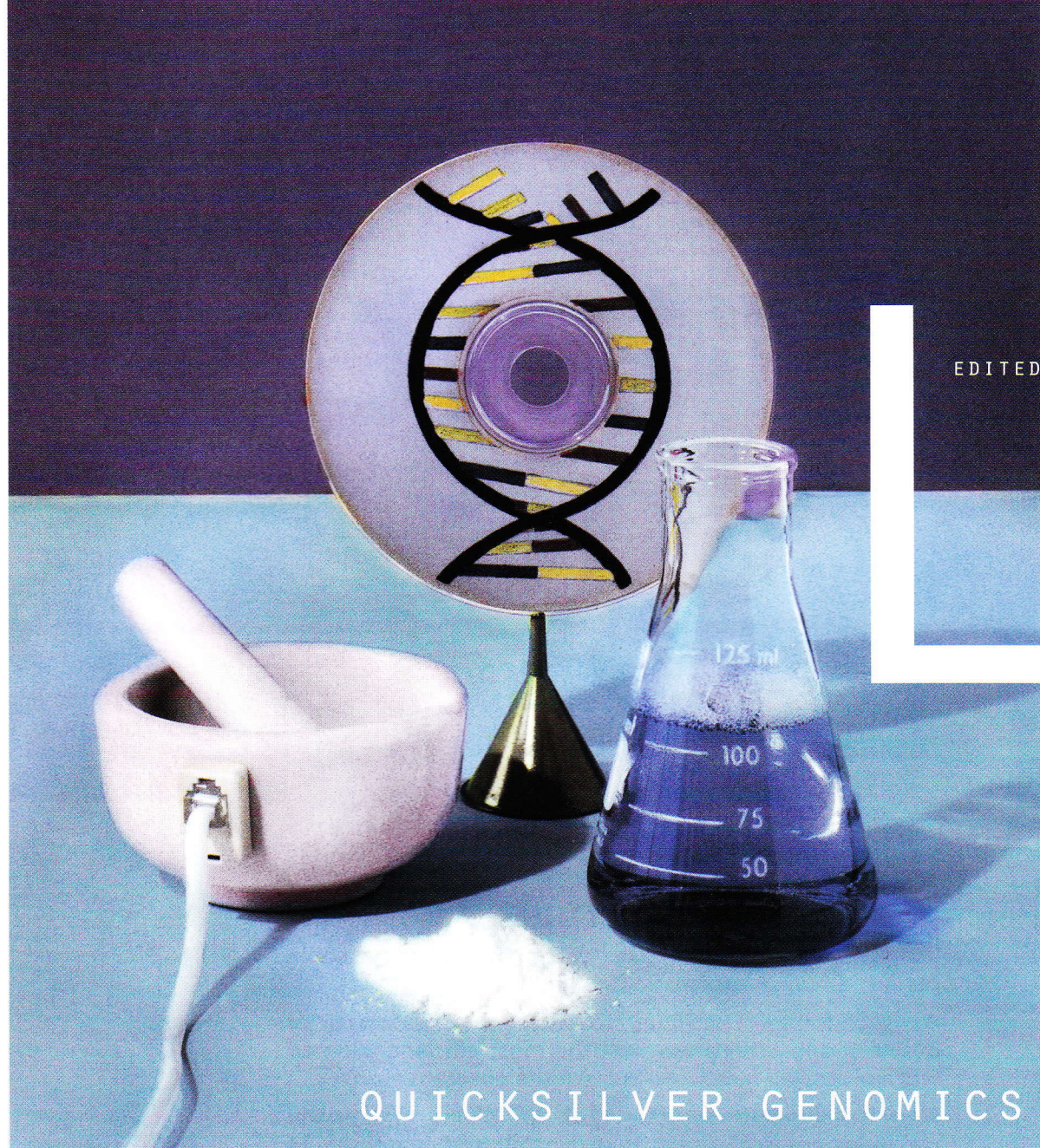


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EDITED BY DIANA ASCHER



## QUICKSILVER GENOMICS

**These 20-somethings have the know-how. And they'll soon have the degrees to prove it.**

THE GRADUATE STUDENTS WHO garnered the top prize in Garage.com's PLANedu national business plan competition aren't in business—yet. First, the group of 20-somethings is committed to earning Ph.D.s from the University of California at San Francisco. “We tried to get things going on a part-time basis, and it just wasn't happening,” says Rey Banatao, Ph.D. candidate in medical information sciences. “Two of us [Banatao and Jose Haresco, Ph.D. candidate in medical information sciences] are going into the third year, expecting to graduate

two years from now; the other two [Sean Mooney, Ph.D. candidate in pharmaceutical chemistry, and Sandra Waugh, Ph.D. candidate in biophysics] are closer to graduating.” The plan is that the first of the foursome to finish graduate studies will start running the company.

What makes Quicksilver Genomics so special? The team has created an application service provider (asp) to provide genomic research over the Internet, which will accelerate post-genomic drug discovery. “This is science, and it's a very early field in terms of

commercialization,” explains Mooney. “A lot of academic groups are developing tools that look at some segment of genomic data. All run on different platforms—Mac, PC, UNIX—and they really don't talk well together. Our idea is to fuse these technologies together and provide them to researchers, taking that platform infrastructure barrier away from the user.”

