



**Coordinator**

Ian Patrick Sobieski

**Full Screening Committee**

Bill Hilliard  
Charlie Marshall  
Wally Buch  
David Deacon  
Michael Geilhufe  
Jim Papp

**Life Science Committee**

Rivka Sherman-Gold  
Bob Constantino  
David Deacon  
Art Reidel  
Wally Buch  
Denis Coleman

**Membership Committee**

Mike Bateman  
David Burwen  
Brian Frenzel  
Martin Lefebvre  
Art Reidel  
Stephen Taylor

**Dinner Details**

**Date:** Wed., January 17, 2007

**Place:** Los Altos Golf and Country Club

**Time:** 6:15 - 9:00 pm

**RSVP:** 650.321.0854  
rsvp@bandangels.com

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# Introduction

2006 was a banner year for the Band; the best in terms of numbers of new deals done, follow-on financings completed, and even exits obtained, since the boom year of 2000. All told, the Band participated in 11 new financings of companies out of 33 that presented at a dinner and the approximately 1,000 that solicited the opportunity to present! The average investment contributed by the Band was \$421,538 as part of an average total of \$2.54M raised (lowest was \$300k, highest was \$9.4M) per company at an average pre-money valuation of \$2.9M (lowest was \$700k pre, highest was \$5M pre).

During the past year, 13 Band companies received follow-on financing. The Band participated in all these transactions for at least our pro-rata. It is worth noting that 7 of these financings were up-rounds, 4 were flat rounds, and only 2 were downrounds. VCs that led these follow-on financings included Mayfield, Kleiner Perkins, USVP, Crescendo, Alloy, Bay Partners, Foundation Capital, and Sevin Rosen.

The lack of a robust exit market is of concern to everyone—some VCs have seen no profitable exits in their portfolio in literally years. So, it is worth noting that two of our portfolio companies exited for a profit in 2006. SandCodex (July 2005 dinner) finalized its sale to Microsoft and returned 3x to Band members. A similar return was garnered by those who invested in PortalPlayer (April 2002, dinner) which was bought by nVidia for \$375M in cash. We'll need more exits than these to make this seed investing activity profitable, as well as fun, but at least we've had more than our share recently and this bodes well for us as the IPO market (hopefully!) recovers in 2007.

Totaling the new and follow-on financings, Band members were involved in 24 financing transactions in 2006. And these are just the fully consummated deals; we did diligence in and passed on many more companies, interviewed more than 30 people looking to join the Band, and accepted 14 new members. This is a lot of work and only possible because of the contributions of many Band members. I hear it lamented often by individual members that they wish they could contribute more to the group. But the performance reported above is not the result of a few individuals acting alone, it is the aggregate result of many small contributions. Any one member who just reviews one deal in prescreening, or interviews one potential member, or attends a few dinner meetings, or invests in just one deal, may feel his or her total contribution is small; but with 110 members this soon adds up to a substantial amount of activity! For sure some give more, and many of them were acknowledged with special recognition and a gift at our wonderful holiday party, where the good feeling was evident and even gave rise to a quartet of VCs singing us Christmas carols. Who'd have guessed, back when Angels were considered a passing phenomenon, that the Band would end its 12th year with investments in more than 200 companies, 9 IPOs of companies we seeded, and a serenade by VCs?! With a proud glance backward at all we have accomplished together we look ahead to 2007 optimistic and excited.

- Ian