



austin entrepreneurs
FOUNDATION

Press Release

For Immediate Release

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***Austin Entrepreneurs Foundation
Formed, Officially Launches Campaign***

--Technology executives will begin soliciting peers to donate stock options--

(September 27, 1999; AUSTIN, TX): Members of the Austin technology community, along with representatives from Austin's philanthropic sector, gathered today to announce the formation of the Austin Entrepreneurs Foundation (AEF). The AEF will encourage young entrepreneurial companies to contribute stock options to the Foundation and, as those options appreciate and become liquid over time, allow these companies to have a pool of funds to donate to non-profit organizations of their choice.

"The mission of the Austin Entrepreneurs Foundation is to encourage and facilitate a culture of stake holding in our community," said Bill Bock, Chief Executive Officer of Dazel, and member of the AEF board. "Entrepreneurial companies finally have an easy way to share their potential and demonstrate their commitment to building a world-class community. Meanwhile, the philanthropic sector can emotionally engage in these entrepreneur's efforts, and ultimately derive a tangible benefit from the success of these companies."

(More)

Austin Entrepreneurs....add one.

Foundations like the AEF are a relatively new form of social philanthropy, and the Austin foundation borrowed the basic concept from a similar effort that was formed in the Silicon Valley area roughly two years ago.

The idea is that, due to a lack of discretionary funds and time available for young entrepreneurs—they are usually working around the clock and pumping all their money into development efforts – these companies often wrestle for ideas on how to meaningfully contribute to their community. In the meantime, non-profit executives and the community-at-large hear reports of these companies and solicit their support, with minimal results.

“Entrepreneurs really appreciate efforts to maintain the quality of life in Austin and want to contribute, but all they really have to give during their early years is a piece of their potential,” said Ingrid Vanderveldt, President of Dryken and also a member of the AEF board. “In the employment arena, stock options are a win-win,” she said, “employees are motivated to work hard, and eventually are rewarded for taking the risk to work with a small company.”

This same model has proven an extremely effective and motivational tool for companies when they also ‘share their potential’ with the community. Both Dazel and Dryken have proven that the concept works.

“We donated a small portion of our stock option pool to a trust in Dazel’s name about two years ago,” said Bock. “When we were acquired by Hewlett Packard in June, we were able to exercise those options and are now in a position to direct those proceeds to the community without having to reach into operating earnings to do it. We are delighted to be using these dollars to help fund the creation of the Austin Entrepreneurs Foundation.”

(more)

Austin Entrepreneurs...add two.

Vanderveldt and her partner Lyn Graft also donated personal stock options to a handful of local charities and, while those options have not yet turned into cash, their company Dryken has several local non-profit groups emotionally engaged in their efforts to build a successful company.

"We have a special bond with these charities and the people involved in them," said Vanderveldt. "We're motivated every day, not only to achieve our corporate goals of success, but knowing that we will eventually help them achieve theirs -- everyone wins."

The Austin Entrepreneurs Foundation is the result of a group of Austinites representing a broad cross-section of the community – from technology executives and service providers to University of Texas representatives and venture capitalists—who saw the need to engage young technology companies in charitable causes. The idea has been incubating for about 18 months, and recently received traction when the team set out to raise the initial operating capital.

"The problem is, those of us who are most excited are amateur philanthropists with day jobs," said John Thornton, a General Partner with Austin Ventures who spearheaded the fundraising campaign. "We realized that without raising real money to hire someone to run with the ball, we would continue to make little progress."

The "Founding Underwriters" campaign to raise operational funds for the first few years began on September 1, and the AEF is continuing to encourage donations to this effort. The drive has resulted in well over \$500,000 in pledges from companies involved in the local technology industry, with \$600,000 being the goal set out by the fundraising team. In comparison, the AEF's sister organization in the Silicon Valley raised about \$800,000 to seed their foundation.

(more)

Austin Entrepreneurs...add three.

"Venture capitalists, who usually occupy a board seat with these companies, as well as attorneys and accountants are all important to the success of this project," said Bock. "We have most of the key players in the industry already on board and with their nod of approval to entrepreneurs, we should see a lot of positive activity very shortly."