Other companies and divisions of large corporations will likely replicate the Quicksilver process. “There isn't that great a barrier to entry to do what we were going to do,”



Optical in 2001  
looks like dot.com  
did in 1999.

—Wyc Grousbeck,  
general partner, Highland  
Capital Partners

says Banatao. "A lot of the big competitors—like MSI and DoubleTwist—have changed their business models, moving in the direction of structural-genomics asps."

But the graduate students aren't worried. "Coming up with a great idea is not the problem," says Mooney, "it's just getting these things off the ground." The type of angel investor the team would seek is "someone with a great deal of experience in the biotech industry, experience with software, building a software company, and selling software in the biotech industry. We'd need that sort of insight and investors with connections to experienced management since we're so young," says 26-year-old Banatao. Mooney says Quicksilver will be able to entertain angel offers as soon as early spring 2001.

"Genomics is going to revolutionize the way science and medicine are done," says Banatao. What may give the Quicksilver team a leg up in the long run will be their Ph.D. status. Says Haresco, "In the fields of computer science and engineering, people can get away without advanced degrees. This isn't true for the life sciences."

**CONTACT:** Rey Banatao, reyban@cgl.ucsf.edu

## Businesswomen Spring into Action

"WHEN I REALIZED HOW FEW women were getting venture capital funding, I noticed a real disconnect—women weren't necessarily being rejected, they were just rarely being seen," says Kay Koplovitz, former CEO of USA Networks and current director of the National Women's Business Council (NWBC), which reports to the President and Congress on the progress of women-owned businesses.

Koplovitz—a private investor herself—started Springboard 2000 to identify and train women entrepreneurs to better present their business plans to venture capitalists. Springboard 2001's first event begins Feb-

ruary 1 at Oracle Corp.'s headquarters in Redwood City, California.

Almost 90 companies presented to investors at last year's events and have raised over \$250 million. The programs are not-for-profit, sponsored by the NWBC and organizations including Kaufman Leadership Enterprise in Kansas City; Harvard University, Lotus, and Fleet Bank in Boston; America Online in Washington, D.C.; and Oracle in Silicon Valley. About \$300,000 to \$400,000 in additional funding per event comes from other local companies. "We also recruit from among the community 125 to 150 volunteers to serve on committees. The human capital is at least as important as the money," Koplovitz stresses.

Springboard receives about 350 submissions for each event. A selection committee—composed of local lawyers, accountants, and business-school volunteers—evaluates the business plans; about 25 entrepreneurs are selected to attend Springboard's "boot camp" and to present at the Springboard event.

**VISIT:** [www.springboard2001.com](http://www.springboard2001.com) for more information.

Springboard's Kay Koplovitz



WWW.TIPS

[HTTPS://ACE-NET.SR.UNH.EDU/PUB](https://ace-net.sr.unh.edu/pub)

ACE-NET, THE ACCESS TO CAPITAL ELECTRONIC NETWORK, IS A COLLABORATION of the Securities and Exchange Commission, state securities regulators, the North American Securities Administrators Association, and the Small Business Administration's Office of Advocacy. Its goal: to help venture capitalists and accredited investors find small, growing companies through a secure Internet database. Companies seeking investments of \$250,000 to \$5 million post business plans to be viewed anonymously by accredited investors. ACE-Net has provided mentoring and assistance in business development for many years. Members can attend local mentoring and networking events sponsored by state- or university-based ACE-Net partners.



## Zero Wait-State

ZERO WAIT-STATE, HEADQUARTERED in Austin, Texas, designs custom Web-based software that cuts the time it takes to design manufacturing processes by about 90%. In June 2000 it won a contract to help Goodyear redesign tools used for making tires.

"Manufacturing-design tools used today require a lot of input," says Calvin Gee, the company's president and COO. "We put a Web interface in front of the user that allows them to enter parameters. Design, drawings, and manufacturing documentation are created automatically."

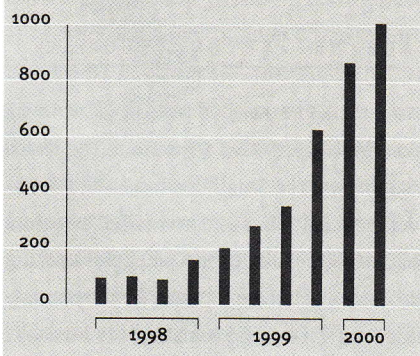
Companies that develop closely related products are good candidates for Zero Wait-State's software.

Zero Wait-State, which entered the Austin Technology Incubator in 2000, is seeking seed funding of \$500,000 to refine its products and expand marketing efforts.

**CONTACT:** Calvin Gee, [www.zerowait-state.com](http://www.zerowait-state.com), 512-305-0171

## Media Mentions

A surge in angel-investing deals has led to more frequent press references.



Source: Dow Jones Newswire articles.

