

FOR IMMEDIATE RELEASE

Contact: Starr McCaffery

Phone: 630-896-2638

Email: starr@chicagoprfirm.com

Kegonsa Seed fund investors realize a terrific return in the sale of Jellyfish

MADISON, Wis. (Oct. 2, 2007) – Jellyfish.com, Inc., a Kegonsa Seed Fund portfolio company, has been sold to Microsoft Corp.

Kegonsa purchased approximately 25 percent of Jellyfish’s common stock in February 2006, with an investment of approximately \$600,000. In less than two years, Kegonsa investors have seen their seed investment increase more than 15 times. The Kegonsa annual return on the Jellyfish investment is more than 550 percent a year – 15 percent a month - compared to the national average annual return on seed investments of 41 percent according to the National Venture Capital Association. In addition, a number of the Kegonsa Seed Fund investors made a second-round Jellyfish investment of more than \$1 million in October 2006 through the Kegonsa Co-Invest fund. Second round investors more then doubled their investment in less than one year. Kegonsa Capital Partners manages both the Kegonsa Seed Fund and the Kegonsa Co Invest Fund, and the Kegonsa funds together were the largest shareholder in Jellyfish.

“The sale of Jellyfish is good for our investors, good for the State of Wisconsin and good for the growth of the Jellyfish team,” said Kegonsa Funds Managing Director Ken Johnson. “Kegonsa’s key investment criterion is the experience and passion of a company’s entrepreneurs. Brian Wiegand and Mark McGuire, the Jellyfish entrepreneurs, did a terrific job developing a product, building a brand and finding a company with the resources to bring Jellyfish to the next level.

“I enjoyed working with Brian, Mark and the Jellyfish team, and hope that Kegonsa will be involved in their next venture,” Johnson added.

Kegonsa was established in 2005 to start new companies either by being the first investor with an experienced entrepreneur, or by finding a product and building the management team. It quickly has established itself as Wisconsin's premier seed investment Fund, and recently was the only Wisconsin fund named to *Entrepreneur* magazine's list of Top 100 VC Firms.

Kegonsa has started three new companies and has invested in five entrepreneur-founded companies. Seven of those companies are located in Wisconsin. More than half of Kegonsa's investments have been in Web 2.0 companies – like Jellyfish. The Kegonsa Seed Fund focus is the higher risk, higher return initial seed investment in a company. The Kegonsa Co-Invest Fund - composed of the same investors as the Seed Fund – co-invest with the Kegonsa Seed Fund in later financing rounds of Kegonsa portfolio companies.

“Kegonsa provides entrepreneurs with more than a single source of financing. First, the Seed Fund provides the initial high-risk capital entrepreneurs need to demonstrate the viability of their product, and then the Co-Invest Fund helps the company grow the product and the team,” said Wiegand, Jellyfish CEO. “Jellyfish is a great example of investors and entrepreneurs working together to build a successful company”

Kegonsa Capital Partners is headquartered in Fitchburg, Wis. For more information on Kegonsa Capital Partners, its funds and portfolio companies, visit www.kegonsapartners.com.

###