



THE IVCA SERVES AS THE **ADVOCATE**
FOR THE VENTURE CAPITAL AND
PRIVATE EQUITY INDUSTRY AS IT
SEEKS TO REVITALIZE AND EXPAND
ILLINOIS' INNOVATION ECONOMY.

Q&A

with Ellen Carnahan and James TenBroek



2009 IVCA Chairman Ellen Carnahan and James TenBroek, who will succeed Ellen in 2011, talk about the association, its role as an advocate in 2010, and its challenges.

Q: How would you characterize 2009 for the VC/PE industry and the IVCA?

A: Ellen: Clearly, 2009 held huge challenges. It was a year of stabilization and a little bit of contraction, but our Chicago firms are in pretty good shape. Our firms' regular cycle of investing and fundraising was a bit disrupted by the economic troubles facing all of us. Portfolio companies that were ready for an exit got delayed, which delayed the ability for firms to raise a next fund. As a result, our member firms are spending a lot of time focusing on the basics of managing companies for growth. They're spending a lot of time tending to business at home.

As for the IVCA, we are concerned about ensuring that the economic impact of our industry is understood and that its continued good health is supported by our legislative, media and institutional investor communities.

Q: The IVCA theme this year is Advocate. Why?

A: Ellen: We have lost ground to some neighboring states in terms of encouraging business formation and growth businesses to stay here. Because IVCA represents investors in those types of companies, we need to say, loudly and often, that these companies are a very important part of economic growth in Illinois and the Midwest.

Jim: We're advocating investment in Illinois-based funds because of the many benefits that directly and positively impact employment, salaries, tax revenues, and other measurable aspects of business health. It's very clear that the home state of an investment firm benefits proportionately to the dollars that the firm manages. It's clear as well that companies in that home state receive a portion of those dollars. It's a huge benefit to our state of Illinois if we can move forward our agenda for growth.

Q: What neighboring states have we lost ground to?

A: Ellen: In general, our Midwest neighbors have much more aggressive programs to support growth companies than does Illinois, even though, historically, ours is the largest venture-capital attractor in the Midwest. Ohio got a jump start in 2002 with a series of investment funds and tax-credit programs that have boosted by 300 percent the dollars invested in Ohio companies. Indiana's governor lobbied to create a state fund-of-funds – they now have three – and is now wooing Illinois health-care-related companies to relocate there and our VC firms to invest in Indiana companies. Minnesota just passed an investment tax credit. Michigan has tax credits plus three fund-of-funds.

Jim: And Wisconsin makes sure its pension funds absolutely invest a portion of their investment dollars at home. The number of companies funded in that state increased by more than 200 percent in five years. We must work to develop that kind of focus in Illinois. That's the gist of our **Invest in Illinois** initiative. We need to focus and drive toward the outcome we'd like to see – investment in Illinois companies.

Q: Please talk more about that.

A: Ellen: VC-backed companies account for one-fifth of the nation's economy. They grow faster, provide high-income jobs and generate greater tax revenues than non-VC-backed companies. They generate twice the sales and three times more R&D investment than non-VC-backed companies. As professional investors, VCs pick the companies that are "most likely to succeed" and then ensure that they have the management, the capital and the networks to grow.

Jim: Also, 75 percent of the money VC firms invest in companies is spent on payroll. For every job created, 2.2 jobs are created through the supply chain. In the last 30 years, almost 250,000 Illinois jobs have been created through VC investment.

Q: What's the problem?

A: Ellen: Our state and local public pension funds don't really focus on investing in VC funds here at home. We would never advocate they sacrifice returns, but you have to stop

Invest in Illinois

IVCA's rallying cry in 2010 is a simple one:

Invest in Illinois.

Members, staff and allies are taking their proactive strategy throughout the state and beyond. Their goal: keep more of the dollars from Illinois' limited partners funds allocated to venture capital in the state to generate jobs and a robust and innovative economy.

Legislatively, the IVCA is lobbying for a fund-of-funds focused on directing investments to Illinois-based companies. Right now, many Illinois-based pension funds are disadvantaged in both their assets under management and in their years investing. The **Invest in Illinois** focus would invest in professional managers to direct money to attractive Illinois companies.

The program recognizes that both the state and federal governments are considering major changes in regulations and taxation that likely will affect the private investing sector. As a result, IVCA continues to:

- Work directly with state and local policymakers to ensure they understand the impact certain changes could have on the ability to drive job growth in our state.
- Work collaboratively with national organizations to provide input to the federal dialogue and to stay abreast of key issues.
- Work with the state's business leaders to tell the **Invest in Illinois** story so that residents and influencers will know what's at stake for Illinois and job creation and economic growth if we let neighboring states snare Illinois companies and venture-capital funds for their economies and venture-backed companies.