## BRIGHTROOM

### A picture is worth a thousand...?

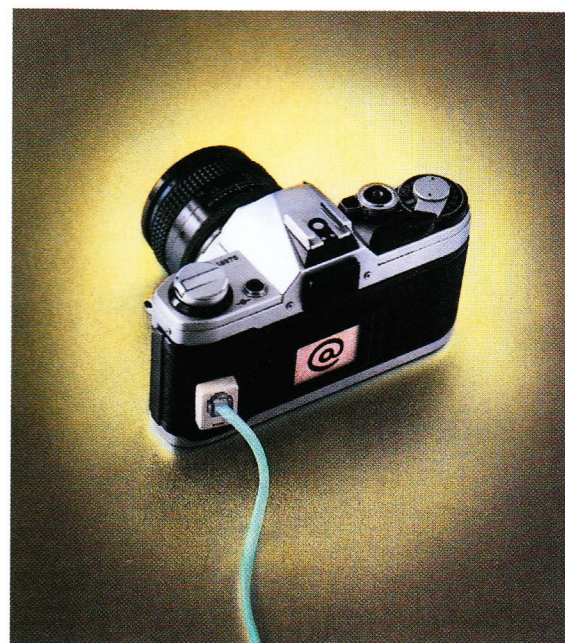
EVEN THE MOST TRIUMPHANT marathon moments are a blurred memory by the time most old-fashioned event-photography companies send pictures out via snail mail.

But Oakland, California-based brightroom is aiming to change that. It's tapping a network of photographers to take photos of sporting events and industry conferences. It then processes the film, posts the photos on its website, where customers can order prints electronically. Brightroom fills the orders and mails out hard copies. The whole process takes about five days. The company is developing technology that will allow customers to download high-resolution images directly from the Web.

In operation since March 2000, brightroom generated more than \$40,000 in revenue through mid-September, covering more than 15 events, including a 195-mile relay from Mount Hood to Seaside, Oregon.

Burch LaPrade, brightroom's CEO, was business-development manager at flyswat.com, an Internet browser plug-in that was acquired by NBC's interactive unit earlier this year. Two other brightroom executives also worked at flyswat.com.

The company won a \$15,000 award at the



Edward L. Kaplan New Venture Challenge held at the University of Chicago. Brightroom has raised \$650,000 from angel investors in the Chicago area, and planned to raise an additional \$350,000 by press time. The company is seeking \$3 million to \$5 million in funding for 2001, says Sol Kanthack, brightroom's president.

Avid runners shouldn't be surprised to see brightroom photographers along race routes; by 2004, brightroom expects to photograph about 18.4 million people annually.

**CONTACT:** Sol Kanthack, [www.brightroom.com](http://www.brightroom.com), 510-559-1099

**"The best VC firms historically have not been the largest ones. Branding takes place at an individual level."**

**—Roger McNamee, Integral Capital Partners and Silverlake Partners**



## WINNING ANGELS

*The 7 Fundamentals of Angel Investing*, by David Amis and Howard Stevenson

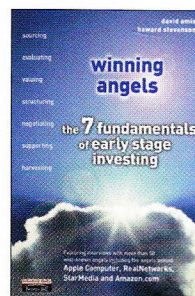
WINNING ANGELS IS A COLLECTION of insights from leading angel investors based on interviews with 45 active angels. It's not a how-to guide or reference book, but reading it will give you much to ponder. Don't expect to come away with the perfect plan—rather, the book raises issues to consider and lays a foundation for further research.

*Winning Angels* is organized around seven fundamentals of early stage investing. Along with each fundamental is a collection of quotes gleaned from the authors' interviews. Even if they seem a bit disjointed when strung together, they are fun to read. Like the one from

Andrew Filipowski, founder of divine interventions in Chicago: "If you invest and leave it alone, you will have a very different return. Start with the right team, have plenty of capital, and never give up."

One section outlines almost 20 deal-flow generation methods. While some of these methods will generate quality deal flow, many will not. The authors put this quantity-quality dichotomy in perspective and talk about how to develop referrals as a source of quality deal flow. *Winning Angels* offers excellent advice on due diligence. Given the importance of the entrepreneur to the venture's success, the authors devote considerable attention to this part of the evaluation process. In the discussion about valuation, the authors give five approaches, subdivided into 12 methods of valuation. One piece of advice that is missing: Be sure to remove emotion from the valuation exercise.

The deal-structuring discussion is essential reading, placing the angel in a position



### WHAT I READ

JERRY CARRINGTON

▣ **THE READER** Jerry Carrington, founding general partner of Inroads Capital Partners, in Evanston, Illinois. Carrington has independent angel wings, investing in a Chicago real estate pension consulting firm and three Illinois technology companies. ▣ **THE BOOK** *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*, by Clayton M. Christensen (Harperbusiness, 2000) ▣ **THE SKINNY** It illustrates the need for companies to think strategically. Small companies must be creative and focus on unprofitable parts of the business, because technological changes can make them extremely profitable. It's not rocket science, but it's an important work, consolidating some commonsense ideas. ▣ **ANGEL ANGLE** It's encouraging. Angels take a risk with small emerging-technology companies, but they may grow into large companies.



# Leads

to make an informed decision. The terms and conditions often afford the avenue for vision alignment between investor and entrepreneur. One critical point I'm glad to see included is the advice that the angel round should have venture-capital-friendly terms and conditions to ease the transition to future rounds of financing.

In almost all cases the angel contributes nonfinancial assistance to the entrepreneur, and the book takes note of this by constructing a map illustrating the value-add of the investor, value event of the venture, and type of business. This three-dimensional map may at least heighten awareness that it is not a case of if you will add value, but rather how and when.

