

# **Angel Oregon 2010**

## **Investor Information**

## Table of Contents

1. Overview, How it Works	Page 3
2. Objectives	Page 4
3. Angel Oregon 2010, LLC	Page 5
4. Investor Operations	Page 6
5. Key Contact Information	Page 7
6. Schedule	Page 8
7. Term Sheets	Page 9

## **OVERVIEW**

Angel Oregon 2010 is one of the nation's premiere angel investing competitions, spotlighting promising Oregon and Southwest Washington companies with growth potential.

Approximately 50 accredited angel and professional investors pool \$5,000 each (plus fees) to create an investment purse. This year, Angel Oregon investors will gather Wednesday evenings beginning Jan. 6, 2010 to screen, evaluate and conduct deep due diligence on applicant companies. Meetings will be held at the offices of Lane Powell in downtown Portland from 4-7 pm. New this year, in response to investor feedback, all investors will meet the same day and location to better facilitate networking and communication. There are break-out rooms on-site to facilitate evaluation by track (TBD based on submissions). Investors are invited to circulate among all discussions. There is no better opportunity to network with your colleagues, access quality deal flow and learn more about angel investing.

Angel Oregon 2010 culminates March 5, 2010 at the Nines Hotel in Portland. Investors cast their final votes and winners are announced onstage. This year, one grand prize (~\$200,000) will be awarded to a Launch-stage company and a smaller (~ \$25,000 prize) will be awarded to an earlier, Seed-stage company. Investment size is dependent on meeting recruiting goals. Effort will be made to exceed goal in order to increase the purse. Angel Oregon is a program of the Oregon Entrepreneurs Network ([http://www.oen.org/events\\_ao.aspx](http://www.oen.org/events_ao.aspx)).

## **HOW IT WORKS**

Seed-stage companies are very early in development, and typically need a small amount of capital to get to a meaningful milestone to support interest in further fundraising. Launch-stage companies are beyond the early development phase and have made meaningful progress on their product and market entry strategy. They seek a larger amount of capital to continue successful execution of their business plan. Applying companies self-select which stage to compete at, understanding that competition is far more rigorous for the grand Launch prize. Final selection will be made regardless of industry sectors.

For purposes of evaluating companies and organizing the conference, companies will be grouped into tracks. We expect the tracks to be similar to 2009, but we reserve the right to group companies and redefine the tracks after reviewing company entries. The goal will be to represent important sectors of the regional economy and consider the distribution and quality of actual company submissions.

The starting point for 2010 tracks will be:

- Technology Track (electronics, software, etc.)
- Consumer Track (consumer products, apparel, etc.)
- Clean Tech/Bio Tech (formerly Sustainability) Track (energy, medical, etc.)

We will actively recruit companies in each of these sectors and will welcome submissions that may fall outside, as long as they meet the basic criteria regarding company stage, fundraising intentions, etc. (See OEN website for criteria).

Cash investment prizes will be awarded to the best overall companies, and it is possible that both selections will be from the same track. The prizes will be in the form of convertible loans as defined in the Term Sheets (view these online at [www.oen.org](http://www.oen.org), Angel Oregon, company application guidelines).

The process begins in November 2009 with the recruitment of accredited angel investors, professional investors, and companies. The deadline for investors to submit paperwork and payment is Jan. 4, 2010, but incentives may be offered to encourage submission earlier.

## **OBJECTIVES**

The primary objective of the Angel Oregon 2010 investors is to select the best companies/investments from among the entrants and to award the investment prizes to those best companies.

Additional objectives include:

- Promote angel investment community and entrepreneur community in the Portland and SW Washington area
- Promote the competition in a way that enhances the perceived value of Angel Oregon to both new and seasoned angel investors as well as the most promising companies seeking angel investments
- Increase attendance in general with an exciting format
- Use our selection and due diligence process to mentor both the companies that are competing as well as the investors in our group
- This should be a positive and fun experience for all involved
- Conduct the competition in a way that reinforces OEN's positive reputation in the community and reflects positively on all involved

## ANGEL OREGON 2010, LLC

The investors, upon submission of payment and completed subscription and operating agreements, join in Angel Oregon 2010, LLC. Each investor contributes \$5,375 (\$5,000 prize; \$125 for conference admission, \$250 for LLC administration over life of LLC). In turn, each investor acts as one voting unit on March 5, 2010 to select winners. Investors are free to participate as much or as little as they choose. However, investor participation in one or more tracks and at the Angel Oregon 2010 event is strongly encouraged.

The Angel Oregon 2010, LLC Manager will oversee final negotiations with the selected companies and administer the investment over time with donated professional support from Perkins Coie and KS&Co. Because this volunteer position has a long duration (the typical venture investment period is 5-7 years), the LLC manager receives a modest reward in recognition of his/her contribution.

<b>Angel Oregon 2010</b>	
Chair Angela Jackson 503-319-5875 <a href="mailto:angela@abjacksongroup.com">angela@abjacksongroup.com</a>	Angel Oregon 2010, LLC Manager Bill Stevens 503-747-7633 <a href="mailto:Bill@fundingcoachllc.com">Bill@fundingcoachllc.com</a>
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Investor Recruiting Chris Strear 503-381-1317 <a href="mailto:cstrear@yahoo.com">cstrear@yahoo.com</a>	Company Recruiting Scott Davidson 503-778-2100 <a href="mailto:DavidsonS@lanepowell.com">DavidsonS@lanepowell.com</a>
<b>Professional Support</b>	
Legal Brent Bullock Perkins Coie	Accounting Peter Buss KS & Co
OEN – Logistics Julie Brown	OEN Entrepreneur Services Committee Abe Cable

## **INVESTOR OPERATIONS**

### Assignments

Investors will be asked to select one of the three “investment tracks” on which they will focus and for which they will participate in selecting finalists for both the Seed and Launch categories. Investors will be permitted to participate in the meetings of the other tracks.