The IVCA Legislator Series allows IVCA members to meet key decision makers from Springfield and to have a robust dialogue of issues affecting the industry, including the **Invest in Illinois** agenda.

In 2009, the association's legislative outreach included luncheons with Senate President John Cullerton, Senate Minority Leader Christine Radogno, House Minority Leader Tom Cross, House Deputy Majority Leader Lou Lang, Sens. Kwame Raoul, Michael Bond, Michael Frerichs and Dan Kotowski, and Rep. Will Burns.

sending money to either coast. We have top venture capital and private equity firms here.

Jim: Part of the problem on the venture front is that the pension funds are so large, they don't want to look at small funds, and a lot of the funds domiciled here are small.

Q: What's the answer?

A: Ellen: We have a clear message. We've already had success with Technology Development Account I, a \$75 million program administered through the Illinois Treasurer's office. Fifteen VC funds have drawn down \$25 million to help 34 Illinois companies. Those funds have raised \$60 million from other sources, and they, in turn, invest in syndicates that have invested \$430 million in Illinois companies. That's a total investment of \$544 million with a multiplier effect of *22 times* the original TDA-1 investment!

Jim: Now the Illinois Senate has passed a bill establishing a second similar fund that could invest \$75 million to \$150 million. It also could find matching funds from other sources. There's no cost to taxpayers: This bill is now before a House committee.

Ellen: Our **Invest in Illinois** campaign also involves a concerted effort to get media across the state to understand and communicate why our industry is important for job creation. It is important for new company formations and the accompanying job creation. It also drives a very robust professional-services economy for Chicago.

Jim: We also are helping our IVCA member firms through "best practice" educational and toolkit series programs. Because our business is largely an "apprenticeship," where junior partners learn from the experiences of a senior partner, supplementing that experience with educational programs is critical.

Ellen & Jim: We owe a great gratitude to our members and to our IVCA staff – Maura, Kathy and Penny – for all they do to make IVCA the best venture-capital association of its kind. They're the true Advocates.

GOVERNMENT AFFAIRS

IVCA Adopts Proactive Government Affairs Approach

Once content with a defensive stance in conveying its legislative priorities to state lawmakers, the IVCA has become a determined advocate for advancing Illinois as an Innovation Economy.

Changing times require the change in position. The IVCA must be more proactive to protect the investment community's incentives and ability to establish new companies and reinvigorate mature companies. IVCA Chairman Ellen Carnahan credits former Chairman Steve Beitler for the suggestion to take a more activist legislative stance. While discussing the challenges facing the private investing sector, especially in Illinois, "Steve said, 'Why don't we go out and be proactive,' and I agreed," recalls Callahan.

Several reasons reflect the proactive approach:

- A surge in regulatory and legislative activity that requires proactive interaction.
- Surprisingly weak early-stage venture capital funding in Illinois.

- Little support of Illinois-based venture capital investors by the state's public pension funds.
- Neighboring states encouraging local investment by their pension funds and employing programs to attract venture capital, recruit institutional investors and woo Illinois companies to relocate.

In 2009, IVCA lobbying helped repeal a poorly designed law that would have required Illinois partnerships to pay 1.5 percent tax on all compensation and carried interest. It also helped to amend Ethics Reform legislation that disallowed public pension funds from investing in a fund-of-funds. Further, IVCA lobbied for a fund-of-funds concentrated on directing investments to Illinois-based companies.

DID YOU KNOW THAT...
 VENTURE-CAPITAL
 COMPANIES ACCOUNT FOR
20%
 OF THE U.S. ECONOMY?

A two-prong **Invest in Illinois** agenda seeks to create a second state-mandated, but independently managed, public pension fund-of-funds to identify and invest in attractive early-stage companies in Illinois. The enabling legislation (HB4819) is before the House of Representatives.

The second initiative would mandate public reporting that encourages the state's pension funds to invest locally, with certain provisos. The IVCA also favors reporting requirements that provide more transparency about where pension funds are invested.



STRUCTURAL PROBLEMS FOR ILLINOIS

They Plague Illinois' Public Funds' Investing

IVCA is actively advocating a remedy for the structural problems that prevent Illinois' huge public pensions from investing in venture capital and private equity funds that, in turn, can provide backing for Illinois companies.