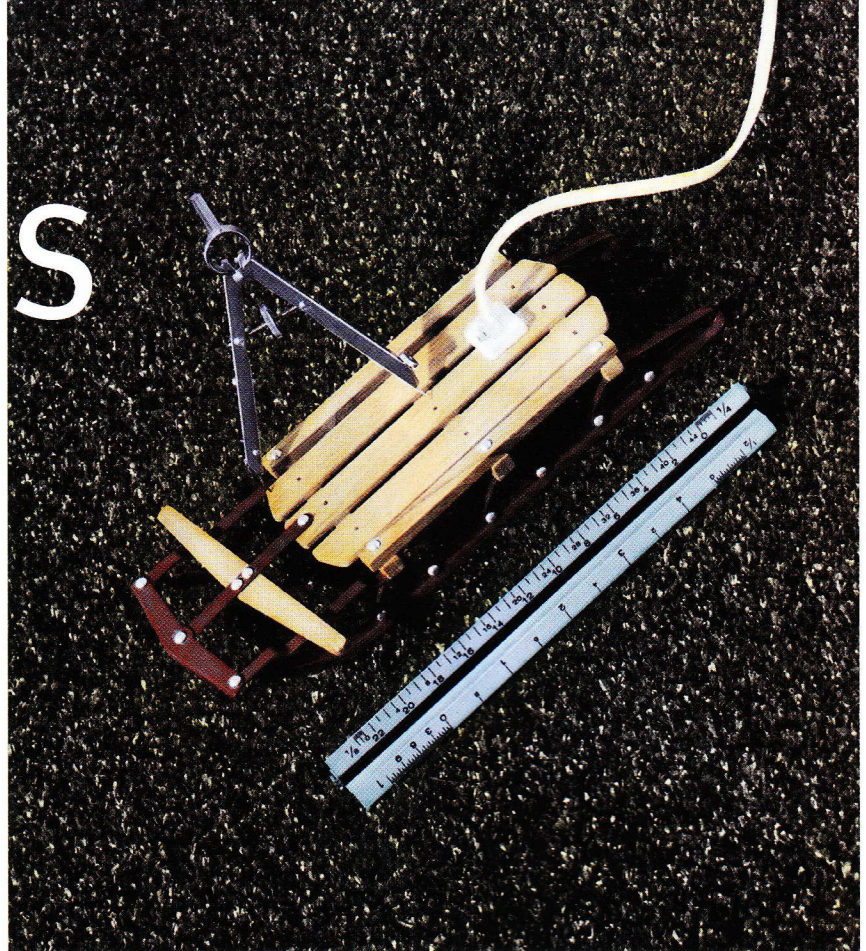
The authors wisely point out that strategic sale of the venture is the predominant way to get a return from your investment, despite the common misperception of IPO as harvesting goal. The discussion of exit options is a must-read for the seed investor.

In sum, *Winning Angels* is a good read with valuable insights. It give the highlights with lots of anecdotes, says where you'll need to conduct additional research, and provides enough cautious optimism for one to seriously consider joining the wild and challenging world of angel investing.

*Jeffrey E. Sobl is the director of the University of New Hampshire's Center for Venture Research.*

**"I wouldn't be here today without Al Gore doing what he's done for the last 25 years."**

**—Marc Andreessen**, chairman and co-founder, Loudcloud Inc.



## Mental Engineering

TIRED OF PITCHES FROM HIGH-tech start-ups? Mental Engineering may be just what you need. The product-development company has patented and developed its first device, the SummerSled. Seeing how popular snow sledding is, Mental Engineering's founders—experienced in engineering, marketing, and business—figured out how to extend the season with a sled one can ride on grass, according to Matt Walker IV, director of marketing and sales. Mental Engineering's website can even direct you to some of the best grass-sledding hills in the United States.

Headquartered in St. Louis, Missouri, Mental Engineering was founded in 1996 with the mission to create and develop revolutionary products. At its Kansas City, Missouri, facility, the company manu-

factures, assembles, packages, warehouses, and drop ships consumer and retail orders. Consumers can buy the SummerSled via Internet at [www.summersled.com](http://www.summersled.com) or [www.amazon.com](http://www.amazon.com), via phone at 877-493-SLED, at select Toys R Us stores, and through orders from the Back to Basics toy catalog.

"We are seeking financing to launch our international manufacturing and set up marketing campaigns and distribution outlets in selected markets around the world," Walker says. "We intend to appeal to the consumer by fulfilling that inborn desire for something new."

The company hopes to generate \$4 million in sales in 2001 and seeks \$5 million in first-round investment.

**CONTACT:** Matt Walker IV, [www.summersled.com](http://www.summersled.com), 314-427-3680



FOR RANDALL KAPLAN, IT'S what you know and *who* you know. The 31-year-old founder of JUMP Investors (a Los Angeles VC firm composed of angel investors, by invitation only) relies upon not only the experience he's gained from three-year stints as a lawyer, managing director at SunAmerica, and co-founder of Akamai Technologies, but also the people he's met along the way. Kaplan is the ultimate relationship-builder.

