

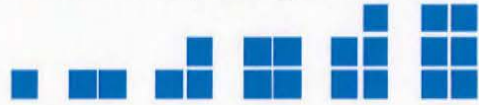
MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

small enterprise growth fund



Small Enterprise Growth Fund

**Periodic Report to the
Governor
and the
Joint Standing Committee on
Business, Research & Economic Development**

**Respectfully submitted
by the
Small Enterprise Growth Board**

2006

*Distributed at the request of
Senator Lynn Bromley*

small enterprise growth fund



To: The Honorable John E. Baldacci, Governor
Members of the 123rd Maine Legislature
Co-Chairs of the Business, Research and Economic Development Committee

From: Small Enterprise Growth Board

Date: December 2006

Re: Small Enterprise Growth Fund 2006 Periodic Report

As the Chair and Vice Chair of the Small Enterprise Growth Board ("SEGB"), we are pleased to submit this **2006 Periodic Report** to you on the status and successes of the Small Enterprise Growth Fund ("SEGF" or "Fund").

Since inception, the SEGF has received over 215 applications from 15 counties in the state. Additionally, we have and will continue to nurture many early-stage firms in an effort to prepare them for successful applications at a later date. The Fund has invested \$8.3 million in 28 Maine companies *with the potential for high growth and public benefit*. These financings have been an integral part of total investments of over \$55 million of private equity investment in Maine companies, investment capital that has enhanced the State's economy and helped to create and foster an environment for the private equity market.

The mission of the SEGF is "*to provide resources to attract, support and develop eligible small businesses that will contribute to the prosperity of Maine*". The SEGB seeks to accomplish its mission in partnership with other public and private entities engaged in the entrepreneurial marketplace in Maine, including the Finance Authority of Maine ("FAME"), the Maine Technology Institute ("MTI"), the Small Business Development Centers, Maine's Department of Economic and Community Development ("DECD") and the Technology Centers, privately managed venture capital funds, individual investors, entrepreneurs and small business owners throughout the State.

We are proud of what the SEGF has accomplished to date. We have developed a process that is flexible and provides entrepreneurs with prompt decisions and support.

In the past 24 months, from January 1, 2005 to date, the SEGB has received applications and heard presentations from nineteen Maine companies. During this time, the SEGB has participated in investment activities with six companies from six different Maine counties, totaling \$1,495,088, including:

- four investments in promising new companies, totaling \$900,000;
- one conversion from debt to equity, in the amount of \$112,038, in an existing portfolio

company;

- one portfolio company purchase resulting in the sale of all shares, dividend income and a Promissory Note (\$247,828), a detailed description follows in the next paragraph; and
- four follow-on investments or bridge notes to existing portfolio companies, totaling \$235,222.

As is typical in a high-risk fund, several investments have produced a large financial return for the Fund, and several have been in companies which ultimately failed. The Fund's most recent financial and economic development success was realized through the sale of a company in which the SEGB had an investment, resulting in a 7X return on the \$250,000 that the Fund had invested, and the opportunity for additional return based on that company's performance next year. The investment also produced a very strong "economic development" return as employee growth during the time that the Fund was an investor from 2001-2005 grew from 9 employees to 44, and those jobs will stay in Maine, with further growth potential. In another successful financial return, the Fund sold its stake in a portfolio company for 1.5 times its investment for a 15% annualized return. These returns to the Fund have and will be used to invest in other promising Maine companies.

Recent investments have included a University of Maine spin-out located at the Target Technology Center in Orono (one of the seven State-sponsored incubators), and a start-up company focused on bringing broadband wireless interconnectivity at affordable prices to rural Maine communities. Of the companies still active in the portfolio, there are several that have the potential to provide additional strong returns to the Fund, but the timing and potential size of those returns is relatively unpredictable at this point.