The structural ills reflect several factors:

- Unlike the consolidated pension fund systems of other large states, Illinois' funds are fragmented and lack staff deeply experienced in venture capital and private equity investing. Because of these resource constraints, staff can't as easily complete the due diligence necessary to identify top-performing local venture-capital funds. Illinois funds stick with the larger, better-known, but not necessarily better-performing funds found on both coasts.
- Some state pension funds don't invest in venture capital at all. Others that don't have significant amounts of capital to invest in fund-of-funds look typically to the coasts.
- Venture is a local business and venture capitalists need to attend board meetings of the companies in which they've invested. But out-of-state funds don't want to travel to Illinois unless they've found a deal of more than \$5 million, which is very unusual for early-stage companies.

Illinois has state public pension funds that could... support a strong local venture-capital sector.

Illinois has addressed this problem of small players before in regard to programs for women and minorities, and it can do so in the venture capital realm as well. Illinois has state public pension funds that could serve as investors to support a strong local venture-capital sector, which would benefit immensely from their increased investment. Further, state and local public pension funds have the size to act as "anchor investors," and their participation would facilitate larger-size funds. They, in turn,

would let other investors increase the size of their investments, magnifying the flow of investment into the state.

Finally, local institutional investment, especially from state pension funds, would act as a "stamp of approval," encouraging out-of-state public and private investors to make investments in Illinois-oriented venture-capital funds.

Illinois doesn't lack for capital. While Great Lake states' pension funds provide 40 percent of the VC investment in the U.S., Illinois and the other states receive less than 14 percent of total venture-capital investment for investing in their states.

Illinois' Share of VC Investments



In 2008, Illinois' venture-capital investments were \$439.3 million, down about 10 percent from 2007. The 2008 venture-capital monies raised represented 11.4 percent of all Great Lake States' investments but only 1.5 percent of U.S. investments, which totaled \$28.79 billion, according to Dow Jones/VentureSource data. The Great Lakes states get short-changed. One-third of U.S. R&D funds go there, but just 14 percent of VC is invested there, the Brookings Institution reports.

SUCCESS OF TDA

Illinois' \$75 Million TDA I Proves a Big Success; It's Time for TDA II

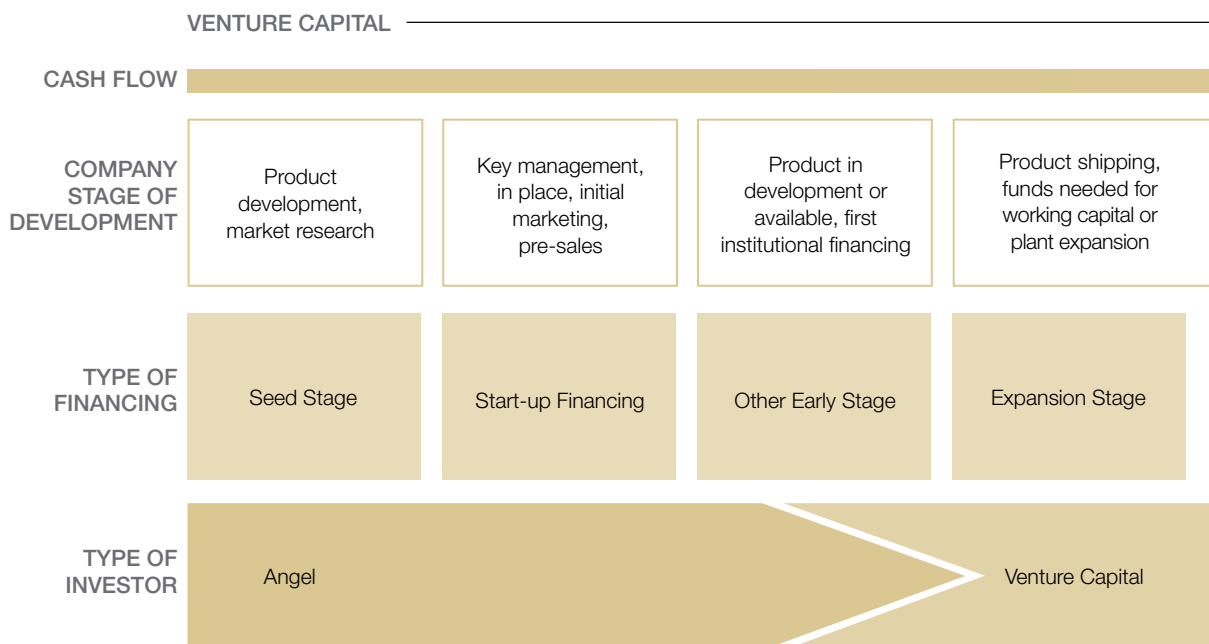
In the seven years since it was authorized by state lawmakers, Illinois' \$75 million Technology Development Account I has succeeded by all measures. The monies have been committed to 17 funds, and 15 of these funds have drawn \$25 million of the funds to invest in Illinois. Here's what TDA I has achieved:

- It is posting benchmark returns that are appropriate for its asset class and vintage year. TDA-I is a return-generating asset that doesn't cost taxpayers anything and will, over time, return money to taxpayers.
- It is funding growth businesses in Illinois, investing in 34 companies.
- The 15 funds have added \$60 million of their own funds to TDA's \$25 million for investing in the Illinois companies.
- The 34 companies have attracted an additional \$433 million in capital from other funds, for total capital invested of \$544 million.
- The TDA I's \$25 million investment has a multiplier effect of a remarkable 22 times.

