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NEW MEXICO VENTURE CAPITAL ASSOCIATION LAUNCHES TO PROMOTE  
FUNDING AND GROWTH OF PROMISING START-UPS

Leading Venture Capital Firms in New Mexico Join Together to Announce  
Formation of Regional Association

ALBUQUERQUE, N.M. – October 5, 2004 – Venture capital organizations in New Mexico joined together today to announce the creation of the New Mexico Venture Capital Association (NMVCA). The goal of the association is to represent New Mexico's venture capital and private equity industry and support the development of start-up organizations in New Mexico's burgeoning business environment. Founding members of the NMVCA include: The Altira Group, Blue Sage Capital, Flywheel Ventures, Fort Washington Investment Advisors, Invencor, ITU Ventures, Mesa Ventures, Murphree Venture Partners, Red River Ventures, Technology Funding, Tullis-Dickerson, Verge, Vspring Capital, and Wasatch Venture Fund.

"We are pleased with the creation of the Venture Capital Association and support its focus on enhancing the success of our state's venture-based companies," said Greg Kulka, Director of Alternative Investments for the New Mexico State Investment Council. "This association will be instrumental in promoting early-stage growth companies and building New Mexico's reputation as a great place to do business."

The NMVCA will provide the following:

- Sponsor programs that benefit the NMVCA's membership and venture-backed companies
- Promote New Mexico's status as a premier locale for venture investment and entrepreneurship
- Support sound public policy to bring about a strong, effective and competitive venture capital and private equity industry in New Mexico
- Facilitate educational events and provide a forum for the professional development of its members
- Encourage individuals including angel investors to invest in, and provide advice to, early stage growth companies in the region

"New Mexico has long sought to encourage the development of the various activities necessary to create a knowledge-based economy akin to that in other areas of the country like Route 128 near Boston, Austin, Texas, and the Bay Area in California," said Tom Stephenson, Board Member, and Managing Partner of the Verge Fund. "The New Mexico Venture Capital Association is a key step towards reaching that goal."

John Dunning, Board Member and local representative for Wasatch Venture Fund concurs: "You have all the key elements here now – technology at our local institutions, capital from the venture funds, a growing base of entrepreneurial talent, and now the organizational structures behind it all that have the potential to push the New Mexico economy to the next level. The momentum is definitely building."

Founding Board Members will be Beverly Bendicksen, of Blue Sage Capital, Brian Birk, of Fort Washington Investment Advisors, Mike Connolly of Vspring Capital, John Dunning, of Wasatch Venture Fund, Trevor Loy, of Flywheel Ventures, Tom Stephenson of Verge Fund, and Damien Thomas of ITU Ventures. A first election for Directors will be held in January, 2005.

The NMVCA will hold monthly membership lunches, alternating between Albuquerque and Santa Fe each month, to discuss issues concerning the organization and the New Mexico Venture Capital community as a whole. In the future, the association's events may grow to include such activities as featured speakers, networking and social events, dinners and various social gatherings and lobbying activities.

For additional information please contact Tom Stephenson at (505) 843-4235 or at [tstephenson@vergefund.com](mailto:tstephenson@vergefund.com) or John Dunning at (505) 843-4239 or at [jdunning@wasatchvc.com](mailto:jdunning@wasatchvc.com).