

Q3 2009 VENTURE CAPITAL ACTIVITY

A data-driven perspective into the innovation economy presented by

FASTCOMPANY

About This Presentation

The enclosed Fast Company report offers a data-driven view and commentary into United States' venture capital activity in the third quarter of 2009 and is part of Fast Company's Getting Funded content series which can be found at:

<http://www.fastcompany.com/gettingfunded>

About Our Data & Analytics Partner - ChubbyBrain

ChubbyBrain is capturing and structuring information about the innovation economy: a world that includes high-growth, private companies, venture capital firms, private equity firms, angel investors, incubators and universities. The company aims to cater this information to meet the growing needs of entrepreneurs, investors, corporations, service providers and governments. ChubbyBrain is the first offering by CB Information Services and launched in February 2009. More information on ChubbyBrain can be found at:

<http://www.chubbybrain.com>

Ensuring Data Integrity

Given the importance of venture capital in spurring innovation and entrepreneurship, measuring venture capital activity accurately is important. We encourage you to review the methodology and definitions employed by our data partner, ChubbyBrain, to better understand the numbers presented in this report. If you have any questions about their definitions or methodological principles, we encourage you to reach out to them directly at team@chubbybrain.com.

What is Included in These Venture Capital Numbers?

- **Equity financings into emerging companies.** Funding must come from venture capital firms including corporate venture groups.
- **Fundings of only private companies.** Public companies of any kind on any exchange (even Pink Sheets) are not included in our numbers even if they received investment by a venture firm(s)
- **Companies must be headquartered in the USA.** Our geographic data is based on the city and state where the company receiving investment is headquartered. If a company has a satellite office/presence in multiple cities or was founded in a particular city but has moved its HQ, our results reflect only this address.
- **Only include the investment made in the quarter for tranching investments.** If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- **Round #s reflect what has closed – not what is intended.** If a company or regulatory filing indicates the closing of \$5M out of a desired raise of \$15M, our numbers reflect only the amount which has closed.
- **Only verifiable fundings are included.** Fundings are verified via (1) various federal & state regulatory filings (2) direct confirmation with firm or investor or (3) press release.
- **Funding close date matters.** Fundings are provided based on funding close date and not on announcement date.

What Is Excluded from These Venture Capital Numbers?

- **Angel investment.** These are not included in numbers unless an investment round included Angels investing alongside a venture capital firm or corporate venture group.
- **No contingent funding.** If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- **No business development/R&D arrangements whether transferable into equity now, later or never.** If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- **Buyouts, Consolidations and Recapitalizations.** All three of these of transaction types are commonly employed by private equity firms and are tracked by ChubbyBrain. However, they are excluded for the purposes of this report.
- **Private placements.** These investments also known as PIPEs (Private Investment in Public Equities) even if made by a venture capital firm(s) are not included. Strictly private companies.
- **Debt/loans of any kind.** Venture debt or any kind of debt/loan issued to emerging, startup companies even if included as an additional part of an equity financing is not included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics.
- **Government funding.** Grants, loans, equity financings by the federal government, state agencies or public-private partnerships to emerging, startup companies are not included. Strictly venture or corporate venture outfits.
- **Incubator investments.** Investments of money as equity or debt and/or services by incubators are not included.
- **Strategic corporate investments.** Corporations making strategic investments in companies but not as part of a specific organized venture group are not included.

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The Come Back Continues – Venture Capital Investment Climbs Again Hitting \$6.1 B in Q3 2009

The third quarter of 2009 saw venture capital activity hit \$6.1B spread across 678 deals according to ChubbyBrain (www.chubbybrain.com), an information services company tracking venture capital, angel investor, private equity and incubator activity. Crossing the \$6B watermark represents the highest total for 2009 and a healthy 14% increase over Q2 2009 when venture capital investment stood at \$5.3B. Activity as measured by the number of venture deals also increased to 678 deals from 613 in the prior quarter, an almost 11% increase. Both the funding and deal levels represent a marked increase over the abysmal levels of venture investing seen in Q1 2009 when the proverbial bottom fell out.

Of course, the venture capital funding total doesn't compare favorably to Q3 2008 when venture investing stood at \$7.2B according to ChubbyBrain. Whether venture investing will reach historic levels again is an open question. To use an analogy, think of venture capital investing as a star running back that has torn his ACL. He may come back as good or better as a result of rehab and training, but there is also a chance that he will never recover his past glory. While the pundits have a variety of opinions and prognostications, it is too early to tell where venture capital investment levels will end up purely based on the data. However, based on the significant uptick in the last two quarters, there is room for cautious optimism especially given Q3 2009's venture capital totals.

Here are some of Q3 2009's highlights:

September Lets it Rain: Venture capital money got off the sidelines in a big way in September which saw 2009's highest monthly deal activity on both a dollars and number of deals basis. September represented 40% of the funding in the quarter. With venture capitalists' wallets opening with increasing speed in the last month of the quarter, it will be interesting to see whether September is an inflection point in a larger VC recovery or just an outlier.

California Love: The Golden state has traditionally received the lion's share of all VC investment dollars in the US, but in Q3 it took its domination to new heights. Attracting over \$1.1 billion more VC money than it did in Q2, California posted a dramatic quarter-over-quarter increase of over 51%. Rounding out the top five most funded states were Massachusetts, Texas, New York, and Georgia. Overall, companies in 35 different states received venture investment.

Southern Comfort: From a regional perspective, the South-Atlantic (comprising, amongst others, Georgia, North Carolina and Maryland) made a particularly strong showing. Not conventionally considered a VC hub on par with the Mid Atlantic (which includes NY, NJ, PA) or even the Pacific Northwest, it nevertheless outpaced both of these regions in Q3, pulling in over \$550 million of funding with a large share of this investment coming in the Healthcare sector.

The City That Never Sleeps Takes a Nap: New York state's venture capital dollar funding levels which are tightly tethered to NYC's performance tumbled in Q3 2009 with a 41% decrease versus Q2 2009; deal volume (# of deals) also dropped by 11% quarter-over-quarter. A big part of this was a drop in Internet fundings in New York which fell by 32% and 21% on an investment \$ and deal volume basis, respectively. The state still made a positive showing with NYC in the top five cities for Internet investment, but the overall drop remained significant. In fact, the drop in venture capital dollars flowing to NY companies moved the state to the number four spot in VC funding behind California, Massachusetts and Texas. New York State saw only \$24M more venture capital investment flow to it than Georgia.

Healthcare Lives: Healthcare, the big winner in Q2 '09, again saw the most venture activity in the third quarter, attracting 32% of all funds. In absolute terms, however, the investment level remained flat at \$1.9 billion. Beyond healthcare, ChubbyBrain tracked investments across 18 sectors, indicating continued participation by venture capital firms across a broad base of industries.

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The Come Back Continues – Venture Capital Investment Climbs Again Hitting \$6.1 B in Q3 2009 (continued)

Green Shoots: After the boom of Green investing in Q3 2008, and the subsequent bust in the following quarters, Q3 2009 (and especially September) once again began to paint a more optimistic picture for the overall “industry”. Leading the road to recovery were investments in renewables, in particular solar.

Entrepreneurs – Dust Off Those Business Plans: Despite predictions that VC firms would squirrel away money just to fortify existing portfolio companies, the ChubbyBrain data for Q3 2009 (as well as Q2 2009) shows that venture-backed seed and Series A deals in early stage companies remains strong. Q3 2009 saw early stage deals account for 30% of the total venture deals being done.

Sector: Internet

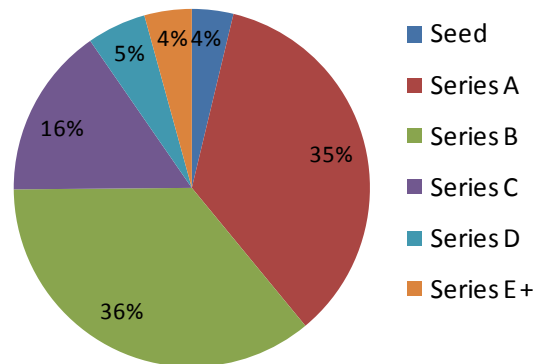
Venture Capital Internet Investments Dip Ever So Slightly in Q3 2009 to \$1.05B. Early Stage Fundings Represent Over 1/3 of Quarter's Internet Deals

The Internet sector represented 17.4% of total venture capital funding in Q3 2009 ringing up \$1.05B of VC investment across 194 deals (average deal size = \$5.4M). This was a 2.7% decline from Q2 2009 when Internet investments represented 20.1% of total venture capital investment. Each quarter saw one internet darling pull in heaps of money – Facebook in Q2 and Twitter in Q3. But even if we strip these out, Q3 2009 sees a modest decline as a percentage of Internet deal dollars relative to the total venture capital pie versus the prior quarter.

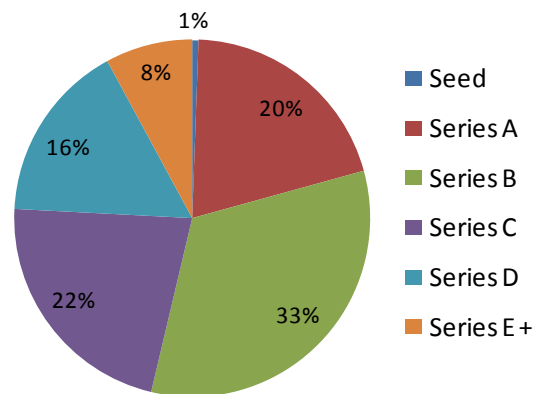
Despite the small decline, the data does paint a nicer picture for internet entrepreneurs looking for their first bits of institutional capital as early stage investments represented almost 40% of the venture capital deals in the quarter and over 20% of the VC investment dollars going to the internet arena. We touched upon this trend with our Q2 2009 data as we noticed early stage investment remained healthy even then when general prognostications about the death of venture capital and the specific demise of early stage investment reached a fever pitch. In Q3 2009, the data shows that early stage investment in internet continues to represent a very substantial component of overall internet investment activity. Series A internet deals averaged \$3.4M and venture-backed seed investments averaged \$1M. Anecdotally, the ChubbyBrain team's conversations with internet entrepreneurs and prominent venture law firms indicate that receptivity to early stage ideas has been increasing.

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VC Deal Volume (#) in Internet by Series, Q309



VC Investment (\$) in Internet by Series, Q309



Sector: Internet (continued)

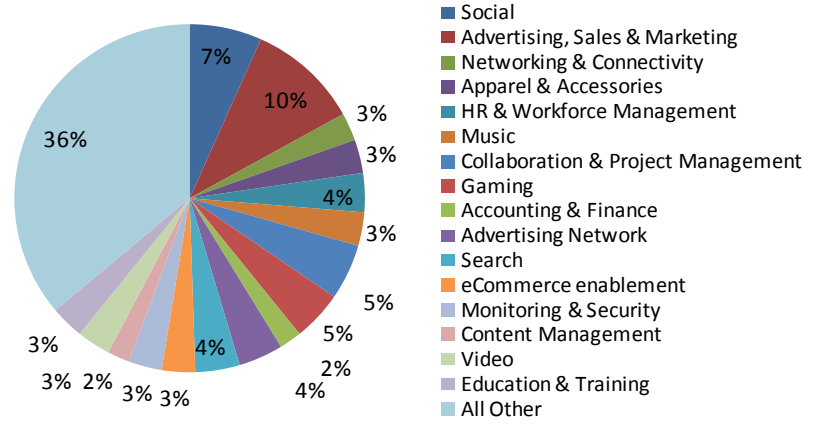
Venture Capital Internet Investments Dip Ever So Slightly in Q3 2009 to \$1.05B. Early Stage Fundings Represent Over 1/3 of Quarter's Internet Deals

Within the Internet sector, the deals and funding dollars went to a wide variety of sub-industries. The top three internet sub-industries based on VC investment were (1) Social, (2) Advertising, Sales & Marketing and (3) Networking & Connectivity companies. On a deal volume basis, the top 2 sub-industries remained the same with investments in Internet Collaboration & Project Management rounding out the top 3.

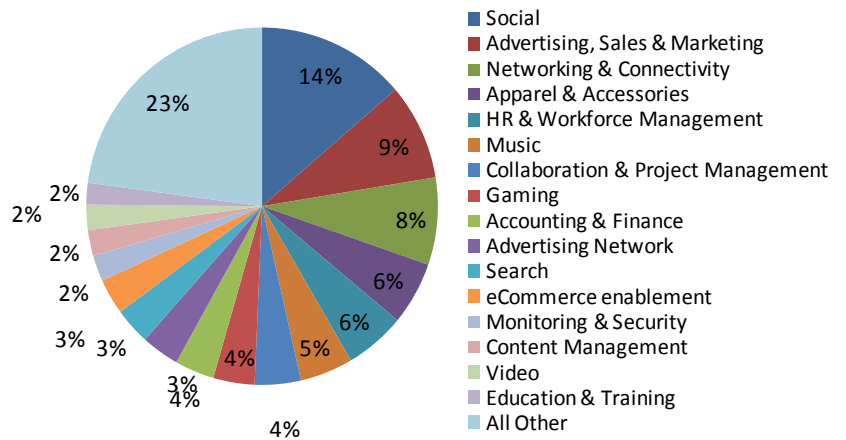
As with the generally observed trend in the quarter, investment momentum increased into the final month of the quarter with September 2009 seeing the most internet deals and largest funding dollar volume of the quarter.

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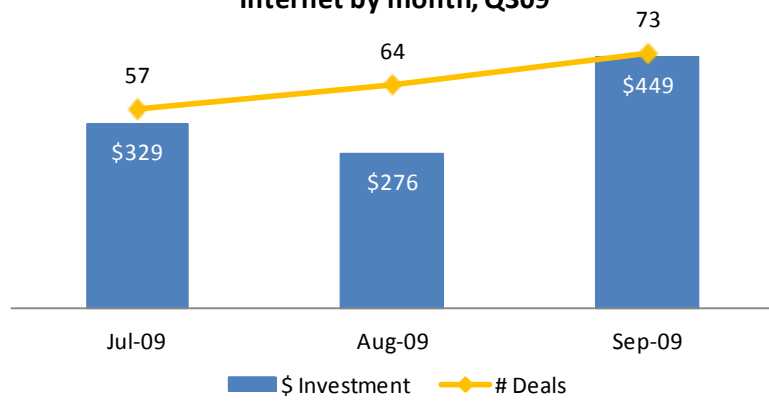
VC Deal Volume (#) in Internet by Sub-Industry, Q309



VC Investment (\$) in Internet by Sub-Industry, Q309



VC Investment and Deal Volume in Internet by month, Q309



Sector: Internet (continued)

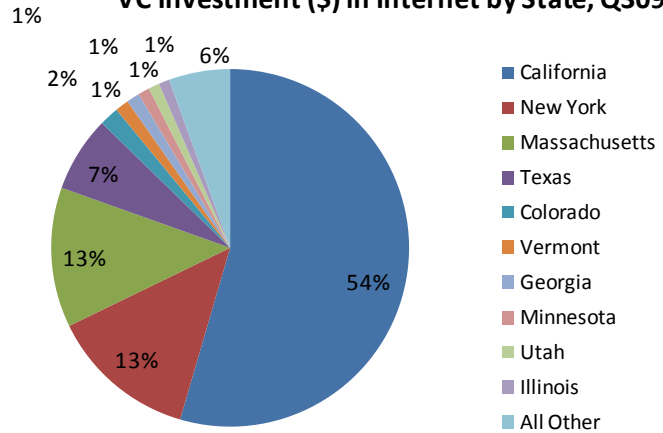
Venture Capital Internet Investments Dip Ever So Slightly in Q3 2009 to \$1.05B. Early Stage Fundings Represent Over 1/3 of Quarter's Internet Deals

Geographically, the usual suspects rounded out the top 3 states with California dominating on both a deal volume and VC Investment followed by New York and Massachusetts. Texas and Colorado completed the top 5 states for Internet investment in the quarter. The top cities for Internet investment are also given below with California taking 7 of the top 10 spots and Texan cities and New York City popping into the Q3 2009 Internet league tables.