Paula Fracasso has been hired by the AEF board to serve as the Executive Director. Fracasso, who currently works as a non-profit and foundation consultant, previously helped form and served for five years as the Executive Director of the Austin Parks Foundation. She will be responsible for start-up operations of the Foundation which, for the first few months include such milestones as developing an advisory board, soliciting and accepting stock option grants from companies, and initiating a dialogue about philanthropy within the entrepreneurial community.

The board for the Austin Entrepreneurs Foundation includes: **Bill Bock**, President/CEO Dazel (a Hewlett-Packard company); **John Thornton**, General Partner, Austin Ventures; **Ingrid Vanderveldt**, President, Dryken Technologies; **Paul Hurdlow**, Managing Partner, Gray Cary Ware Freidenrich; and, **Lynne Skinner**, Director of Firm Development, Austin Ventures

The Austin Entrepreneurs Foundation will be temporarily headquartered at Dazel Corporation. The AEF mailing address is P.O. Box 684826, Austin Texas 78768-4826. The phone number is (512) 494-7365.

(#)

**Austin Entrepreneurs Foundation
Press Conference Agenda
Monday, September 27, 1999 10:00 a.m.
Driskill Hotel -- Crystal Room**

10:00 a.m. BEGIN PRESS CONFERENCE

❖ **Welcome, Background and Mechanism of AEF**

- **Austin Entrepreneurs Foundation Co-Chairs:**
Ingrid Vanderveldt, President of Dryken Technologies
Bill Bock, CEO of Dazel—a Hewlett Packard Company

❖ **AEF Underwriting Results; Formal Launch of Foundation**

- **AEF Board Member and Underwriting Chair**
John Thornton, General Partner, Austin Ventures

❖ **AEF Work now Underway – where we go from here...**

- **AEF Co-Chairs, Ingrid Vanderveldt and Bill Bock**

❖ **Entrepreneurs Announcing their Intentions to Participate in AEF**

- **Speaking:**
Kip McLanahan, CEO BroadJump
John Reece, CFO Tantau
Ed Perry, CEO HumanCode
- **Also participating:**
Gary Neill, Covasoft
Mike Rosenfelt, notharvard.com

❖ **Press Questions & Answers**

- Ingrid Vanderveldt and Bill Bock

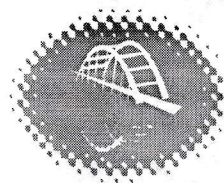
10:30 a.m. ADJOURN

Thanks to the Driskell Hotel, TateAustin, and Gray Cary Ware Freidenrich for their generous volunteer support of this press conference. Special thanks to Dazel for their donation and support of a home for the AEF, and to Spot Associates for their inspiring design of our official AEF logo. And the highest regards to all of our Founding Underwriters for making the Austin Entrepreneurs Foundation a reality.



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360.00
summit



Press Alert

For Release March 2, 2000

Contact: Lynne Skinner
Austin Entrepreneurs Foundation
(512) 485-1921

Relevant Topics:
Texas Independence Day
360 Summit & Tech Leaders
Austin Entrepreneurs Foundation
Community Interdependence

City of Austin, 360 Summit Technology Leaders Proclaim March 2 as "Austin Interdependence Day"

Mayor Kirk Watson and Austin City Council members will Proclaim March 2 as "Austin Interdependence Day" at the regular Council meeting on Thursday. Peter Zandan will accept the Proclamation from the City. Zandan is the co-founder of the 360 Summit where last month more than 300 leaders of the Austin technology community signed a "Declaration of Interdependence."

As part of this Call to Action, the Austin Entrepreneurs Foundation will be announcing on Thursday that they have not only raised \$800,000 to sustain the operations of the Foundation, but have **received significant stock option donations from at least 25 area technology start-up companies**. The stock options, when converted to cash at the company's IPO or acquisition, will be donated to non-profit organizations at the direction of the company. These efforts will have a significant, and long-term impact on the quality of life in Austin, and is a clear commitment from Austin's entrepreneurial community that they have accepted their leadership role in this region.

PROCLAMATION:

Where:
City Council Meeting
Hancock Building, LCRA
3700 Lake Austin Blvd.

When:
Thursday, March 2
5:30 p.m. (promptly)

Who:
Peter Zandan, Co-Founder 360 Summit
Donna Holland, Executive Director 360 Summit
Lynne Skinner, AEF Board Member

AUSTIN ENTREPRENEURS FOUNDATION

Where:
Driskill Hotel
Mezzanine Level
NW Corner of 6th & Brazos streets

When:
Thursday, March 2
6:30 p.m.

