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## **FLYWHEEL VENTURES CLOSES \$31 MILLION VENTURE CAPITAL FUND**

-- Institutions account for 75% of firm's first institutional venture fund --

**Santa Fe, NM – 29 June 2005** – Flywheel Ventures, a Southwest/Rockies-based early-stage venture capital firm, today announced the final close of its first institutional venture capital fund, Flywheel I, L.P. The \$31 million fund, with 75% of committed capital from institutions, will invest in seed and early-stage information technology and physical sciences ventures located primarily in New Mexico, Colorado and Arizona.

Participating investors include national foundations, university endowments, state governments, and prominent family offices including the Kauffman Foundation, New Mexico State Investment Council, the McCune Foundation, Hunt Holdings, the New Mexico Small Business Investment Corporation and the New Mexico State University Foundation.

Kauffman Foundation's Chief Investment Officer, Dan Kingston, said, "We were attracted to the strong investing track record and broad operating experience of this emerging manager team. The team's combination of deep local roots, Silicon Valley connections and focused investment strategy offered a unique value proposition in a promising regional technology market."

Flywheel I, L.P. represents a next-generation successor fund to Flywheel Capital, LLC, the firm's 2002 angel fund with a similar investment focus and strategy.

Flywheel I, L.P. will be managed by Trevor Loy, Founder and Managing Partner, General Partners Scott Caruso and Kim Sanchez Rael and Senior Associate Chris Traylor. Collectively, the team has founded, managed, advised, invested or otherwise participated in the growth of 50 technology companies, including 12 companies in the Southwest / Rockies region. The team is supported by a nationally-recognized Strategic Advisory Board chaired by Dr. Tom Byers of Stanford University and includes seasoned venture capitalists such as David Albin of Natural Gas Partners, Stewart Alsop of New Enterprise Associates, and Erik Straser of Mohr Davidow Ventures.

Trevor Loy, Flywheel's Managing Partner said "We are very gratified by the strong institutional support for Flywheel I, L.P. We believe that there is a significant early-stage funding gap relative to the rich technology and economic potential of the Southwest / Rockies region. Our team will continue to leverage our on-the-ground presence and start-up experience with our Silicon Valley connections to build successful businesses."

Flywheel I, L.P. expects to lead initial investments of \$100K-\$1M in entrepreneurs and ventures that use innovations in information technology or the physical sciences to 're-segment' the delivery of products and services to existing vertical markets. The Fund will invest in a total of 15-18 companies. To date, Flywheel I, L.P. has made three investments in its primary target region.

*Founded in 1999, Flywheel Ventures ([www.flywheelventures.com](http://www.flywheelventures.com)) is a Southwest/Rockies-based seed and early-stage venture capital firm focused on information technology and physical sciences ventures in New Mexico, Colorado and Arizona. The firm matches talented entrepreneurs with market opportunities where Flywheel's capital, entrepreneurial experience and industry relationships help accelerate innovations into profitable companies. Flywheel has offices in Santa Fe, Albuquerque and Silicon Valley.*

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