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## Business

### Firms vie for angels' blessing



Kate Williamson, The Examiner  
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#### **SAN FRANCISCO -**

Eighteen growing young companies competed Wednesday to wow more than 400 investors in an innovative "who'll win the money" game where the prize was bragging rights and a chance to receive real funding.

(Douglas Zimmerman/Special to The Examiner)

Brett Lovelady, right, COO and founder of Astro Gaming, talks to a prospective investor at the Angel Capital Expo.

It was the first large-scale "Angel Expo" by the Keiretsu Forum, a 500-member business and social organization with 12 U.S. chapters, including in San Francisco and the East Bay. Members are "angel investors," an old theater term which now refers to non-friends-and-family investors who fund companies at an

early stage.

The forum does not invest money on its own, but provides a space where its investor-members can hear presentations by pre-screened companies, who pay for the privilege and receive coaching. Wednesday's expo at the UCSF Mission Bay campus was on a grander scale, with investors visiting from across the West.

Late in the day, the investors were expected to vote with faux money on which were the three "most valued companies," the most ready to receive real funding, though they were not guaranteed investment.

A key concern of investors is knowing where the startup plans to get its next round of funding, so its investors can be repaid, forum member Earl Sacerdoti of the Copernican Group said. Keiretsu members engage in weeks-long due diligence research after hearing a proposal they favor. Still, the atmosphere was electric as companies strove to shine.

"It reminds me of videogaming. You've got seven minutes to get to the next level," said Brett Lovelady, founder of San Francisco's Astro Gaming LLC. The firm plans to make high-end electronic video gaming accessories for professional and hardcore videogamers. Lovelady compared these cyberjocks to superstar skate boarders, and asked for \$500,000.

The market is definitely there, but Astro might be asking for too little, mused Mark Dwight, a Keiretsu Forum investor and former Timbuk2 CEO. He himself invested in Presidio Bank after it presented to Keiretsu Forum. A business plan that needs development might be all right for angel investors, who often look for opportunities to mentor young companies, he said.

"We're not professional venture capitalists per se. We generally made some money running our own companies," he said. "We're a little more patient."

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