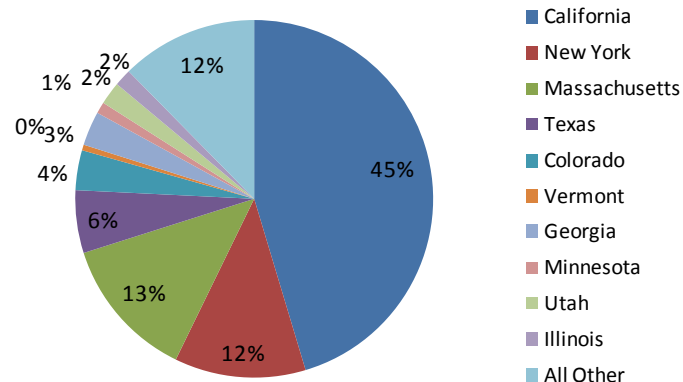
**Top 10 VC Investment Cities
Internet Q309**

<u>City</u>	<u>State</u>	<u>\$ Investment</u>
San Francisco	CA	\$166
New York	NY	\$140
Redwood City	CA	\$45
Foster City	CA	\$40
Menlo Park	CA	\$38
Mountain View	CA	\$36
Oakland	CA	\$35
Palo Alto	CA	\$34
Austin	TX	\$30
Plano	TX	\$30

VC Investment (\$) in Internet by State, Q309



VC Deal Volume (#) in Internet by State, Q309



Sector: Mobile & Telecom

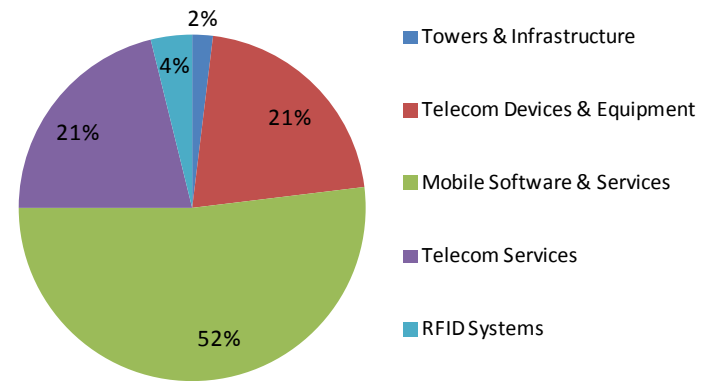
Mobile & Telecom Investments Ring Up \$800M in Q3 2009, and Guess What? Most of It's Not Going to iPhone Apps

The Mobile & Telecom sector was the bronze medal winning sector based on investment dollars and deal volume in Q3 2009 with \$803M being divided across 52 deals. (Our analyses of the gold medal winning sector, healthcare, and the silver medalist, internet, can be found in this report as well)

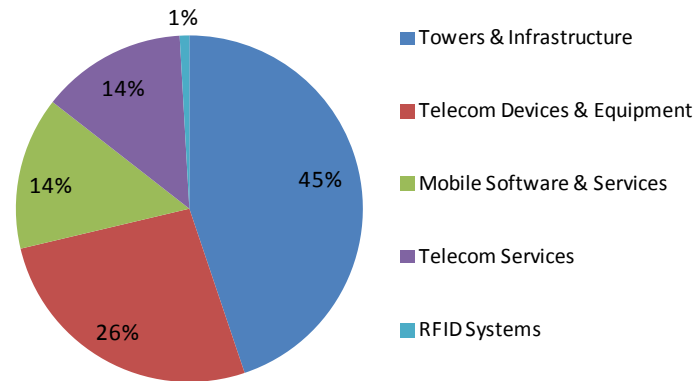
On a deals basis, mobile software & services was the predominant industry within mobile & telecom comprising 52% of deals but representing only 14% of funding. Over 70% of funding actually went to Towers & Infrastructure investments (45%) and Telecom Devices & Equipment (26%) with these more capital intensive industry categories driving up the aggregate sector's average deal size to \$15M. While we'd previously detailed that iPhone apps have garnered over \$100M of venture capital investment and also, to many peoples' surprise, that the iPhone platform is not the predominant mobile OS for venture-backed mobile companies, this quarter's results demonstrate that venture capital investors are funding the infrastructure elements that will enable the mobile software & services that garner so much attention.

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VC Deal Volume (#) in Mobile & Telecom by Industry, Q309



VC Investment (\$) in Mobile & Telecom by Industry, Q309



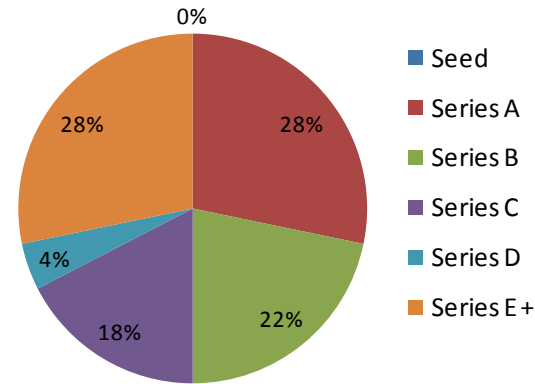
Sector: Mobile & Telecom (continued)

Mobile & Telecom Investments Ring Up \$800M in Q3 2009, and Guess What? Most of It's Not Going to iPhone Apps

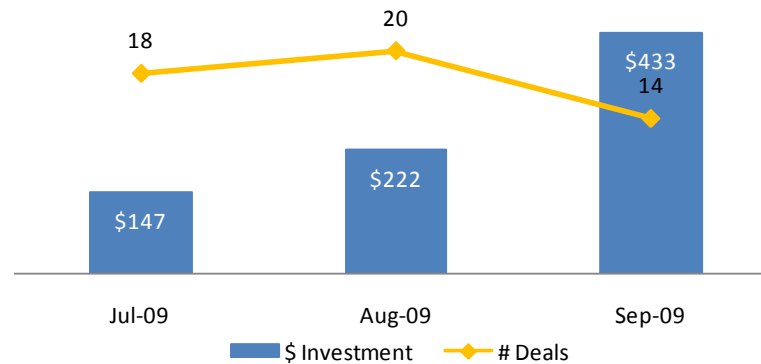
Q3 2009 saw mobile & telecom investment funding increase over the course of the quarter similar to the national observed trend of a strong finish in September. September results were driven by several large deals resulting in more than 50% of the quarter's mobile & telecom funding coming in the final month.

Mobile & telecom companies receiving money over the quarter came from across the maturity spectrum with 28% of the deals in the quarter going to early stage companies as part of Series A deals and 28% going to more mature companies receiving Series E+ rounds. The national VC trend for the quarter was 28% of deals being Series A so the mobile & telecom sector was consistent with this. The average mobile & telecom Series A deal stood at \$2.3M. The proportion of money, however, going to Series E+ deals in mobile & telecom was much greater than the national average which stood at 12% given several large deals going to the aforementioned towers & infrastructure and telecom devices & equipment industries.

VC Deal Volume (#) in Mobile & Telecom by Series, Q309



VC Investment and Deal Volume in Mobile & Telecom by month, Q309



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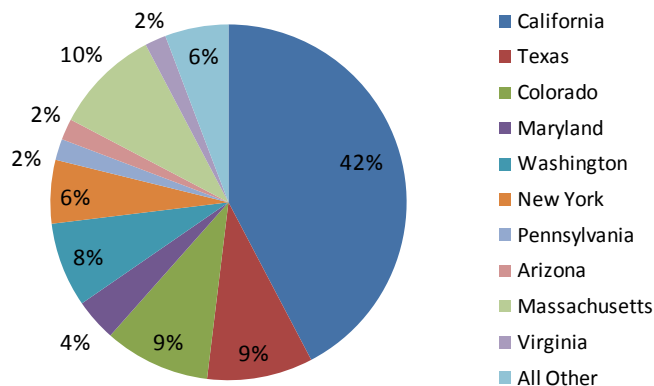
Sector: Mobile & Telecom (continued)

Mobile & Telecom Investments Ring Up \$800M in Q3 2009, and Guess What? Most of It's Not Going to iPhone Apps

The states with the most mobile & telecom investment activity didn't offer up much in the way of big surprises. California which was 45% of deal flow across all sectors was only 42% of mobile & telecom deals. Texas, Colorado and Washington all garnered more deal volume in mobile & telecom relative to their national deal averages.

Of all the sectors, the strong overall showing for Mobile & Telecom in Q3 2009 is amongst the data points likely to be the most volatile going into Q4 as several large infrastructure deals quite significantly impacted the overall numbers. That said, the investment in the mobile software & services industry which comprises a portion of the overall mobile & telecom sector has seen consistently growing deal flow momentum throughout the year which may not abate. However, as always, the data will confirm next quarter if Q3 2009's mobile & telecom numbers are an anomaly or the new normal.

VC Deal Volume (#) in Mobile & Telecom by State, Q309



Sector: Healthcare

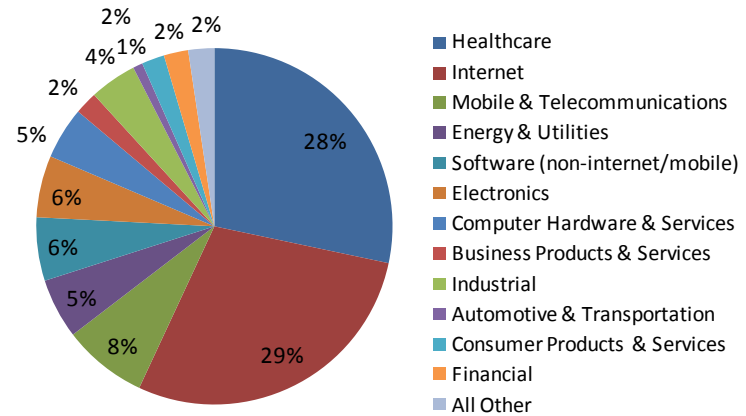
Healthcare Venture Capital Investments Still On Top in Q3 2009. Medical Device & Equipment Investments the Most Active

After leading the road to recovery by attracting a massive \$2 billion of VC money in Q2 2009, the US Healthcare sector once again saw significant amounts of activity in Q3 2009. Fueled by an especially strong month of August, Healthcare was able to hold on to its number one position in terms of dollars invested, with total funding slipping just slightly to \$1.9 billion. This represents 32% of overall national funding, down from the 37% attributed to Healthcare in Q2. Yet while there was not much change on a dollar basis, the number of deals shot up 40% over the prior quarter, putting Healthcare on par with the typically-deal-count-dominant Internet sector, and lowering the average deal size somewhat.

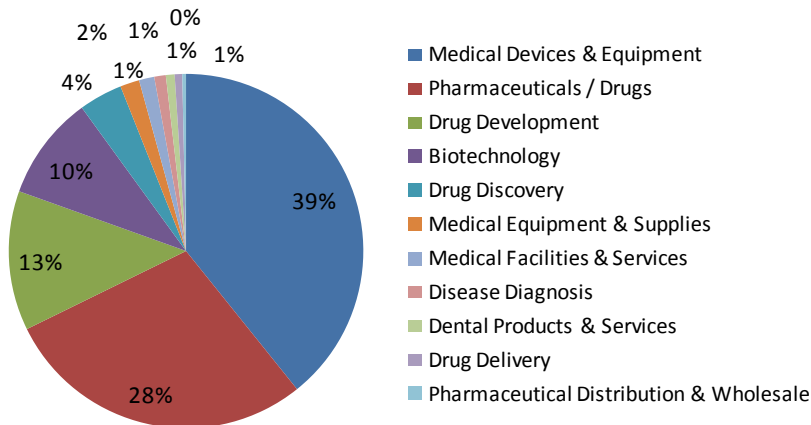
Much like in Q2, Medical Devices & Equipment and the Pharmaceuticals industries once again accounted for about two-thirds of Q3 Healthcare investment, and housed some of the sector's biggest deals over the last three months (e.g. Zogenix and Calypso Medical Technologies).

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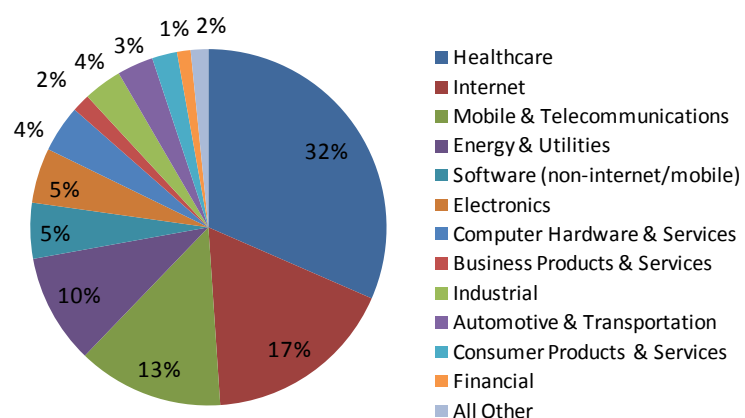
VC Deal Volume (#) by Sector, Q309



VC Investment (\$) in Healthcare by Industry, Q309



2% VC Investment (\$) by Sector, Q309



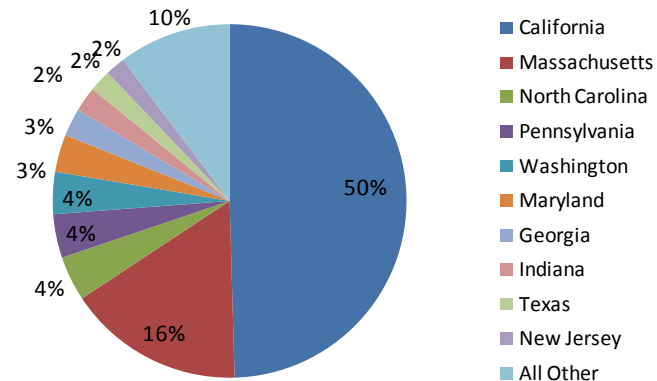
Sector: Healthcare (continued)

Healthcare Venture Capital Investments Still On Top in Q3 2009. Medical Device & Equipment Investments the Most Active

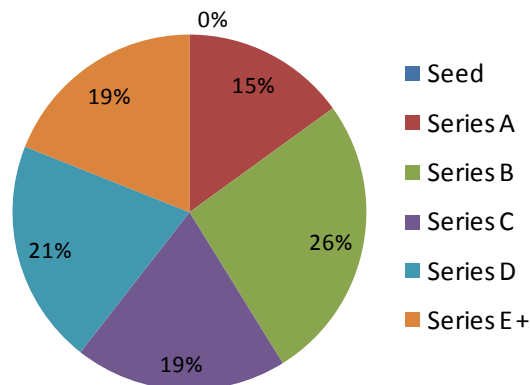
California clearly dominated the Healthcare investment scene, attracting half of all funds flowing to the sector, and 40% of the deals. As massive as this may sound, these figures actually indicate a relatively weak performance for California: the state saw 56% of all VC dollars, but only 50% of the Healthcare dollars; likewise it saw 45% of all US deals, but only 40% of the Healthcare deals. Massachusetts, on the other hand, once again proved it's a strong player in Healthcare in Q3 2009, receiving 16% of Healthcare dollars, significantly more than its 10% share of the total VC pie. This point is reinforced by the fact that Cambridge, MA, led the Healthcare Top Ten City on a funding basis, followed by San Diego and Palo Alto.

