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ADVANTAGE CAPITAL NEWS

Advantage Capital and the Louisiana Tech Fund invest in ArcMail Technology through CAPCO program

Advantage Capital and the Louisiana Technology Fund have invested \$3 million in [ArcMail Technology](#), a leading provider of email archiving and management technology. The company will use the funding to add staff and launch an aggressive marketing campaign.

"ArcMail delivers an exceptional product in a marketplace that is still in its infancy," said Les Alexander, senior vice president at Advantage. "Our investment will play a role in the company's growth and will also bring nine new jobs to the Shreveport area over the course of the year."

ArcMail Technology, based in Shreveport, provides simple, secure and cost-effective email archive solutions to the small and medium-sized business (SMB) market. The company's flagship product, [ArcMail Defender](#), is a Linux-based platform, which allows for easier storage and retrieval of email by capturing all inbound, outbound and internal messages using the journaling function of a company's mail server.

Advantage Capital's investment in ArcMail Technology was made in connection with Louisiana's Certified Capital Company program. To read more on this investment, go [here](#).

Advantage Capital invests in Madison-based Collectar through CAPCO program

[Collectar Inc.](#), a privately-held radiopharmaceuticals company that designs and develops products to detect, treat and monitor human cancers, has raised \$13 million from Advantage Capital, Venture Investors and other investor groups. Collectar will use the money to continue operations and execute a clinical trial for its lead oncology product candidate, CLR1404. The trial is planned to start this summer.

"Collectar is another great example of a company formed around leading edge discoveries from major Midwestern research universities attracting a world class management team," said John Neis, managing director of Venture Investors.

Collectar's novel product candidates combine lipid-like molecules, phospholipid ethers (PLEs), with radioisotopes that can either image or destroy malignant cells. Collectar's products' unique mechanism of action is based on their selective accumulation and retention in malignant tumors and not normal cells. The company's operations are based in Madison, Wis.

Advantage Capital's investment in Collectar was made in connection with Wisconsin's Certified Capital Company program. To read more about the Collectar investment, go [here](#).

ECONOMIC DEVELOPMENT NEWS

Sixth round of New Markets Tax Credit competition opens

The U.S. Department of the Treasury has announced the opening of the sixth round of competition for tax credits on \$3.5 billion of investments under the New Markets Tax Credit (NMTC) program. Designed to help finance community development projects, stimulate economic growth and create jobs, the NMTC program attracts private-sector capital investment into the nation's low-income communities. This year's NMTC allocation round will include an emphasis on placing investments in underserved rural communities.

"I am very impressed with how this program is making significant impact in low-income communities across the nation," said CDFI Fund Director Donna Gambrell. "Capital is being raised and invested into projects many thought of as just a dream – from critically needed community facilities and charter schools to grocery stores and other businesses."

Advantage Capital is a leading participant in the New Markets program, having received allocations totaling \$258 million in the first, third, fourth and fifth rounds. Through 2007, Advantage has invested in 39 companies using capital raised under the program. These investments have made a significant economic impact on low-income

communities throughout the United States. A few examples of recent investments include: [T&K Machine](#) in Texas, a manufacturer of highly engineered precision-machined airframe components; [Kereos](#) in Missouri, a developer of targeted therapeutics and molecular imaging agents that detect and treat cancer and cardiovascular disease; and [Rucker's Candy](#) in Illinois, one of the fastest growing candy distributors in the country.

For more on the New Markets Tax Credit program, go [here](#).

PORTFOLIO COMPANY NEWS

InfoWorld recognizes Digium Asterisk as a 2008 Technology of the Year

[Digium Inc.](#), the Asterisk Company, has been selected as a winner of the 2008 Technology of the Year award by InfoWorld Test Center editors and reviewers. The award identifies the best and most innovative products on the IT landscape.

"The *InfoWorld* Technology of the Year 2008 award is an enormous acknowledgement of the work and success of the worldwide Asterisk community," said Mark Spencer, creator of Asterisk and Digium CTO. "Asterisk wouldn't be in a position to rival some of the biggest vendors of proprietary voice technology today if it weren't for the inherent strength of open source and dedication of the community developers."

Digium owns and is the innovative force behind Asterisk, the most widely used open source telephony software. Since its founding in 1999, Digium has grown to become the open source alternative to the traditional communication providers, with offerings that cost as much as 80 percent less than proprietary voice communication platforms. The company's product line also includes a wide range of hardware to enable resellers and customers to design their own Voice over Internet Protocol (VoIP) systems.

Advantage Capital first invested in Digium in 2006 with funds raised in connection with the Alabama Certified Capital Company program. Read more about Digium's latest announcements [here](#).

