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Angel network taking flight

Group to help fund local start-ups

By David Hendrick
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The angels are coming, and they're looking for smart investments.

The Virginia Active Angel Network, a local group formed to provide financing to area entrepreneurs, plans to tap into and better organize area seed money.

"We thought this area needed an additional way for people who wanted to help local start-ups," said Letitia Green, a commercial real estate agent and one of the group's managing directors.

Angel funds - which often total a few hundred thousand dollars - typically fill the funding gap between initial "friends and family" dollars and mergers, acquisitions or the large-scale investments from venture capitalists.

The invitation-only group, which operates under the auspices of the also newly formed TJ Capital Group, currently has about 20 members, and will accept no more than 75, Green said.

Members pay an undisclosed subscription fee to join.

According to Green, after extensive vetting, selected companies seeking funding may be invited to make a 30-minute proposal to the network.

Even if not deemed fund-worthy, the process will likely prove beneficial to the entrepreneurs, helping them hone their pitches and see what investors are looking for, Green said.

The newly formed group will be a shot in the arm for an investment community that's largely bounced back from the downturn the market experienced in 2001, according to Jim Lansing, executive director of the Charlottesville Venture Group and a VAAN member.

"The timing is right," Lansing said. "If you were trying to do this in 2001 or 2002, you would be looking for trouble. We're back to a more traditional series of start-ups and in some cases, the start-ups already have some capital."

Given the local environment and spin-offs from the University of Virginia, the angel network anticipates most of its investment opportunities coming from the fields of health care and biotech.

Pace Lochte, the director of Virginia Gateway, the University of Virginia's Technology Commercialization outfit, said there was "plenty of room" locally for additional entrepreneurial assistance groups.

"I think it's great," Lochte said. "I think the more people we have helping start-ups the better."

The addition of angel investment clubs, mainstays in entrepreneurial hotbeds such as Austin, the North Carolina Research Triangle and Boston, will bolster the region's reputation as a place to grow

a business, Lansing said.

"There are a lot of things that are beginning to interact that will serve the entrepreneur ... and since these are knowledge-based businesses, the community will benefit," Lansing said.

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