

## Velocity speeds up production for Jadoo Power

Velocity Venture Capital injects fuel cell maker with follow-on cash

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by [Mark Anderson](#)

Staff writer

Velocity Venture Capital has made its largest-ever investment -- a stake in Jadoo Power Inc. of Folsom, a developer of portable fuel cells.

The financial investment is the 11th for Velocity, which has \$10 million under management. Velocity invests between \$100,000 and \$1 million into companies, said Jack Crawford Jr., general partner of the venture fund in Folsom.

He can't discuss the amount invested in Jadoo, only that it's the largest for Velocity.

Jadoo vice president of business development Lee Arikara confirmed the investment but wouldn't detail how much.

Velocity invested the money to fund working capital.

Jadoo for four years delivered power units to U.S. military's Special Operations Command. What would weigh 80 pounds in batteries only weighs 25 pounds with fuel cells.

"On the military front, our applications are a power of magnitude better than batteries," Arikara said.

In most applications, Jadoo's fuel cells have 10 times more energy than batteries. Their power flow is steady, rather than decreasing over time like the charge of a battery, said Dr. Jacob Jorgensen, general partner with Velocity and the fund's high-technology expert. And Jadoo's fuel cells can be upgraded rather than replaced.

Jadoo is getting more orders from other branches of the military, especially for use in unmanned flying vehicles, robots and surveillance equipment.



Dennis McCoy Sacramento Business Journal  
Jack Crawford Jr., general partner of Velocity,  
invests in regional companies

Jadoo needed the Velocity money to ramp up production. It has to build and ship its goods to the military and then wait 60 to 90 days to get paid. The new money expands the company's ability to grow, Arikara said.

Jadoo got \$11 million in venture financing two years ago in a round led by MDV-Mohr Davidow Ventures, Venrock Associates and strategic investor Sinclair Broadcasting Group of Maryland. Sinclair owns 57 television stations across the country.

Jadoo started out developing fuel cells powered by hydrogen and other fuels to produce electricity in remote locations. The company developed small, lightweight fuel cells to power television cameras and broadcast equipment. It has broadened its applications from the small units for cameras to larger units capable of generating a kilowatt of power.

The Jadoo investment is a follow-on round for Velocity, which is a slightly unusual investment for the fund. It usually targets seed and early-stage companies.

What's not unusual for Velocity is investing locally. All of its investments are in Greater Sacramento. The fund's mission is to invest in Sacramento companies to bolster technology companies and the investment culture in the region.

Of the 11 companies Velocity has invested in so far, five of them are in the same building as its offices in Folsom, the former headquarters of Objective Systems Integrators Inc. Jadoo Power is just down the street in a Folsom business park.

Crawford has invested in tech companies, run several of them and mentored others. He said Sacramento is poised more than ever to build new technology startups, in part because of the successful exit of local startup companies and a mass migration of residents from the Bay Area.

"In five years, 150,000 people from the Bay Area ZIP codes have left there and moved here," Crawford said. "All the ingredients to build technology companies are here now."

"I'm impressed with what I'm seeing in companies in the Sacramento area. In high technology and clean technology, there are a lot of good companies working on interesting ideas," said George Linscott, a business consultant and a member of the Sacramento Angels.

He moved here after two years in Los Angeles, having previously lived in Austin, Texas, and Boston, cities with strong startup cultures.

"I think Sacramento is where Austin was 10 years ago."

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