



**SEED
VENTURE
FINANCE**

October 17, 2005 - REPRESENTATIVE BARNEY FRANK HELPS KICK OFF SEED VENTURES LP - A NEW VENTURE FUND FOR THE REGION

U. S. Representative Barney Frank headlined the "Kick Off of SEED Ventures LP," a Small Business Investment Company (SBIC) recently established to provide capital for growing businesses in southeastern Massachusetts and Rhode Island. The kick off was held Monday, October 17, 2005 at the Stoneforge Publick House in Raynham, Massachusetts.

Frank congratulated SEED Ventures LP for obtaining the SBIC license from the U.S. Small Business Administration (SBA) after a long and arduous application process. "This is a great example of a private and public partnership where the banks have invested close to \$6 million in the fund and the SBA is providing a match of another \$12 million," stated Frank.

Approximately 100 guests including bankers and local officials attended the kick off. Maurice Dube, the Massachusetts District Director for the SBA, a guest speaker, also congratulated SEED Ventures for trying to fill a real financing need in the region.

According to Thomas Wooters, the investment advisor for SEED Ventures LP, as an SBIC the fund will have approximately \$18 million available in capital for small businesses located in southeastern Massachusetts and Rhode Island.

David Westgate, a member of SEED Ventures, stated that he had spearheaded the establishment of the fund several years ago as chair of SEED Corporation "in order to fill a financing gap for subordinated debt and equity in the region." According to Westgate, the primary focus of the fund is to provide needed capital to small businesses with potential for growth and job creation.

"We believe that there is a real need for this type of capital in southeastern Massachusetts and Rhode Island because the region is growing fast but continues to be under served by venture capitalists located in the Boston area," explained Maria Gooch-Smith, another member of SEED Ventures and the executive director of SEED Corporation.

"Our region has been under the radar because our businesses often need smaller amounts of capital and want to retain control of their businesses," added Gooch-Smith.

In his presentation, Wooters stated that "SEED Ventures will provide capital to companies that generate annual revenues greater than \$1.5 million and have a track record of generating earnings and cash flow." According to Wooters the fund expects to commit between \$250,000 and \$1 million in each transaction and will typically invest in the form of subordinated debt sometimes using warrants or royalties.

"Our financing usually fills the gap after a bank provides conventional financing to a growing business and cannot lend anymore due to lack of collateral or unacceptable financing ratios by banking standards," stated Gooch-Smith. "We come in and provide the growing capital that will get the business to the next stage when the bank and even SEED Corporation cannot help," she added.



According to Wooters, SEED Ventures will be an active partner with company Management, and can apply a wealth of financial, management and investment experience in order to ensure that portfolio companies achieve their growth objectives and maximize their success.

SEED Ventures LP was sponsored by SEED Corporation, a non-profit finance corporation certified by SBA in 1982 to provide loans to small businesses in the region. SEED Ventures and SEED Corporation are both located in the same Taunton office, and can coordinate financing programs in some situations. The investors of SEED Ventures LP contributed \$5.75 million towards the fund. They include: Bank of America; BankFive; Bristol County Savings Bank; Citizens Bank; Citizens Union Savings Bank; Eastern Bank; Greater Fall River Development Corporation; The Life Insurance Community Investment Initiative; Rockland Trust; Slade's Ferry Bank; Sovereign Bank; TD BankNorth; and Webster Bank.

For more information about SEED Ventures call 508-822-1020 or 508-219-4266