

\$30 Million Early Stage Venture Capital Fund

FCI Commercialization Fund is raising \$30 million in equity commitments which it will invest into early-stage companies.

About the Fund

The Fund will exclusively invest in three of the fastest growing market segments, micro and nanotechnology, information assurance and medical devices. The Fund will source intellectual property globally, with an emphasis on technologies created at eight renowned regional research institutions. A documented six-step investment process will be utilized at each portfolio company, with a goal of achieving above average long-term investment returns.

The Fund is managed by three seasoned executives, Kurt F. Buseck, Dr. Robert M. Mehalso and Dennis V. Pollutro. They collectively have over 75 years of successful investment and operational experience in the three target sectors.

This distinctive fund will seek to integrate three technological fields where the partners have broad and deep experience:

- **Nanotechnology / Micro technology**
- **Information Assurance**
- **Medical Devices**

Research expenditures in nanotechnology have grown exponentially over the past seven years and now exceed \$11 billion annually. Patent applications in this field have followed a corresponding upward trend and many of these technologies are now primed for commercialization. Information assurance and network security are at the forefront of concerns for government and corporate entities. A host of new regulations is mandating expenditures in this field. Demographics are driving a surge in demand for medical care across the western world. Medicine is becoming personalized and miniaturized. Medical devices are being fabricated with micro and nano techniques, and disbursement of information from remote settings in a secure manner is of paramount importance.

The Fund will invest in each of these three areas. The Partners envision uniquely attractive opportunities where two or three of these sectors are combined in one product offering.

The Fund will seek to invest \$1 million as its initial funding into each portfolio company. The Fund anticipates that it will provide total investment of up to \$3 million to each company. A "funding gap" has developed for companies seeking \$1 million to \$3 million in investment capital. National venture firms are overseeing larger amounts of capital, driving them to invest in companies seeking at least \$5 million to \$10 million in funding. This critical shortage of capital for early stage companies seeking \$1-3 million presents a highly favorable investment environment for the Fund, while the surge of capital allocations to larger venture firms provides ample follow-on investment for the Fund's portfolio companies.

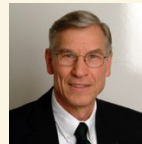
"This critical shortage of capital for early stage companies seeking \$1-3 million presents a highly favorable investment environment for the Fund"

Management Team



Managing Partner
Kurt F. Buseck

25 years of successful private investment experience. Directly responsible for \$115 million in investments, producing over \$600 million in returns and generating a weighted average IRR of 44.2%. His experience includes 10 years with leading Wall Street private equity firms. He was Managing Director of Onex Corporation's New York office for five years and was previously a founding member of Bear Stearns' Principal Investment Group. He then founded and was President for ten years of Full Circle Investments, a private equity firm which acquired small and mid-sized companies. For the past five years he has invested into technology based early-stage companies.



Partner
Dr. Robert M. Mehalso

An internationally recognized nanotechnology and micro technology expert with over 30 years of successful management and investment roles in commercializing technology. Well respected for commercializing technologies developed at academic research institutions around the world. Advisor to numerous governments on technology and commercialization strategies. He has a distinguished background in overseeing research, engineering, manufacturing and marketing of new technologies. Dr. Mehalso has been directly involved in many successful commercialization activities. These include Istat, a manufacturer of point of care blood analysis units which was sold for \$460 million, and Kionix, where one product line which manufactured telecommunications switch components was sold for \$345 million and the core platform intellectual property was then utilized to form a rapidly growing accelerometer company serving automotive and consumer markets. Dr. Mehalso was co-founder of the first venture fund dedicated to commercializing micro/nanotechnology, the \$100 million Ardesta Ventures.



Venture Partner
Dennis V. Pollutro

Information systems and network security expert, nationally recognized for his "white hat" consulting activities. Founder of four network security companies, including the Tier One venture backed Applied Identity. Recently led Applied Identity's successful marketing efforts to the Federal Government, establishing its technology as the security protocol for the government's next generation information systems. Applied Identity's products are also installed at leading financial companies worldwide. Dennis' broad national network of contacts in the private and public sector will ensure that the Fund will have accurate, up-to-date details on the latest information systems technology and network security architecture. →

Advisory Board

The six person Advisory Board collectively has vast knowledge and experience in micro and nanotechnology, information assurance and medical devices. The Partners have long-term relationships with the members of the Board. The Board will be called upon for due diligence investigations, recruitment of management talent, and oversight of portfolio companies.

C. Scott Hartz: Lead Director. Former CEO, PriceWaterhouseCoopers Consulting; Director of numerous public and private companies.

Mark Nelson: Founder, Paratek Pharmaceuticals. Advisor to academic institutions on commercialization activities.

John Reece: Former CIO, Internal Revenue Service and TimeWarner. Active consultant on information systems to federal and corporate clients.

Scott Rickert: Founder and CEO, NanoFilms, one of the largest nano-technology companies.

Dr. Vic Russo: Formerly head of research at United Technologies, and CEO of Ben Franklin Technology Partners.

Dr. Jay Sanders: Founder and CEO, American Telemedicine Association.

The Partners will utilize their existing global network of relationships, as well as those of the Advisory Board, to source investment opportunities. In addition, the Partners have established relationships at the eight research centers where the Fund will focus its investment screening efforts. These eight universities, shown in the map (above right), have combined annual research budgets exceeding \$3.5 billion, and each has one or more research centers focused on the three technology sectors the Fund will invest in. This extensive international and

regional contact base will enable the Fund to examine emerging technologies before they have been considered for commercialization.

The Fund will utilize a six-step investment methodology which is a combination of the best practices utilized by the Partners in their respective careers. This Six Pillar approach entails documented,

detailed processes ranging from protecting core intellectual property assets to creating detailed commercialization production plans to comprehensive analysis of potential exit strategies. These Six Pillars will be utilized to drive long-term sustainability at the Fund's portfolio companies, with the goal of creating superior returns for the Fund's investments. ■



The Fund at a Glance:

\$30 million equity fund.

Investing in early-stage companies.

Providing \$1-3 million per company.

Exclusively investing in:

- *Micro and Nanotechnology*
- *Information Assurance*
- *Medical Devices*
- *Particular focus on products developed at the integration of these three sectors*

Three Partners with internationally recognized subject matter expertise. Proven ability to identify appropriate intellectual property and then develop successful commercial enterprises.

Over 75 years of successful operational and investment performance, with documented results.

Regional focus with direct access to eight leading research universities having combined annual research budgets exceeding \$3.5 billion.

Contact Information

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