Finally, from an investment stage perspective, Healthcare activity in Q3 was fairly evenly distributed across the maturity spectrum, with Series A financing rounds seeing the highest volume of deals, and second rounds attracting the most dollars.

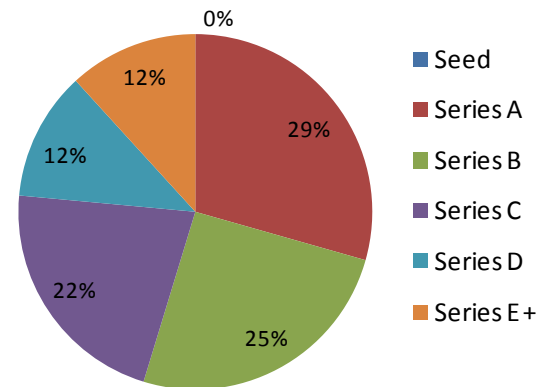
VC Investment (\$) in Healthcare by State, Q309



VC Investment (\$) in Healthcare by Series, Q309



VC Deal Volume (#) in Healthcare by Series, Q309



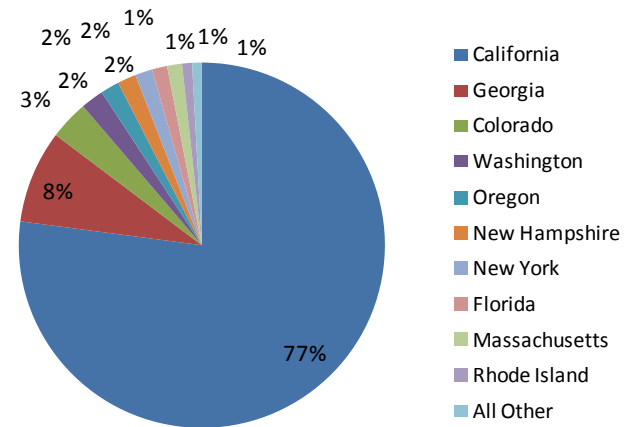
Theme: Green

Green Shoots in the Fall – Venture Capital Investment in Green Cleans Up in Q3 2009

It's been a rough and rocky ride for Green venture capital investment since it reached record funding levels in Q3 2008. But one year on, underscored by a significant uptick in capital flows in the month of September, Q3 2009 saw the continued sprouting of "green shoots" on the way to a Green recovery. Specifically, Q3 funding came in at just under \$1 billion, with over three-quarters of the money going to California-based companies, confirming the state's status as the Green capital of the US and the world.

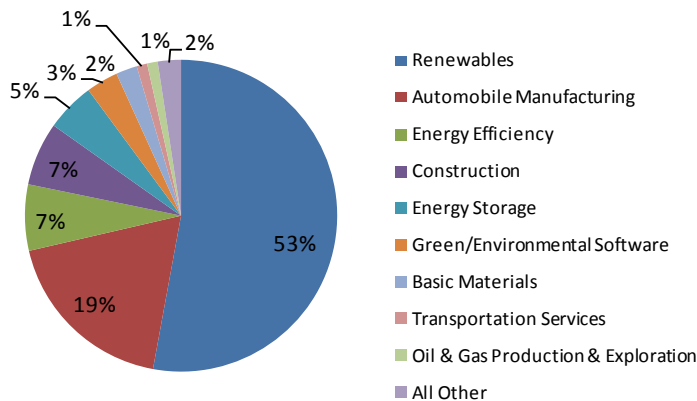
From an industry perspective, VC activity in the Green space was largely driven by an interest in Renewables, which accounted for 38% of the category's deals in Q3 and just over half of its dollars invested. Automobile Manufacturing came in second in dollar terms, though largely on the back of the two large Tesla Motors and V-Vehicle deals. In terms of deal volume, the Energy Efficiency and Energy Storage industries shared the silver medal.

VC Investment (\$) in Green by State, Q309

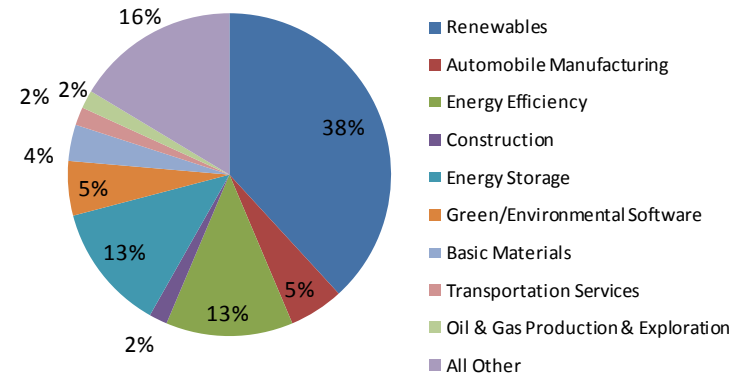


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VC Investment (\$) in Green by Industry, Q309



VC Deal Volume (#) in Green by Industry, Q309



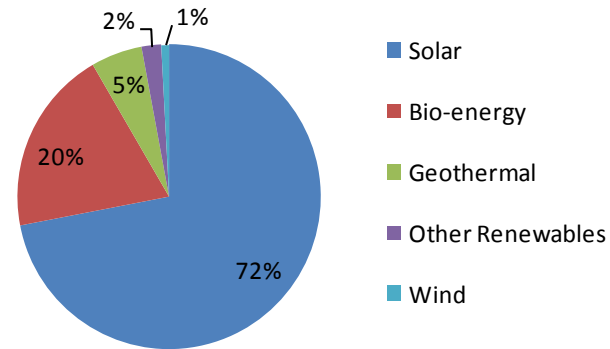
Theme: Green (continued)

Green Shoots in the Fall – Venture Capital Investment in Green Cleans Up in Q3 2009

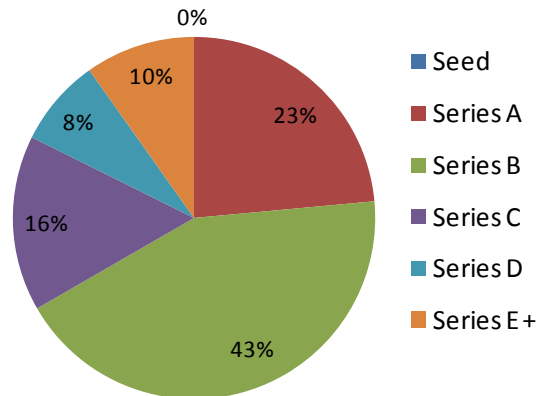
Within the Renewables industry, Solar continues to drive the most deals and attract the most money, bagging just over 70% of all Renewables VC dollar investment. And With the Solyndra and Suniva transactions, it was also able to log two of the largest deals in the Green space in the third quarter. Beyond solar, Bio-Energy also saw a notable amount of activity, making it the second most important sub-industry fueling the Renewable industry’s dominance within Green.

From an investment stage perspective, Q3 saw Green deals across the maturity spectrum, though there was a notable spike in follow-on rounds. In particular, 43% of all deals were Series B financings with an average size of about \$12 million, indicating investors’ desire to carry earlier stage portfolio companies through to the next level of development. Given larger rounds for follow-on investments, Series B and C rounds accounted for over half of the funds invested in Green in Q3.

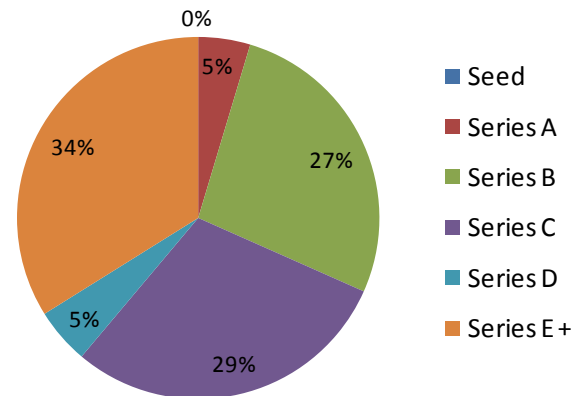
VC Investment (\$) in Green by Renewables, Q309



VC Deal Volume (#) in Green by Series, Q309



VC Investment (\$) in Green by Series, Q309



Series A: Early Stage Investments

Predictions About the Death of Early Stage Investment Greatly Exaggerated. VCs Not Shying Away from Early-Stage Internet and Healthcare Deals

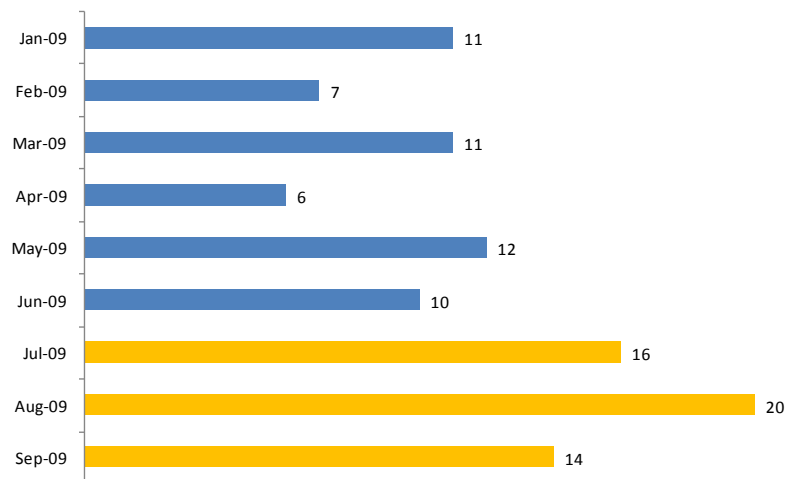
One of the most common refrains heard in the recent VC downturn has been that it would hurt early stage investment as venture capital funding would be siphoned away from early-stage deals in favor of investment to fortify existing portfolio companies, e.g., Series B, C, D, etc deals. While the level of early stage investment by venture capital firms might never approach the near limitless demand for such funds from aspiring entrepreneurs, the Q3 2009 data paints a clear picture – early stage investing is still happening and constitutes a significant number of the deals done in the top two sectors – healthcare and internet.

But with Q3 2009 data in, it's worth making the discussion about early stage investment a data-driven one. The Healthcare sector has seen a steady increase over the course of the year in Series A investments. Q3 2009 saw 50 Series A Healthcare deals in comparison to the first two quarters of the year where there were a grand total of 57 Series A Healthcare investments.

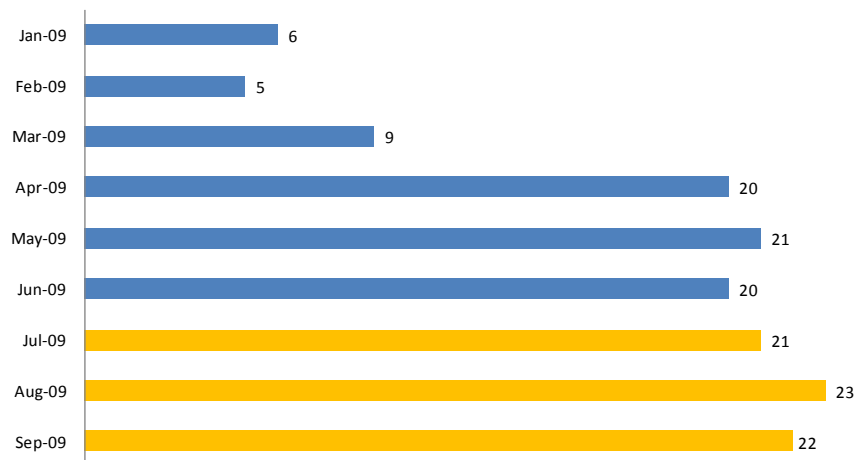
The Internet sector's early stage increase in Q3 2009 versus the first half of the year was not quite as dramatic as the Healthcare sector but remained consistent with the beginnings of the upward trajectory already witnessed in Q2 2009. Series A Internet venture capital deals in Q3 2009 totaled 66 investment versus 61 in Q2 2009 and a paltry 20 during a depressed Q1 2009.

For entrepreneurs seeking venture capital money – the future is looking just a bit brighter.

Healthcare Series A Investments (#), Q1 thru Q3 2009



Internet Series A Investments (#), Q1 thru Q3 2009



Geographic Activity Summary

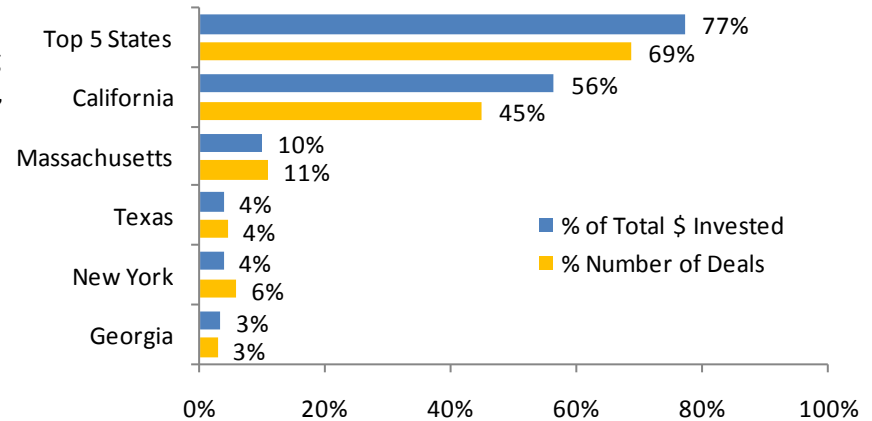
Q3 2009 Venture Capital Activity by Geography Cali Towers, South Atlantic Flexes, NY Disappoints

The 80/8 rule, venture capital world's own take of the 80/20 rule, was once again in full effect in Q3 2009 with the top 8 most active states taking in just over 80% of the funding. Within this "group of 8", California has always played in a league of its own, typically attracting about five times more investment dollars than its nearest competitor, Massachusetts. Q3 2009 was no exception. The Sunshine State continued to assert its dominance, attracting over \$1.1 billion more VC money than in Q2, an increase of 51%. Not to be completely outdone, Massachusetts also posted healthy gains in Q3, with investment up \$124 million over last quarter – an increase of 26%. The other Q3 winner was Texas, which saw twice as many deals and double the funding than in Q2, a welcome return to form after an especially slow first half in 2009. The quarter's relative short-comers were New York, where investment slid by 41% to \$227 million, and Washington, which received over 60% less funding than in the prior quarter and had deal flow cut in half. On the other end of the spectrum, a total of 15 states saw no activity at all.

