



Newsletter

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Ron Weissman—Software
Jan Jannink—Internet
David Deacon—Social

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Mike Bates
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Wally Buch
Denis Coleman
Paul Quadros

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

Dinner Details

Date: Wed., March 17th, 2010
Place: Los Altos Golf and Country Club
Time: 6:15 - 9:00 pm
RSVP: 650.321.0854
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Introduction

Our 2nd annual Portfolio Day is on March 16th. If you are an investor in Mixbook, Podaddies, Global-Motion, Upstart Mobile, Infoaxe, WiredBenefits, LegalCloud, Practice Fusion, Exponential Entertainment, Vapore, Novostent, Nellix, NuGEN, Sendmail, Arrayent, ShotSpotter, or iSeeLoc, this is a chance to get an update and to ask questions. The companies start at 1:00pm and each is allotted 15 minutes for a briefing. There will be breaks after every 8 companies to allow you to privately ask any hard hitting questions you have. Prior to all this, from 9:00am until noon we are providing a mini-workshop. Last year we paid Bill Payne to teach a short course on terms sheets. This year, we are flying Basil Peters in from his Canadian home (something he is somewhat happy to do in March) to present a workshop based on his belief that angels should focus their investments on companies that "exit early". Basil argues that a clear trend in the data shows that angels who focus on these sorts of deals do better than those that try to seed companies that are later VC backed. Basil will present ideas on how to have an integrated approach for this kind of investing: from finding such companies, to negotiating the "right" terms, to managing the entrepreneur post-investment; all with an eye on the goal of a positive portfolio IRR. His is a controversial and original thesis and we hope his workshop is as provocative as it is useful.

The thesis is apropos of the proposition that the venture model is "broken". According to a summary in Tuesday's WSJ, venture backed startups returned just \$17B in 2009, down from \$26B in 2008. Consider that in 2008 VC firms raised \$28B and in 2007, \$40B. If the industry is returning in the neighborhood of what they raise, then they are not generating a return! Many VCs are moving downstream; and many are just folding their tents; in 2009 there were 794 active venture-capital firms according to the WSJ, in 2005 there were 1,023. This is a trend that will continue. Conversely, according to the Angel Capital Association, in 2005 there were about 250 angel groups in the USA, today there are more than 300.

Congratulations to our intrepid members who took their first steps into flight March 9 at another Band Social function. Several of our Band members experience indoor skydiving at iFly SF Bay in Union City before finishing the day off with a great dinner amongst friends and colleagues. While some of us were upstaged by our kids (also first timers), we all flew twice, and it's amazing to see so much improvement across the space of ten minutes. Our Social Chair, Dave Deacon, who has done this before, did his first barrel-roll. The full video of the experience will be played during networking time at Wednesday's meeting. A free drink for anyone who can guess who this is a photograph of →



Finally, Nicola has arranged for another freebie for our members--the free (to Band members) use of a service founded by one of our members, Pavan Nigam. Many of you use Google Alerts to track companies and investments. Pavan's Trackle.com was recently described by Techcrunch as "Google Alerts on Steroids". Band members get six months free unlimited usage by entering 'BAND' as the promotion code when signing up. Visit www.trackle.com/premium.

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