



ENHANCED CAPITAL CONNECTICUT

New Deal, New Incentives

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\$50MM- Insurance Reinvestment Funds

- **\$50 million is allocated to Green Technology**
- **4 green tech deals done in year 1**
- **Seeking more opportunities**
 - **Company size – up to 250 employees**
 - **Debt or Equity**
 - **Up to about \$7MM per investment**
 - **Must have 80% of employees in CT**

Other Private Equity Sources

- **Venture funds**
 - Up to \$10MM
- **Family offices**
 - Up to \$10MM
- **Clean tech private equity funds**
 - Up to \$50MM
- **Infrastructure funds**
 - Over \$50MM

Getting Private Equity

- **Establish a team with track record**
- **Reduce technology risk**
- **Present clear value proposition**
- **Establish a detailed pipeline**
- **Eliminate commodity price risk**
- **Eliminate regulatory risk**
- **Present capital efficient structure**
- **Leverage tax incentives**

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Appendix

Enhanced Capital Connecticut Fund Description

The Team

- **Liddy Karter**
 - Managing Director , Enhanced Capital Partners, Old Lyme CT & NYC
 - Executive Director, CT Venture Group Statewide trade association for venture capital
- **Prior work**
 - Founder and President, Angel Investor Forum Largest Angel investor group in CT.
 - CEO Resource Recovery Systems, Recycling company - Essex Ct,
 - CFO NetKey, Software Company- Branford Ct
 - VP Morgan Stanley, Investment Banking
- **Education: Columbia University; MBA Yale**
- **Hitesh Shah**
 - Associate, Enhanced Capital Partners, Old Lyme CT & NYC
 - MBA University of Hartford, BA Pune University, India, Accounting

Enhanced Capital Partners- Background

- Founded in 1999, established leader in providing capital to small businesses operating in markets underserved by traditional sources of capital.
- ECP consists of three practice groups that execute transactions involving different capital sources, geographies and structures. These include:
 - State-Focused Investment Funds
 - Tax Credit Finance
 - Affiliated Investment Funds
- ECP currently manages funds in 9 states - CT, NY, TC, CO, AL, LA, TN, WY & DC, and participates in public-private state and federal economic development tax credit programs.
- ECP works with its existing partner states, potential new states, and federal government officials to establish new investment funds that utilize different tax credit incentives.

Enhanced Capital Connecticut

- Provides equity and debt financing to small businesses that exhibit excellent growth prospects in Connecticut
- Industry focus –
 - Manufacturing,
 - Information Technology,
 - Healthcare,
 - Business Services
 - Green Technology
- Investment Profile:
 - Equity investments in the \$500,000 to \$2,000,000 range
 - Debt investments in the \$500,000 to \$3,000,000 range
 - Pre-seed investments up to \$150,000

Eligible Businesses

1. Business must have its principal business operations in Connecticut and satisfy one of the following:
 - At least eighty percent of the business organization's employees must reside in Connecticut, or
 - At least eighty percent of the business payroll is paid to individuals living in Connecticut.
2. Business must have fewer than two hundred and fifty employees.
3. Business must have less than ten million dollars in net income in the previous year.

Pre-seed company must meet following eligibility criteria:

1. been in operation less than seven years,
2. technology that is in the development stage,
3. revenues from non-grant sources of less than \$2 million, and
4. fewer than 25 employees

Other Services

Assistance with State and Federal Tax incentivized programs, including:

- New market Tax Credits (NMTC's)
- Historic Rehabilitation Tax Credits
- Brownfield Tax Credits
- Research & Development Tax Credits
- Renewable Energy Tax Credits
- Low Income Housing Tax Credits
- Film Tax Credits
- Angel Investor Tax Credits

Evaluation Criteria

- ***Business Viability:*** financial stability, high degree of potential to achieve overall projected results and favorable industry growth prospects.
- ***Dedicated and Competent Management:*** Extensive management experience in the industry.
- ***Market Potential:*** High degree of potential to achieve forecasted sales volumes due to identifiable competitive advantages, dominant market position, proprietary product or service, technological superiority, history of product quality and service, or other similar market advantages.
- ***Rate of Return:*** High probability of achieving our desired rate of return through a combination of current income and/or capital appreciation.
- ***Location:*** In CT or willing to move to CT