



media release

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Alliance of Angels Invests Record-high \$10.3 Million in 2010

Group hits new milestone with investment in 33 Northwest-based startups; surpasses previous investment record by more than \$1 million

February 23, 2011 (Seattle, Washington) – The Alliance of Angels today released its investment figures for 2010, reporting that its members and the AoA Seed Fund directed a record \$10.3 million to 33 early stage companies based in the region. Eleven companies that received funding presented their business plans to AoA members for the first time in 2010. Twenty-two deals were existing portfolio companies that attracted additional investment in 2010, including several first-time investments from new AoA members.

“Once again, our angels have set a new standard for investing in innovative, young companies,” said Dan Rosen, chair of the Alliance of Angels. “For the second year in a row, AoA has cemented our position as the most active angel organization not just in Washington, but in the whole of the Pacific Northwest.”

“What is especially gratifying,” he continued, “is that 95 percent of our members have made at least one investment in the past two years. Even as the economy struggles to rebound from the recession, our members continue to support the AoA portfolio with initial and follow-on investments.”

“That is a testament to the quality of our deal flow, the value of our screening and coaching, and the eagerness of our investors to support entrepreneurs with promising ideas.”

Of the total invested by AoA last year, \$9 million came from individual AoA members. The AoA Seed Fund, which was established in 2009 as an efficient, additional source of capital that benefits both entrepreneurs and investors, supplied the balance of funding. Seven companies shared \$1.3 million in Seed Fund dollars in 2010.

One such company was Bellevue-based LiquidPlanner, developer of online project-management software. The company obtained follow-on funding from AoA last year, having had the distinction of being the first to secure AoA Seed Fund investment in 2009.

"I am thrilled whenever I get the opportunity to advise a new entrepreneur facing his or her first funding round, and I always take the time to explain the huge advantages of working with a group like the Alliance of Angels," said Charles Seybold, CEO and co-founder of LiquidPlanner. "AoA wants to participate in your success and backs that up with real support and guidance."

"With AoA's support, LiquidPlanner has brought its break-through online project management software to market and reached cash flow break-even this past year," Seybold noted. "We are also fortunate to have AoA Vice Chair Geoff Entress on our board, and his contribution of experience and perspective has gone way beyond expectations, from helping us with tricky business issues to sponsoring us as the first investment from AoA's Seed Fund."

Once again, software/software-as-a-service companies, such as LiquidPlanner, accounted for the largest share of dollars invested (\$3.1 million, or 30 percent of the total) and number of deals (nine, or 28 percent). Clean technology captured the second-highest amount of dollars invested (\$2.6 million, or 25 percent, in four companies), while retail and consumer products represented the second-highest number of deals completed (seven, or 21 percent, accounting for \$2.1 million of total dollars invested). The balance of funding was spread among internet, mobile, biotechnology/medical devices, and networking/infrastructure companies.

"What struck me about our 2010 portfolio of investments – aside from the obvious fact that we hit a new milestone in terms of total funding for the second year running – was the variety of opportunities our members targeted," said AoA Managing Director Greg Huey. "In 2008, nearly half of the deals we funded were in the software space, and only slightly fewer in 2009. Last year, nearly three-quarters of our deals were in industries other than software."

"While I would like to see a higher percentage of new companies funded, many of our follow-on deals were, in some respect, new, in that they were first-time investments by members we added in 2010," he continued. "It is very encouraging to see our portfolio companies enjoy such strong support. One hundred percent of the companies our members funded in the last four years either have been acquired or are alive and kicking, with LiquidPlanner just one example of the progress a company can make with help from the AoA."

Washington-based companies accounted for the vast majority of deals funded by AoA in 2010, with 29. Another three deals came from Portland, Oregon, and one from Boise, Idaho. Since 1997, AoA members have invested \$60 million in more than 160 early stage companies based in the Pacific Northwest.

Observed LiquidPlanner's Seybold, "Simply put, you're not going to find as large a group of passionate people, with deep operational experience and who want the same kind of success for the business that the founders do, outside of the Alliance of Angels."

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Alliance of Angels connects a community of more than 100 investors with the most promising early-stage companies in the Pacific Northwest to invest, mentor and enable their success. Since 1997, AoA has provided over \$60 million in capital to more than 160 Northwest entrepreneurs and celebrated 29 exits for its investors, earning it recognition as one of the most active angel groups in the nation among the Angel Capital Association's membership. To learn more, visit www.allianceofangels.com.