"I had a fair level of experience dealing with investment banking firms and had worked with a group of sophisticated financial professionals," says Kaplan. But that experience couldn't prepare him for the challenges of starting a business from scratch. "You don't really know about the VC world until you're in it. When you actually get money wired into your bank account, it just isn't the same as reading about it."

Kaplan says working in a start-up company taught him "the value of having great investors—one can be very efficient utilizing an advanced network of experienced executives and entrepreneurs. I was fortunate to be a part of Akamai, a company that has incredible technology that most Internet companies need and should use; as a result I was able to meet the technology leaders of Los Angeles."

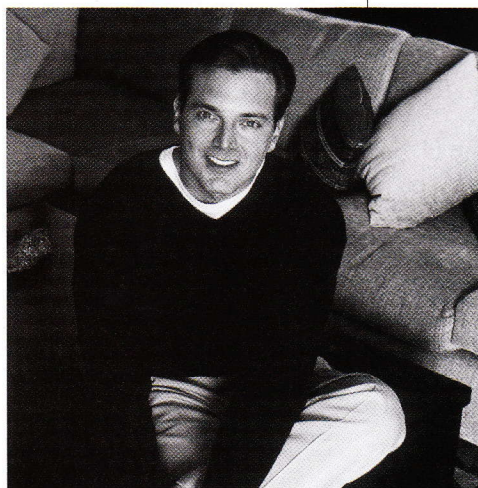
After success with Akamai, Kaplan was ready to tackle a new gig—creating a venture capital organization. "The JUMP investors are all experienced Internet and technology professionals," Kaplan explains. "We don't accept any outside capital. There are 54 people in

the group right now, and many of those are very well-heeled." JUMP doesn't impose a management fee on the start-up companies the group nurtures.

The networking achieved by these select angels is not easy work. "Everyone in our network agrees to work for the opportunity to invest; everybody is motivated toward one goal—helping to build great companies," Kaplan says. Leads on start-up ventures come from business relationships and venture connections, but they also come from cold-calling by the angels themselves. "We go out and find opportunities," Kaplan says.

The benefits of having seasoned angel investors in the organization can save start-ups one precious commodity—time. "When you need to call the CEO of AOL and one of your investors knows him personally, you can get a meeting the next day," says Kaplan. "That saves a young company months of work."

"We try to leverage the experience of our total network and our relationships to help other young companies develop their businesses," says Kaplan.



# L eads



. LEARN

## The firm provides student resources

HIGHER EDUCATION IS A LARGE AND renewable market that consumed an estimated \$5 billion in instructional materials in 2000, according to market researcher Simba Information. Within this market, .learn, based in Piscataway, New Jersey, will compete in the distance-learning segment, the fastest-growing area of higher education, with 1999 revenues estimated by industry analyst International Data Corporation to be \$1.1 billion. "Our goal is to move beyond the technology hype surrounding the e-learning space to provide educators and their students with trusted and engaging content that will enable the Web as a compelling medium of instruction," says Rick Clinton, CEO, president, and co-founder of .learn.





## Distance- and distributed-learning programs via the Internet.

.learn offers integrated products—e-learning portals, titles, and management—that provide student resources and tools for educators to deliver curriculum-specific distance- or distributed-learning programs. Each product is designed to generate revenue, to contribute to .learn's marketing strategy, and has built-in switching and entry barriers.

Textbook publishers, platform providers, educational-software firms, and higher-education institutions are the stiffest competition in the college e-learning space. While the competition is intense, .learn's management team says its core competencies—market expertise, editorial development, software engineering, and dynamic sim-

ulation—are unparalleled in the industry.

The company launched its e-learning portal beta in August 2000 as a first step to capitalizing on proprietary technology, content-development skills, and market expertise.

Its work in pedagogical design, software engineering, mathematical simulation, and multimedia content development has been lauded by the National Science Foundation, *Forbes* magazine, and the Smithsonian Institution.

Current funding for .learn comes from the founders and cash flow from operations. The company seeks a first-round equity investment of \$1,200,000.

**CONTACT:** Rick Clinton, 732-981-0880

## Deluxe Deal Flow

MARC ANDREESSEN, TED BRISCOE, Esther Dyson, Frank Gill, Henry Kissinger, Shaquille O'Neal, Kim Polese, Jeffrey Skoll, Thanos Triant, Mike Volpi, and Tiger Woods have something in common—they are all members of Angel Investors L.P. The group, with about 200 members, has two funds to back Silicon Valley start-ups, and has helped more than 150 companies with early stage financing and mentoring in the Internet, e-commerce, and information-technology markets.

How do these investors keep up with the industry buzz? The group relies on the high-level contacts of its members to bring in quality deals. "Our investors give all the deal flow," says Ron Conway, a founding partner of Angel Investors. For example, Andreessen brought in Infrasearch, a peer-to-peer computing start-up; Compaq chairman Ben Rosen facilitated the Ask Jeeves deal; Allen & Co.'s Herb Allen hooked the investors up with LoudEye Technologies, which provides Internet audio and video experiences; Sandy Robertson of Robertson Stephens brought in ZuluSports, a company offering action-adventure vacations; and ex-Netscape/AOLer Mike Homer brought in Theme Stream, a start-up that keeps you up-to-date on your interests.

