

For Immediate Release

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Ohio Angel Groups Accelerate Funding of Entrepreneurs

Seven Ohio groups of angel investors have formed the Ohio chapter of the Angel Capital Association (ACA), a national association of angel investor groups, to encourage the funding of early stage, high growth ventures in Ohio. As a first step, the seven groups have streamlined their due diligence process to enable swifter funding of attractive companies.

Ohio has experienced strong entrepreneurial activity over the past several years, and increasing numbers of early-stage ventures have sought funding from formalized angel groups. Many of these opportunities require capital beyond that which any individual group can provide, and as a result, the State's angel groups committed to establish a nimble and responsive approach to qualified ventures. ACA Ohio angel groups believe it is essential to address the traditional funding gap between individual angel investors and venture capital firms, and to ensure that Ohio's high-potential ventures are appropriately funded.

Consequently, Ohio's entrepreneurs now have unprecedented access to investment capital from organized angel groups, with the creation of three new groups in 2007. Entrepreneurs can now get funding from one or more of these groups to accelerate their growth plans. To streamline the process of making investment decisions and provide access to the amount of capital typically needed, the seven ACA Ohio groups have entered into a Treaty that enables the various groups to share their due diligence information, thus increasing syndication opportunities among the groups. This sharing eliminates much duplicative effort and delay for the entrepreneurs, and positions ACA Ohio angel groups as national leaders in angel deal syndication.

"While we have generally shared our work with other groups, this new Agreement will make the investing process simpler and faster" said Tony Shipley, Chairman of Cincinnati's Queen City Angels. His group is the state's oldest angel group, formed in 2001, and leads this statewide initiative.

The participating groups intend to further harmonize their due diligence processes, making it even easier for entrepreneurs to raise money throughout Ohio. The goal is to minimize duplication of effort, shorten the due diligence process, and accelerate the closing time for investments.

"Expedited funding facilitates faster market entry which can be critical to Ohio's most creative ventures," said John Huston, manager of the Ohio TechAngels.

The Ohio groups have received major assistance from the Ohio Department of Development through the Third Frontier and Edison programs, and especially through the Third Frontier Pre-Seed and Entrepreneurial Signature programs. “Without the pioneering efforts of the Department of Development, Ohio entrepreneurs would have many fewer options in raising money for high growth businesses,” emphasized Mark Butterworth, manager of the new East Central Ohio Tech Fund.

The seven groups that are signatories to the Agreement of Cooperation are:

ARCHAngels (Akron), www.akronarchangels.com;
East Central Ohio TechAngels (Athens);
Queen City Angels (Cincinnati), www.qca.com;
North Coast Angels (Cleveland), www.northcoastangelfund.com;
Ohio TechAngels (Columbus), www.ohiotechangels.com;
Core Network (Toledo), www.core-network.org; and
Rocket Ventures (Toledo), www.rocketventures.org.

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