

# CHICAGO SUN-TIMES

## New investment fund for startups

<http://www.suntimes.com/business/273278.CST-FIN-seed26.article>

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BY [HOWARD WOLINSKY](#) Business Reporter

A new \$10 million investment fund for early-stage startups, the Illinois Innovation Accelerator Fund, backed by state taxpayers and local investors, will be unveiled today.

David Weinstein, president of the Chicagoland Entrepreneurial Center, which is managing the fund, dubbed the i2A Fund, said, "The point of the i2A Fund is to fill a gap in funding. There has been less seed funding nationally for early-stage companies, and the effects have been more pronounced locally."

So far, i2A has raised \$6.4 million and expects by the end of the year to have raised the rest of the \$10 million, he said. Funding will go not only to tech startups, such as in biotechnology, nanotechnology and life sciences, but also to companies involved in such areas as retail, consumer products and new media.

Weinstein said the first companies soon will receive funding in amounts of \$250,000 to \$1 million. I2A plans each year over the next four to fund four to six companies from Illinois or nearby areas.

Entrepreneurs can go online at [www.i2Afund.com](http://www.i2Afund.com) for information on applying for the funds.

The State of Illinois and prominent venture capitalist J.B. Pritzker, founder of Evanston-based New World Ventures, "were the catalysts for the fund. It wouldn't have happened without them," Weinstein said.

Andrew Ross, spokesman for the Illinois Department of Commerce and Economic Opportunity, said the state's \$2.7 million Illinois Seed/Angel Fund has invested nearly \$1 million in the i2A Fund.

Pritzker, chairman of i2A's investment committee, said i2A is unusual because it combines state funding with private funding. "The state came to the table and saw there was need from a public policy orientation. Others became involved as a matter of civic pride," he said. "We need to help the entrepreneur who had a good idea that he has been developing in his basement or during a break on his job downtown, but doesn't have the money to quit his day job."

In addition to Pritzker, other individual investors include Internet entrepreneur Michael Ferro Jr., angel investor Bob Geras, online brokerage founder James Gray, philanthropist Jules Knapp, restaurateur Larry Levy and asset manager Ralph Wanger. Contributing institutions include Cardinal Growth Corp., Duchossois Technology Partners, Illinois Institute of Technology, Merrick Ventures, Mesirow Financial, National City Equity Partners and Wexford Science and Technology.

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