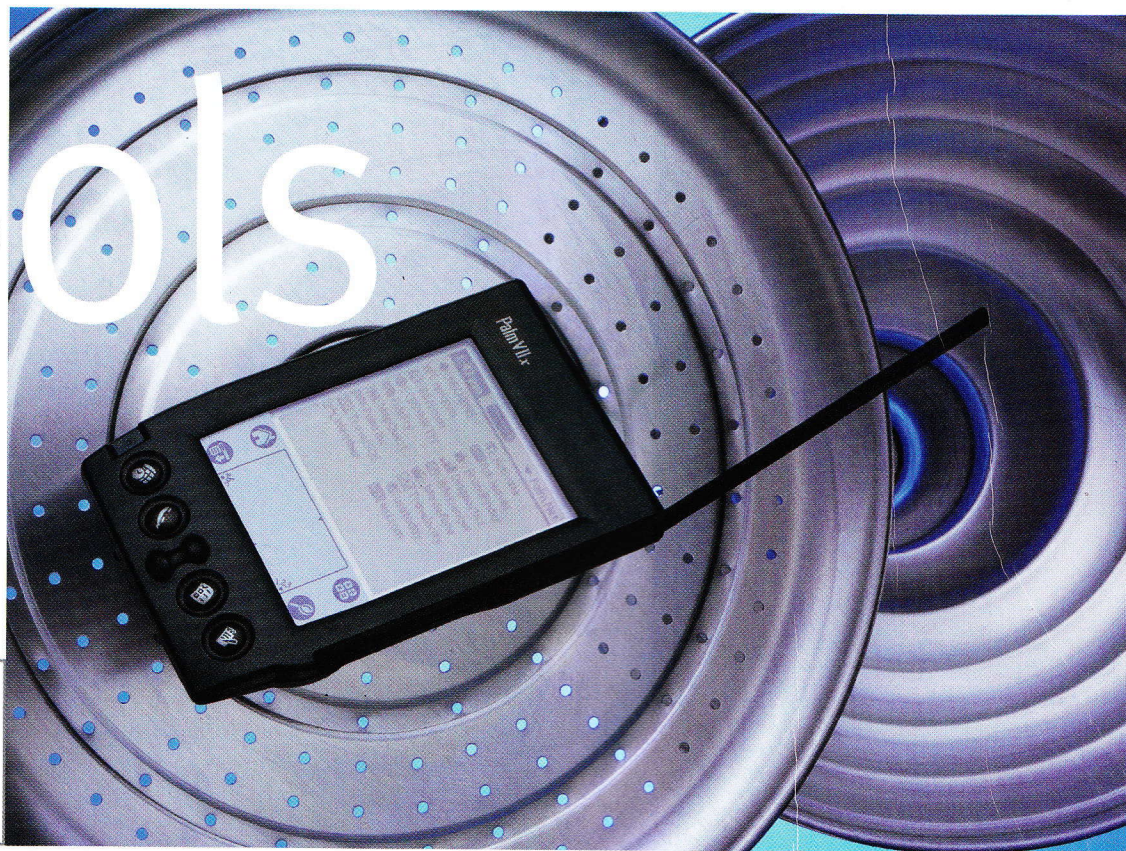
Other start-ups in Angel Investors' fund portfolios include search-engine company Google.com, music-sharing facilitator Napster, and software start-up The Brain.

**CONTACT:** [www.svangel.com](http://www.svangel.com)



# Tools

Palm's first entry into the wireless personal digital assistant market.



## PALM VIIx WIRELESS

**It's a savvy PDA, but there may be better products on the horizon.**

BY DIANA ASCHER

FINALLY—WIRELESS INTERNET ACCESS is here, and Palm's entry into the wireless personal digital assistant (PDA) space will be a popular move. The new Palm VIIx combines all the old organizer functions—a calendar, contacts, and task lists—with the added ability to send and receive messages and access Internet content. While the VIIx is slightly larger than the popular Palm IIIxe, at 6.7 ounces and 5.25 x 3.25 x 0.75 inches it still fits in a pocket. But after testing it, I'm tempted to watch the market develop before trading up, and here's why.

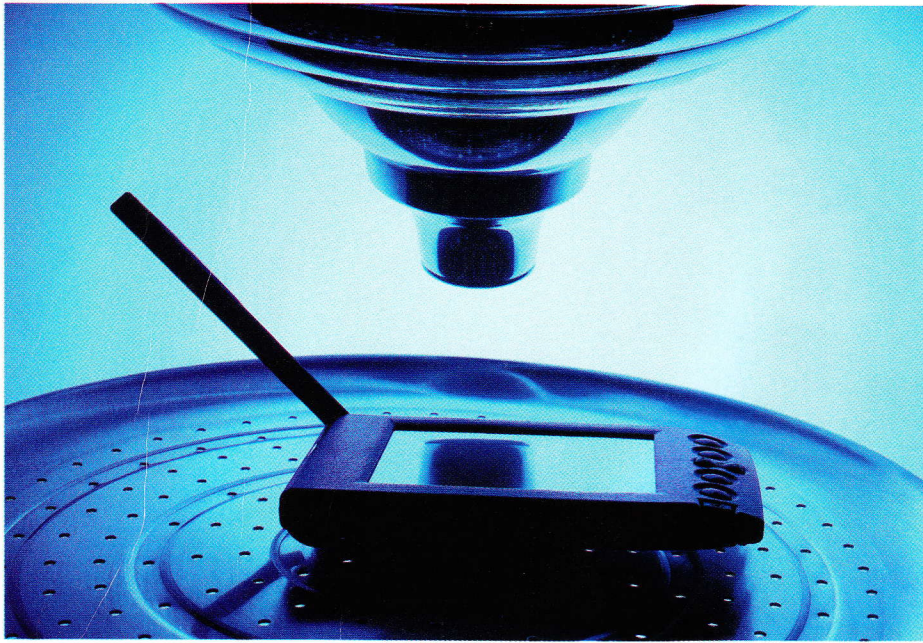
Internet access is limited to sites that are pared down to the basics in a Palm Query Application (PQA) format. This is called "Web clipping." Forty such Internet sites are bundled into the software package on the Palm VIIx, and many others are available for