There have been many reports that lack of capital is no longer the variable that retards entrepreneurial growth in Maine, and in general we would agree with that conclusion. Since the creation of the SEGF in 1996, many government and private sector initiatives have increased the availability of investment capital for Maine companies: Coastal Enterprises (CEI) now has two for-profit venture subsidiaries that operate in Maine (though they seek investments throughout New England); MTI, created in 1999, now pumps roughly \$5 million per year into Maine's entrepreneurial community through their grant programs, and now offers follow-on venture investments to a select number of companies through their Advanced Commercialization Fund; the Maine Seed Capital Tax Credit Program, administered by the FAME, provides an enticing incentive for Maine-based investors to invest in Maine-based companies; the Venture Revolving Investment Program (VRIP), also administered by FAME, seeks to encourage privately managed venture capital funds to strongly consider investing in Maine companies; and the formation of the Maine Angels last year, a collaborative initiative of "accredited" individual investors. There are, however, still significant gaps, and the original premise for the creation of the Fund still holds true – private equity capital for Maine companies is still very difficult to source. Privately managed venture funds typically seek to place \$1 million or more per investment, typically much more than most Maine-based companies are looking to raise, and the number of those venture funds focused on Maine is still quite small. In addition, the Fund offers guidance and entrepreneurial and financing education to companies with which it deals.

Maine continues to need to develop its entrepreneurial infrastructure. The Office of Innovation ("OI") has recently released its Science and Technology Plan, which has sound prescriptions for increasing technology-based entrepreneurial activity and technology commercialization in Maine. The State-sponsored Technology Centers provide incubation facilities

To: The Honorable John E. Baldacci, Governor
Members of the 123rd Maine Legislature

Page 3
December 2006

and support for early stage companies, but these entities are under funded. The Maine Patent Program has been a valuable resource for individuals and company's with Intellectual Property questions and concerns, and is worthy of the State's continued support. The Small Business *Technology* Development Counselor Program, part of the State SBDC, is also too small to make a large impact, but deserves additional attention. There are a large number of individuals in Maine that have business experience and would qualify as accredited investors under SEC regulations; these individuals need to be continually courted as potential investors in Maine-based companies. The Fund is working on collaborating with EMDC to bring Kauffman Foundation "Angel" education programs to Maine communities early in 2007.

The Board of the Fund is a highly-qualified and experienced body, with exceptional and relevant expertise, whose members are a dedicated group that devotes a tremendous amount of volunteer time from their very busy schedules to make this Fund successful.

We look forward to maintaining a strong partnership with the Administration and the Legislature to ensure that the SEGF continues its important role in the enhancement of Maine's economic development.

We invite you to contact any of us at any time and to visit our web site at www.segfmaine.com.

The SEGB thanks you for your support.

Sincerely,

/s/ Diane Sammer

Diane Sammer, Harpswell
Chair
Small Enterprise Growth Board

/s/ Roger Heinen

Roger Heinen, Islesboro
Vice Chair
Small Enterprise Growth Board

cc:
Small Enterprise Growth Board
John Burns, Fund Manager, SEGF
Director, Office of Innovation
Commissioner, DECD
John Witherspoon, CEO, FAME
William Norbert, Governmental Affairs Manager, FAME
Alan Stearns, Senior Policy Advisor, Governor's Office

small enterprise growth fund



Investing in Maine companies with the potential for high growth and public benefit.

Background Information:

- ❑ Established by the Maine Legislature in 1996 as a Body Corporate and Politic and an Instrumentality of the State, the Small Enterprise Growth Fund (SEGF or Fund) invests in small Maine companies with *the potential for high growth and public benefit*. SEGF makes direct equity investments in Maine companies approved through a screening process, detailed due diligence, and negotiated terms of investment.
- ❑ SEGF addresses a critical need in the state's economic development strategy, providing risk capital to select companies that have the potential to become significant contributors to the state's future economic health. The size, location, and amount of capital needed by these companies often make it very difficult for them to attract capital from other sources. The Fund's matching requirement assists in bringing other capital providers to these small and exciting companies, paving the way for further capital investment. The Fund enhances Maine's environment for the flow of risk capital to Maine companies.
- ❑ SEGF is an integral part of the state's evolving network of entities involved in promoting entrepreneurship, management skill development, and sound corporate practices, critical elements of a successful business climate in Maine. The Fund Manager sits on the following Boards: Maine Investment Exchange (MIX), Technology Center Coordinating Board, ConnectME Advisory Board, and CEI Community Ventures.
- ❑ The Small Enterprise Growth Board (SEGB), an eleven-member all-volunteer body appointed by the Governor, has statutory authority for the Fund. The Board reports at least annually to the Business, Research and Economic Development Committee of the Legislature and to the Governor.
- ❑ SEGF's capital has come from three one-time investments by the State; \$5 million from bond issue proceeds in 1997, \$3 million from a one-time direct appropriation in 2000, and \$1 million from the 2005 economic development bond.
- ❑ SEGF is a member of the Community Development Venture Capital Alliance (CDVCA), a national organization of entities that promotes use of the tools of venture capital to create jobs, entrepreneurial capacity and wealth to advance the livelihood of low-income people and the economies of distressed communities.