Who:
Bill Bock (Chair) and John Thornton will announce contributors and issue challenge. In attendance: mostly founding Underwriters and entrepreneurs who have, or are interested in, contributing stock options to the AEF.

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The Austin Entrepreneurs Foundation requests the pleasure of your company

at a cocktail party

in honor of our initial underwriters

on Thursday, March 2nd

5:30 - 8:00

The Dr. ... Hotel
604 ...
Aust ...

Austin American-Statesman
Friday, March 2, 2001 **A15**

R.S.V.P. by 2/25
Julie Thornton
juliedb@sig.net

Pike Powers
AUSTIN ENTREPRENEURS FOUNDATION

A call to heroes

Today is a day to remember and celebrate Texas heroes, past and future. It's the fiercely independent wildcatters who defined Texas' risk-taking approach to life. Spindletop gushed in 1901, leading to our economy based on oil and gas. Along the way, great institutions were built. The University of Texas Permanent Fund was funded by oil. And UT has been an investor in the new Texas economy, each stage seeding the success of the next.

Against this historical backdrop, the Austin Entrepreneurs Foundation today holds a new regional celebration — of Austin INTERdependence. For almost two decades, local leaders have collaborated on a vision of our future that embraces science and technology advances. They changed Austin's course, beginning May 18, 1983, with the much-heralded recruitment of the revolutionary MCC — followed by 3M, Sematech and young companies that grew.

Our newest wildcatters are the high-tech cowboys and cowgirls who are staking territory in the new frontiers of computer science, biotechnology, telecommunications and research. Just as Texas' founders seeded the success of UT with the Permanent Fund, these new risk-takers have the opportunity to build our institutions of the future. The mechanism is easy. By providing the on-tuition, start-up capital and the Austin Entrepreneurs Foundation's support, you can help us build a future that is as bright as the stars of Texas.

TECHMonday

Monday, January 31, 2000

Plugged in

But can they write it off?

Not every high-tech startup in town has the money or time to donate to charity or civic groups. So what do they have to give? Stock options.

Since being founded just five months ago, the nonprofit Entrepreneurs Foundation has received stock option shares from 19 Central Texas companies. If and when the companies go public or are sold, they get to choose which charity gets the windfall.

Some of those stock options may wind up worthless if the issuing companies fizzle, but others seem sure to pay off.

Silicon Laboratories Inc., which has filed for its IPO, contributed 25,000 shares to the fund. So let's do the math: If its stock goes to \$40 a share anytime soon, that's a cool \$1 million donated to charity.

The fund also had options for 5,000 shares contributed by Agere Inc. shortly before its purchase by Lucent Technologies earlier this month.

Other companies that have contributed option shares include Motive Communications Inc., Human Code and NotHarvard.com.

Plugged in

Whiffle balls making comeback at summit

Who would have thought the whiffle ball would become a symbol of Silicon Hills? Whiffle balls, you may recall, were what techies pelted during the Texas President University of Larry Faulkner with during the 360 Alpha Summit last January. Faulkner had dared to predict that UT would be around a lot longer than most Austin startups.

Now, that moment is being commemorated with its own party. The whiffle ball is the name of the bash that will follow the 360 Summit, which brings together the area's high-tech, university organizers leaders to talk about the plastic balls on hand at the event. But it's probably not a few extras. You never know what you might require some.

Bridge Award Winner

Austin Entrepreneurs Foundation

"The price of greatness is responsibility . . ." AEF makes it easy for technology companies to give something back to the community.

Creating a unique model for the way technology companies contribute to their community, the Austin Entrepreneurs Foundation (AEF) helps young companies develop a culture of corporate community involvement. By acknowledging that cash and time constraints can be an impediment to philanthropy by young businesses, AEF provides a financial mechanism via stock options, and a virtual community relations director.

In its first 18 months, AEF has received stock option commitments from more than 100 Austin-area companies for creation of donor-advised funds. Seven companies have had liquidity events that have resulted in cash donations to various charities. Nearly 35 companies of the AEF's 100 members, who have not yet had liquidity events, are already actively engaged in volunteer programs.

