

Band of Angels

Newsletter

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Dinner Details

Date: Wed. , August 18, 2004

Place: Los Altos Golf and Country Club

Time: Cocktails & Hors d'oeuvres at 6:15, Dinner & Presentations at 7:30

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Introduction

Several Band members were sighted in the Mission District of San Francisco last month, celebrating at a party for Brightmail, which recently consummated a sale to Symantec for \$370M in cash; a gain of ~10x for the 5 participating Band members (including our founder Hans). The company never formally pitched the Band but, as with many deals during the go-go “bubble” era, got significant syndication (thanks Ron Conway!) during our cocktail hour. The party was right out of 1999: Chinese acrobats, a karaoke machine, professional dancers, video games, a pool table, open bar and free food, all to accompany speeches by a young founder/CEO to his employees. The big distinctions from 1999 were that this party was held at the successful exit of the startup, not at the seed financing; and that it was paid for by the founder, Sunil Paul, not the company.

Promising more for the Band to celebrate, portfolio company PortalPlayer (April, 2002 dinner), announced last week through an S-1 filing, their intention to go public. PortalPlayer makes key components for Apple’s iPod and has had rapidly increasing revenues due to the success of that product. Thanks to member Federico Faggin for bringing this deal to the Band. If the company actually makes it out then the Band will have had two portfolio IPOs in 12 months! But given the dismal IPO market of recent weeks, where several offerings have been pulled or repriced (e.g. MetroPCS, Nanosys, ToleRx, etc.), we are crossing our fingers and toes!

Despite these public market jitters, the Band closed its 5th financing of the year; this exceeds the pace of last year and continues to make the Band the most active angel group in the Silicon Valley. Chakshu (April, 2004 dinner), the company with a potential cataract clearing drug, closed on \$3.5M from RWI Ventures, Teton Capital, and 7 members of Band. The deal was oversubscribed but the Band (through the strong advocacy of member Wally Buch) was able to get an allocation for individuals interested in the deal. All three companies that presented at the July dinner were well received, with eight Band members attending a follow-up luncheon held for 2Phase; our member Jacques Vallee is leading the diligence (see company update section).

Continuing our lecture series from Band members, last month Kelly Porter introduced himself, the splendid restoration of his Tudor style home, and talked a bit about homeland security investments. This is an area he clearly understands given the recent \$16M financing of Safe View (October, 2002 dinner), which he sponsored to the Band (see company update section). This month, our member **Dr. Milton Chang** will talk about his career, which included getting a Ph.D. from CalTech, founding the laser company New Focus, and numerous successes as an angel investor, in a talk playfully entitled: *“The Zing and Zen of Angel Investing”*.