download from Internet sites like Palm.net. But with third-party applications—called hacks—come third-party problems, as we've seen in other hacks designed for the Palm Operating System (OS) platform. Wireless applications are a very limited version of the Net. The Palm VIIx does not incorporate a standard Web browser to navigate the Internet—unless you install third-party programs, you're limited to the 40 bundled destinations. It comes with an application from Palm that enables wireless downloading of the 400-plus Web-clipping applications on the Palm.net site. One nifty Web-clipping feature is the ability to copy and paste information from the Internet into other Palm applications. But this, too, has its limitations. If you copy a table, for example, it does not paste properly into Memo Pad, jumbling

your data. Surprisingly, there is no built-in wireless phone book.

Some nice features: Many PQAs allow you to retrieve information based on your current locale. The device sends a signal to the nearest tower and the PQA receives a code for your location. For example, Moviefone will automatically select the theaters closest to your current location and give you showtimes. You can keep up with your e-mail wirelessly with the Palm VIIx, thanks to 8 megabytes of storage space compared with 2MB in previous models. (However, there are other PDAs on the market that have 8MB of memory, and they cost less—\$249 for the Handspring Visor Deluxe versus \$449 for the Palm VIIx.) Palm continues to bundle its popular iMessenger application with the Palm VIIx handheld, allowing users to send and receive





# Tools

brief Internet messages wirelessly on a specific "username@palm.net" address. You can send to any e-mail address, although incoming mail has to go through your account with Palm.net. Attachments are stripped and you're limited to 8,000 characters. Palm also has made it easier to access POP3 or IMAP and Web-based e-mail accounts with a selection of communication applications from Juno Air, ThinAirMail, and Yahoo! Mail.

Missing from the new Palm VIIx are some features that would easily make it a superior communication device. At the top of the list: pager notification. Palm VIIx's closest competitor, the OmniSky Minstrel V, has a flashing indicator to alert the user to new e-mail. The lack of such user-friendly features might give OmniSky and other rival products like the RIM Blackberry 957—with tone, vibrate, on-screen, or LED wireless e-mail indicator—a competitive edge. Also disappointing to me was the fact that the Palm VIIx cannot receive e-mail or perform any wireless transactions without the antenna in the up position.

Analysts say the Handspring Visor may be more popular with the technically savvy shopper because of its slide-in Springboard expansion slot capable of transforming the device into everything from electronic book

to mobile phone to MP3 player. Palm plans to add a postage-stamp-size expansion slot to its next generation of devices due out in 2001—hopefully, along with a rechargeable battery and a Web browser.

One important thing to consider: For now, coverage is limited to about 260 metropolitan areas—if you're traveling between these areas or located in an area out of range (i.e., most of the central United States), forget it. And

the Palm.net service is expensive and slow—the bandwidth is under 9600 baud, and there's a 2- to 10-second delay between clicking and getting a response. Three plans range from \$9.99 to \$44.99 per month, based on the number of kilobytes you use. If you use more kilobytes than your plan covers, you are assessed an additional fee. Any information junkie worth his salt (accessing stock quotes, news, e-mail) will easily exceed the limited wireless plans. There's an activation charge of \$9.99.

If you absolutely must have the newest device out there, the Palm VIIx is a nifty gadget. But if you can wait a few months, you may be better served by some of the PDA offerings coming from Sony, Qualcomm, and Handspring—or Palm. □

*Diana Ascher is the managing editor of Angel Advisor.*

## PALM VIIx

## SPECIFICATIONS

□ **SIZE AND WEIGHT** 5.25" x 3.25" x .75", 6.7 oz. (with batteries installed) □ **DISPLAY** Backlit display □ **INFRARED PORT** Yes □ **OPERATING SYSTEM** Palm OS® software 3.5 □ **FLEXIBLE STORAGE CAPACITY (8MB)** Stores approximately 400 e-mail messages, 30 add-on applications, 100 Web-clipping applications,\* 8,000 addresses, 8 years of appointments (approximately 3,000), 300 to-do items, and 1,000 memos □ **APPLICATIONS** Date Book, Address Book, To Do List, Memo Pad, Calculator, Web-Clipping Applications, iMessenger® Application, Expense, Mail, Hot Sync® Manager, Security, Games □ **PALM DESKTOP SOFTWARE** Desktop import and export formats: CSV, TAB delimited, and TXT; Drag-and-drop links to Microsoft Word and Excel □ **SYSTEM REQUIREMENTS** IBM-compatible 486 PC or higher running Windows 95/98/2000 or Windows NT 4.0; 8MB of RAM minimum, 16MB recommended (required with Windows NT 4.0); One available serial port (Macintosh users require the Palm-Connect® Serial Kit or PalmConnect USB Kit); 20MB available hard-disk space; CD-ROM drive

\*Add-on applications based on average size of 50K; Web-clipping applications based on average size of 15K. Source: Palm Inc.