small enterprise growth fund



Impact and Metrics:

- ❑ Since inception, SEGF has invested \$8.3 million in 28 Maine companies. Combined with funds from co-investors, SEGF has participated in financings that have brought over \$55 million in private industry investment to Maine companies.
- ❑ The Fund has had capital returned from several investments, with annualized ROI's from 5% to 60%. The most successful to date was a portfolio company sold to a publicly traded company, which returned over 7 times the amount of each investors investment after four years, and may return more. Several of the 16 companies still active in the portfolio also hold the promise of strong returns on SEGF's investment.
- ❑ The companies in which the Fund has invested have created many new jobs. When one includes the jobs that still exist, despite the failure of the corporate entity, the number of net new jobs exceeds 1,250.
- ❑ Companies in which the SEGB has invested have gone on to attract equity investments from eighteen larger, often national-scale, venture capital funds and four corporations, entities that have capital for exciting companies and now are open to Maine deals, including other portfolio companies that may be able to attract additional capital to continue their growth.
- ❑ Considerable mentoring and corporate oversight has been provided to portfolio companies, enhancing the opportunity for strong execution of their business plans and success of their business. The Fund Associate position helps to increase the amount of hands-on work that the Fund can conduct for portfolio companies, a well-received outreach. In providing this early stage company support, the SEGF has a strong working relationship with other entities, both state and private, including FAME, MTL, CEI and it's venture subsidiaries, DECD and the incubators, SBDC and SBTDC, the regional economic development entities throughout the state, private venture capital firms, angel networks, and angel investors.

Double Bottom Line: In keeping with the intent of the enabling legislation, the SEGB operates the Fund with a double bottom line: financial return and public benefit return. The financial return requires patience of capital, typically 5-7 years from investment. The public benefit return can begin to be realized sooner, and is usually expressed in jobs created and increase in tax base, but can also be evidenced by a positive evolution in the climate of entrepreneurship, the growth and development of corporate managements skills, and the multiplier effects that successful Maine firms will have in spawning additional successful Maine firms. The SEGF is a critical component of the enhancement of the state's business finance offerings. and an important piece of enhancing Maine's business climate.

John F. Burns, CFA, Fund Manager
P.O. Box 619 Augusta, ME 04332-0619
(800) 228-3734 and www.segfmaine.com

small enterprise growth fund



Current Portfolio Companies by Current Stage of Development

Stage	Company	CEO	Location
Stage 1	Chemogen, Inc.	David Laconi	South Portland
	BistroFresh, LLC	Stephen Young	Camden
	RedZone Wireless, Inc.	James McKenna	Rockland
	Stillwater Scientific Instruments	David Ferris	Orono
Stage 2	Anodyne Health Partners, Inc.*	Michael Funk	Falmouth
	Blue Tarp, Inc./BlueTarp Holdings, LLC	Bond Isaacson	Portland
	Common Census, Inc.	Daniel Freund	Westbrook
	Interspec, Inc.	Michael Brennan	Portland
	Pantheon Guitars, LLC	Roger Brooks	Lewiston
	SeptiTech, Inc.	Peter Ciancette	Lewiston
Stage 3	Coast of Maine, Inc.	Carlos Quijano	Portland & Washington Cnty
	ComNav Engineering, Inc.	Martin Geesaman	Portland
	First Advantage / Recruiternet	John Long	St Petersburg, FL / Portland
Dormant	ICAM Holdings, Inc./Intellicare America, Inc.	Richard Lester	South Portland
	Phylogix, Inc.	Richard Hoffman	
	Warrior (Aero-Marine), Inc.	David Verrill	Scarborough & UK

