



COMMENTS PRESENTED TO NYS BUDGET DIVISION

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Rochester

Theresa Mazzullo
Excell Partners, Inc.

Good afternoon, Mr. Francis, my name is Theresa Mazzullo. I am the CEO of Excell Partners, Inc. Excell is the Finger Lakes' designated Regional Coordinator for NYSTAR and is currently the only seed stage fund with a footprint spanning all of upstate NY. I would like to welcome you and your staff to Rochester and thank you for taking the time to allow input from western NY. My purpose for standing before you today is to emphasize the growing critical need for pre-seed and seed stage funding in western NY and to request funding for Excell Partners, Inc.

This morning you heard from Al Culliton, from the ECIDA, who cited statistics on status of VC funding in upstate and shared the success stories of Buffalo with you.

The Finger Lakes region has many success stories to tell as well, one of which is Excell Partners, Inc. Since its funding two years ago Excell has invested \$2 million in 20 new investments and 4 follow-on investments. The investments represent emerging technologies coming from the universities and communities across the upstate region. The momentum is there. Unfortunately, although the deal flow is growing the dollars are rapidly diminishing.

The value of Excell goes well beyond financial capital. Perhaps the best testimony for the true value proposition of Excell comes directly from individuals in the universities who have worked with us:

Joel Seligman, President of the University of Rochester, in his letter to the NYS delegation dated January 2007, had this to say about Excell: "While the University's tech transfer offices have been helpful in the commercialization of technologies and intellectual property, what has been lacking in many upstate cities are the external resources that can nurture start-up companies. Too many companies that should be emerging here are instead migrating to other markets where venture capital is more prevalent and accessible. Excell Partners, Inc. is one of the few successful organizations that exist in upstate New York to assist nascent technology development with financing, mentoring, networking and other support."

In his letter to the NYS Delegation dated October 2006, the then Acting Director of Cornell's Center for Technology, Enterprise, & Commercialization said: "Many of our technologies are waiting for such funding and many eventually end up being licensed to existing, out-of-state companies for lack of such investment. It is this critical early stage investment void that Excell fills. In the two years we have worked with Excell, it has provided these essential seed-stage funds for several of our start-ups such as Vitis Bioscience and Novomer. Without Excell these start-ups would have had a very difficult, if not impossible hurdle to overcome."

And, finally, from our partners to the west, in a letter to the NYS delegation dated December 2006, the Associate Vice Provost, Wood Maggard said: "Far too many companies that should be growing in upstate New York end up in other markets due to this lack of capital. As a former venture capitalist, co-founder of both the National Association of Seed and Venture Funds and the Capital Formation Institute, and entrepreneur, I am acutely aware of the need to fill this Valley of Death with capital and services by companies such as Excell. I would encourage support of Excell, which will provide mentoring, networking, and other forms of assistance in addition to capital."

As these comments attest, Excell is fulfilling the needs of entrepreneurs at the most critical stage of their development. Without this seed capital and the external resources Excell provides, most would never make it to



follow on investors. We are working closely with individuals like Al Culliton and others like Al all across the entire region and the state. Today we stand before you as one voice from Western New York requesting support for pre-seed and seed stage funding in Upstate New York.

Thank you for your time, your attention and, most importantly, your support.

Contact: Theresa B. Mazzullo, CEO
Excell Partners, Inc.
160 Linden Oaks – Suite E
Rochester, NY 14625
Phone: 585-389-6144
Email: tmazzullo@excellny.com