Kegonsa Capital Partners, LLC ("KCP") is a leading Wisconsin venture capital management firm.

KCP is the general partner of the Kegonsa Seed Fund I, LP, the premier Wisconsin seed venture capital fund, and the Kegonsa Coinvest Fund, LLC, an early stage growth venture capital fund.

Both KCP-managed funds and all fund employees are based in Wisconsin.

Money for Minnows

KCP pursues a Money for Minnows management strategy. The primary goal of Money for Minnows is to be the first investor in new Wisconsin companies.

Money for Minnows promotes new company creation by spreading venture capital across diverse industries, technologies, and locations throughout Wisconsin. For investors in KCP-managed funds, such diversity has delivered superior investor returns (i.e., returns in excess of the national average).

Money for Minnows is in contrast to the Whale Hunting management strategy. The primary goal of Whale Hunting is to deliver superior returns by investing in select companies, often in targeted technologies. This strategy is based on the assumption that these select companies will be the big winners in their market. Fund managers employing this strategy make multiple and typically increasing dollar amount investments in the select companies.

Compared to the Money for Minnows strategy, Whale Hunting involves more investment dollars overall but fewer companies created. In addition, the search for select companies may take years, resulting in a slower deployment of investment dollars compared to the Money for Minnows strategy.

Money for Minnows Explained

- Money for Minnows focuses on being the first investor in many new Wisconsin companies.
- New company creation is maximized and spread across diverse industries, technologies, and locations.
- Money for Minnows offers superior returns for investor risk thank to its diverse investments.
- In contrast to Money for Minnows, Whale Hunting focuses on investing more money in fewer companies in the hope of finding a big winner.

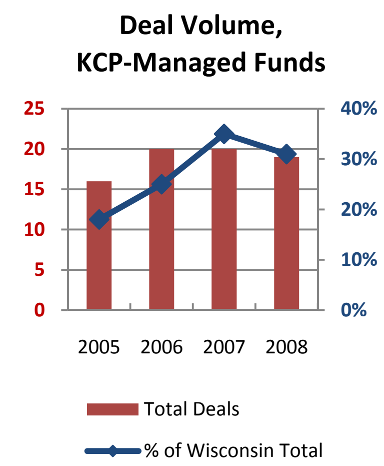
Kegonsa Results

Venture Capital Investment Deal Volume

Since January 2005, KCP-managed funds have participated in 28 percent of all Wisconsin venture capital deals (based on data provided by the Wisconsin Technology council; see chart on next page).

In addition, KCP has successfully leveraged its fund investments: for every $1 invested by a KCP-managed fund, KCP portfolio companies have obtained more than $4 in investments from others.

These results demonstrate how the Money for Minnows strategy can drive company creation in Wisconsin as well as create a multiplier effect on dollars invested.



Source: Wisconsin Technology Council

Company Creation

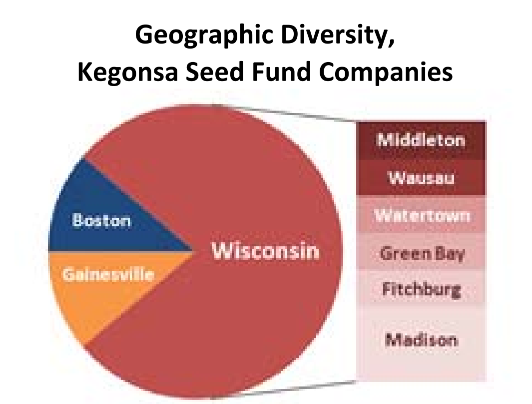
The Kegonsa Seed Fund provided seed funding to 13 companies, 11 which were based in Wisconsin at the time of investment. All told, Kegonsa Seed Fund companies were created in Wausau, Watertown, Green Bay, Fitchburg, Boston, Middleton, Madison, and Gainesville (the Gainesville company moved its headquarters and R&D operations to Wisconsin in 2009).

Such geographical diversity has been matched by diversity in industry and technology with investments in manufacturing, biotechnology, pharmaceuticals, medical devices, and internet companies. This diversity benefits investors because fund return isn't tied to any one industry or market.

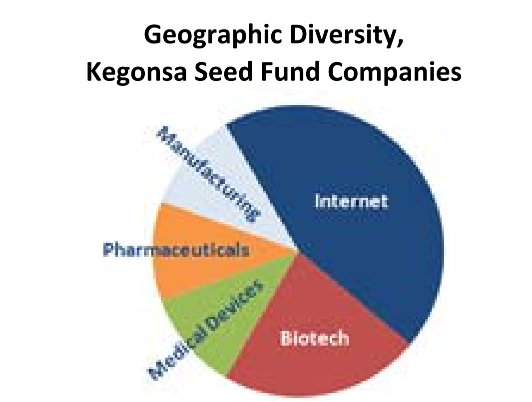
The Kegonsa Coinvest Fund has participated in 17 venture capital deals, 15 involving companies based in Wisconsin. These deals provided over $60 million of investment capital to early stage companies.

Job Creation

Kegonsa Seed Fund companies currently employ 185 people (125 in Wisconsin). The number of jobs will continue to increase long after investors have obtained their dollar investment return—representing a continued benefit to Wisconsin.



Source: Kegonsa Capital Partners, current companies at time of investment



Source: Kegonsa Capital Partners, current companies

Investor Return

The Kegonsa Seed Fund's return was 37.4 percent through 2009—even before considering non-investing benefits such as tax credits.[1] This return exceeds the 23 percent national average for the seed investment segment.[2] In addition, the Kegonsa Seed fund has returned to each investor all their investment capital.

The Kegonsa Coinvest Fund's return is 27.4 since it was formed in 2006. This exceeds the national average for the early stage investment segment.

The Kegonsa Example for Wisconsin

KCP and its Money for Minnows strategy offer a clear example of a successful approach to venture capital investing in Wisconsin—an approach we believes should be duplicated and expanded as a means of accelerating company and job creation in our state.

Focus on New Business Creation . . .

The challenge Wisconsin faces is not a lack of later stage investment dollars—such funding is available in large quantities both locally and nationally. Wisconsin's challenge is that we do not create enough new companies given the high failure rate for new businesses.

The more new companies created in the state, the more likely some companies will grow large enough to attract later stage investment dollars—and to generate the quantity of quality new jobs Wisconsin needs to grow our economy.

. . . By Focusing on Fund Creation

The most effective strategy for increasing new business creation is to have more Wisconsin-based venture funds employ the Money of Minnows management strategy.

With an investment of $100 million invested over five years, Wisconsin could form six to eight funds similar to the Kegonsa Seed Fund and Kegonsa Coinvest Fund. If these funds were to employ the Money for Minnows strategy, we could create at least two new companies per month during the first five years of fund operations. That translates into at least 120 new companies—with

Money for Minnows, Five-Year Impact on Wisconsin

[1] Kegonsa Capital Partners Internal Rate of Return (Wipfli LLP)

[2] Thomson Reuters US PE Performance Index (Thompson Reuters)

potentially 50 new Wisconsin-based companies created in the first two years alone.

In addition, the six to eight new funds will represent a huge expansion of the Wisconsin-based venture capital ecosystem. These funds would be headquartered in Wisconsin and would employee only Wisconsin residents.

In contrast, $100 million invested in funds employing the Whale Hunting strategy would most likely flow to one or two out-of-state funds who would then open offices in Wisconsin. These funds would focus on whale hunting—delaying investment dollar deployment while looking for select companies. Also, given their out-of-state ownership, they would likely maintain their Wisconsin offices only as long as state funding is available— offering no long-term commitment to the Wisconsin-based venture capital ecosystem.