* Recent Investments

SCHEDULE OF INVESTMENTS AND ACTIVITY LIST

Company	Security	Location	Business Type	Investment Closed	VALUATION					Total Company		Employees					
					Cost	Outstanding	Value Based on Last	Reserves	Carrying Value	At Investment	At Last Transaction	Investment	Current	Projected 2007	FT	PT	PT
Anodyne Health Partners, Inc.	Series B Common Stock	Falmouth	Healthcare software	8/31/2006	\$ -	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	\$ 9,835,126	\$ 9,835,126	50	50	25			
	Subordinated Promissory Note			8/31/2006	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 25,000.00	\$ 225,000.00								
BistroFresh, LLC	Series A Conv Pref Units	Camden	Food Mfg/Distr	05/27/05	\$ 405,222.00	\$ 405,222.00	\$ 405,222.00	\$ 40,522.20	\$ 364,699.80	\$ 1,250,000	\$ 1,725,000	2	2	12			
BlueTarp Holdings, LLC	Membership Units	Portland	Builder/Contractor Credit	12/20/04	\$ 414,790.00	\$ 107,955.00	\$ 107,955.00	\$ 53,977.50	\$ 53,977.50	\$ 7,600,000	\$ 11,114,000	11	12	30			
BlueTarp, Inc. (Delaware)	Series A-1 & A-2 Conv Pref Stock			12/20/04	\$ 87,222.00	\$ 87,222.00	\$ 87,222.00	\$ 8,722.20	\$ 78,499.80	\$ 11,114,000	\$ 16,524,664						
Chemagen, Inc.	Series B preferred	S. Portland	Biotech	12/28/01	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 25,000.00	\$ 225,000.00	\$ 1,890,250	\$ 15,200,000	4	10	15			
	Series C preferred			04/28/04	\$ 144,932.00	\$ 144,932.00	\$ 144,932.13	\$ 14,493.20	\$ 130,438.93	\$ 7,518,840	\$ 15,200,000						
	Series D preferred			05/05/06	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 5,500.00	\$ 49,500.00	\$ 15,200,000	\$ 15,200,000						
Coast of Maine, Inc.	Series A Conv Pref Units	Pld / Marion	Mktg premium organic fertilizer	02/28/00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 8,500.00	\$ 76,500.00	\$ 1,200,000	\$ 1,200,000	8	7	8	8	2	
Common Censu	Series A Conv Pref Units	Westbrook	Insurance Software	02/28/00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 400,000.00	\$ 100,000.00	\$ 3,250,000	\$ 3,250,000	8	10	0	13	0	
ComNav Engineering, Inc.	Convertible Note	Portland	Electronic Mfg	Sep-04	\$ 90,000.00	\$ 62,448.40	\$ 62,448.40	\$ 31,223.20	\$ 31,223.20	\$ 1,000,000	\$ 1,000,000	13	20	0	21	0	
ICAM Holdings, Inc. (Hilite Intelliscare America, Inc.)	Series A Conv Pref Units	So. Portland	Holding Company	11/16/99	\$ 350,000.00	\$ 350,000.00	\$ -	\$ 350,000.00	\$ -	\$ 7,850,000	\$ 20,000,000	20	1				
InterSpec, Inc.	Series A Preferred Stock	Portland	Construction Software	06/28/01	\$ 200,003.33	\$ 200,003.33	\$ 218,733.45	\$ 100,001.67	\$ 100,001.67	\$ 2,300,000	\$ 3,551,026	4	12	1	12	3	
Pantheon Guitars, LLC	Class B units	Lewiston	Guitar Manufacturing	05/14/01	\$ 238,000.00	\$ 238,000.00	\$ 238,000.00	\$ 234,939.00	\$ 3,061.00	\$ 1,000,000	\$ 1,130,000	8	13	14			
	Class D units			08/22/02	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 135,000.00	\$ 15,000.00	\$ 488,625	\$ 488,625						
Phylogix, LLC	Series B Participating Preferred Stock	Scarborough	Biotech; tissue prot./repair	12/30/03	\$ 250,000.00	\$ 250,000.00	\$ 261,224.36	\$ 250,000.00	\$ -	\$ 19,758,933	\$ 19,758,933	6	0	3	21	3	
	Series A Preferred Stock			10/17/01	\$ 150,000.00	\$ 150,000.00	\$ 167,165.15	\$ 150,000.00	\$ -	\$ 5,950,000	\$ 19,758,933						
	Common Stock Warrants			12/30/03			\$ -	\$ -	\$ -								
First Advantage (FADV)/RecruiterNet, Inc.	Promissory Note	Pborts, Petersburg FL	H. R. Software	09/28/05	\$ 247,828.00	\$ 127,136.00	\$ 127,136.00	\$ 12,713.80	\$ 114,424.20		\$ 563,000,000						
RedZone Wireless, Inc.	Series A Preferred Stock	Appleton	Wireless broadband provider	11/23/2005	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 20,000.00	\$ 180,000.00	\$ 1,300,000	\$ 1,300,000	2	4	10			
Seplitech, Inc.	Common Stock	Gray	Environmental / ww treatment	12/05/05	\$ 112,038.31	\$ 112,038.31	\$ 112,038.31	\$ 11,203.83	\$ 100,834.48	\$ 4,398,208	\$ 2,100,000	19	11.5	0	13.5	0	
Solihwater Scientific Instruments	Series A Convertible Preferred Stock	Orono	Scientific Instruments	8/9/2005	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	\$ 2,300,000	\$ 2,300,000	7	7	11			
	Convertible Note			9/15/2006	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 2,500.00	\$ 22,500.00	\$ 2,300,000	\$ 2,300,000						
Warrior (Aero-Marine), Inc.	Common Shares	Sanford & UK	Aircraft design & manufacture	04/23/03	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ -	\$ 3,550,000	\$ 3,550,000	15	0	15			

