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Dinner Details

Date: Wed., Feb. 15, 2006

Place: Los Altos Golf and Country Club

Time: 6:15—9:00 pm

RSVP: 650.321.0854
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Introduction

It has been a long time since we had a quick, clean, cash sale of one of our investments, not so long as it took the Steelers to win another Superbowl, but still, at least 14 months. Happily, SandCodex which was brought to the Band by our member Mike Crill, and presented just in June of 2005, was sold in an all cash deal generating an ~2.7x return (but a ~102% iRR even accounting for the escrow holdback!) to Band members. This was the company with a novel architecture for the viewing of very large images, through relatively narrow bandwidth, by prioritizing the transmission to that portion of the image immediately of interest. Some may recall that our deal Ordinate (February, 2001 dinner), was sold last year, also for a ~3x return in cash. While we all hope to hit the vaunted home run, these base hits are certainly welcome.

Several deals closed from this past month, Dermacare officially closed on \$2.7M from the Band, Foundation Capital, and RWI; and Consorte, which was 3x oversubscribed with \$470,000 in commitments for \$150,000 of availability. There is more modest good news about portfolio companies WiDeFi and Yes Video in the Company Update Section. In yet another qualitative sign indication of the quality of the deals that present to the Band, two of the three companies featured on ABC News as hot products from Demo 2006 (<http://abcnews.go.com/Technology/wireStory?id=1591470&page=3>) were companies we saw - UGOBE (April, 1995 dinner) and Blurb (November, 2004 dinner).

Several members have asked me to reiterate the Band policy concerning “finders fees” here in the newsletter. We strive to have members in the Band who do not take finders fees of any kind. Of course, there are exceptional circumstances and our policy has always been, and continues to be, that any economic arrangement or conflict of interest with a presenting company should be fully disclosed repeatedly and often. Not just to the Deal Screening Committee but in any interaction with a Band Member on behalf of the company. Please contact me if you have any questions about this.



Our Member Talk this month will be given by Steve Blank. Over the last 25 years, Steve has been part of, or co-founded, eight Silicon Valley startups. These have run the gamut from semiconductors, video games, personal computers, and supercomputers (MIPS, Zilog, Rocket Science, SuperMac, Convergent Technologies, Ardent, ESL). Steve's last company was E.piphany, an enterprise software company. He is on the board of two public companies; Macrovision (NASDAQ: MVSN), and Immersion (NASDAQ: IMMR) and currently teaches entrepreneurship at U.C. Berkeley Haas Business School. Steve will

talk about how investors can reduce early stage startup infant mortality, using the four step "Customer Development" process which reduces burn rate and increases the odds of a successful venture.

- Ian