

HAWAII VENTURE CAPITAL ASSOCIATION

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HAWAII VENTURE CAPITAL ASSOCIATION LINKS HANNEMANN SUPPORTER TO DIRTY TRICKS EFFORT TO UNDERMINE ABERCROMBIE ENDORSEMENT

HVCA TAKES ACTION AGAINST GROUP USING SIMILAR TRADE NAME

Honolulu, HI (September 9, 2010) – The Hawaii Venture Capital Association (<http://www.hvca.org>) says a hastily formed group that endorsed Mufi Hannemann is a sham and is tied to the Hannemann campaign organization. HVCA president Bill Spencer says his group has sent a cease and desist letter to the group calling itself the “Venture Capital Association of Hawaii.”

“The group wrongfully used our name to mislead and confuse the public about the HVCA board’s unanimous vote to endorse Neil Abercrombie for governor on July 29,” said Spencer. He added, “Our investigation shows the group was registered ten days later, and its website used the address of a company affiliated with Stanford Carr for its “Hiring Director.” Stanford Carr is a principal member of Hannemann’s campaign committee and a close political advisor.

Spencer, the president of HVCA since 1999, says the “Venture Capital Association of Hawaii” is not affiliated in any way with HVCA, nor is it a splinter group of disaffected members of HVCA. “Only one of the ten people listed as members of the “Venture Capital Association of Hawaii” has ever been an HVCA member and that person lives in California.”

Spencer said HVCA has sent a letter demanding that the “Venture Capital Association of Hawaii” stop using the name. “They used an almost identical trade name specifically to mislead and confuse the public about HVCA’s legitimate endorsement of Neil Abercrombie. Forming an organization using a substantially identical name to contradict HVCA’s political endorsement is in bad faith and a dirty trick of the Hannemann campaign.”

BACKGROUND

HVCA is neither a union of venture capitalists in Hawaii nor has it ever held that it represents the interests of all venture capital firms in Hawaii. Venture capital is a discreet form of private

equity investing not to be confused with angel or personal investing. Hawaii has less than ten venture capital firms with physical offices in the State.

HVCA has a respected and well established reputation earned from more than 21 years of community service devoted to encouraging the development and growth of venture capital activities in Hawaii, education of entrepreneurs, support for the growth of Hawaii's technology economy and networking Hawaii business men and women with investors and professional service providers. HVCA's mission and status as a 501(c) 6 entity allows it to be involved in political activities. All of HVCA's officers and directors are volunteers and do not receive compensation for their efforts on behalf of the association.

HVCA has not previously endorsed candidates, but has organized forums for candidates to present their views. Before the election of Governor Lingle in 2001, HVCA co-hosted a debate between candidates Hirono and Lingle that was attended by more than 300 people. The gubernatorial forum with Abercrombie, Hannemann and Aiona, held by HVCA on July 25, 2010, had almost 200 people in attendance. It was the first time in this campaign that all three top candidates met to present their vision for growing Hawaii's economy.

"Given the diversity of candidates in this upcoming election, the board of HVCA decided to endorse the candidates it believes are best suited to help Hawaii's growing tech sector of the economy and create a business friendly environment that will attract capital for investment in tech sector companies," Spencer said. "Board members made up their own minds and voted unanimously to endorse Abercrombie at a regularly scheduled board meeting. The gubernatorial forum was not conducted as a basis for the decision, but simply as a service to HVCA members and the public," he said.

HVCA members and friends include Hawaii venture fund managers, angel investors, individual entrepreneurs, tech company executives, lawyers specializing in securities law and intellectual property, accountants and members of the general public. HVCA is an inclusive organization that has built strong alliances over the years with other tech organizations such as ThinkTech Hawaii, the Hawaii Science and Technology Council, The Dual Use Council, TechHui and others. HVCA offers these organizations' the opportunity to attend its events at the HVCA member rate. The organization maintains a large group of friends statewide who "opt in" to receive email and notices about its events and other important news.

In addition to holding monthly meetings and special events, HVCA members and friends often donate time to help entrepreneurs by providing coaching and judging at various business plan competitions including the University of Hawaii Business Plan Competition, the Enterprise Honolulu/High Tech Development Corporation business plan competition and the statewide High School Business Plan competition. HVCA provides cash prizes to the winners of the annual High School Business Plan Competition where students from every high school in Hawaii compete using business skills developed during the school year.

HVCA is also noted for two award ceremonies it holds each year. Since 1999, HVCA has honored companies who successfully raise venture capital at its Venture Capital Deal of the Year Award Ceremony held every January. Since 2008, HVCA has honored several entrepreneurs in various categories for their accomplishment at its November Entrepreneur of the Year award ceremony.