NOTE: Regarding Phylogix - Warrants to purchase 66,058 shares for \$0.10 per share. Series B round at \$0.7569

NOTE: Regarding InterSpec - Weighted average cost of shares is \$8.30 per share (\$8.70/share for 32,090 shares and \$0.0024/share for 1,395 shares). CV is lowered to half cost or \$4.10/share - \$39,978.

NOTE: Regarding Anodyne - Company value figure does not take into account an additional 1,891,958 shares that will be issued to the Principals if investors realize an IRR of over 50% on this investment at liquidation

Total	\$ 4,705,035.64	\$ 4,449,957.04	\$ 4,147,076.80	\$ 2,279,296.60	\$ 1,970,860.57	173	0	189.5	12	220.5	8
	% of Cost	\$ 0.88	\$ 0.48	\$ 0.42		Employee Growth	-1%				

SMALL ENTERPRISE GROWTH FUND - COMPANIES NO LONGER IN PORTFOLIO

Company	Location	Business Type	Investment made	Original Investment	Investment Vehicle
America's Premier Fundraisers, LLC	Portland	Mfgr Rep for Fundraisers	03/12/03	\$ 225,000	conv deb & Pref stock
Angela Adams, LLC	Portland	Interior Design	10/08/02	\$ 400,000	preferred units
Capricorn Products, Inc.	Scarborough	Mfgr antigen & antibodies	10/16/98	\$ 150,000	conv deb
Envatec, LLC	S. Portland	Software	12/11/98	\$ 150,000	conv deb
Envisionet Computer Services	Augusta	Technical Call Centers	12/02/97	\$ 150,000	deb + warrants
HCI Systems, Inc.	Kennebunk	Asset mgmt software	07/18/00	\$ 500,000	preferred stock
IntellicareAmerica, Inc. (ICAM Holdings, Inc.)	S. Portland	Health Care Services	07/26/02 - 08/26/98	\$ 400,000	conv pref & conv deb
Kreative Technical Solutions	S. Portland	Software	11/03/97	\$ 150,000	conv deb
Lyceum Communications, Inc.	Portland	Educational Software	03/08/99	\$ 500,000	conv deb
MacMahon Tool & Manufacturing, Inc.	Limerick	Machine Shop	08/31/98	\$ 150,000	conv deb
Phytex, LLC	Portland	Speciality Chemical	09/28/01	\$ 200,000	conv deb
RecruiterNet, Inc.	Portland	HR Software	06/01/01	\$ 250,000	conv pref stock
Thistle Marine, LLC	Lamoine	Aquaculture software	5/4/2001	\$ 125,000	preferred units
Yachtsaver, Inc.	Round Pond	Mfgr Flotation Device	10/13/98	\$ 150,000	conv deb
Subtotal				\$ 2,575,000	