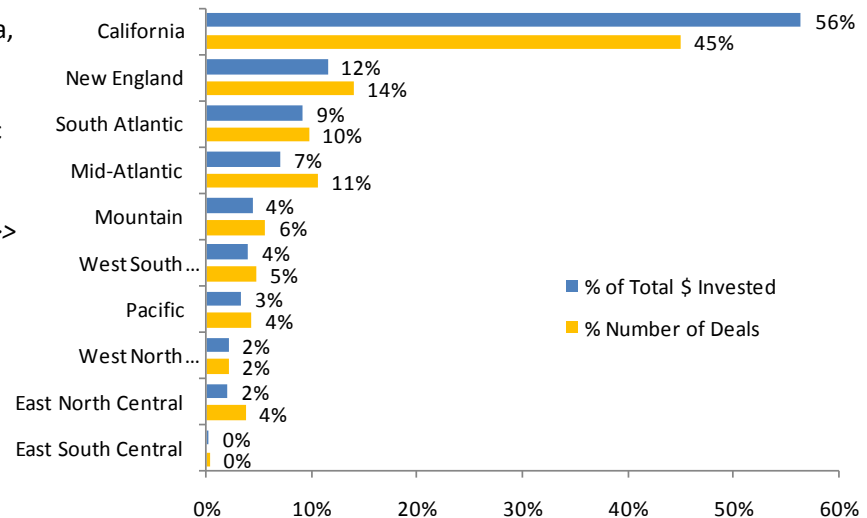
From a regional perspective (excluding California), New England and, somewhat surprisingly, the South Atlantic – including Georgia, Florida, Maryland, and North Carolina – led the pack, attracting over \$695 million and \$550 million respectively. In terms of investment dollars, this nudged the South just ahead of the more traditional Mid Atlantic VC hub (New York, New Jersey, and Pennsylvania).

Continued>>>

Deal Distribution, Top 5 States, Q309



Deal Distribution By Region, Q309

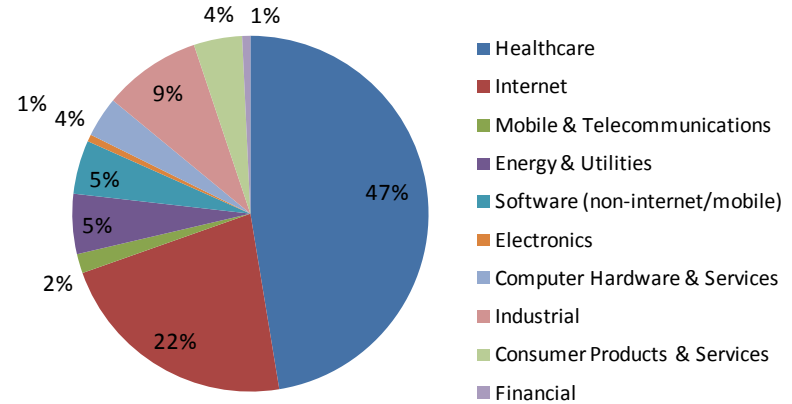


Geographic Activity Summary (continued)

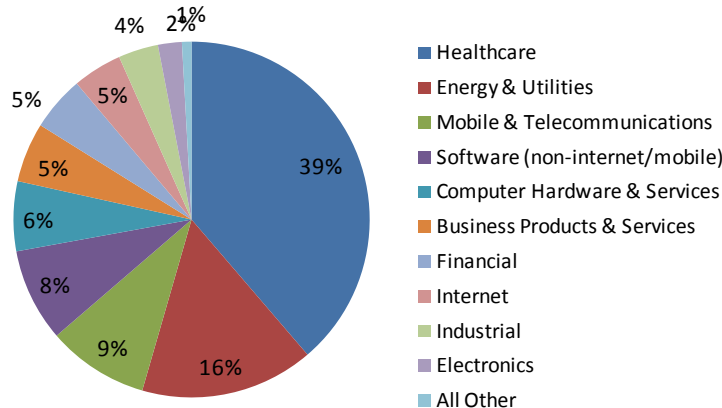
Q3 2009 Venture Capital Activity by Geography Cali Towers, South Atlantic Flexes, NY Disappoints

In line with the strong Healthcare investment numbers witnessed over the last two quarters, a sector-specific look at New England and the South Atlantic in Q3 show 47% and 39% of funds flowing into Healthcare, respectively - significantly above the national average of 32%. This also stands in marked contrast to the Mid Atlantic, which saw the Internet sector receive the majority of Q3 VC investment.

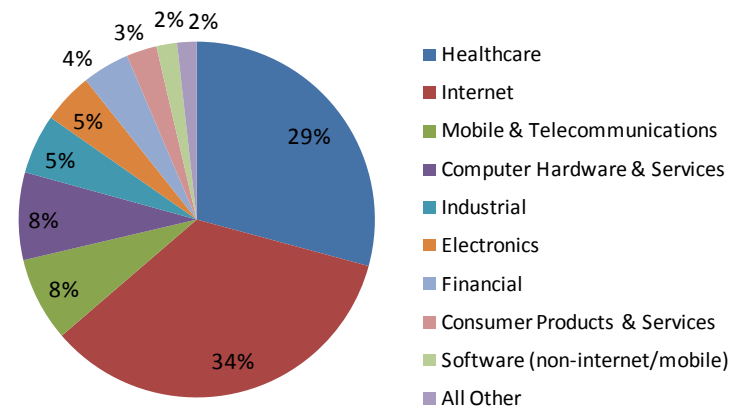
VC Investment (\$) in New England by Sector, Q309



VC Investment (\$) in South Atlantic by Sector, Q309



VC Investment (\$) in Mid-Atlantic by Sector, Q309



State: California

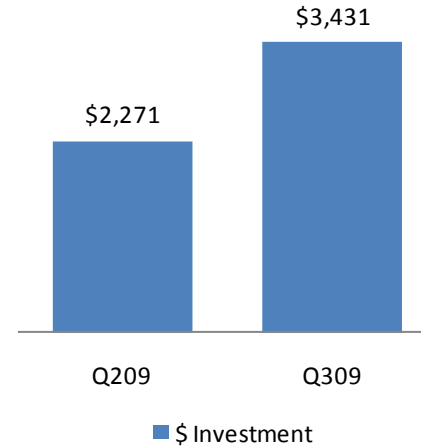
Q3 2009 Venture Capital Activity Proves You Cannot Stop California. You Can Only Hope to Contain It

Solyndra (Fremont, CA) scored \$198 million, Twitter (San Francisco, CA) landed \$100 million, Tesla Motors (San Carlos, CA)...the list goes on. With California occupying eight of the ten largest US-based VC deals in Q3 2009, it should come as no surprise that The Golden State fueled a significant portion of Q3 2009's climb into the \$6B+ arena – the largest quarter so far in 2009. Specifically, investment in California startups grew from \$2.27 billion in Q2 2009 to \$3.43 billion in Q3 2009 – a convincing 51% spike. Although a higher average deal size is responsible for some of the investment dollar growth, deal volume followed suit with a 40% jump over Q2.

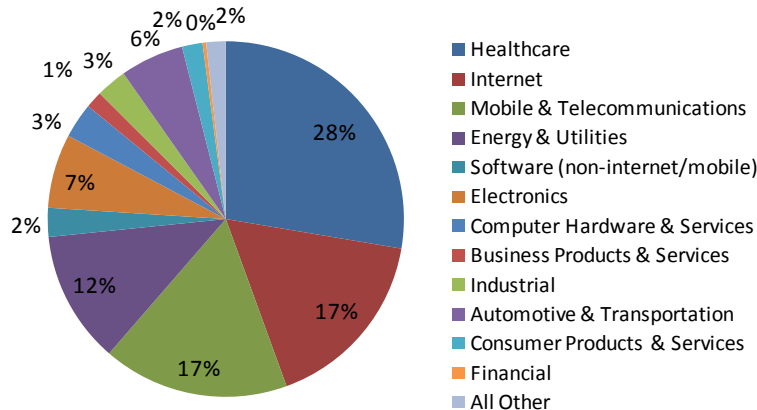
Household names aside (see opening line), Healthcare, which included later stage investments such as Pacific Biosciences (\$68M), Zogenix (\$51M) and Complete Genomics (\$45M), continued to dominate the Q3 California landscape, followed strongly by Internet, Mobile & Telecommunications and then Energy. Not surprisingly, however, Internet continued to lead the pack in terms of deal volume.

Continued >>>

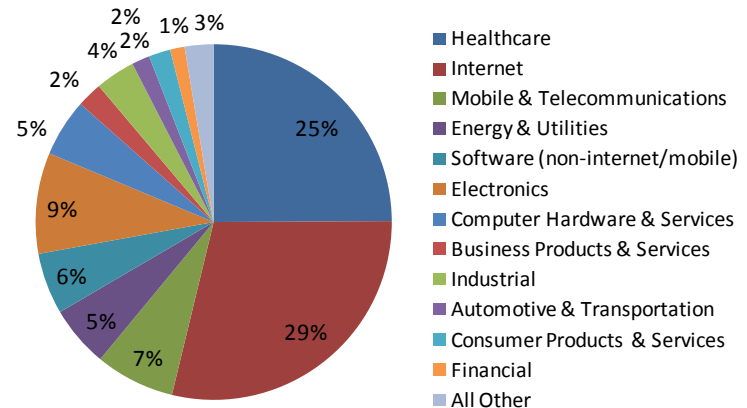
VC Investment (\$M) in California Q309 vs. Q209



VC Investment (\$) in California by Sector, Q309



VC Deal Volume (#) in California by Sector, Q309



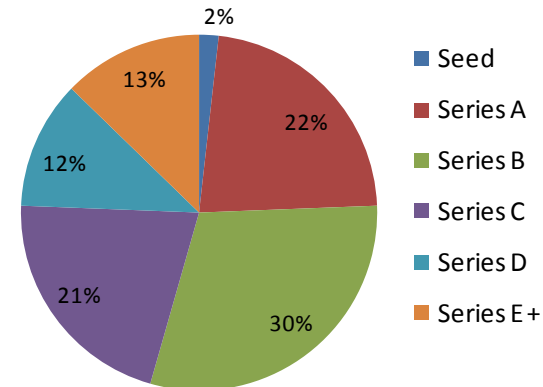
State: California (continued)

Q3 2009 Venture Capital Activity Proves You Cannot Stop California. You Can Only Hope to Contain It

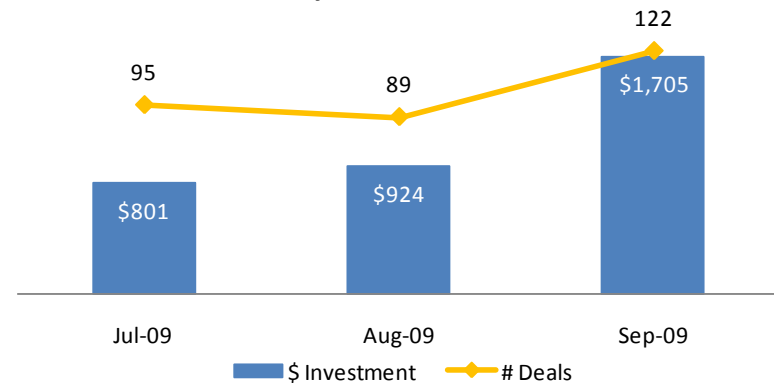
Was California the best place to start a company in Q3 2009? The answer is: it depends on how you look at the data. Not shockingly, California led early stage venture investing (Seed and Series A) amongst all states in terms of deal volume with upwards of 60 deals. However, proportionately speaking California was a laggard in the early stage deal volume category: Seed and Series A deal volume comprised less than a quarter of California's total deals versus the national distribution where 29% of all US deals were early-stage.

An examination of monthly trends over the course of Q3 shows a strong bounce in September versus figures in July and August that were more consistent with those of Q2. California's uptick mirrored that of the larger US venture capital landscape and in fact the increase in the final month of the quarter was made even more significant by many of the aforementioned mega-deals.

VC Deal Volume (#) in California by Series, Q309



VC Investment and Deal Volume in California by month, Q309



State: Massachusetts

Massachusetts Q3 2009 Venture Capital Numbers Strong...And It's Not All about Healthcare

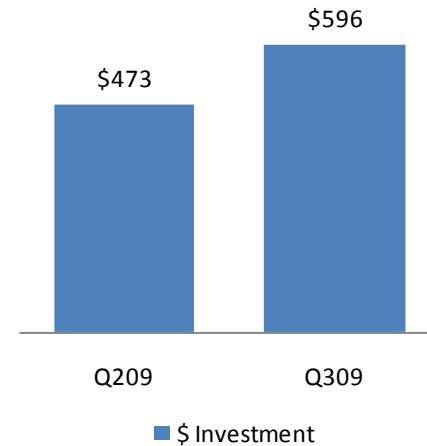
It's safe to say that Massachusetts had a strong showing in the context of venture capital investment in Q3 2009. Q3 VC investment growth in Massachusetts' companies saw a 26% increase over Q2 2009, convincingly outstripping national growth averages which stood at 14%. The number of deals also grew at a healthy clip over Q2 2009 coming in 28% higher.

Deal volume stats for the quarter also give some credence to the notion that Massachusetts – a perennial powerhouse in the Healthcare sector may be adding a new arrow to its quiver with solid investment levels in the Internet sector. In reviewing deal volume (# of deals) by sector, 34% of Massachusetts' VC deals were in the Internet sector which exceeded both the national and Californian proportions of Internet deals; those both stood at 29% for the quarter. Massachusetts actually saw the number of Internet deals eclipse the number of deals in the Healthcare arena – 25 to 21. In fact the only states with higher percentage of deal volume going to the Internet sector were NY and TX.

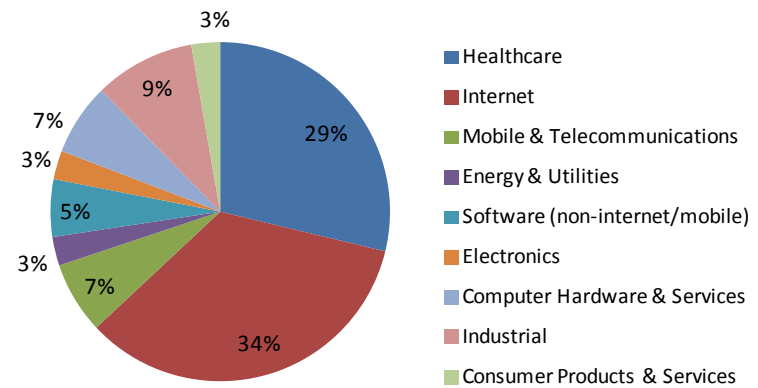
Massachusetts also saw a higher percentage of deal volume going towards the Healthcare sector (29% of total) versus the national average which also helped provide Massachusetts with the second highest deal count in the Healthcare sector (behind California).