The 34 growth companies have generated remarkable employment growth of 80 percent and now employ more than 1,200 people in Illinois. Applying the 2.2 venture job multiplier suggests another 2,600 jobs have been added to the state's economy, for a total of 3,800 new jobs. These jobs could account for as much as \$12 million in payroll taxes back to Illinois. And their revenues have increased 54 percent to more

TAXONOMY OF PRIVATE EQUITY

From the Greek *taxis* meaning arrangement and *nomos* meaning law, taxonomy is the science of classification that offers a conceptual framework for discussion and analysis. Like any good taxonomy, this one of the private equity market is simple, easy to remember and easy to use.





Why does Illinois need to grow more start-up companies?

Consider that they:

- Generate 80 percent of all new jobs in the U.S. economy.
- Are expected to grow 3 times faster than the economy as a whole.
- Venture capital-backed companies generate 9 percent of private-sector employment and revenues equaling 16.6 percent of the nation's gross domestic product; and they spend more than twice as much on R&D, translating into more innovation.
- Chicago created only 3.6 new businesses per 1000 capita in 2000, compared to 9.5 in Los Angeles, 6.7 in New York and a national average of 4.9.

than \$500 million since receiving their investment funds. And all this is at no cost to taxpayers.

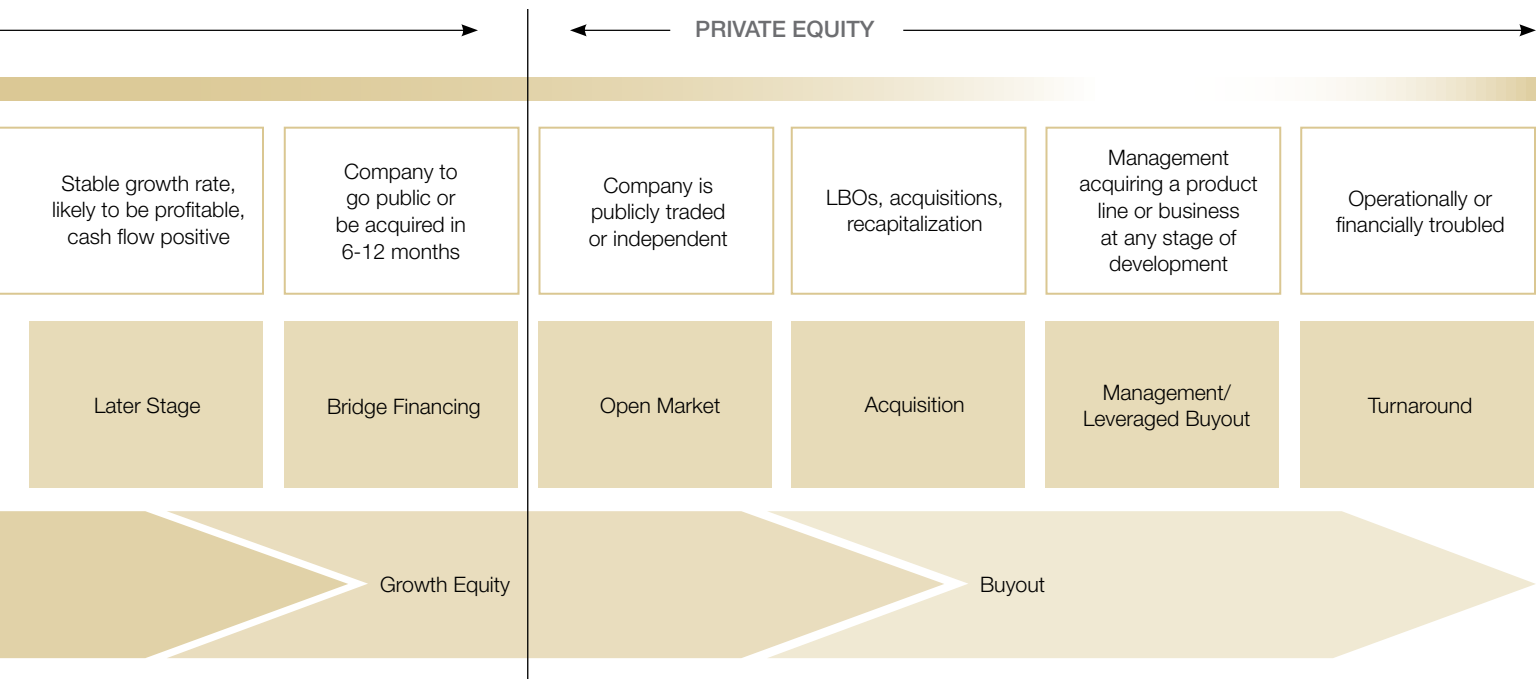
A proposed TDA II Fund would do even more to create jobs and high-tech growth companies for Illinois. It would double the size of the program by increasing the Treasurer's venture capital assets available to be invested to an additional 2 percent from 1 percent. It would attract additional co-investments from local and outside-of-Illinois investors, both public and private. Further, it would allow TDA to "anchor" local emerging managers and