Notes:

America's Premier Fundraisers, LLC	Company dissolved 2004; no return of equity to any investors; but positive IRR on company debenture
angela adams:	SEGB sold its units to the company; the company then sold units to other investors; strong return to SEGB
Capricorn:	Convertible Debenture was paid in full 12/30/03, 62 months after issue
Envatec:	Sold to Envapower, LLC - return to unsecured creditors (including SEGB) was \$2,521, or 1.68% of Principal.
Envisionet:	Sold to Microdyne September 2001. SEGB recover most of the principal of the note.
HCI Systems:	bankruptcy; loss of investment
IntellicareAmerica, Inc.	Sold to Polymedica November 2005. SEGB rec'd Ser C investment plus dividends; the Note held by SEGB had been fully repaid prior to the Company sale. Fund suffered complete loss on \$350,000 Ser A Investment. Overall, the SEGB rec'd \$520,020 against the \$750,000 invested.
Kreative Technical:	bankruptcy; loss of investment
Lyceum:	Assets sold to WAY Interactive (funded by Bigchalk) for \$550,000 June 2002; partial recovery to Fund
MacMahon:	Repossessed and sold assets Fall 2001; almost full recovery of principal.
Phytex:	United Feeds, PSI's partner, bought SEGB out at agreed 30% annual return
RecruiterNet, Inc.	Sold all (125,000) shares at \$11.81 for \$805,000 cash, 15,520 shares of FADV Class A Common Stock at \$25.241/share and Promissory Note for \$247,828; a return of over 7 times the Fund's investment.
Thistle:	Sold to Gulf of Maine Lobster Foundation (GOMLF) for \$1 for marine research, using the product.
Yachtsaver:	bankruptcy; loss of investment

small enterprise growth fund



*Investing in Maine companies
with the potential for high
growth and public benefit.*

Management

Fund Manager: John F. Burns, CFA

John has served as Fund Manager of the Small Enterprise Growth Fund (SEGF) since 2000. John's responsibilities include the full range of risk capital investing activities, from marketing to deal generation to investment analysis, due diligence, company monitoring and support, and the development of exit strategies. He is responsible and accountable to the Small Enterprise Growth Board, and to the Governor's office, and the Legislature.

John holds an MBA, with high distinction, from Babson College, a MS degree in resource economics from Penn State University, and a BS from the University of Maine. He served as Second Vice President and Portfolio Manager for UNUM Corporation, where he managed domestic and international portfolios. He holds the Chartered Financial Analyst (CFA) designation, and has held the Series 7 NASD license.

John currently serves on the following Boards of Directors: Maine Technology Center Coordinating Board (www.techcentersmaine.com); CEI Community Ventures (www.ceicommunityventures.com); Maine Investment Exchange (MIX) (www.mixforum.org); ConnectME Advisory Council; and Falmouth Memorial Library, Advisory Trustee.

John resides in Falmouth, Maine with his partner Nancy White and three children, Taylor, Nick and Sylvia (and one on the way!).

Fund Associate: Jayme Okma-Lee

Jayme has been with the Fund since October 2005. Jayme is involved in many aspects of Fund management, but has been particularly focused on working directly with portfolio companies on value-added assistance.

Jayme graduated Magna Cum Laude in Economics from Bowdoin College, earning the Noyes prize in Economics. She is currently enrolled in the MBA program at the University of Maine. Her experience includes sales & market and financial analysis at GM, small-company consulting experience, and small company management.

Jayme resides in Rockport with her partner Bjorn and all the animals in the veterinary practice!

Fund Assistant: Terri Wark

Terri has been with the SEGF almost since inception. She manages the day-to-day operations of the Fund, oversees all accounting and operations, and maintains strong communications with the Board and all stakeholders. Prior to SEGF, Terri worked at the Finance Authority of Maine in the Small Business and Commercial Division.

