



For Immediate Release

Phenomenelle Angels, an early stage investment fund with a focus on women and minority-led firms announces its initial closing.

May 9, 2006, Madison, WI. Phenomenelle Angels Fund I, LP today announced the initial closing of its first fund targeting high growth, women and/or minority-led companies located in Wisconsin and the Midwest with disruptive technologies aimed at the IT, Communications, Life Sciences and Consumer Goods markets. The fund broke escrow with \$2.3 million in committed capital, and has a target of closing \$10 million in committed capital within the next 12 months. The fund's limited partners are accredited women investors and select entities.

The fund attributes part of its success in quickly breaking its required \$2 million escrow to Governor Doyle's Grow Wisconsin plan, assistance from the Wisconsin Department of Commerce and its 25% incentive tax credits, as well as assistance from the Wisconsin Department of Financial Institutions and the creation of the Wisconsin Angel Network.

Phenomenelle Angels is positioned to fill four gaps in the investment community: 1) the gap in funding for early stage companies in Wisconsin and the Midwest; 2) the gap in funding for women and minority-led ventures; 3) the gap between angel or seed funding and typical early stage venture capital; and 4) the gap in investments by accredited women investors. Despite reports that women control over 50% of the wealth in the Midwest, less than 8% are angel investors. Besides its principal goal of making money by serving an underserved market with a superior product, the fund is dedicated to helping educate its accredited women investors to the early stage investment process, and to providing them with an opportunity to be as involved as they choose to be in the investment process. Many of the fund's limited partners are themselves successful entrepreneurs and business executives, and can serve as resources for advisory and board positions for the fund's portfolio companies.

The fund's general partner is Phenomenelle Angels Management, LLC and the Fund's principals include Lauren Flanagan, Joe Hildebrandt, Tiffany Wilke, Dedee Wojtal and Valerie Wulf. Initial Business Advisory Board members include Dan Broderick (Managing Director, Mason Wells Venture Funds), Jan Eddy (Founder, Wingra Technologies, LLC), Paul Frederick (Chairman, Frederick & Co), Janice Galbavy (Vice President, Silicon Valley Bank), Irene Hrusovsky, MD (Chair and CEO, EraGen Biosciences; Inc., President, Wisconsin Biotechnology and Medical Device Association), Ken Johnson (Managing Director, Kegonsa Seed Fund), Amy Millman (President, Springboard Enterprises), Bruce Neviasser (Chairman, Great Wolf Resorts; General Partner, Continuum Investment, LP), Kathy Polansky (President, ShoreBank Capital), and David Ward (President, NorthStar Economics).

The fund's strategy is to finance high growth companies with exceptional management teams, patented or proprietary technologies, and attractive valuations. It will invest incrementally, with the option to reinvest in later rounds. Initial investments may be as low as \$100,000, or as high as \$500,000, with additional funding tied to the achievement of milestones. The fund expects to invest in 3 to 4 companies a year for its investment period of 4-6 years. A significant portion of its investments are expected in Information Technology firms, with diversification in BioTech, Communications and Consumer Goods firms which have an exit potential within 3-5 years of funding. The fund intends to syndicate its investments with other angel networks and early stage funds in the Midwest.

"We're focusing on promising early stage companies in Wisconsin and the Midwest," said Dedee Wojtal, Managing Partner. "Not seed funding; it's Series A, but at lower amounts, and at lower valuations. Early stage companies historically offer lower valuations and, over the course of five years, bring in a higher ROI," added Wojtal. "Given that over 75% of venture capital is invested in later rounds after valuations have crept up, early stage investing is an almost untapped opportunity."

"We're bridging the 'Valley of Death' in venture capital: the period where entrepreneurs can't get more money from family and friends, but are still too small for most venture firms," said Lauren Flanagan, Managing Partner. "We're looking to harvest the 'cream of the crop' of deals and management teams. There is abundant talent here in the Midwest, and Phenomenelle Angels is the only Midwest fund focused on both women and minority-led firms."

The fund's general partner, Phenomenelle Angels Management, LLC, is both visionary and ambitious, planning a second fund of \$25-50 million, and a third fund of \$100-150 million dollars over the next 10 years to enable them to make a significant difference in the Midwest for the most promising women and minority-led firms as well as for economic development within the region.

About Phenomenelle Angels Fund I, LP

Phenomenelle Angels Fund I, LP is an early stage fund that invests in women and/or minority owned or managed businesses in Wisconsin and the Midwest. Qualifying businesses must have at least one woman or ethnic minority with substantial ownership or in an executive (C-level) position. Investors are limited to women who are accredited investors, and certain select entities. The Fund invests in exceptional management teams that exploit technology to create breakthrough applications in the following market sectors: Information Technology, Life Sciences, Communications, and Consumer Goods/Services. The Phenomenelle Angels fund is expected to help fill special unmet investment opportunities in women and minority owned and/or managed businesses. The Fund will leverage its investor base of successful women entrepreneurs as well as its experienced Business Advisory Board, Technical Advisory Board and Investment Committee to assist portfolio companies with recruiting, sales and marketing, strategic partnerships, board development, operations, finance and access to additional debt and equity capital.

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