Hawaii Biotech receives approval for West Nile vaccine trials

[Hawaii Biotech, Inc.](#) has received U.S. Food and Drug Administration approval to initiate a 24 patient safety study in human trials of a vaccine against the West Nile virus.

"The West Nile vaccine will be the first candidate to enter clinical trials for Hawaii Biotech. This is a substantial milestone for the company as it is a novel vaccine candidate with which the FDA has had little experience. Receiving this notification from the FDA that we may proceed to human clinical trials is the first step in proving our technology in a clinical setting and to the scientific community," said Dr. Carolyn Weeks-Levy, President and CEO of Hawaii Biotech.

Hawaii Biotech is a privately held biotechnology company focused on the research and development of prophylactic vaccines for infectious diseases. The company has developed a proprietary protein production platform that has application to the production of proteins for use as antigens in infectious disease vaccines. Currently there is no vaccine for the prevention of West Nile disease in humans; a disease that has caused over 1,000 deaths since the virus was introduced in the U.S. in 1999.

Advantage Capital first invested in Hawaii Biotech in 2003 with funds raised in connection with [Hawaii's High Technology Business Investment Tax Credit program](#),

designed to encourage investment in Hawaii's high tech companies. To read more about Hawaii Biotech, go [here](#).

ADVANTAGE PEOPLE



Adam M. Suberi



Matthew A. Kavan

Advantage Capital adds new talent in St. Louis

Advantage Capital has hired Matthew Kavan and Adam Suberi as associates in its St. Louis office. As members of the firm's investment group, Kavan and Suberi will initially be responsible for analyzing investments and portfolio companies in Missouri.

Kavan has considerable banking experience, including several years in U.S. Bank's Capital Markets Division. Kavan most recently served as a vice president at U.S. Bank in San Diego, where he was a commercial market portfolio manager.

Suberi joins the firm with investment banking and private equity experience, most recently working as an associate at A.G. Edwards & Sons in the Investment Banking Capital Markets Group.

"Matt and Adam arrive at an exciting time in our firm's 15-year history," said Scott Zajac, senior managing director. "Advantage Capital continues to deliver excellent investor returns and create substantial community impact with our investments, and we expect 2008 will be a banner year, particularly in terms of Missouri opportunities. Both of our new associates will add considerably to the firm's capabilities."

For more on Kavan and Suberi, go [here](#).

Advantage's Scott Zajac elected to serve on St. Louis RCGA Board

The [St. Louis Regional Chamber & Growth Association](#) (RCGA) membership has elected 13 new directors to its board for 2008. Scott Zajac, senior managing director at Advantage Capital has been elected as one of the new directors.

"Mr. Zajac is a leader in the St. Louis venture capital community with a reputation for supporting entrepreneurship and a determination to help the St. Louis region grow," said former RCGA Board Chairman and chair of this year's Nominating Committee, Scott Schnuck. "We are pleased to see Scott join the Board and look forward to his contributions."

The RCGA is the chamber of commerce and economic development organization for the 16-county, bi-state St. Louis region. As the St. Louis region's lead economic development organization, RCGA strives to improve the business environment and quality-of-life foundations that fuel economic growth. The organization serves as a

business liaison between companies that want to grow in the region and the organizations and government entities that can help facilitate that success. To view the entire list of new directors, go [here](#).

ABOUT US

[Advantage Capital Partners](#) is a venture capital and small business finance firm focused on investing in promising companies located in areas underserved by traditional venture capital. With offices and partners in New Orleans, St. Louis, Austin, Washington, D.C., and other U.S. cities, Advantage Capital has raised more than \$800 million in institutional venture capital since 1992.

About the Certified Capital Company program

Advantage Capital Partners is a leading participant in the [Certified Capital Company \(CAPCO\) program](#), a state economic development tool designed to strengthen state economies by stimulating the flow of investment capital to local small businesses, creating high-paying jobs and increasing state tax revenues. Under a CAPCO program, insurance companies are encouraged to invest in certified capital companies; the state allows the insurance companies to claim tax credits for qualified investments in CAPCO funds. Taken over time, the tax credits generate large pools of private venture capital to be invested in the state. CAPCOs leverage the funds received from insurance companies to invest in qualified small businesses in the state.

About the New Markets Tax Credit program

The [New Markets Tax Credit program](#), administered by the U.S. Department of the Treasury, encourages private-sector investment in economically distressed communities through tax incentives. In a highly competitive allocation procedure, the Treasury Department awards the tax credits based on applications submitted for each tax year. Advantage has participated in the New Markets program since 2003, raising private capital for investment in low-income communities. These investments have spurred economic growth through innovative business ventures and job creation throughout the United States.

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7733 Forsyth Blvd. St. Louis, MO, 63105 USA

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