Terri resides in Litchfield with her partner Mike, and those of their six wonderful daughters who are not yet off on their own!

small enterprise growth fund



*Investing in Maine companies
with the potential for high
growth and public benefit.*

Small Enterprise Growth Board

An eleven-member Board of Directors appointed by the Governor of the State of Maine has statutory authority for the Small Enterprise Growth Fund. Board members have relevant experience or background in early-stage investing, managing or investing in high-growth small businesses, the development of technological innovation, commercial lending or securities law.

Below is a list of the Board Members and a thumbnail sketch of their areas of expertise:

- ❑ **Diane E. Sammer, Chair**, is the CEO of Emergent Music, LLC, an early stage company that is developing a platform for music discovery and promotions as well as social networking called Goombah.
- ❑ **Roger Heinen, Vice Chair**, is the Managing Director of Flagship Ventures; he joined the firm in 2000 as an Advisor Partner for NewcoGen participating in both venture creation and venture investment activities in the information technology sector. He is a highly regarded technologist and senior executive and has served as an advisor and director for a number of successful technology companies.
- ❑ **Mark E. Butterfield, Treasurer**, is currently Vice President of Commercial Lending at Bangor Savings Bank (Portland); he joined the bank in the summer of 2003. He spent the preceding seven years as one of the Finance Authority of Maine's Senior Commercial Loan Officer managing a \$140 million loan guarantee portfolio; five years as Commercial Sales Manager and Lender with Fleet Bank of Maine, Portland; and nine years as a Commercial Lender at State Street Bank, Boston.
- ❑ **Betsy Biemann**, is the Ex-Officio Member appointed by the Commissioner of the Department of Economic and Community Development. In January 2005, Governor Baldacci appointed Ms. Biemann to serve as President of Maine Technology Institute. Prior to joining MTI, Ms. Biemann served as an associate director at the Rockefeller Foundation in NYC, where she oversaw a national grant and investment program aimed to increase employment in low-income communities. Ms. Biemann also serves as a member of the Maine Science and Technology Advisory Committee, the Maine Investment Exchange Advisory Board, the Maine Philanthropy Center and the CEI Community Ventures Board.
- ❑ **Bruce Coggeshall** is the managing partner at Pierce Atwood, where he has practiced law for over 35 years. From his representation of businesses of all sizes, he brings experience in business and securities law.
- ❑ **Clayton Kyle** is a founding partner with CHK Capital Partners, a private equity investment firm located in South Portland that owns and manages several businesses in northern New England. He has also been a founding partner of a Portland based manufacturing company and spent several years in the venture capital business.

small enterprise growth fund



- ❑ **Thomas C. LeVine** is cofounder and partner of Calisto, Ltd., a consulting service providing assistance in organizing, funding and helping to accelerate the growth of private and early stage companies.
- ❑ **Frederick Rector, III** is currently Vice President of United Publications and Publisher of HME News. He also serves on several other for-profit and non-profit boards and has extensive experience in company management and venture capital.
- ❑ **Amy Salzhauer** is the Founder and Managing Partner of Ignition Ventures, Inc., a consulting and venture creation firm located in New York, NY and Cambridge, MA. Her main research and business interest over the past ten years, first in academia and then in the private sector, has been technological innovation and entrepreneurship.
- ❑ **Claude Sheer** is Managing Director of Oyster International. His corporate assignments have been concerned with the management of growth, in particular the creation and execution of new growth platforms and have focused on mobilizing new technologies, acquisition of capabilities and building management teams. Mr. Sheer served as President and member of the Board of Directors of the international media and marketing company, Ziff Davis. Currently a venture advisor to Zero Stage Capital, Mr. Sheer is also a founding principal in Barn Ventures, LLC, which invests in and accelerates early stage companies. He serves on the Boards of Lionbridge Technologies Inc (LIOX), Envoy WorldWide, Livewave.com and is a Trustee of the New Hampton School.
- ❑ **Stephen Smith** is a venture capitalist who spent 16 years on Wall Street as a top-ranked technology analyst; his expertise lies in the analysis of business plans and business models, the performance of due diligence and the development of networks and strategic relationships.