



S T O N E H E N G E
CAPITAL COMPANY, LLC

NEW YORK STATE INVESTING

Stonehenge Capital Company is a private investment firm providing equity, mezzanine and debt financing for growth-oriented companies. Stonehenge manages approximately \$500 million through its offices in New York, Colorado, Florida, Louisiana, Missouri, Ohio, Wisconsin and Texas. Approximately \$115 million of our funding has been exclusively allocated to our New York State investment efforts.

Stonehenge Investment Criteria:

Stonehenge operates under a two-pronged investment thesis. Over time, our goal is to invest about one-third of our capital in Early Stage businesses and two-thirds in Later Stage businesses. Below please find a summary listing of our investment guidelines

Global Investment Guidelines:

- Headquarters and 80%+ of employees MUST be located in NY State
- At the time of investment, Company must have less than 100 employees.
- 100% of funds must be used to support New York operations
- Seasoned, focused management team
- Defensible competitive advantages

Early Stage Investment Criteria:

- Company must be less than two (2) years old; and
- Most recent fiscal year revenue must not exceed \$2,000,000; or
- Be engaged in initial product development
- Primarily equity investments, ranging from \$250,000 to \$1,000,000

Start-Up Investment Criteria:

- Company must be Early Stage Qualified (as described above) and
- Emerged from or using technology transferred from or conducting research in conjunction with a university or college, non-profit research facility or industrial research facility located in NY State; or
- Located in or has emerged from an incubator facility located in NY state
- Primarily equity investments, ranging from \$250,000 to \$500,000

Later Stage Investment Criteria:

- Company should be generating positive cash flow
- Funds must be used to finance growth, as opposed to buyout / recap
- Senior debt, subordinated debt or equity investments, depending on risk profile, ranging from \$500,000 to \$10,000,000

What other value does Stonehenge add as an investor?

Stonehenge views each investment as a partnership with management and the company's shareholders. As such, we attempt to structurally align our financial interests with our partners, while assisting management in its effort to exploit available growth opportunities to create value for all company stakeholders. We offer a value-added approach to this investment partnership by providing portfolio companies with financial resources as well as advice, analytical support and access to our key industry relationships in order to achieve our common goals: growth and the creation of shareholder value.

Key industry contacts

Stonehenge Capital's extensive industry and professional relationships can assist portfolio companies in finding strategic partners, new investors, and new customers.

Financial and strategic planning

Our experience working with portfolio companies can be helpful to your company in setting its overall strategy, recruiting additional management depth, goal setting, analyzing acquisitions and exit alternatives. We provide this support in our role as an investor and in most cases as a member of the board of directors.

Access to additional capital

Through our extensive relationships with other venture capital investors, lenders, and investment bankers, Stonehenge Capital can assist its portfolio companies in raising additional capital from the public or private markets.

REPRESENTATIVE NEW YORK INVESTMENTS



Medicom, LLC (Brooklyn, NY): In September 2005, we invested \$750,000 in debt in Medicom, LLC, a broadline distributor of supplies to the elder care industry. The proceeds were used to fund the company's working capital needs. Visit the company's website at www.medicomllc.com



Peco Pallet, Inc. (Yonkers, NY): In August 2005, we closed a \$450,000 follow-on investment in the preferred equity of Peco Pallet, Inc., a provider of pallet rentals and logistics management services. The proceeds from the round are being used to expand the Company's rental pool and for general working capital purposes. Since our initial investment in 2003, we have directly invested over \$5,000,000 in company and have leveraged that investments with \$27,000,000 of capital from other institutional investors. Visit the company's website at www.pecopallet.com



Knovel Corporation (Norwich, NY): In August 2005, we completed a \$100,000 follow-on investment in the preferred equity of Knovel Corporation, a provider of electronic publishing services to large engineering and technical publishers. Since our initial investment in 2002, we have invested \$765,000 to support the company's growth and working capital needs. Visit the company's website at www.knovel.com



Kanoodle.com, Inc. (Getzville, NY): In July 2005, we led a \$7,000,000 follow-on debt investment in Kanoodle.com, an early stage company providing sponsored listings and other online marketing services. The proceeds funded working capital needs and financed fixed asset purchases. Since July 2004, led \$9,000,000 in investments to finance the company's growth. Visit the company's website at www.kanoodle.com



Lumetrics, Inc. (West Henrietta, NY): In December 2005, we led a \$1,300,000 investment round in the preferred stock of Lumetrics, an optics based instrument company that provides solutions for non-contact optical measurement sold into various markets including: high value specialty films, medical device, and pharmaceutical, ophthalmics, and precision optics. The proceeds were used to support the growth and general working capital needs. Visit the company's website at www.lumetrics.net



Niagara Thermal Products (Niagara Falls, NY): In June 2004, we led a \$2,500,000 Mezzanine debt investment in Niagara Thermal Products, an integrated manufacturer of high performance heat transfer products sold into various markets including: military, aviation, marine, automotive, electronics/ telecommunications, and fuel cell/ power generation. The proceeds were used to support the growth and general working capital needs. Visit the company's website at www.niagarathermal.com



Medidata Solutions, Inc. (New York, NY): In December 2005, we closed a \$2,500,000 debt investment in Medidata Solutions, Inc., a provider of integrated software applications and services for the clinical research industry. The proceeds were used to fund working capital requirements and to complete a substantial expansion of its IT infrastructure. Since our initial investment in 2002, we have invested nearly \$4,600,000 in the debt and equity of the company. Visit the company's website at www.medidata.com

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