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VC Investment (\$M) in Massachusetts Q309 vs. Q209



VC Deal Volume (#) in Massachusetts by Sector, Q309



State: Massachusetts (continued)

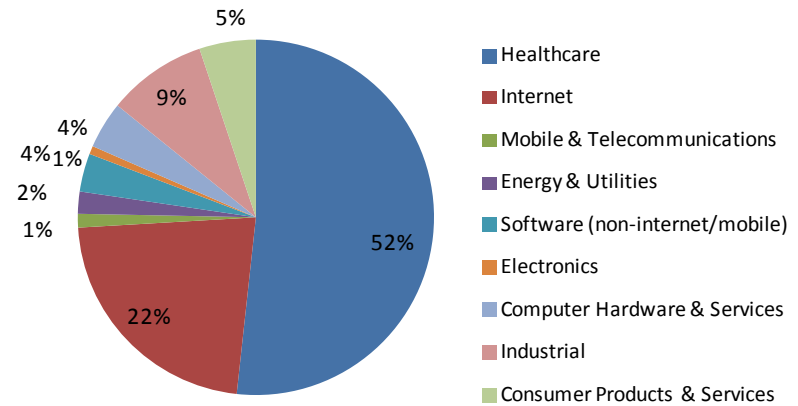
Massachusetts Q3 2009 Venture Capital Numbers Strong...And It's Not All about Healthcare

Massachusetts' Healthcare sector, not surprisingly, was the clear winner on a dollars-of-funding basis capturing 52% of total state venture capital dollars in Q3 2009. This proportion is much greater than the national venture capital proportion where Healthcare represented 32% of funding. On a sequential dollar basis, Healthcare investment in Massachusetts was up 46% versus Q2 2009. The favorable comparisons versus national averages and the last quarter are driven in some measure by the fact that Massachusetts' Healthcare investment deal size averaged \$16M vs. the national healthcare average deal size of \$10.9M or 47% larger than the national average. The Internet sector as previously discussed did well on a deal count basis as well as on a dollar of investment basis. The other notable Massachusetts industry in Q3 2009 was the Industrial sector which received 9% of the VC funding, driven by equipment manufacturing and basic materials development.

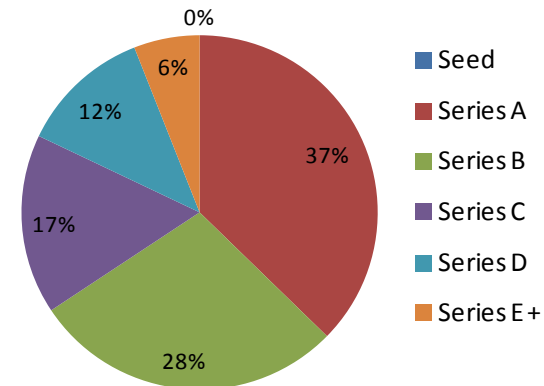
On a deal volume (# of deals) by Series basis, Massachusetts also proved to be friendly for early stage companies as 37% of deals went to venture-backed Seed or Series A deals. This compared favorably with the national level of early stage deals which stood at 29%.

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VC Investment (\$) in Massachusetts by Sector, Q309



VC Deal Volume (#) in Massachusetts by Series, Q309



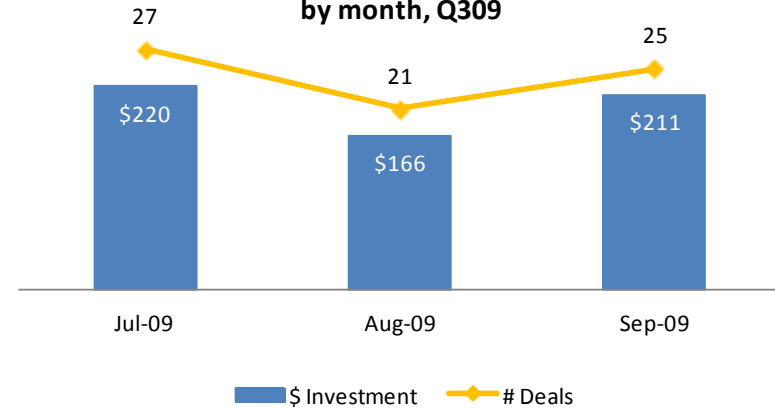
State: Massachusetts (continued)

Massachusetts Q3 2009 Venture Capital Numbers Strong...And It's Not All about Healthcare

Massachusetts monthly investment trends were different than the national picture which generally saw increased investment momentum (on a dollars and deals basis) as the quarter progressed. In Massachusetts, there was a slowdown in August but it was not as prominent as the national trend, and instead of September, July was actually the strongest month of the quarter.

Cambridge led all cities for venture capital investment in Massachusetts, not surprising given its ties and access to University research and talent.

VC Investment and Deal Volume in Massachusetts by month, Q309



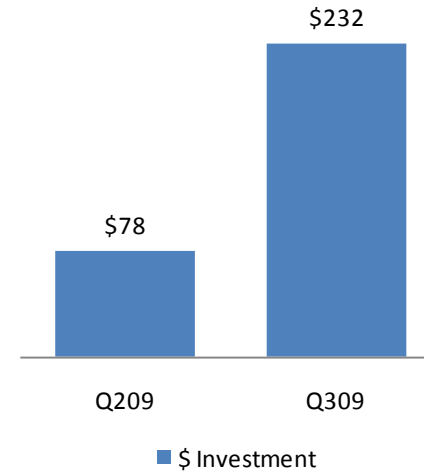
Austin Leads a Strong Quarter for Texas Bringing the Lone Star State Back into Venture Capital Prominence in Q3 2009

Texas startups struck oil of the venture capital investment variety in Q3 2009 with over \$230 million in VC investment, making the Lone Star state the third largest in terms of funding received during the quarter behind two stalwarts: California and Massachusetts. Texas displaced perennial number three, New York, to take the third spot. Deal volume also saw an incredibly healthy quarter-over-quarter spike, doubling from 15 to 30 with help from a slew of deals that took place in Austin.

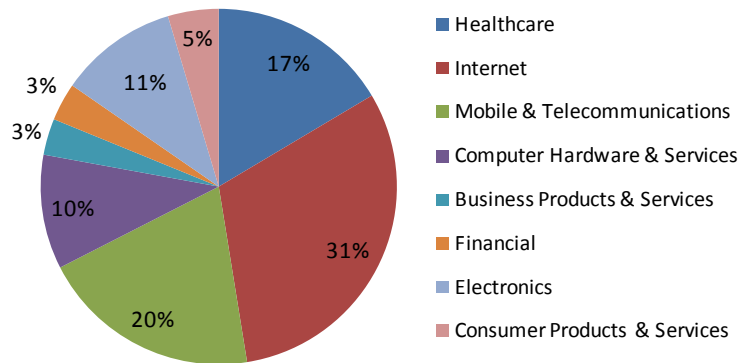
Austin-based startups were the recipients of over a third of all VC investments in Texas, fueling a large portion of money invested in the Internet and Mobile & Telecommunications sectors. Healthcare also collected a reasonable portion of funding as a result of numerous mid-to-late stage deals that required heavy capitalization. More or less, deal volume (second chart) followed suit with dollar distribution.

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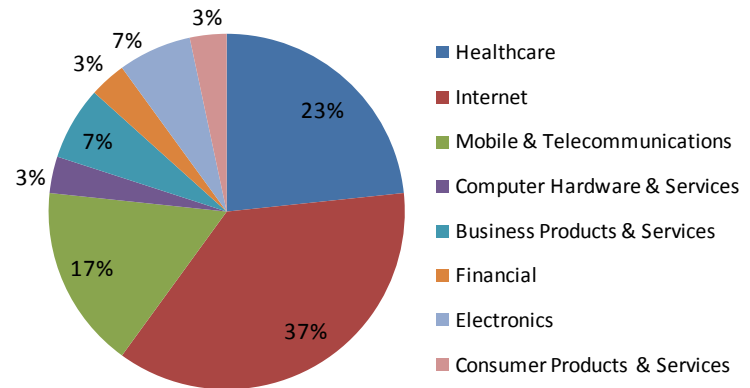
VC Investment (\$M) in Texas Q309 vs. Q209



VC Investment (\$) in Texas by Sector, Q309



VC Deal Volume (#) in Texas by Sector, Q309



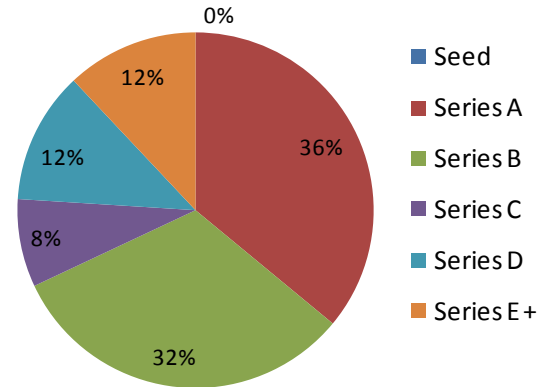
State: Texas (continued)

Austin Leads a Strong Quarter for Texas Bringing the Lone Star State Back into Venture Capital Prominence in Q3 2009

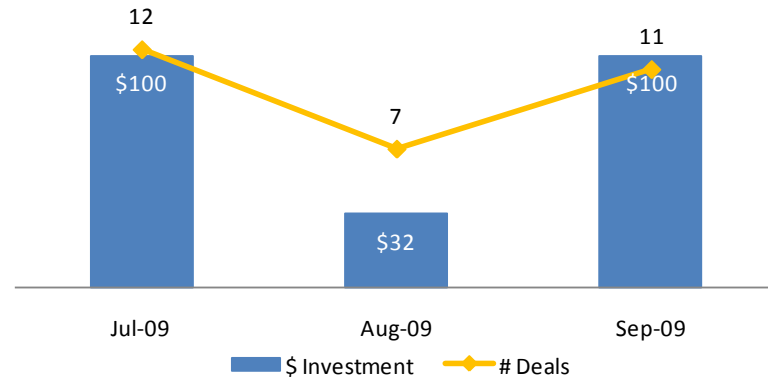
Texas was a hub of early stage startup activity in Q3, with over a third of deal volume going towards Series A deals and another third towards Series B. A large portion of these first/second round deals were in Internet. In fact, nearly all Q3 Internet deals in Texas were for early stage companies.

The monthly Q3 trend saw a relatively quiet August. Not only was deal volume stronger in July and September than it was in August, but those months also saw higher magnitude deals including larger later stage investments.

VC Deal Volume (#) in Texas by Series, Q309



VC Investment and Deal Volume in Texas by month, Q309



State: New York

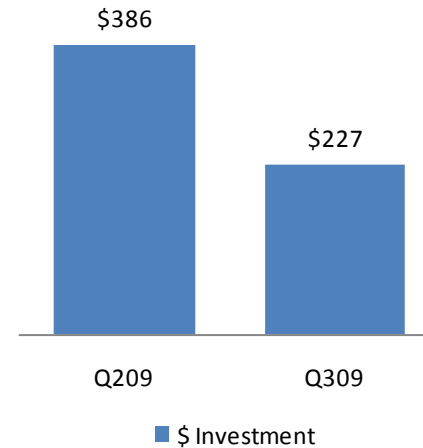
New York VC Investment Declines in Q3 2009 Bucking National Trend. Moves NY Out of Top 3 as Destination for Venture Capital Investment

New York state’s venture capital funding levels (\$) tumbled in Q3 2009 with a 41% decrease versus Q2 2009 and deal volume (# of deals) also dropping by 11% quarter over quarter. The net result of this is a significant decline in NY’s average deal size, taking it from \$8.8M in Q2 2009 to \$5.8M in the recently passed quarter – a 34% decline in average deal size. A big contributor was a drop in New York’s Internet Sector, which fell by 32% and 21% on an investment \$ and deal volume basis, respectively. NYC still made a solid showing, landing in the top five cities for Internet investment, but the overall state’s drop remained quite significant. In fact, the drop in venture capital dollars flowing to NY companies moved the state to the number four spot in VC funding behind California, Massachusetts and Texas. New York State saw only \$24M more venture capital investment flow to it than Georgia.

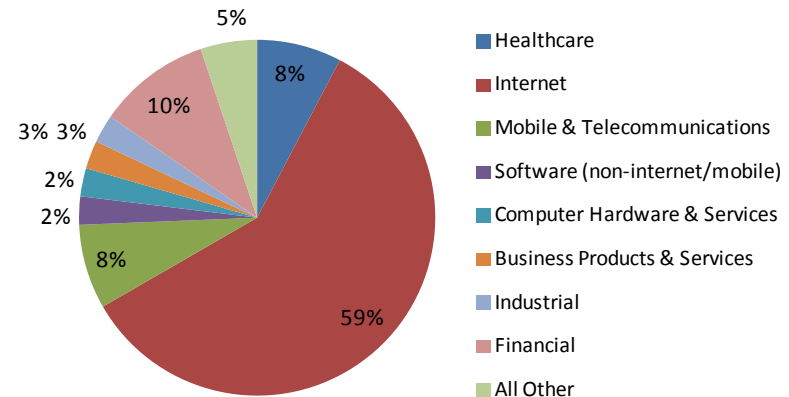
Not shockingly, NY’s deal volume was heavy on Internet deals, with over 59% of deals attributed to that sector – far and away the state with the highest proportion of Internet deal volume. Given NYC’s prominence as a banking hub, Financial Services also made a respectable showing in Q3 2009 as the second most invested in sector within New York in terms of both volume and dollars. Government efforts by Mayor Bloomberg, the NYC Economic Development Corporation and NYC ACRE as well as VC-sponsored initiatives such as the First Growth Venture Network will undoubtedly take some time to bear fruit as they aim to not only spur entrepreneurship but in some instances, diversify the state’s capabilities in other sectors such as green/clean tech. Further piling on, this quarter’s disappointing results arrive on the heels of a scathing report regarding NYC’s ability to leverage its university research to spur entrepreneurship and economic development.

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VC Investment (\$M) in New York Q309 vs. Q209



VC Deal Volume (#) in New York by Sector, Q309



State: New York (continued)

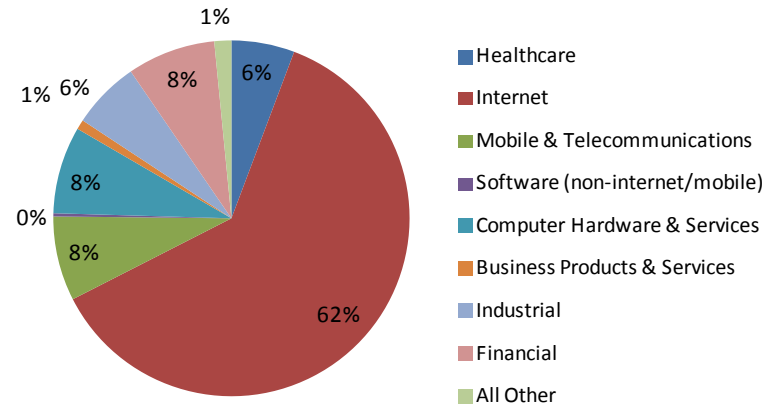
New York VC Investment Declines in Q3 2009 Bucking National Trend. Moves NY Out of Top 3 as Destination for Venture Capital Investment

Again, on an investment funding basis by sector, Internet dominated but was down 32% from Q2 2009. The Internet sector represented 62% of the state's VC investment funding which is much greater than national level where the Internet represented only 17%. In addition, NY has a modestly higher Internet deal size compared to the national internet deal size in Q3 2009 with NY at \$6.4M compared to the national average of \$5.9M.