### Focus

Business plans received from the companies will be assigned to one of the three investment tracks. Investor participants in each track will do the due diligence necessary to select finalists in their track by Wednesday, February 17, 2010. Due diligence sub-committees will then be responsible for undertaking detailed due diligence on the finalists and make results available to all investors by February 24, 2010 to aid in the voting for investment prize winners on March 5, 2010.

### Seed Oregon

In a parallel path, the winner of the Seed Oregon competition will be selected by February 10, 2010. The winner of the Seed Oregon competition will become one of the finalists presenting at the final competition on March 5, 2010. In the event that the Seed Oregon finalist is not one of the finalists under deep due diligence, the chairman, LLC manager, track chairs and investor recruiting chair will meet to determine whether to add a third presenting slot for the track (making seven slots overall) or replace the firm placing second in the track with the Seed Oregon winner. It is the intent to balance having the strongest group of companies overall with a desire to keep the final number of presenters to six to allow more time per company.

### Investor Meetings

The complete investor group will meet on Wednesday, January 6, 2010 at 4:00 to 7:00 PM at the offices of Lane Powell (601 SW 2<sup>nd</sup> Ave, Suite 2100, Portland, OR). This initial meeting will be an organizational meeting to review the schedule for the next two months leading up to the Angel Oregon event on March 5<sup>th</sup>.

Beginning the week January 13, 2010, the investors will meet every Wednesday at the same time. These meetings will continue each week through February 24, 2010 when the finalists from each investment category/track are selected. In addition, ad hoc meeting of smaller groups within each sub-committee will be required to complete the necessary due diligence required to select the and complete the detailed due diligence of the finalists by March 3, 2010 prior to the Angel Oregon event on March 5, 2010.

Each meeting will include large group meetings and smaller track sessions. Track sessions will focus on company screening and due diligence. The large group meeting

will provide time for networking, discussion of logistics and due diligence guidelines, sharing of track findings/recommendations, and final company selections. Actual time spent on each Wednesday meeting in both group or track meetings.

### Educational Sessions

Additional educational workshops will be provided for investors. The object is to enhance investor learning by providing several sessions to cover topics on angel investing. Examples of topics include:

1. Due diligence tools and techniques
2. Investment Documents – Terms and Conditions
3. What it takes to be a successful Angel Investor

### Voting

Each investor shall have one vote based on their \$5,000 investment. All investors will vote on the selection of the final winners during the Angel Oregon event on March 5, 2010.

Investor participants in each investment track will do initial screening and sorting of applicant companies. Investors are allowed to participate in any track meetings of interest and voice their opinions. However, ALL INVESTORS will vote to determine finalists during the large group sessions.

### Subscription and Operating Agreements

Copies of the Angel Oregon 2010, LLC Subscription and Operating Agreements are available on the OEN website.

## **KEY CONTACT INFORMATION**

For any investor-related questions, please contact:

Dennis Powers  
503-292-3513  
dennis.cornerstone@comcast.net

To make an investment, please contact:

Chris Strear  
503.381.1317  
cstrear@yahoo.com

## SCHEDULE

### Angel Oregon 2010 Calendar

Jan 6	Orientation
Jan 13	All "Launch" companies - 5 min pitch
Jan 20	Stage 1 screen - based on exec summary Goal to reduce by 50% Form initial Due Diligence Teams
Jan 27	Stage 2 screen - based on preliminary DD Goal to reduce again by 50% <b>"Seed" Companies Finalists selected</b> Stage 3 Screen for "Launch" companies begins Due Diligence teams re-aligned
Feb 3	Due Diligence reporting - Action items
Feb 10	Due Diligence reporting - Final action items
Feb 17	Selection reporting/recommendations <b>"Launch" Company Finalists selected</b>
Feb 24	Final due diligence reporting
Mar 3	Extra meeting if required
Mar 5	Angel Oregon Conference

The deadline to join the Angel Oregon 2010, LLC is January 4, 2009.  
Please contact Chris Strear at [cstrear@yahoo.com](mailto:cstrear@yahoo.com) ASAP to receive investor documents.

## **TERM SHEET**

The investment term sheet is the similar as used in Angel Oregon 2009.

Applying companies will be required to sign, as part of their application process, a statement that indicates that they have read and understand this term sheet as the form of the prize.

In addition, companies selected as finalists will be asked to sign a statement that they agree with the term sheet or provide exceptions to the term sheet. Failure to provide this statement or if the exceptions requested prove to be too extensive, an applicant may be disqualified from the Angel Oregon finals on March 5, 2010.

The Angel Oregon 2010, LLC Manager will negotiate the final terms of the agreements with the winning companies, including modifying the term sheet, on behalf of the Angel Oregon 2010, LLC investors.

Copies of Seed company term sheet and Launch company term sheet may be viewed at [www.oen.org](http://www.oen.org) in the company applicant section for Angel Oregon.