



Newsletters

6/30/2007 12:00:00 AM

Wasatch Venture Fund Second Quarter 2007 Newsletter

Riverlake Partners Acquires O'Curran Telecommunications



Riverlake Partners, a private equity firm in Oregon, recently acquired [O'Curran Telecommunications](#) in March 2007. Carla will continue to be a chairperson, Blake Rigby will be the CEO and David Meine will be the Executive Vice President.

Carla started the company 13 years ago. She was awarded the Ernst & Young Entrepreneur of the Year in 2003, and she has participated as a judge for 2004-2006.

Interview with Carla Meine, Founder of O'Curran Telecommunications:

1) Why did O'Curran decide to be acquired by Riverlake Partners?

We had determined last year that both Wasatch and I were ready to leave O'Curran. We had six companies bid on us. Three of the bids we received were very comparable. In the end, we felt like Riverlake with Jim Nelson had the best team to take O'Curran to the next level. Since all of my management team (including my husband, David) were staying with the company it was really important to find a good partner that could do that.

2) What is some advice you would give to firms looking into the exit stage, either through an IPO or acquisition?

My best advice is to find a way to continue to run your company for growth, not to sell. We made some decisions last summer because we were selling the company. Since it didn't happen as quickly as we had hoped, those decisions really hurt us during first quarter this year. Also, have at least three years of audited financials. Do the due diligence on your company before the buyers come in to do it. You will be surprised at what you find. Most items can be quickly resolved without the buyers ever finding out there was a problem. Be prepared to walk away at any time. Don't be so wrapped up in the deal that you aren't willing to walk away if you need to. In some ways that makes your company more attractive. Make sure you are surrounding yourself with outstanding people to run your company. I was surprised at how many offers we got based on the management team, not just the EBITDA. Last, make sure that no matter what, you hit your projections as you get to the end of the deal.

3) Do you have any negotiating tips for other entrepreneurs who are trying to be acquired or merged?

Get a good broker. Let them do the negotiating for you. If they are good they will get several companies bidding for you, and then you are more in control of the deal.

4) What do you value most about your long-term relationship with Wasatch Venture Fund?

Wasatch Events: Where We Have Been

March 2- Rachel attended the Rocky Mountain Voices Podcast

March 20- Rachel attended Tech@Breakfast at the Grand America

March 20- Rachel attended Technology Tuesday

March 21- Katie spoke on a panel on venture capital and angel funding at the Annual Iberoamerican Research and Development Summit (AIRDS) in Albuquerque

March 30- Katie and Stephanie judged the Second Annual University of New Mexico Business Competition

April 15- Katie was a guest speaker at a University of New Mexico undergraduate business class

April 19- Rachel attended the Edison Showcase, hosted by the MountainWest Capital Network

May 1- Rachel attended the Life Science Angel Luncheon

May 9-10- Todd, Kent, Bob, Stephanie and Katie attended the New Mexico Equity Capital Symposium

May 10- Rachel and Ryan attended the Utah Innovation Award Luncheon at the Marriott City Center

May 15- Todd and Rachel attended Technology Tuesday, and Todd attended the ACG Capital Connection Conference at the Grand America Hotel

May 23- Todd attended the NACD Utah Chapter Meeting

June 12- Katie, NMBBA Board Member, attended the NMBBA monthly event, which featured

Wasatch was the best partner for me. They were involved when they needed to be and they stayed out of my way when things were going great. They pointed me in the right direction when it was time to exit, and I am truly grateful for their partnership. I couldn't have had the success I had without such a great partner.

Wasatch Venture Fund's Annual Partner's Meeting



Wasatch had its Annual Partner's Meeting on March 23-24, 2007 at the Chateaux on Silver Lake and Stein Erikson Lodge in Park City, Utah. Many of Wasatch's portfolio company CEOs, advisors and investors were present. Bill Chambers, CEO of [LeftHand Networks](#), commented that Wasatch's Annual Partner's Meeting was a great opportunity to network, learn and share best business practices and receive unbiased feedback from Wasatch's advisors and portfolio company CEOs.

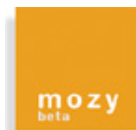
New Financings

Wasatch invested in Consolidated Energy during the Series A round. Consolidated Energy develops clean and efficient cogeneration power plants. Consolidated is currently building plants in Utah and New Mexico. Current plants consume waste fuel and product electricity and steam with less emissions than a dry cleaning facility.



Wasatch invested in [Figaro Systems](#) during the Series A round. Figaro designs and installs multi-lingual simultaneous text and content delivery systems in the world's great performance spaces, and can provide design solutions for any environment, large or small, indoor or outdoor, from grand opera houses to experimental theaters, historic restorations to modern renovations.

Portfolio Company Highlights



Mozy wins big deal with [General Electric!](#)

[Mozy](#) recently launched the business version of its data backup product in December. American Fork, Utah-based Berkeley Data has signed up 3,000 customers since then. MozyPro is the business version of Mozy, which previously had been a consumer-focused product. Consequently, Mozy closed a multimillion dollar deal to [provide its backup services to GE](#).