small funds critical to local earlier-stage investments; they have the greatest impact on economic and job growth in Illinois.

DID YOU KNOW THAT...

75%

OF THE MONEY VENTURE-CAPITAL FIRMS INVEST IN COMPANIES IS SPENT ON PAYROLL?





IVCA PRIVATE EQUITY PROFILE:

iCyt Mission Technology, Inc. (a Sony Group company)

The first important thing to know about iCyt Mission Technology, of Champaign, Ill., is that its first name is pronounced “eyesight.” The second? It is a biotech instrumentation leader in flow cytometry (pronounced sī-tom-etrē) that sorts biological cells as they pass in a fluid stream through a measuring apparatus.

And the newest thing to know is that Sony Corp. bought the company in February 2010 for an undisclosed price. ICyt was IllinoisVENTURES’ first portfolio investment and, in three rounds of funding since 2001 and before Sony’s purchase, iCyt also attracted funds from Champaign County’s community-development corporation, the Helmuth Family, Open Prairie Ventures and Fox Ventures.

ICyt plans to develop new technologies and deliver new products in collaboration with Sony. ICyt Founder and CEO Gary Durack will continue to lead the company through this period of growth and expansion.

ICyt began with some help from Monsanto Corp. in 2001 when it started creating parallel sorting machines for gender-enrichment technology for cattle. Today, iCyt focuses its offerings on researchers working in the arena of cancer diagnosis and treatment, as well as a host of other diseases.

ICyt, which employs 45 people, operates from a state-of-the-art, 45,000-square foot facility adjacent to the University of Illinois. Its revenues fell from 2008’s \$9 million, hurt by the financial-markets meltdown, which clipped orders. It is expected to unveil new products later this spring.



IVCA PRIVATE EQUITY PROFILE:

Initiate Systems (An IBM company)

Imagine just a two-month courtship. That’s all it took before IBM Corp. snagged Chicago-based Initiate Systems, Inc., for an undisclosed price. Until March 2010, Initiate Systems was a fast-growing privately held company. It held an estimated 80 percent share of the software market that links individual patient records across various health-care databases. Now it and its 350 employees are part of IBM’s Information Management business.

Initially named Madison Information Technologies by father-son founders Ron and Jeff Galowich, 15-year-old Initiate Systems became profitable in 2008 on sales of \$74.4 million. It saw its profits and profile climb in 2009, when the Obama administration pushed for and got more funds to expand the use of electronic medical records to reduce treatment errors, among other reasons.

Since July 2002, Bill Conroy, himself a former IBMer, has been CEO and responsible for Initiate’s expansion to other industries besides medicine. And it was this growth that sparked the marriage with IBM and its \$4 billion health-care technology business. “Our customers wanted more complete solutions,” explained Conroy. “There were products we knew we wanted to build and needed to build, but we just didn’t have the bodies.”

Initiate owes much to a wide array of investors. They included Blue Cross Blue Shield Venture Partners L.P., Boston’s Sigma Partners, William Harris Investors, Apex Venture Partners and First Analysis/MK Capital of Chicago, and In-Q-Tel, a private venture group established by the Central Intelligence Agency. In June 2008, Initiate completed a \$26 million financing led by Paladin Capital Group and including new investors Dunrath Capital, EMC Corp. and Informatica Corp., as well as existing investors.