According to Elaine Wetmore, CEO, all local citizens ultimately benefit from young technology companies applying their considerable talent and energy to Austin's social issues. AEF is dedicated to encouraging and facilitating long-term, mutually beneficial partnerships between the entrepreneurial and the non-profit communities in Central Texas.

The Austin Players
Entertainment & Awards BLACK TIE EVENT

Thanks to equity philanthropy—the donating of stock in pre-IPO companies—cash-poor techies are finally putting their industry's most generous foot forward. **by Helen Thorpe**

SHARES AND SHARES ALIKE

INGRID VANDERVELDT SCANNED the list of people waiting for tables at Kerbey Lane Cafe. There were eleven names before ours. "Would you mind if we went somewhere else?" she asked, flashing a conciliatory

grin. It was a Saturday in Austin, and most of the city's residents were probably trying to decide which park to spend the day in. But Vanderveldt is the president of Dryken, a nearly two-year-old high-tech start-up, so her weekend was booked up with appointments. She jumped back into her red convertible, clapped a phone to her ear, and peeled off with her fancy hubcaps twirling. ■ It would have been easy to mistake Vanderveldt for someone motivated exclusively by hustling self-interest, but the opposite is true; she represents the high-tech industry's desire to contribute. Over lunch at another restaurant, she explained how she helped start the Austin Entrepreneurs Foundation, an organization that promotes the concept of equity philanthropy: the donating of stock during the early



Follow the money: Civic-minded generosity can ease some of the pain of high-tech growth.

stages of a company's growth, in the hope that an eventual public offering will give the gift real value. With the involvement of people like Vanderveldt—entrepreneurs who are short on time and cash but long on potential—high-tech giving is finally coming of age.

Some would say it's long overdue. For many years Texas techies were viewed as selfish, the kind of people who cared more about the value of their stock options than the health of the community around them. All that changed, thanks to a certain somebody who, back when he was a student at the University of Texas, started Austin's first major high-tech success. Michael Dell's personal fortune was estimated last October to be a staggering \$20 billion, and as he's gotten older and started a family, he's been eager to give significant



Austin Entrepreneurs Foundation: Giving & Growing

"I used to ask why someone didn't do something; then I realized that I am someone." ~ Lily Tomlin

Look what you've done.

- 140 member companies committed to make stock option grants
- 45 member companies with Corporate Community Involvement programs facilitated by AEF
- 17 area non-profits who have received volunteers and other assistance
- 9 area non-profits who have received more than \$300,000 in financial aid from AEF
- 8 successful liquidity events
- 8 affiliated Entrepreneurs Foundations around the world
- 4 significant Austin philanthropic awards
- 1 really good reason to participate. . . yours

The Austin Entrepreneurs Foundation was established in 1999 to address the two resource constraints that early stage companies face when evaluating their corporate community involvement plans: lack of cash and lack of time. AEF provides a unique solution to both constraints. We accept donations of private equity (pre-liquidity event stock options) to create a donor advised fund for the company, and we provide the community relations function for the company at no charge to help establish its giving strategy and its volunteer programs. Upon a liquidity event (IPO or acquisition) we convert the donated stock options to cash to distribute to the non-profits the company chooses. We prepare the company to make the choice well in advance of the liquidity event by encouraging a culture of philanthropy through employee charitable giving committees and personal involvement with co-workers at volunteer events.



AUSTIN ENTREPRENEURS
FOUNDATION

P.O. Box 684826 • Austin, Texas 78768-4826 • 512.494.2701 • info@takestock.org www.takestock.org

Austin Entrepreneurs Foundation is tax exempt under section 501(c)3 of the internal revenue code. Contributions are deductible to the extent allowed by law.

★ Stellar Performance.

With a constellation of charter companies, Austin Entrepreneurs Foundation is establishing a strong culture of stakeholding in the local community. Through an innovative program, entrepreneurs share their potential with local non-profit organizations by contributing stock options to the foundation. It's a powerful win-win that will dramatically improve Austin's quality of life.

Since its inception late last year, the foundation has already engaged the area's most visionary companies as Founding Underwriters. To date, 30 Member companies have contributed stock options to the program. Join us in thanking and congratulating the early participants. With their foresight, Austin Entrepreneurs Foundation can make this city a model for true community inter-dependence. Now, we challenge every local company to become a rising star and take stock in Austin.

