

Coordinator
 Ian Patrick Sobieski

SIG Group Leaders
 Paul Quadros—LS/Biotech
 Dean Sirovica—Energy
 Bob Kyle—Telecom/Security
 Ron Weissman—Software
 Jan Jannink—Internet

Full Screening Committee
 Chris Meyer
 Wally Buch
 David Overhauser
 Daniel Joensen
 Jim Papp
 Gene Shklar
 Peter Redford

Life Science Committee
 Rivka Sherman-Gold
 Bob Constantino
 Art Reidel
 Wally Buch
 Denis Coleman
 Paul Quadros

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

Dinner Details

Date: Wed., Nov. 19th, 2008
Place: Los Altos Golf and Country Club
Time: 6:15 - 9:00 pm
RSVP: 650.321.0854
rsvp@bandangels.com

Introduction

All the economic indicators are negative and the debate seems to be only between whether the recession will be long and deep or something shallower and less painful. Still, consensus is that the coming months will be challenging for everyone, including investors in early stage companies. This has been a terrible year for IPOs and the M&A market is only marginally better. Experience suggests the psychology around angel investing will suffer in the near to medium term and that the Band will not be immune. In 2000 the Band made twenty two new investments; in 2003 we made seven. I expect that this time around Band investment activity will also decline in the short to medium term. Of course, by the time the market comes back (and the feeling of sublime greed returns), it will be too late to make the low-priced seed investments that will be exiting in those future markets—that time is now. The rational approach is to keep a steady investment pace through the bad times and history suggests that the Band will do so, albeit at a lower rate. In fact, perhaps the most remarkable thing is not that Band investments declined from 22 to 7 between 2000 and 2003; but that amid the abject

nuclear winter of 2003 we made seven new investments! By the way, one of our ‘nuclear winter’ deals (Portal Player) went public in 2005.

The Band survived and thrived through the dot com nuclear winter and we will do the same through the coming challenges. Rather than retreat, we’ve decided to focus anew on building the fundamentals of this organization by launching a number of initiatives that have been percolating for some time. This extended newsletter introduction will highlight what is coming up.

SIGs (Special Industry Groups): Look to the left masthead to see a bunch of new names. These are members who have volunteered to lead “Special Industry Groups” within the Band. This is a bit of an organized throw-back to the “old days” when different subgroups would meet within the Band to kick around deals informally, talk about the developments in an



"Now we just have to sit back and wait for the Fed to bail us out."

Copyright, New Yorker Magazine, Reproduced with Permission, Nov, 2008

industry, and generally form the bonds that still provide the foundation of the Band. Many of you are familiar with our rigorous Deal Screening Process which has dramatically improved the quality of the deals that present at our dinners. But one negative of this process is that it is somewhat rigid; companies apply, move thru defined steps, and eventually are approved or rejected. For every company that receives money from the Band, more than 60 are declined!

We wanted to provide entrepreneurs with a way of being *gently* touched by Band members and for Band members to interact with companies in a more casual fashion. Our vision of these SIGs is that they will meet informally with companies to give them friendly feedback, totally separate from our screening process. Of course, we hope this engagement is helpful to the screening process but the main purpose is for our members to share their experience with