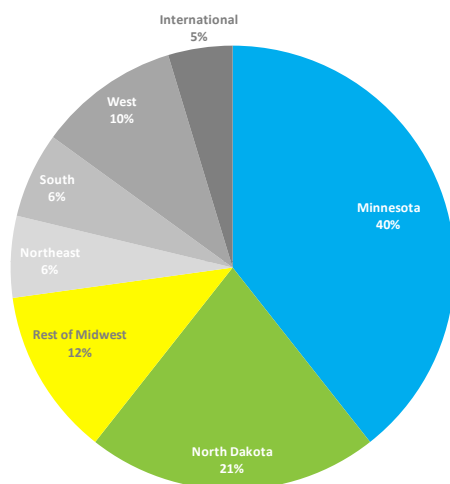


Deal Flow Analysis

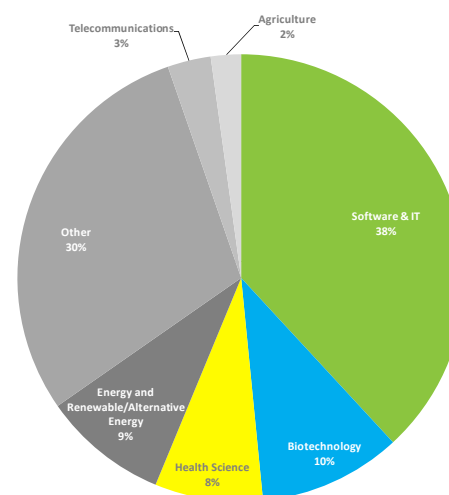
Arthur Ventures attracts quality deal flow through its extensive network.

Geography



Geography	Deals
Minnesota	126
North Dakota	68
Rest of Midwest	39
Northeast	19
South	20
West	33
International	15
Total	<u>320</u>

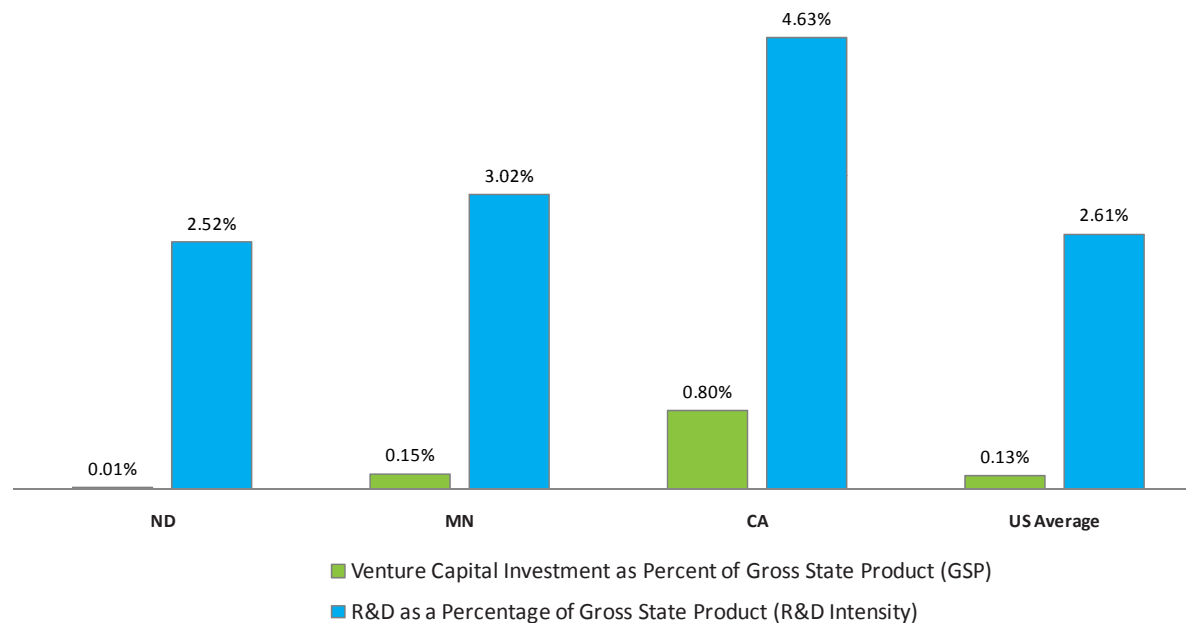
Industry



Industry	Deals
Software & IT	122
Biotechnology	33
Health Science	25
Energy and Renewable/Alternative Energy	29
Other	94
Telecommunications	10
Agriculture	7
Total	<u>320</u>

Regional Funding Gap Evidence

North Dakota is 13x below the national average in VC funding but close to the national average in R&D.



Source: Milken Institute & National Venture Capital Association, 2008 data

Legislative Testimony Summary

- Seed/Angel Tax Credits Work
- What can we do to improve them?
 - Transfer/Sale of credits, this would allow for capital raises out of state (big opportunity)
 - Make sure seed/angel credits sync together and provide the right incentives
 - Angel Fund Statute should reconcile w/ the LP Act
- Big Idea: Net Operating Losses (NOL's)
 - Platform to buy/sell NOL's
 - NJ has this:
<http://www.state.nj.us/scitech/entassist/nol/>
 - Don't limit to just ND companies