Austin Entrepreneurs Foundation Underwriters & Members

★ Visionaries

Austin Ventures
Dazel Corporation
Dell Computer Corporation
Gray Cary Ware Freidenrich
Morgan Stanley Dean Witter
Scient
TL Ventures

★ Champions

Austin American-Statesman
BancBoston Robertson Stephens Inc.
BMC Software
Ernst & Young
Gunderson Dettmer
Hambrecht & Quist
PriceWaterhouse Coopers
Tejas Securities Group
Texas Monthly
Trellis Partners
Vignette
Wilson Sonsini Goodrich & Rosati

★ Partners

Bank of America

Brobeck Phleger & Harrison
Centerpoint Ventures
Colliers Oxford Commercial
Endeavor Real Estate Group
Gottesman Co.
Growth Capital Partners
Hill Partners
Hire Tech
Imperial Bank
Jenkins & Gilchrist
KPMG
McKinsey & Co.
Murphree & Company
PowerShift Ventures
Sanchez Capital Partners
seedstage.com
SG Cowen & Company
Silicon Valley Bank
Spot Associates
SSM Ventures
Techxas Ventures
Trammell Crow Co.
Triton Ventures

Vinson & Elkins

★ Friends

Comerica Bank-Texas
Goldman Sachs & Co.
Primus Associates
TateAustin
The Thompson Group

★ Members (Stock Gifts)

@hand
Active Power
Agent Go
Agere
Agillion
Applied Science Fiction
BroadJump
Charitygift.com
ClearCommerce
Convio
Covasoft
Dryken Technologies
Extreme Devices
garden.com
Human Code

Ineto
iReturnit
Kurion
Mall.com
Motive Communications
NotHarvard.com
Pavilion Technologies
Quick Arrow
Silicon Laboratories
Supportkids.com
Tantau
TriActive
Vectris Telecom
Vicinity Systems
Zilliant



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Take Stock In Austin - www.takestock.org

Rise & Shine.

Something good is brewing. The Austin Entrepreneurs Foundation is establishing a strong culture of stakeholding in our community and the early risers have already arrived at the table. Through this innovative program, entrepreneurs share their potential with local non-profit organizations by contributing stock options to the foundation. It's the ultimate win-win and it's destined to have an extraordinary impact on the quality of life in Austin.

Since its inception late last year, the foundation has already engaged Austin's most visionary companies as Founding Underwriters. Additionally, 25 Member companies have contributed stock options to the program. Thanks to these rising stars, the Austin Entrepreneurs Foundation has successfully introduced Austin to the greatest example of community interdependence yet. Now, we challenge every local company to rise up and take stock in Austin.



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Take Stock In Austin

Visionary

Austin Ventures
Dazel Corporation
Morgan Stanley Dean Witter
Scient
TL Ventures
Champion
Austin American Statesman
BankBoston
Robertson Stephens Inc.
BMC Software

Austin Entrepreneurs Foundation Underwriters & Members

Gray Cary Ware Freidenrich
Gunderson Dettmer
Hambrecht & Quist
PriceWaterhouse Coopers
Texas Monthly Biz
Trellis Partners
Vignette
Wilson Sonsini Goodrich & Rosati
Bank of America
Brobeck, Phleger & Harrison
Centerpoint Ventures
ColliersOxford Commercial
Comerica
Ernst & Young
Jenkins and Gilcrest
Goldman Sachs
Gottesman Co.
Growth Capital Partners
Hill Partners
Hire Tech

Imperial Bank
McKinsey and Co.
Murphree Venture Partners
PowerShift Ventures
SG Cowen & Company
SSM Ventures
Seedstage.com
Spot Associates
Silicon Valley Bank
TateAustin
Techxas Ventures

The Thompson Group
Trammell Crow Co.
Triton Ventures
Vinson and Elkins
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Agillion
BroadJump
Convio
Covasoft
Dryden Technologies
Extreme Devices
Garden.com
Human Code
Inelo
iReturnit
Mall.com
Motive Communications

NotHarvard.com
Pavillion Technologies
Quick Arrow
Silicon Laboratories
Supportkids.com
Tantau
Vectris Telecom
Vicinity Systems
Zilliant