IVCA EVENTS

Educational

JAN. 18, 2010: BOOK LAUNCH OFFERS LESSONS FROM PRIVATE EQUITY MASTERS

A standing-room-only crowd celebrated the book launch of *The Masters of Private Equity and Venture Capital*, written by IVCA member Robert Finkel, president of Prism Capital and co-writer David Greising of the *Chicago News Cooperative*. The evening was sponsored by Ernst & Young LLP, J.P. Morgan and Mayer Brown, LLP.

A highlight was a panel discussion, moderated by Greising, that included veterans John A. Canning Jr., Madison Dearborn Partners; Patricia Cloherty, Delta Private Equity Partners; and Carl Thoma, Thoma Bravo LLC.

DID YOU KNOW THAT...

FOR EVERY JOB CREATED THROUGH VENTURE CAPITAL,

2.2 JOBS

ARE CREATED THROUGH THE SUPPLY CHAIN?

IVCA Executive Director Maura O'Hara outlined the evolution of the book and announced that all proceeds from its sale would benefit the IVCA Scholar Program. Author Finkel then noted that the roots of the book came

from his IVCA work and the creation of an event series entitled "VC Confidential." At each, an experienced investor would discuss his or her greatest achievements – and failures.

OCT. 22, 2009: ANNUAL IVCA CFO SUMMIT

Nearly 100 participants at the 9th annual IVCA CFO Summit learned that the likelihood of more regulations, higher taxes and a difficult fundraising environment would mean a heavier workload for CFOs. The event, at the University of Chicago Gleacher Center, was presented by Silicon Valley Bank and IVCA.

Topics discussed included accounting, tax, legal, the federal outlook, an industry overview and a panel discussion of "hot" issues dealing with a fund's lifecycle. Panelists were Nancy Corrie from Apex Venture Partners, Bill Hupp from Adams



Street Partners and Roy Sroka from Wynnchurch Capital. Topic sponsors were RSM McGladrey, Inc.; WTAS LLC; Kirkland & Ellis LLP with contributions by Thomson Reuters and the National Venture Capital Association.

SEPT. 17, 2009: DIRECTOR & OFFICER INSURANCE FOCUS OF IVCA TOOLKIT SERIES

Attorney Michael Gray of Neal, Gerber & Eisenberg LLP, and insurance broker Brian Flanagan of Thompson Flanagan & Co., sponsored an IVCA Toolkit Series on director and officer insurance and the need to understand and manage it. Sixty-five people attended.

A panel explored such related areas as coverage benchmarks for venture capital and private equity fund firms; procuring a policy and key provisions and pitfalls to avoid; insights for due diligence and merger-and-acquisition integration; making a claim; and insurance-industry issues that may affect policies. The panel, moderated by Gray, included Flanagan, Angela Elbert of Neal, Gerber & Eisenberg, Chris Geneser of CIVC Partners and Roy Sroka of Wynnchurch Capital Ltd.

JUNE 2, 2009: HEALTH-CARE REFORM AND ITS EFFECT ON INVESTORS TOPIC OF EDUCATIONAL LUNCHEON

Five experts on health-care reform explored the "hot button" issue at an IVCA educational luncheon. Houlihan Smith & Company sponsored the event at UBS Tower.

Pete Shagory of Baird Venture Partners served as moderator of the panel, which included Reginald McGaugh of Houlihan Smith & Company, Tony Davis of Linden LLC, Eric Hargan of McDermott Will & Emery and John Rex-Waller of National Surgical Hospitals.

Jeffrey Moss, Principal, Sterling Partners

“The IVCA Toolkit Series is an important part of what the association is all about: It helps me serve as a better resource for portfolio companies and management teams. This includes not just learning from established experts in areas like Board best practices and talent management, but also learning from my peers who serve early-stage companies or larger, more established businesses.”



As for reform legislation's effect on investors, McGaugh forecast that home health-care services and senior-living facilities that are smaller and more specialized will see growth while a trend has begun toward fewer hospitals and more cancer centers and other characteristic-care institutions. Rex-Waller said he sees bundling of payments and letting hospitals budget the money with more efficient management. Davis urged caution around anything connected with government reimbursement, but anticipates growth of wellness and preventative businesses.

MAY 27, 2009: ANNUAL IVCA/NVCA LUNCHEON EXPLORES OBAMA'S IMPACT ON VC/PE

Featured speakers at the annual IVCA/NVCA luncheon examined how the venture capital and private equity sector is faring with the Obama administration – and what lies ahead. Baker Tilly and The German Private Equity and Venture Capital Association were sponsors of the University Club luncheon.

Topics ranged from taxes and the politics of taxes to legislation that would affect hedge fund and private equity managers' carried interest profits as well as placement agents who search for investors and, typically, are used in an outsourcing basis. David Greising of the Chicago Tribune served as moderator of a panel that included Robin Painter of Proskauer Rose, Bill Welke of Kirkland & Ellis LLP and Mark Heesen of the NVCA.

