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Welcome

Welcome to Advantage Capital Partners' electronic newsletter for February. We think you and other opinion leaders in business, finance, government, economic development and higher education will find this month's news about Advantage investments and our innovative portfolio companies to be informative.

News about Advantage Investments

Advantage makes additional investment in Dallas-based Quickoffice

Mobile device software provider [Quickoffice](#) has secured \$7 million in its latest round of financing from Advantage Capital, the Mayfield Fund, and Access Industries, among others. The funding will be used to further the Dallas-based company's core product and increase distribution with the world's leading handset manufacturers.

Quickoffice also announced that Patrick McVeigh, former CEO of PalmSource Inc., has joined its board of directors. "Quickoffice's seasoned management team has secured strong commercial and strategic relationships with some of the world's largest brands, including Nokia and Sony Ericsson," McVeigh said. Indeed, in the second half of 2006, the company's software was included on a number of new handset models by Sony Ericsson and Nokia, which has licensed the software and is now shipping the Quickoffice 3.0 Premier product on all existing E-Series phones.

Advantage first invested in Quickoffice in 2005 in connection with Texas' Certified Capital Companies program. For more on the latest financing, go [here](#).

Advantage leads financing round for Quick Study Radiology

[Quick Study Radiology](#) – a St. Louis-based company providing hospitals, imaging centers and physician groups an integrated solution for storing, viewing and tracking digital radiology images – has closed on a \$3.3 million Series D financing round led by Advantage Capital. The funds will be used for working capital needs as the company continues to increase market share in the rapidly growing radiology information systems area.

"This investment will support our continued market penetration and growth, bringing more

physicians the best possible tools for improved patient care and increased efficiency,” said Dr. Skip Sallee, QSR’s president and chief executive officer. Advantage also led QSR’s \$2 million round of financing in 2005, investing with funds raised through the federal New Markets Tax Credits program. Go [here](#) for more on the latest funding.

Advantage’s BizCapital invests in New Orleans restaurant

A \$575,000 investment by Advantage’s small business lending unit BizCapital has allowed [Sun Ray Grill LLC](#), a New Orleans restaurant group owned by restaurateurs Dana and Julia Deutsch, to make a long-term commitment to the city’s Warehouse District by purchasing space in the historic Cotton Mill Apartments building.

“As New Orleans natives and business owners, we are committed to helping rebuild the city that has supported us for so long,” Julia Deutsch said. With four restaurants in the New Orleans area, the Sun Ray Grill offers customers a family friendly environment with cuisine inspired by sun-drenched destinations such as the California coast, the Caribbean and the Mediterranean.

BizCapital is providing financing through the small business lending fund Advantage established to provide funding for entrepreneurs whose businesses qualify under the New Markets Tax Credits Program. For more on Sun Ray Grill’s dedication to New Orleans, go [here](#).

InSciTek’s Allworx division wins Product of the Year Award

[Allworx](#), the small business VoIP product division of [InSciTek Microsystems Inc.](#) in Rochester, N.Y., has been awarded the Product of the Year award from *Internet Telephony* magazine and the Technology Marketing Corporation (TMC) for its 6x VoIP Communications System. The Allworx 6x, designed exclusively for small businesses, uses both traditional and VoIP telephony services that allow small businesses to transition risk-free to VoIP at their own pace. It also provides the richest feature set available, is easy to install and use, and features the lowest cost of any similar full-featured VoIP system.

“Allworx has proven they are committed to quality and excellence while addressing real needs in the marketplace,” said Rich Tehrani, TMC president and editor-in-chief of *Internet Telephony*. “We’re proud to honor their hard work and accomplishments and look forward to more innovative solutions from them in the future.”

Advantage invested in InSciTek in 2005 in connection with New York’s Certified Capital Companies program. For more on the Allworx award, go [here](#).

AuthenTec’s sensor named ACE Award finalist

[AuthenTec’s](#) Entrepad 1610 fingerprint sensor was named as one of the finalists in CMP Technology’s *EE Times* Annual Creativity in Electronics (ACE) Awards. The awards recognize creators of technology who demonstrate cutting-edge breakthroughs, innovation and leadership.

“This year’s ACE Awards finalists mark a shift in the industry, as the electronics industry becomes more focused on creating technologies attractive to consumers,” said Brian Fuller, editor in chief of the *EE Times*. The Entrepad 1610 sensor, which delivers innovative security and touch pad navigation in the smallest solution for PC applications, was one of eight finalists in the Ultimate Product of the Year category, as determined by a large-scale peer review. For more on the ACE Awards, go [here](#).

Advantage made its first investment in AuthenTec, based in Melbourne, Fla., in 1999 through Florida’s Certified Capital Companies program.

GridApp’s products pick up industry recognition

Database automation software and solutions provider [GridApp Systems](#) recently announced

that the GridApp Clarity 3.2 has been named to the SearchSQLServer.com 2006 Products of the Year. GridApp Clarity 3.2 is the only database administration solution to simplify and automate the management of complex database environments – across platforms, business units and geographic locations. The product won the Silver Award in the Performance and Tuning category for its depth of functionality, as judged by a team of SearchSQLServer.com editorial staff, users, industry experts and analysts. Go [here](#) for more on the award.

Advantage first invested in GridApp in 2004 through New York's Certified Capital Companies program. The company is based in Manhattan.

