

FOR IMMEDIATE RELEASE

Mercato Partners Closes its Inaugural Fund

SALT LAKE CITY, UT – November 18, 2008 – Mercato Partners announced today that they have successfully raised their inaugural growth equity fund. Mercato’s investors include private individuals, family offices, The Utah Fund of Funds and one of the nation’s strongest Wall Street institutional investors. “The institutional support we’ve received to cap our fundraising effort has validated the fund’s unique strategy and position in the market,” remarked Alan E. Hall, one of Mercato’s General Partners.

The Mercato Partners fund was officially launched in 2007 and has made three investments since its inception. Each company in Mercato’s current portfolio has been named on Inc magazine’s Inc500 list, over the last two years. This list represents the top 500 fastest growing companies in the nation. Skullcandy, Inc, the fund’s first investment, is the #1 fastest growing consumer products company on the 2008 Inc500 list and the 13th company overall. In addition the company is the 2nd fastest growing company in Utah and has set the pace for the remainder Mercato’s growing portfolio. The fund has also made investments in medical record retrieval company, MediConnect Global, and Cymphonix, a leading provider of Internet security solutions. “In addition to raising capital for Mercato’s inaugural fund, we have laid the groundwork for the firm’s investment practice through our investment in three remarkable high growth businesses,” commented Managing Director Greg Warnock, “We believe these investments position the fund to become a top performer and generate competitive returns to our investors,”

The Mercato Partners investment strategy is built upon the combined experience of the founding partners, Greg Warnock and Alan Hall. Greg Warnock was one of the founding partners of vSpring Capital, an early stage fund with over \$300M under management, and he is well known as an angel investor in the region. Alan Hall was the founder and CEO of outsourced sales and marketing company, Marketstar. Marketstar’s long customer list of global brands includes HP, Microsoft, Verizon, Cisco, Whirlpool and RIM. Mr. Hall’s 20 years of experience taking technology products to market is complimented by Greg Warnock’s deep understanding of venture capital investing.

As a result of the managing directors combined expertise, Mercato Partners has a fundamentally different approach to growth stage venture capital investing. In addition to providing capital and operational oversight, traditionally offered by venture capitalists, the Mercato investment team becomes integrally involved in accelerating revenue growth through expanding sales channels, working with strategic marketing partners, garnering awareness, developing marketing strategies and improving sales efficiency.



Rick Alden, CEO of Skullcandy, evidenced the genuine value that Mercato has provided to his rapidly growing business, “It’s not just about the expansion capital Mercato Partners provides. Their insights and oversight are invaluable. They have taken an integral role in helping the company maintain its growth. They spend considerable time, sometimes on a daily basis, helping with management decisions, strategy development, partner negotiation and operational optimization.”

With the fund’s closing, the investment team will increase its focus on making subsequent investments in growing technology and consumer electronics companies with revenues from \$5-50M.

For more information contact Joe Grover at (801)220-0055 or visit the Mercato Partners website at www.mercatopartners.com

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