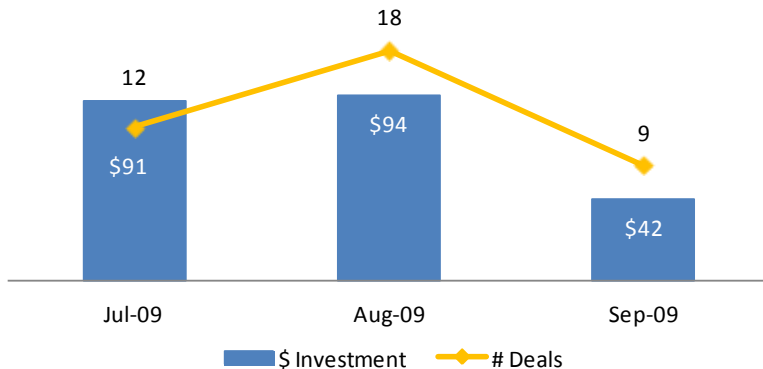
In evaluating deal volume by series, NY did well in the early stage bucket (Series A and Seed) with 32% of investment deals in these early stage rounds. This was higher than the national level which had 29% of deals go to such early stage companies. The biggest difference in NY's stage of investment versus other states was that 41% of deals were Series B rounds versus the national average of 29%.

New York's monthly trend was essentially the polar opposite of the national picture. August, the vacation month, was generally weakest across the board but in New York, it was actually the strongest month on both a deals and dollars basis. Interestingly, the slow down for NY occurred in September with half the number of deals and dollars of August.

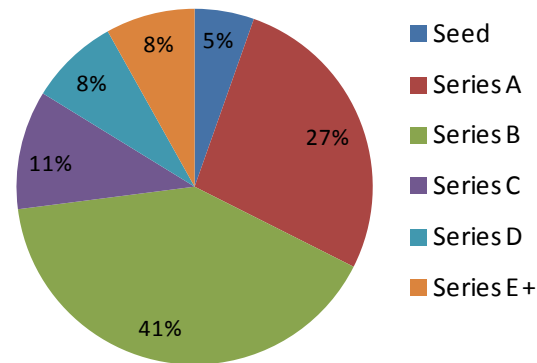
VC Investment (\$) in New York by Sector, Q309



VC Investment and Deal Volume in New York by month, Q309



VC Deal Volume (#) in New York by Series, Q309



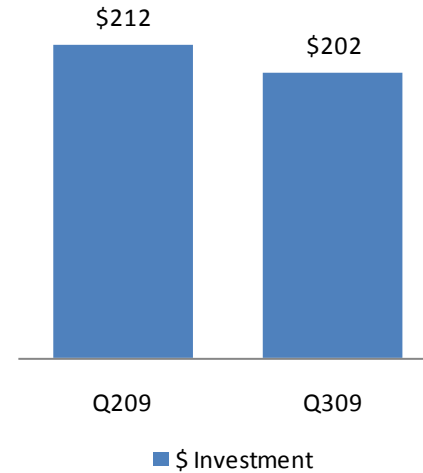
State: Georgia

The South Will Rise Again: Georgia Sees More VC Deals, but (Slightly) Less Money from Venture Capitalists in Q3 2009

Georgia's positive storyline for Q3 2009 isn't a surge in total VC investment dollars received - those remained reasonably consistent: \$202 million in Q3 versus \$212 million in Q2. Rather, the scoop is in the volume of venture-backed deals, which more than doubled from Q2 to Q3. When you consider the fact that \$75 million went towards a single investment in Norcross-based solar giant, Suniva, Georgia was abuzz with a larger number of small-to-mid size investments than it was in Q2.

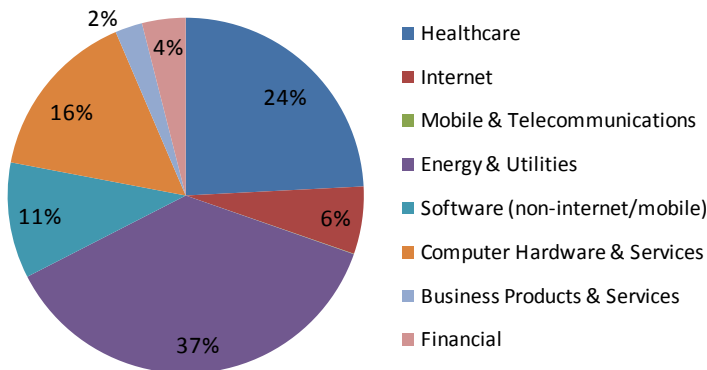
Suniva skewed overall investment dollars in favor of the Energy sector. Computer Hardware & Services is also heavily represented in the investment dollar breakdown due to a single \$31.5M investment in SecureWorks – a managed IT security company for large enterprises. The deal volume distribution chart (second chart) shows a more "honest" distribution of small to mid-size deals across a diverse array of sectors, with Healthcare and Internet owning the lion's share of transactions.

VC Investment (\$M) in Georgia Q309 vs. Q209

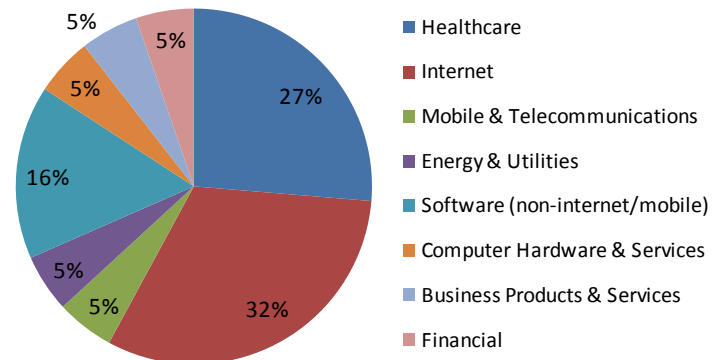


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VC Investment (\$) in Georgia by Sector, Q309



VC Deal Volume (#) in Georgia by Sector, Q309



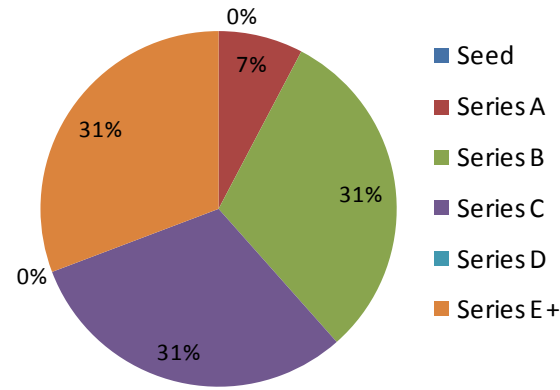
State: Georgia (continued)

The South Will Rise Again: Georgia Sees More VC Deals, but (Slightly) Less Money from Venture Capitalists in Q3 2009

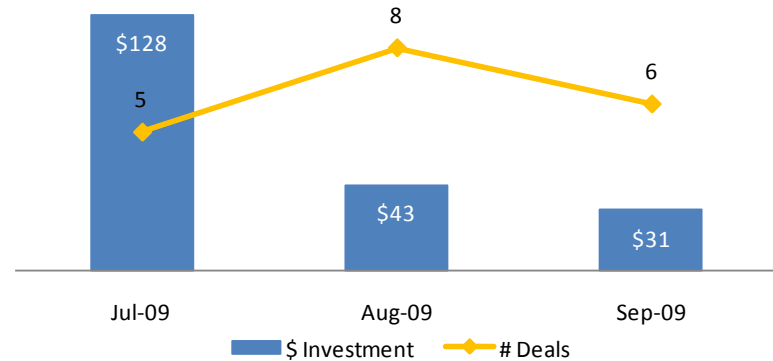
Deal volume distribution across Series B, C and E was fairly even, with very little representation for early stage deals. Specifically, Q3 saw no Seed deals and a very limited number of Series A – surprising considering the prevalence of small-to-midsize deals during the quarter might have suggested otherwise.

The aforementioned Suniva and SecureWorks deals occurred in July, accounting for the huge spike in \$ investment at the beginning of the quarter. Volume experienced a small bump in August, but stayed fairly consistent across the time period.

VC Deal Volume (#) in Georgia by Series, Q309



VC Investment and Deal Volume in Georgia by month, Q309



State: Maryland

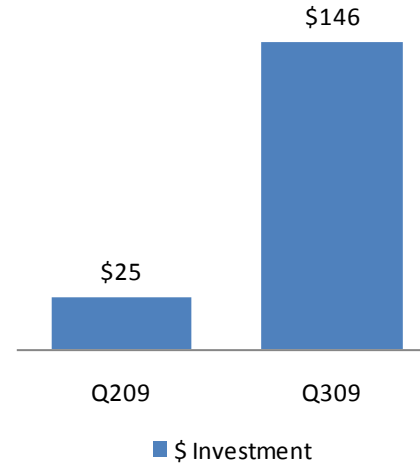
Maryland Enters the Fray as a Destination for Venture Capital Investment in Q3 2009

With help from a few marquee deals, Maryland came out of nowhere to become the sixth largest state in terms of VC investment dollars received in Q3. HD radio developer iBiquity led the surge by securing \$42.5 in later stage funding. iBiquity, alone, was over \$30 million larger than any single Maryland deal that occurred in Q2 2009. Investment dollars aside, however, Maryland also saw twice the number of deals in Q3 than it did in Q2.

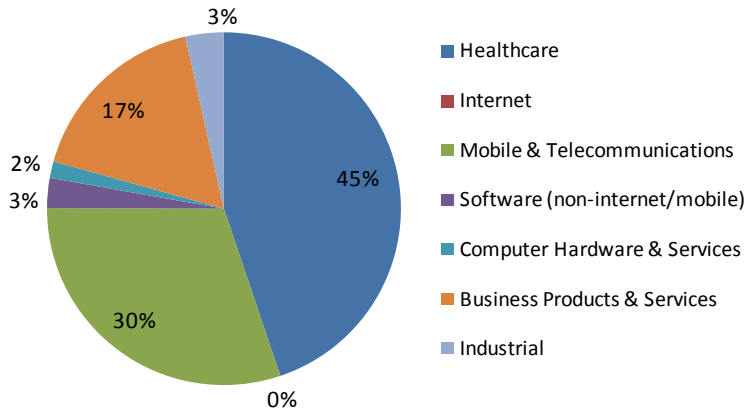
Overall distribution of investment dollars exhibited heavy clustering in Healthcare, Mobile and Business Products & Services, resulting from a few capital intensive deals in those sectors. However, only Healthcare dominated the scene in terms of deal volume, with a much more liberal distribution across remaining sectors.

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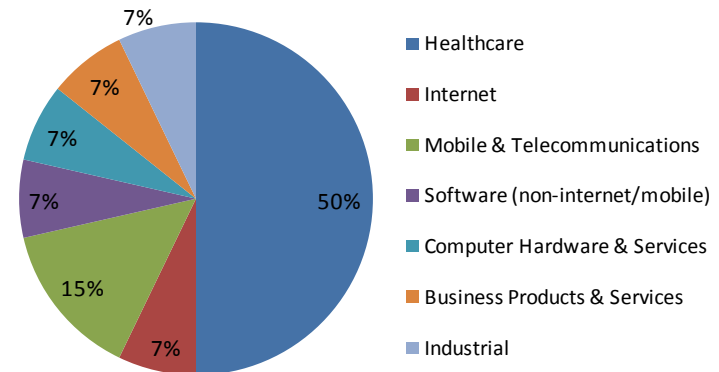
VC Investment (\$M) in Maryland Q309 vs. Q209



VC Investment (\$) in Maryland by Sector, Q309



VC Deal Volume (#) in Maryland by Sector, Q309



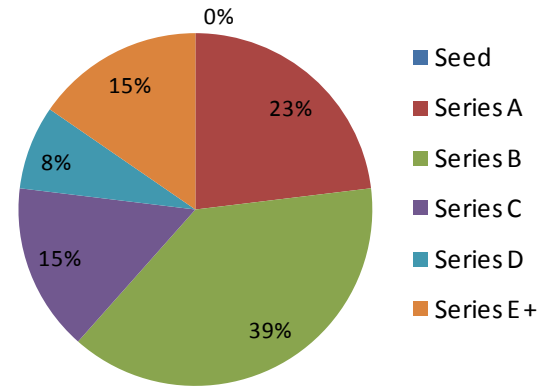
State: Maryland (continued)

Maryland Enters the Fray as a Destination for Venture Capital Investment in Q3 2009

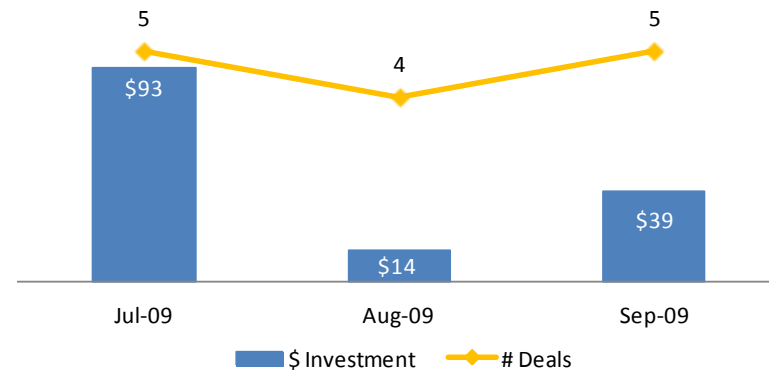
Maryland was also very friendly to early-to-mid stage companies in Q3, with more than 60% of deals going towards Series A and Series B.

Maryland’s mega-deals, including iBiquity, occurred at the bookends of the quarter. Deal volume remained fairly consistent across the three months. Maryland’s quarterly trend was counter to the national trend which saw the largest volumes of deals and funding occurring in September.

VC Deal Volume (#) in Maryland by Series, Q309



VC Investment and Deal Volume in Maryland by month, Q309



State: Washington

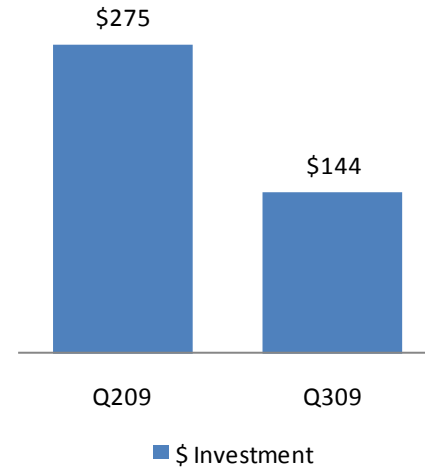
Q3 2009 Venture Capital Investment: Calypso Keeps Washington in the Top 10...Barely

Going against the national trend, Washington experienced a dramatic drop in quarter-over-quarter VC investment from nearly \$275 million received in Q2 to \$144 million received in Q3. In fact, Washington was number seven on the list of states to receive money for startups in Q3 - still not too shabby. However, when you consider that it was fourth on the list in Q2, behind only California, Massachusetts and New York (all from the "not surprising" department), combined with the fact that over a third of this quarter's \$144 million came from a single investment (Calypso Medical's \$50 million late stage deal), there may be reason for concern. Washington's deal volume also fell off a cliff in Q3 to a level less than half that of Q2.

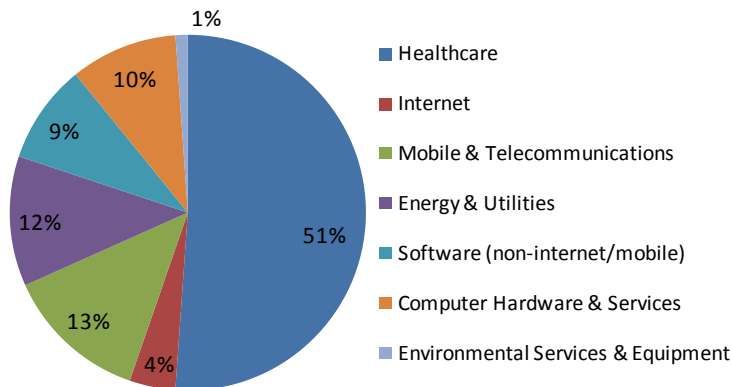
Including Calypso Medical, Washington's three largest investments included Apptio (\$14M) and VoiceBox Technologies (\$13M). A breakdown of VC dollar investment by Sector reveals how Calypso skewed the distribution towards Healthcare, especially when viewed alongside deal volume by Sector.