APRIL 30, 2009: INAUGURAL TRAIL BLAZER TALES FIRESIDE CHAT HONORS PAT CLOHERTY

Patricia (Pat) Cloherty, a pioneering woman in venture capital, was the honored guest at the inaugural Trail Blazer Tales fireside chat, a series where women veterans in venture capital and private equity share stories and insights from their career. The IVCA Committee on Women in Venture and Private Equity hosted the evening.

Cloherty's intellect and sharp wit prevailed as she told stories about the early – and current – days, including her strict regimen of due diligence, which included evaluating an investment in a bull semen company. She also talked about an early investment in Russia where wire transfers of cash weren't possible; a couriered suitcase containing \$800,000 disappeared in transit. Bethany McLean, a contributing editor at *Vanity Fair* who uncovered issues at Enron while at *Fortune*, moderated the interview.

Cloherty was the first recipient of a sterling silver Trail Blazer horseshoe pin designed for the Trail Blazer Tales. The event was sponsored by Deloitte and the national Women's Association of Venture and Equity, or WAVE.

FEB. 11, 2009: IVCA TOOLKIT SERIES FOCUSES ON ACTION PLAN IN DOWN TIMES

The first Toolkit Series program of 2009, sponsored by Alvarez & Marsal, provided attendees with advice on how to develop an action plan to respond to the economic downturn. Participants in a panel discussion were Daniel Galante, Richard Jenkins and Kent Willetts of Alvarez & Marsal Transaction Advisory Group and George Varughese of Alvarez & Marsal Corporate Finance.

The panelists discussed several aspects of an action plan, including:

- Early warning signs to look for, questions to ask and ways to monitor the performance of a company.
- Processes to use to create liquidity in operations.
- Importance of early intervention to preserve and enhance value.

JAN. 6, 2009: EDUCATIONAL LUNCH LOOKS AHEAD AT 2009 FOR ECONOMY, MARKETS

The IVCA's first 2009 event proved a crystal ball-gazer's delight as a panel made predictions about the economy, markets and politics in 2009. The luncheon was co-hosted by the IVCA and NASDAQ OMX.

Jeffrey Lampe, Principal, Hopewell Ventures

“During difficult economic times, you look to employ any and every strategy that can assist your portfolio companies. The IVCA’s toolkit events are a great forum that brings together thought leaders who facilitate achieving that goal.”



The panel, moderated by the Chicago Tribune’s David Greising, included Frank M. Hatheway, Ph.D., chief economist at NASDAQ OMX; Paul L. Kasriel, Northern Trust’s chief economist; Steven N. Kaplan, a professor at the University of Chicago Booth School of Business; and Bob Froehlich, Ph.D., vice chairman of DWS Securities.

Social Events & Awards

DEC. 7, 2009: MAYOR DALEY, 470 OTHERS ATTEND 8TH ANNUAL IVCA AWARDS GALA

More than 470 IVCA members and others, including Mayor Richard M. Daley, attended the 8th annual IVCA Awards Dinner at the Four Seasons Chicago. The presenting sponsor was Kirkland & Ellis LLP.

Awards for outstanding contributions to the industry went to J.B. Pritzker of The Pritzker Group and New World Ventures; Danny Rosenberg of Sterling Partners; Bryan Cressey of Cressey & Company; and John L. Hines Sr., founder of Continental Illinois Venture & Equity Corporation.

Mayor Daley presented the Richard J. Daley Medal to Pritzker, saying the honoree “recognizes the importance of creating jobs, of helping for-profits and not-for-profits.”

John Aiello of The SAVO Group presented the Fellows Medal to Rosenberg, noting how Sterling Partners grew during Rosenberg’s tenure there and also Rosenberg’s focus on long-term client relationships. Rosenberg urged the audience to “become active in IVCA,” contending “there is not an industry more reliant on trust and partnership than venture capital.”

Cressey and Hines received the Stanley C. Golder Medal for their contributions to the private-equity industry. Cressey said venture capitalists “provide the world its business model,” and Hines, through his son John Hines Jr., said he shared his award with entrepreneurs, whom he said venture capitalists “should remain deeply indebted to.” He also said the industry’s goals “should be simplifying and minimizing regulations.”

The awards dinner concluded with a dessert reception and a discussion among members about future opportunities.



JUNE 25, 2009: ANNUAL BASEBALL OUTING

More than 120 IVCA members, friends and families enjoyed the annual IVCA Baseball Outing, watching the White Sox defeat the Los Angeles Dodgers, 6 to 5. The afternoon event was sponsored by RSM McGladrey Inc., with supporting sponsors NASDAQ OMX Group and ITA.

