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January 16, 2008

It's a complex world. Be advised.<sup>sm</sup>

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## IN THE NEWS

### Older Entrepreneurs Find Unique Challenges in Starting Businesses

While starting a business is a challenge at any age, a first-timer starting a business later in life will encounter different obstacles than younger entrepreneurs, particularly when it comes to funding the business, securing health insurance, managing personal finance, and succession planning. Younger people can spend years trying to make a company profitable and can return to salary jobs if they don't succeed, but people over 50 may not have the flexibility to deal with such a loss, says Julie Zissimopoulos, an economist at RAND.

(Source: BusinessWeek, 2008-01-11)

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### Expert Offers Tips on How to Raise Angel Capital

Make no mistake about it, there's an art to raising angel capital. It's not harder or easier than raising venture capital -- it's simply different.

(Source: Entrepreneur.com, 2008-01-08)

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### Recession Fears Cause Slowdown in M&A, Private Equity

Most M&A experts predict a continuation of the slowdown that hit during the latter half of 2007, when the credit crunch dried up private-equity funds and all but obliterated what had been the busiest deal-making period ever. Now, with fears of a recession growing stronger by the minute, the outlook is even more bleak.

(Source: CNNMoney.com, 2008-01-11)

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### Report Finds Strong Fourth Quarter Venture Capital Deals

A new report by Dow Jones VentureSource shows that 106 venture-backed companies spent \$16.1 billion on M&As during the fourth quarter, compared with 81 companies shelling out \$7.5 billion during the same period in 2006. Software companies were the most active M&A targets, spending \$3.2 billion on deals -- nearly double the \$1.7 billion the segment spent during the fourth quarter 2006.

(Source: Mass High Tech, 2008-01-09)

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### Private Equity Firms Raised \$302B in 2007, Up 19 Percent

U.S. private equity firms' fund raising increased 19 percent in 2007, amidst credit market turmoil that shook financial markets worldwide, according to the January issue of industry newsletter Dow Jones Private Equity Analyst. Private equity firms, which generally take controlling stakes in companies by borrowing most of the money and then selling stakes in the companies they acquire, raised \$302 billion in 415 funds in 2007.

(Source: Reuters, 2008-01-08)

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## NEWS FROM ICE MILLER

### Clients in the News

Ice Miller takes pride in helping clear the legal path for clients so they can concentrate on what they do best-making advancements in their field. Two Ice Miller clients making news for their products are ChaCha and Cyberkinetics Neurotechnology Systems.

#### ChaCha

ChaCha, a human-assisted Internet search engine, recently launched a mobile service called textChaCha that will allow users to text message their questions. "Whether you're walking through the mall or driving down the highway, you can very quickly get answers through ChaCha," said ChaCha CEO Scott Jones.

Ice Miller provides various legal services for ChaCha, including funding and intellectual property.

#### Cyberkinetics Neurotechnology Systems

Cyberkinetics Neurotechnology Systems was featured in the January 7, 2008 *Indianapolis Star* article "Spinal-Injury Device Faces Twists, Turns to Approval" because of advancements they've made in providing products that may help increase sensation and movement for people who suffer a spinal-cord injury.

Read the [entire article](#).

Ice Miller serves as Cyberkinetics's legal counsel on specific engagements and works on medical device development, commercialization and funding matters.

### Venture Capitalist Starts Website Allowing CEOs to Critique VCs

Adeo Ressi's latest start-up, TheFunded.com, provides a forum for entrepreneurs to anonymously critique and sometimes excoriate VCs who ticked them off. TheFunded was launched quietly in early 2007 and stirred controversy as its membership grew.

(Source: SiliconValley.com (free reg. req'd), 2008-01-13)

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### Small Businesses Will Pay Average \$78K to Comply With SOX

According to Worcester, Massachusetts-based Lord & Benoit, total first-year costs for complying with 404 currently average \$53,724 for non-accelerated filers -- those with market capitalizations below \$75 million. Lord & Benoit also used research pulled from SEC filings and audit-fee data by Audit Analytics to show that when the second portion of 404 -- called 404(b), or the auditor attestation report -- takes effect it will, on average, cost the smaller companies an additional \$24,750.

(Source: CFO.com, 2008-01-10)

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### SBA Administrator Tasked With Creating Better Agency

Two years ago, SBA employees gave their agency such low marks that the agency finished last in a Best Places to Work in the Federal Government index, worse than even the much-maligned Department of Homeland Security. Steven C. Preston, who became the SBA administrator in July 2006 -- a few months after the last-place finish -- decided he needed to overhaul operations and find a way to deal with worker frustrations and unhappiness.

(Source: The Washington Post (free reg. req'd), 2008-01-14)

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### Expert Warns Banks May Reject Power of Attorney Documents

Be sure to understand the rights that you and your bank have when it comes to durable powers of attorney -- before it's too late. If you're the "agent" -- or person holding a durable power of attorney for someone else -- many banks may reject these legal documents due to fear of being sued.

(Source: MarketWatch (free reg. req'd), 2008-01-07)

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### Tech Companies Can Turn to Global Markets For Help With IPOs

Just because the U.S. economy might be looking at a recession doesn't mean a few good tech IPOs can't light up the market. While no company is fully immune to economic retraction, the most promising technology companies have the advantage of a global marketplace in which to sell their wares, so if U.S. markets hit the skids, companies can always focus their efforts on Asian or European customers.

(Source: Fortune, 2008-01-10)

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