# Fast Tracking

## Strong Attributes

HOW DO INDIVIDUAL ANGELS OPERATE? AS YOU CAN IMAGINE, they have definite preferences in the ways they make their deals. Jeffrey Sohl, a professor who heads up the University of New Hampshire's Center for Venture Research, has long been one of the most prominent sources of studies on angel investing. He put together current statistics that draw a revealing picture of individual angels' ways of working. Three of the most intriguing: Eighty percent of angels say they would invest more if they were approached with quality deals. In the last few years, there has been a marked increase in the number of angels who co-invest through formal groups or informal syndicates of serial angels who know each others' areas of expertise. And about half of all angels say they prefer to have a minority stake in a company rather than a heftier chunk.

### I Do It My Way

#### AVERAGE:

Amount available to invest **\$311,875**  
Amount invested per deal **\$144,687**  
Equity received per individual deal **21%**  
Preference to co-invest **77%**  
Number of deals in which there is co-investment **72%**  
Amount invested per co-investment deal **\$600,000**  
Equity received per co-investment deal **32%**

### Just Said Yes

#### PREFERENCES:

Importance of location of investments **94%**  
Use a pro forma legal agreement **29%**  
Prefer investments in high-tech ventures **64%**  
Prefer a minority stake **48%**  
Prefer a majority stake **16%**  
Lack of quality deal flow inhibits additional investing **80%**  
Expect investment activity to increase in the next five years **52%**

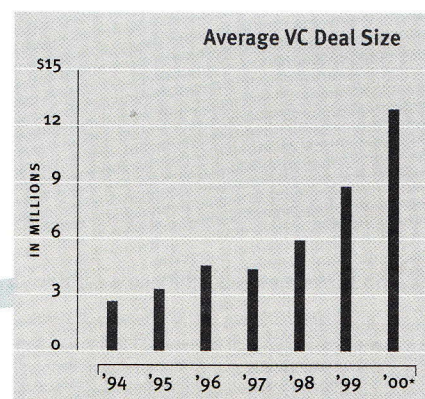
### Starting Early

ENTREPRENEURS AND INVESTORS are becoming angels at an earlier average age than ever before.

1996: **60** years  
1999: **49** years

### Funding Gap

THAT SPACE BETWEEN THE ceiling on angels' deal sizes and the floor for venture capital investment widens every year. In 1994, the gap was between \$100,000 (the average angel investment) and \$2.7 million (the average VC investment). In 1998, the average deal size for VCs rose to \$6 million; in 1999, \$8.9 million; and in the first three quarters of 2000, \$13.2 million.



\*Through 9/00 Source: Center for Venture Research



# Fast Tracking

## Survey Says...

RESULTS OF THE EXCLUSIVE *ANGEL ADVISOR* Angel Group Activity Survey are in, showing some startling, first-time facts. On average, groups funded 236% more companies in 2000 than in 1996, a steady average annual compounded growth rate of 35%. A start-up gets an average of \$350,000 from groups here in the U.S., usually about one-third of the total round. Below, we've listed the the most active groups, based on their deal-making action in 2000, and more stats from the survey.

Go to [www.angelsociety.com](http://www.angelsociety.com) to enter your group's data in the survey.

Has **85** members  
Looks for a return of **35%**  
Gives funding to **1/3** of presenters  
Has invested **\$9.5** million since inception  
Invests between **\$2M-\$5M** per year

Group

## Top Ten

*Angel Advisor* and AngelSociety ranked groups according to the number of deals completed in 2000.

Group	State	Year Founded	# of Members	Deals in 2000	Avg Investment	Committed Capital
1 Band of Angels	CA	1995	150	22	\$1.1 M-\$1.2 M	\$90 M-\$100 M
2 Northwest Capital Network	WA	1994	650	20	100 K-200 K	50 M-60 M
3 Angel Capital Network, Inc.	CA	1999	150	12	1.9 M-2.0 M	10 M-15 M
4 Pennsylvania Private Investors Group	PA	1991	50	12	400 K-500 K	25 M-30 M
5 Private Investor Network	NJ	1989	35	12	300 K-400 K	NA
6 Alliance of Angels	WA	1997	170	10	Under 100 K	7 M-10 M
7 CommonAngels	MA	1998	90	10	900 K-1.0 M	10 M-15 M
8 NYNMA Angel Investors Program	NY	1997	50	10	500 K-600 K	10 M-15 M
9 The Gathering of Angels	NM	1996	400	7	Under 100 K	7 M-10 M
10 St. Louis Angel Network	MO	1999	44	7	100 K-500 K	1M-2M

@ Go to [www.angelsociety.com](http://www.angelsociety.com) to take the survey for your group and to view the latest updates in responses.

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