GOVERNANCE

2009-2010 EXECUTIVE COMMITTEE

Ellen Carnahan	IVCA Chairman, Chairman – Executive Committee
Keith Crandell	Chairman – IVCA-PAC
Robert Fealy	Treasurer – IVCA-PAC
Mark Glennon	IVCA Treasurer, Co-Chairman – Research
John Hoesley	Co-Chairman – Research
Matthew McCall	Co-Chairman – Legislative
Jeffrey Moss	Chairman – Events
Laura Pearl	Chairperson – Membership
Darren Snyder	IVCA Secretary, Chairman – Legislative
Jim TenBroek	IVCA Vice Chairman, Co-Chairman – Institutional Investors
Steve Vivian	Co-Chairman – Institutional Investors
Jeff Zilka	Chairman – Marketing & PR
Maura O'Hara	IVCA Executive Director

2009-2010 STAFF



Maura O'Hara

Maura has been Executive Director of IVCA since 2003. She oversees all aspects of the Association and represents IVCA in the community.



Kathy Pyne

Kathy is the IVCA's Association Coordinator and is responsible for events, member communications and database management. Kathy joined IVCA in 2005.



Penny Cate

Penny is IVCA's Government Affairs representative. Since 2004, Penny has led IVCA's legislative efforts and develops strategies for IVCA's Legislative Committee and IVCA-PAC.

"We owe a great gratitude to our members and to our IVCA staff for all they do to make IVCA the best venture-capital association of its kind. They're the true Advocates."

– IVCA Chairman Ellen Carnahan and Vice Chairman Jim TenBroek

2009-2010 OFFICERS COMMITTEE



Ellen Carnahan

Chairman 2009-2010
Vice Chairman: 2008-2009
Machrie Enterprises



Keith Crandell

IVCA-PAC Chairman: 2008-2010
ARCH Venture Partners



Darren Snyder

Secretary: 2009-2010
Treasurer: 2008-2009
Prairie Capital



James TenBroek

Vice Chairman: 2009-2010
Secretary: 2008-2009
Wind Point Partners



Mark Glennon

Treasurer: 2009-2010
Leo Capital Holdings

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David Cooney Beecken Petty O'Keefe & Company

Jim Dugan OCA Venture Partners

Robert Fealy Duchossois Technology Partners

Walter Florence Frontenac Company

Bob Geras LaSalle Investments

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Warren Holtsberg MVC Capital

Steve Kaplan University of Chicago
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Eric Larson Linden LLC

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Bret Maxwell MK Capital

Chris McGowan Madison Dearborn Partners

Robert Morgan Northern Trust Global Advisors

Craig Overmyer Hopewell Ventures

Tony Palcheck Motorola Ventures

Laura Pearl Ceres Venture Fund, L.P.

Jeff Piper Svoboda Capital Partners

J.B. Pritzker New World Ventures

Danny Rosenberg Sterling Partners

Heather Smith Thorne Thoma Bravo, LLC

David Tolmie The Edgewater Funds

John Willis Willis Stein & Partners

Executive Director

Maura O'Hara Illinois Venture Capital Association



"As for the IVCA, we are concerned about ensuring that the economic impact of our industry is understood and that its continued good health is supported by our legislative, media and institutional investor communities."

– IVCA Chairman Ellen Carnahan and Vice Chairman Jim TenBroek

MEMBER LIST

Adams Street Partners, LLC

Apex Venture Partners

ARCH Venture Partners

Baird Venture Partners

Baker & McKenzie

Baker Tilly Virchow Krause, LLP

*Barnes & Thornburg LLP

BDO Seidman, LLP

Beecken Petty O'Keefe & Co.

Blackman Kallick LLP

Burke Warren

CapX Partners

Cendrowski Corporate Advisors

Ceres Venture Fund

***Certare Ventures, LLP**

Charter One Bank

Chicago Growth Partners

Chicagoland Entrepreneurial Center

Chrysalis Ventures

Conversus Asset Management

***Cressey & Company, L.P.**

Deloitte & Touche

*DLA Piper, LLP (US)

Duchossois Technology Partners

Dunrath Capital

Edelman

The Edgewater Funds

EmPower HR

Ernst & Young LLP

Financial Investments Corporation

First Analysis

Foley & Lardner LLP

*Freeborn & Peters

Frontenac Company

*Frost, Ruttenberg & Rothblatt, P.C.

Golder Investment Management, LLC

GTCR Golder Rauner, LLC

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