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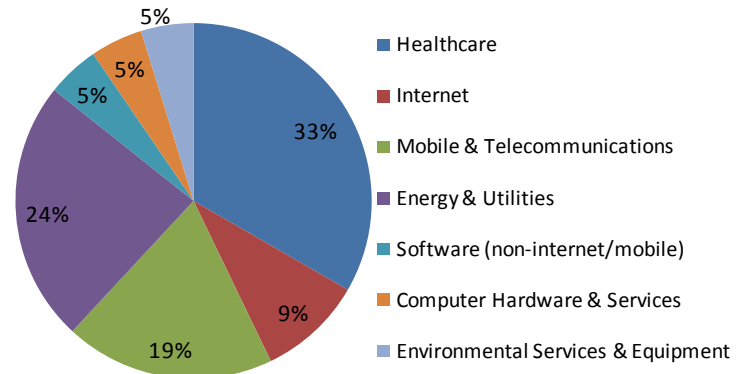
VC Investment (\$M) in Washington Q309 vs. Q209



VC Investment (\$) in Washington by Sector, Q309



VC Deal Volume (#) in Washington by Sector, Q309



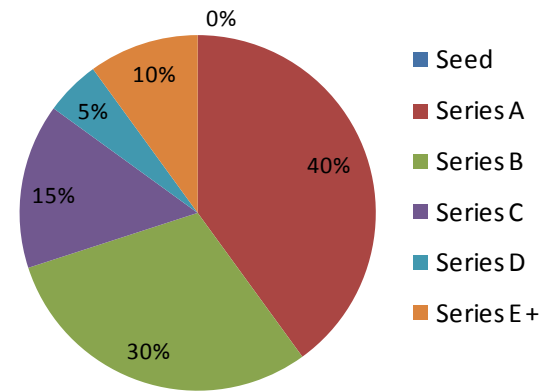
State: Washington (continued)

Q3 2009 Venture Capital Investment: Calypso Keeps Washington in the Top 10...Barely

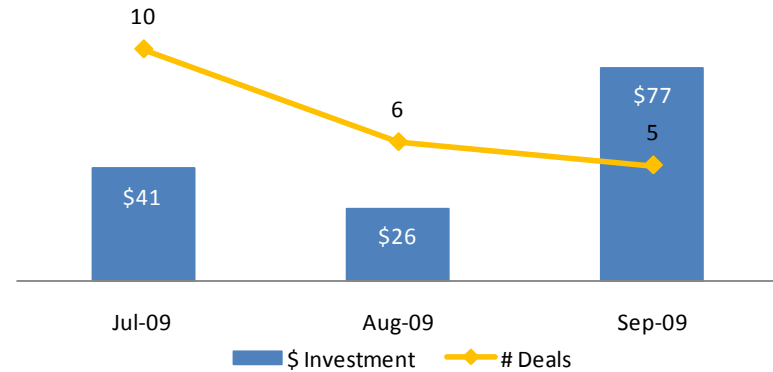
In terms of deal volume distribution by stage, Washington was very friendly to budding startups and those securing second round investment. Specifically, Series A and Series B comprised 70% of VC transaction volume for Q3 2009.

Monthly trends show an interesting story, with volume consistently falling month-over-month. Investment dollars followed suit, save for the Calypso deal that spiked the number for September.

VC Deal Volume (#) in Washington by Series, Q309



VC Investment and Deal Volume in Washington by month, Q309



State: Pennsylvania

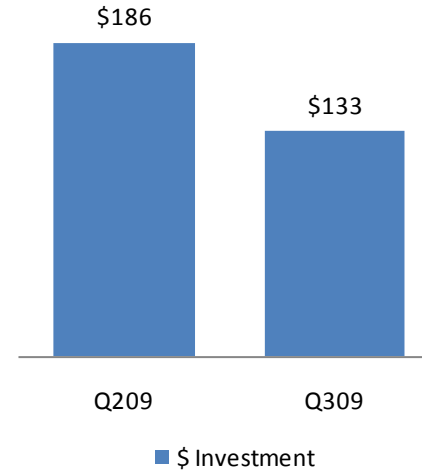
Pennsylvania Venture Capital Drops in Q3 2009. Small Bone Makes a Big Difference

Pennsylvania's venture capital investment in Q3 2009 tumbled 28% based on dollars of venture capital investment into the state versus the prior quarter. The number of deals, however, increased by 53% from the prior quarter. One of the main drivers of the large dollar figures in Q2 2009 was the \$108M investment in healthcare company, Small Bone Innovations. If we were to eliminate this investment to "normalize" Q2 2009, VC investment in the Keystone state would have grown by over 70%.

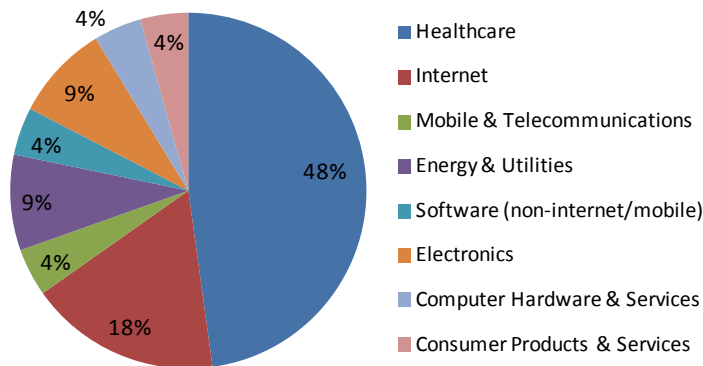
The state's deal volume by sector is primarily driven by Healthcare with 48% of deal volume going to that sector. Internet followed as the second most active sector in terms of deal volume. The distribution of investment dollar mirrors the deal distribution figures with Healthcare claiming the largest single chunk of funds: 50% to be exact. Outside of Healthcare, we see investment dollars flowing liberally across numerous sectors as the graph illustrates.

Continued >>>

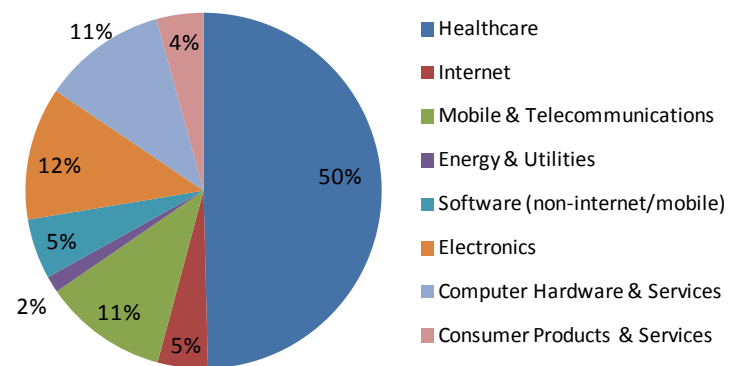
VC Investment (\$M) in Pennsylvania Q309 vs. Q209



VC Deal Volume (#) in Pennsylvania by Sector, Q309



VC Investment (\$) in Pennsylvania by Sector, Q309



State: Pennsylvania (continued)

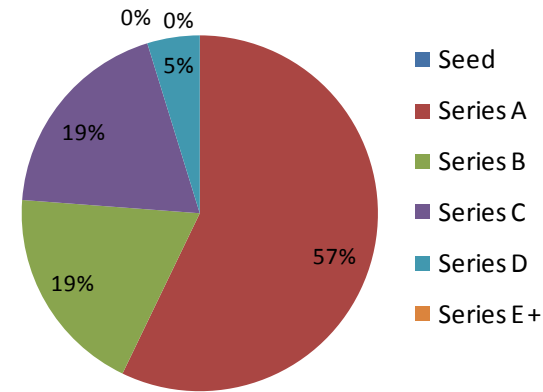
Pennsylvania Venture Capital Drops in Q3 2009. Small Bone Makes a Big Difference

Pennsylvania is one of the more early stage friendly states with Series A making up 57% of the deals. This could be a result of various incubator programs like Pittsburgh Life sciences GreenHouse and InnovationWorks which seem to enjoy some success in terms of securing Series A investments for their incubated companies from venture capital firms.

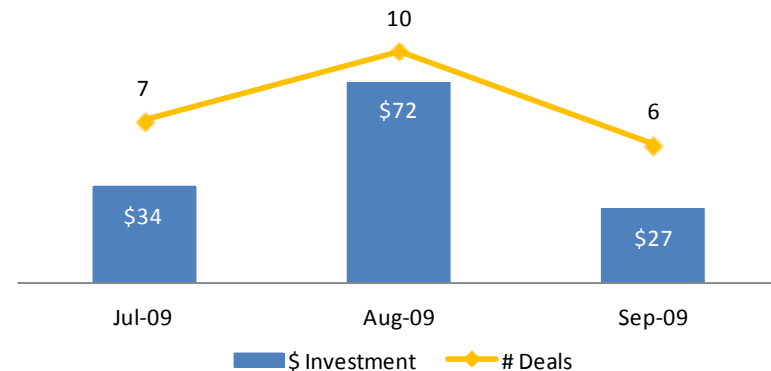
The monthly trend for Pennsylvania exhibited different behavior than the national picture with August as the strongest month in terms of both deals and dollars. The slow down for Pennsylvania occurred in September with less than half the number of deals and dollars. This seems to be a mid-Atlantic regional phenomenon as this was seen in New York as well.

Pittsburgh was the top destination for investment on both a deals and dollars basis. The city of brotherly love, Philadelphia, came in at number three in the Pennsylvania city league tables. But many of the other lesser known cities in the below table are suburbs of Philadelphia so the city's influence on VC investment in the state can be considered in the context of it and surrounding cities. That said, even adding up the suburban brethren of Philadelphia would not have yielded investment dollar values to match Pittsburgh.

VC Deal Volume (#) in Pennsylvania by Series, Q309



VC Investment and Deal Volume in Pennsylvania by month, Q309



State: Colorado

Colorado's Venture Capital Investment Not As Cold As the Rockies but Does Chill Just a Bit in Q3 2009

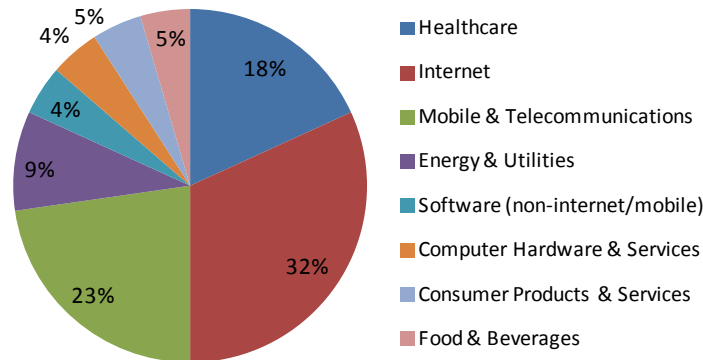
Colorado's venture capital funding levels (\$M) in Q3 2009 fell sharply with a 56% decrease in deal value from the prior quarter. Conversely, deal volume actually increased by 57% from the prior quarter. The main contributor to these diverging trends was the gargantuan \$145M investment in Clovis Oncology in Q2 2009. If we normalize for that investment, Colorado's investment level dips by a significant but not quite as draconian 12% quarter over quarter.

Colorado's deal volume was driven by investments in the Internet, Mobile and Healthcare sectors in that order. In Q2 2009, Healthcare was the primary driver of deal volume and investment dollars. There was a solid surge of activity in these other sectors albeit at lower average round size than national statistics.

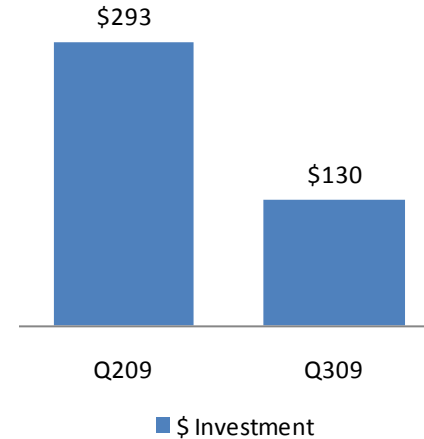
As we dive into the sectors of investment in Colorado in Q3 2009, Mobile and Energy led the way based on investment dollars. Mobile took 35% of the investment and Energy followed up with 24%. While Internet made up a big portion of the deals it was only 14% of investment driven largely by smaller average deal size, as Colorado's Internet investments averaged \$3.1M while the national average for Internet deals stood at \$5.9M.

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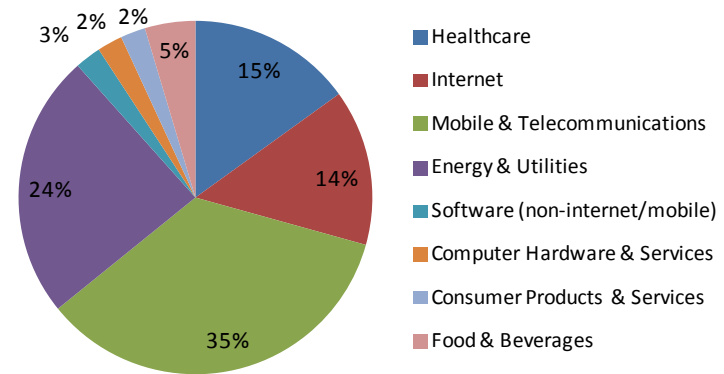
VC Deal Volume (#) in Colorado by Sector, Q309



VC Investment (\$M) in Colorado Q309 vs. Q209



VC Investment (\$) in Colorado by Sector, Q309



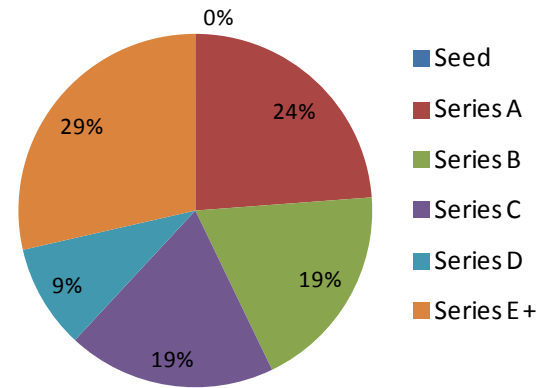
State: Colorado (continued)

Colorado's Venture Capital Investment Not As Cold As the Rockies but Does Chill Just a Bit in Q3 2009

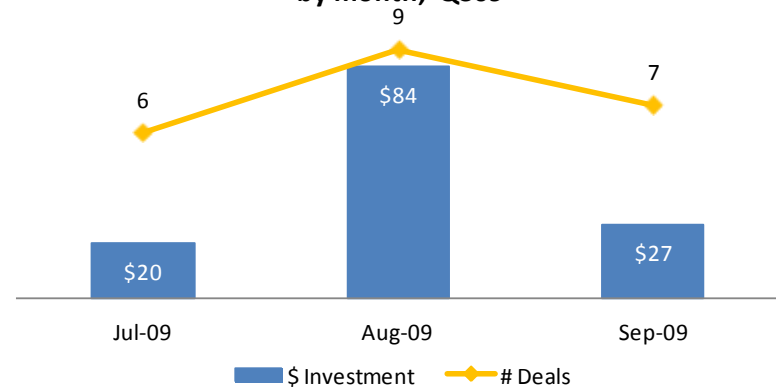
Deal volume by stage of investment or series of investment was well diversified across the spectrum: 24% of deals were Series A deals while 29% were Series E+. That said, the portion of early-stage deals – Seed and Series A – in Colorado came under the national average.

