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**PASCAL LEVENSOHN, SILICON VALLEY VENTURE CAPITALIST, WARNS
AMERICAN INNOVATION IS IN CRISIS**

***San Francisco Venture Firm Founder Cites Crucial Need for Renewed Commitment to
Long-Term Research and Development***

Washington, D.C. (March 4, 2009) – Venture capitalist Pascal Levensohn, who is also the principal author of several influential papers on venture capital best practices, warned in a speech here today that the United States is in danger of losing its global technological edge unless new collaborative approaches to pursuing and funding innovation are acted on immediately.

“Innovation and entrepreneurship, the crucial growth engines of the U.S. economy, are at risk of stalling out,” said Pascal Levensohn of Levensohn Venture Partners, a San Francisco-based firm. “Our foundations are crumbling,” Levensohn told the Cybersecurity Applications and Technologies Conference for Homeland Security (CATCH) at the Washington Convention Center.

Without new approaches to collaboration among government institutions, corporations, universities, and venture capitalists, Levensohn said, U.S. entrepreneurs will increasingly face overwhelming obstacles to success. “The freedom to fail has always been one of the greatest strengths of the American economy. But this is now in jeopardy because a climate of risk aversion dominates the country’s financial institutions.”

“Corporate R&D budgets, new university endowment commitments to venture capital, and new commitments by private investors to funding of entrepreneurs are all declining in real time. The negative ripple effect from this collectively reduced pool of risk capital is not yet evident in our economic statistics,” Levensohn asserted, “but it will have a profound and negative impact on the ecosystem that has traditionally nurtured entrepreneurs in the small business ventures that drive new job creation in America.”

Levensohn cited three major negative trends that have combined to put America’s technological innovation at risk: 1) Research and development spending has emphasized incremental innovation over basic research for more than two decades; 2) Total R&D funding as a percentage of GDP has been declining while other nations have increased their spending, successfully developed coordinated technology innovation programs and actively supported the commercial development of emerging companies; and, 3) The recent systemic failure of global financial institutions has exacerbated the already deteriorated pace of innovation here by further reductions in an already diminished pool of risk capital.

Part of the solution, Levensohn added, “must also include a renewed and proactive effort to attract, educate and retain the world’s best scientists to pursue innovation in the U.S.”

About Pascal Levensohn

Pascal Levensohn is the Founder & Managing Partner of Levensohn Venture Partners (LVP). Mr. Levensohn is a director of the National Venture Capital Association (NVCA) and currently chairs the NVCA's Education Committee. Mr. Levensohn currently serves on five portfolio company boards, including one NASDAQ public company. He is the principal author of three influential white papers on venture capital board governance best practices, and is a frequent speaker and a media commentator on venture capital trends. He is a former co-chairman of the Aspen Institute's Socrates Society, and he is a life member of the Council on Foreign Relations. Pascal Levensohn is a graduate of Harvard College.

About Levensohn Venture Partners

Levensohn Venture Partners (LVP) is a venture capital firm that invests in emerging companies in the market area of intelligent infrastructure, specializing in security, cleantech and digital media. Founded in 1996 and based in San Francisco, California, LVP's portfolio includes recent exits RAPT (now a unit of Microsoft) and Reconnex (now a unit of McAfee) and private companies BigFix, Capella, BroadLogic, ShotSpotter and Ubiocom. For more information, please visit www.levp.com <<http://www.levp.com>> .

FOR INFORMATION ON THE SPEECH DELIVERED BY PASCAL LEVENSOHN:

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