Hammermill redevelopment featured in St. Louis-area magazine

The \$18.5 million Hammermill Paper redevelopment is one of downtown St. Louis' newest resurgence projects, according to *St. Louis Commerce* magazine. Originally part of the historic and innovative Cupples Station Complex, the renovated Hammermill building will offer commercial and retail occupants – including main tenant Rodgers Townsend Advertising – and a prime location in the center of the city's Ballpark Village redevelopment area.

Advantage Capital, along with U.S. Bancorp Community Development Corp. and St. Louis Development Corp. (SLDC), created a multi-faceted financing package for the \$19 million project. The financing included the combination of federal New Markets Tax Credits with state and federal historic tax credits. For more on this redevelopment, go [here](#).

New York's iCardiac Technologies announces partnership with Pfizer

[iCardiac Technologies, Inc.](#), a leading provider of advanced cardiac safety analysis technologies based in Rochester, N.Y., has entered into a multi-year research alliance with Pfizer Inc. to develop and validate advanced electrocardiograms (ECG)-based cardiac safety biomarkers using its COMPAS technology platform. This technology – created at the University of Rochester and commercially developed by iCardiac – enables pharmaceutical companies to better analyze data from ECGs to determine whether or not an experimental drug is toxic to the heart.

The company's COMPAS software platform also won Frost & Sullivan's 2006 North America Technology Innovation of the Year Award in the Cardiac Safety Analytics category. iCardiac's COMPAS software is able to perform vital cardiac safety tests with higher accuracy than other methods at a lower cost.

Advantage invested in the company last year in connection with New York's Certified Capital Companies program. For more on iCardiac's latest achievements, go [here](#).

New York's Kionix named Entrepreneurial Company of the Year

Microelectromechanical systems sensors (MEMS) maker [Kionix](#) won Frost & Sullivan's Entrepreneurial Company of the Year Award for demonstrating outstanding achievement and superior performance in the MEMS market. The award recognizes Kionix, based in Ithaca, N.Y., for its leading-edge technology, powerful product portfolio and significant growth in a competitive market. Frost & Sullivan is a respected growth consulting firm.

"Kionix has achieved tremendous success by being extremely responsive to customer requirements and making good use of its substantial domain expertise," said Prashanth Venkatesh, research analyst for Frost & Sullivan.

Kionix makes the world's most advanced accelerometers and gyroscopes, which are currently being used or tested in automotive and electronics applications. The company pioneered its technology based on research originally conducted at Cornell University. Advantage first invested in Kionix in 2003 in connection with New York's Certified Capital Companies program. For more on this recognition, go [here](#).

Stereotaxis hits clinical and scientific milestones

Cardiologists have performed more than 6,000 procedures using magnetic navigation technology developed by [Stereotaxis](#) (NASDAQ: STXS), a designer and manufacturer of minimally invasive magnetic guidance systems for cardiac catheters. This milestone, along with the more than 100 orders taken for the Niobe Magnetic Navigation System, demonstrates increasing clinical adoption of the Stereotaxis system.

"These achievements demonstrate our substantial clinical and scientific momentum with clinicians and hospitals performing cardiac procedures. They indicate that the value of our technology is broadly recognized in the areas of safety, efficacy and efficiency," said Bevil Hogg, president and CEO of St. Louis-based Stereotaxis.

Advantage first invested in Stereotaxis in 1998 and participated in several additional rounds of financing prior to its Initial Public Offering in August 2004. For more on the company's clinical milestones and recognition, go [here](#).

New York's Synacor goes global; powers U.K.'s largest broadband provider

[Synacor](#), a leader in the development and delivery of Internet tools and portals for the cable and telecom industries, has partnered with Virgin Media to power the newly launched [virginmedia.com](#). The partnership signals Synacor's expansion into the international market, adding three million U.K. broadband subscribers to its existing 20 million broadband customers and 50 million cable television customers in the United States.

"Synacor's solution made perfect sense for the virginmedia.com site because it will not only enable us to provide our customers with a wide range of valued services from virginmedia.com, it also will enhance our productivity and lower our costs," said Chris Bunyan, director of portal management for Virgin Media.

Advantage first invested in Synacor, which is based in Buffalo, N.Y., in 2004. For more on Synacor's latest partnership, go [here](#).

Madison's Virent Energy earns attention for "green" gasoline

[Virent Energy Systems'](#) focus on finding eco-friendly answers to growing energy needs earned a cover story in the February 2 issue of *Isthmus*, a weekly newspaper in Madison, Wis. The story provides a close look at the local company's products, process and vision for making renewable energy sources and notes that "Virent is well on its way to making energy that's cheap, renewable and doesn't increase carbon in the atmosphere," according to the article.

Virent's patented BioForming process cost-effectively converts widely available biomass generated feedstocks (such as the sugars from plants) into hydrogen and other carbon-neutral fuel gases – energy sources that are currently made primarily from fossil fuels. The story also outlines several advantages to Virent's "green" gasoline, including a more energy-efficient production process, the ability to transport via pipeline, and its compatibility with existing technology.

Advantage first invested in Virent in 2005 through Wisconsin's Certified Capital Companies program.

About Us

[Advantage Capital Partners](#) is a private equity firm focused on investing in promising companies in connection with federal, state, and local economic development efforts. With offices in New Orleans, St. Louis, New York, Austin, Washington, D.C., Tampa, Madison, Denver and Huntsville, Advantage has raised more than \$750 million in institutional private equity since 1992 and has invested in companies and projects located in states and communities underserved by traditional venture capital.