Colorado's Q3 2009 monthly trend paints a different picture than the national trend as August was actually the strongest month in both deals and dollars. Both July and September were much worse in terms of investment, but deal volume stayed fairly healthy through the quarter. August saw some big deals, including a large investment in Jab Wireless.

VC Deal Volume (#) in Colorado by Series, Q309



VC Investment and Deal Volume in Colorado by month, Q309



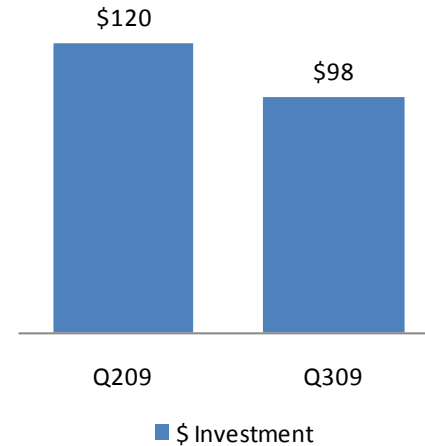
State: North Carolina

Healthcare Investment Keeps North Carolina in the Top 10 Amongst States in Q3 2009 VC Activity

North Carolina experienced a dip in startup investment in Q3 2009 with \$98 million, down from \$120 million in Q2. However, the news isn't all bad. For starters, North Carolina remains in the top 10 when ranking states by VC investment dollars received. Furthermore, an investigation into North Carolina's Q2 reveals that those numbers were largely driven by a single \$46 million investment in Cempra Pharmaceuticals. In other words, save for one later stage deal in Q2, Q3 looks consistently healthy with regards to its immediate predecessor.

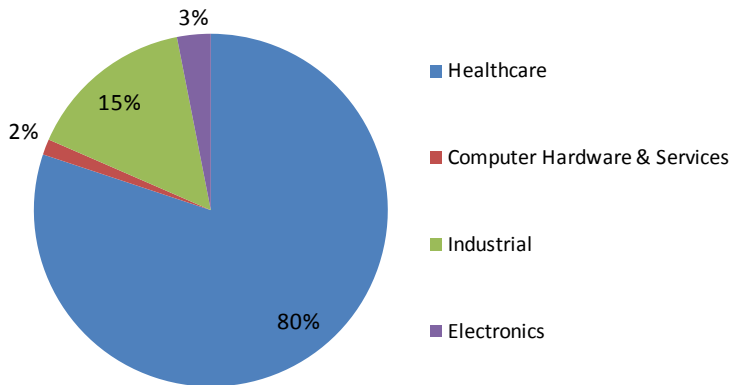
With Raleigh-Durham at the center, there was no shortage of Healthcare investment in North Carolina. Viamet Pharmaceuticals (\$18M), Chimerix (\$16.1M) and Micell Technologies (\$15M) led a quarter that saw 80% of overall VC investment in the state go towards medical-related companies. Industrial also saw substantial investment, including \$15 million distributed across two nano-related companies: Liquidia Technologies and Nextreme Thermal Solutions. Healthcare also dominated deal volume. Interestingly, North Carolina saw absolutely no investment in Internet deals.

VC Investment (\$M) in North Carolina Q309 vs. Q209

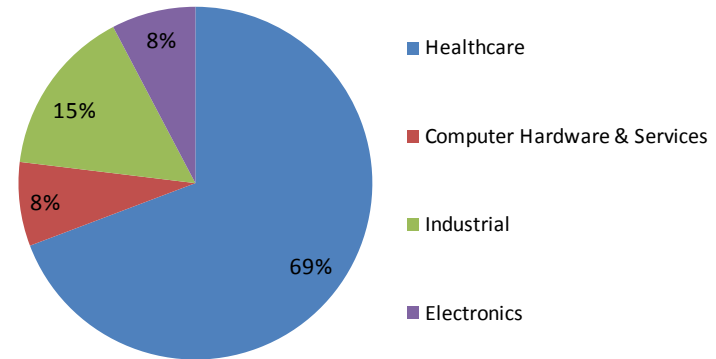


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VC Investment (\$) in North Carolina by Sector, Q309



VC Deal Volume (#) in North Carolina by Sector, Q309



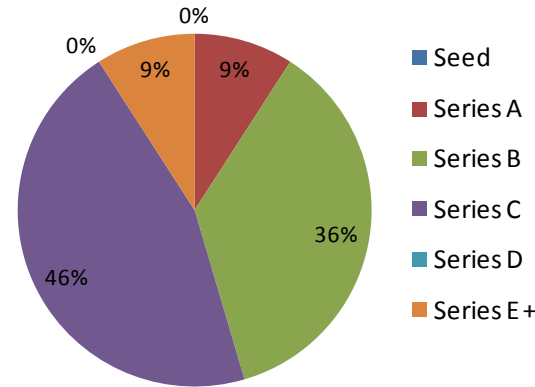
State: North Carolina (continued)

Healthcare Investment Keeps North Carolina in the Top 10 Amongst States in Q3 2009 VC Activity

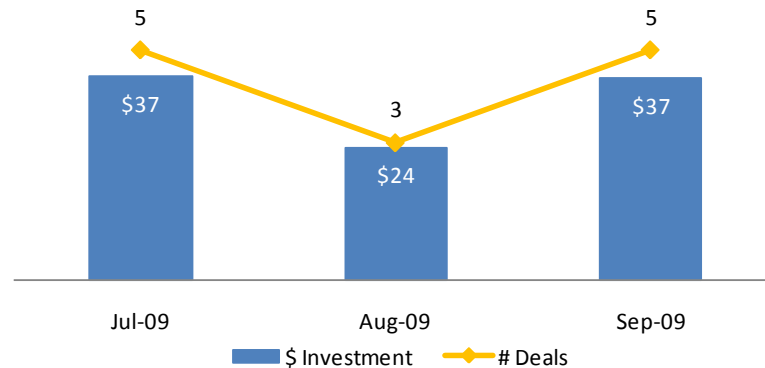
Whatever North Carolina commanded in terms of Healthcare investment, it lacked in terms of very early stage investment. Follow-on rounds (Series B+), including all the deals mentioned earlier in this article, comprised over 90% of deal volume.

North Carolina's monthly trend revealed consistency in terms of average deal size, with a dip in the number of August deals as was seen in many parts of the country.

VC Deal Volume (#) in North Carolina by Series, Q309



VC Investment and Deal Volume in North Carolina by month, Q309



State: Connecticut

Q3 2009 Venture Capital Activity Sees Connecticut Punch Above Its Weight with a Bevy of Small Early Stage Deals

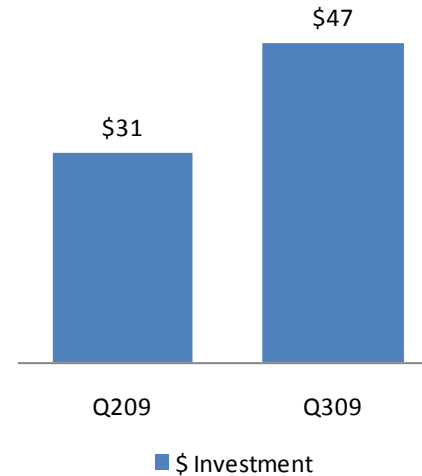
Connecticut had a big jump in VC activity in Q3 2009 with the dollars of investment growing by 53% while the deal volume more than doubled from prior quarter. Comprised of many small deals, Connecticut had the highest proportion of early stage deals as 59% of deal volume went to Series A. The average deal size for the state came in at \$3.8M which was 1/3 of the national average and only trailed in size by two states with smaller average deal sizes – Wisconsin and Minnesota.

Connecticut's deal volume was driven by the Healthcare and Internet sectors in Q3 2009. Healthcare had 5 deals in this quarter compared to 1 deal in the prior quarter while Internet had 3 deals in this quarter compared to 1 last quarter. This quarter also saw a lift due to a handful of deals in the Energy, Software and Financial sectors.

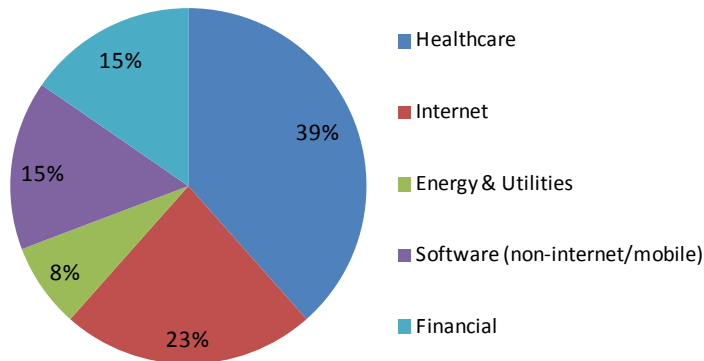
Turning our attention from deal volume to investment dollars, Healthcare and Software were the big sectors with Healthcare's five deals taking 40% of the state's quarterly funding.

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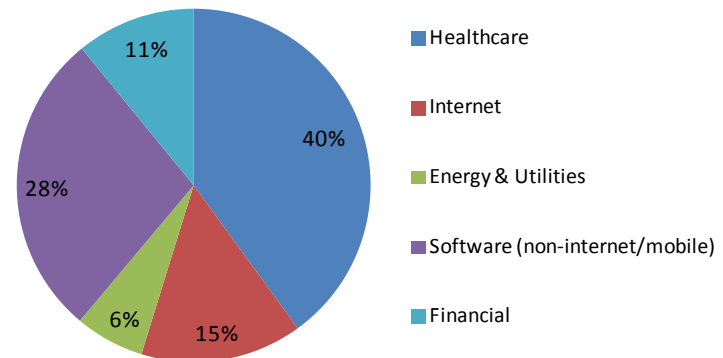
VC Investment (\$M) in Connecticut Q309 vs. Q209



VC Deal Volume (#) in Connecticut by Sector, Q309



VC Investment (\$) in Connecticut by Sector, Q309



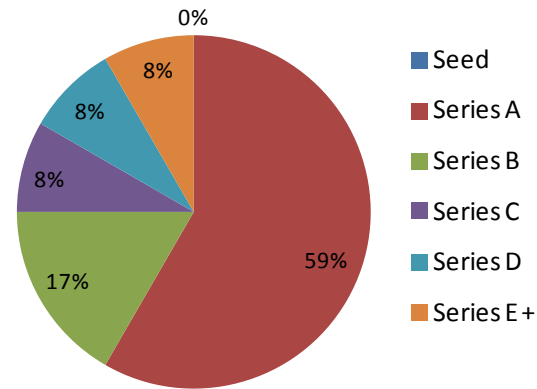
State: Connecticut (continued)

Q3 2009 Venture Capital Activity Sees Connecticut Punch Above Its Weight with a Bevy of Small Early Stage Deals

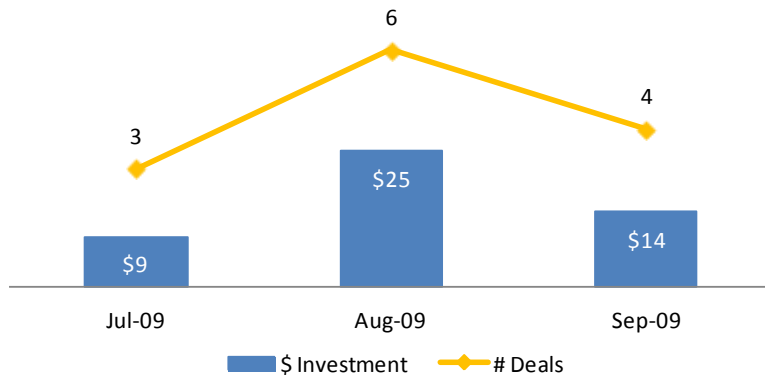
From a stage of company perspective, it's clear that Connecticut's funding capacity is very friendly to early stage investments. Series A made up 59% of the deals in the state and 45% of the investment dollars with Series B rounds making up the next largest portion in terms of deal volume.

The monthly trend over the quarter shows a different trend than national figures (which are influenced heavily by California) as August was actually the strongest month on both a deals and dollars basis. This big August trend seemed to occur in several smaller VC market states as few of these states had a strong September.

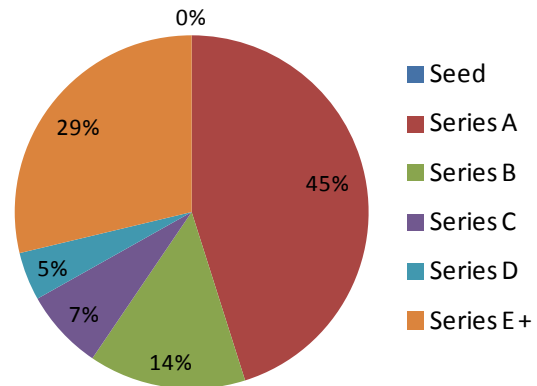
VC Deal Volume (#) in Connecticut by Series, Q309



VC Investment and Deal Volume in Connecticut by month, Q309



VC Investment (\$) in Connecticut by Series, Q309



Top Cities for Venture Capital

Q3 2009 Venture Capital Urban League – More California Lovin’ but New York and Seattle Fall From their Q2 2009 Perches

When thinking about the top US cities for venture capital, Silicon Valley – the high-tech center in and around the San Francisco Bay Area – immediately comes to mind. Yet as we mentioned in last quarter’s report, the Valley is comprised of 20+ smaller cities which don’t necessarily fair as well when broken down and evaluated individually.

In Q2 2009, this individual city approach put New York on top of ChubbyBrain’s “urban league table,” both in terms of deals and investment dollars. In Q3, the city that never sleeps seems to have been caught taking a quick nap: in terms of deals, NY lost the top spot to San Francisco; and in terms of funding, it dropped to the number five position, trailing San Francisco, Santa Clara, San Diego, and Sunnyvale. In general, California’s uncontested domination in all things VC is once again very apparent in this city by city view, with eight of the top 10 cities that saw the most deals in Q3 residing in the sunshine state.

That said, it wasn’t all good news in the Valley – Palo Alto saw investment dip by \$100 million, a decrease of about 35%, while the deal count remained fairly stable. The most striking third quarter decline, however, took place a little further up the coast. After coming in a strong second in Q2 in terms of deals, Seattle dropped out of the top ten in Q3, reflecting the overall VC slowdown in the Pacific Northwest.

Top 10 VC Investment Cities Q309

<u>City</u>	<u>State</u>	<u># Deals</u>	<u>\$ Investment</u>
San Francisco	CA	38	\$372
New York	NY	37	\$206
San Diego	CA	28	\$280
Mountain View	CA	22	\$202
Sunnyvale	CA	21	\$224
Palo Alto	CA	18	\$192
Cambridge	MA	15	\$193
Santa Clara	CA	13	\$289
Menlo Park	CA	13	\$140
San Mateo	CA	13	\$82