Q Therapeutics wins the Utah Innovation Award in the Biotechnology/Pharmaceuticals Category

Wasatch is proud to announce that [Q Therapeutics](#) won in the Biotechnology/Pharmaceuticals category at the fifth annual [Utah Innovation Awards](#). A committee of nearly 60 experts from private industry, government and higher education selected award winners, one in each of the program's seven categories. The program received almost 100 nominations.

Team Highlights



Nick Efstratis is a judge for the 2007 Ernst & Young Entrepreneur of the Year Award

Nick joins six other judges- former award recipients or leaders in the business community- as a judge for the 2007 [Ernst & Young Entrepreneur of the Year Award](#) for the Utah and New Mexico region. These awards identify and recognize entrepreneurs and their companies that have truly excelled in their industry. Wasatch is excited to be a part of this program once again- Todd Stevens was a judge for the program back in 2003. The Entrepreneur of the Year award gala will be June 7, 2007.

Waneta Tuttle

June 13- Todd attended the Utah Technology Council Utah County Industry Breakfast "An Outside Look at Venture Capital Funding." Todd was a moderator on a panel of other venture capitalists.

[More ...](#)

Wasatch Events: Where We Will Be Next

June 28-29- Rachel will attend the Utah Blogger Conference

June 22- Katie will attend the American Diabetes Association annual conference in Chicago in support of VeraLight

June 24- Katie starts the University of Chicago Executive MBA program

[More ...](#)

This Year's OnHollywood

These 100 companies have emerged in an exciting year in the world of digital content and entertainment. Google's \$1.6 billion acquisition of YouTube and the introduction of the Apple iPhone are just two examples of watershed events that are driving a new wave of video entertainment out on the Internet and onto your cell phone. Other companies on the 2006 OnHollywood 100 list also achieved success this year: Shutterfly and DivX both went public, while Glu Mobile has filed for its IPO. [More ...](#)

Web 2.0 Expo Draws Startups, Superstars

The Web 2.0 phenomenon is on track to exceed expectations if this week's first-ever Web 2.0 Expo in San Francisco is any measure. If anyone knows about the potential of what has been dubbed "Web 2.0" it's the folks over at O'Reilly Media. Heck, company founder Tim O'Reilly himself coined the phrase back in 2003 to describe the emergence of a new generation of Web-based business models in the wake of the dot-com collapse. And if this week's first-ever Web 2.0 Expo in San Francisco is any measure, the Web 2.0 phenomenon is on track to exceed expectations.

[More ...](#)

\$6B Medical Center Taps TriCipher to Protect Patient Health Information

The University of Pittsburgh Medical Center (UPMC) will use TriCipher's multifactor authentication solution to protect access to personal health information on its online patient healthcare portal and physician network - putting the medical center at the forefront of aggressively protecting patients' identities. The \$6 billion medical center's Web site portal will become the central information access point for more than 4 million patients worldwide. In addition, doctors



Kent Madsen participated in The Third "Perfect Venture" Conference in New York City April 18-20, 2007

Kent, along with 49 other venture capitalists across the nation, attended Merrill Lynch's [The Third "Perfect Venture" Conference](#), sponsored by FundingPost, in New York City. 20 early-stage companies pitched to these professionals. There were also panels and keynote speeches for entrepreneurs about how to obtain venture capital financing.



Spong Helps Businesses Sow Firm Roots

Stephanie Spong, Wasatch's principal in New Mexico, was chosen to be the subject of an [article](#) written in a New Mexico newspaper. The article discusses Stephanie's drive as a venture capitalist. "New Mexico is a wonderful place, yet there are so many people in

poverty here," Spong says. "We need to build a healthy, growing, diverse economy. I love being a venture capitalist because I get to build companies and good jobs that can support families."



Katie Szczepaniak weds Gordon Rice in her hometown of Ponzac, Poland on May 26, 2007

Katie Szczepaniak, Wasatch's analyst in Albuquerque, New Mexico, got married on May 26, 2007 in her hometown of Ponzac, Poland to Gordon Rice. Gordon works as a chemist in fuel cell material development at Cabot Corporation. Katie met Gordon at Cabot, where she worked as a strategic analyst prior to working at Wasatch. Katie and Gordon were married in the Matki Boskiej Bolesnej Catholic church, and their reception was held at Palac Zakrzewo, near the town of Gneizno. Wasatch is happy for Katie, and we congratulate her and Gordon on their marriage!

will have secure access to patient health data across the entire medical center, improving patient care and increasing the efficiency of the medical center. From the outset, TriCipher's Armored Credential System (TACS) will ensure that only authorized users can access patient health information. [More ...](#)

Zars Pharma Files IPO To Sell Up To \$86.25M In Stock

Pharmaceutical company Zars Pharma Inc. filed an initial public offering to sell up to \$86.25 million in common stock, according to a Form S-1 filed with the Securities and Exchange Commission. Zars, based in Salt Lake City, Utah, is a specialty pharmaceutical company focused on the development and commercialization of topically administered drugs in the area of pain management. According to a VentureWire story from early 2006, the company has \$41 million in backing, including a \$22 million Series C round in September 2004. Backers include Draper Fisher Jurvetson, with a 23.1% stake, Wasatch Venture Fund, with 8.1%, and vSpring II LP, with 5.4% [More ...](#)

NEWSLETTER SIGNUP

Copyright © 2006 Wasatch Venture Fund, All Rights Reserved. Salt Lake City - Phoenix - Santa Fe