

September 4, 2003

FOR IMMEDIATE RELEASE

Contact: John Habbert

Phone: 513-702-5500

Email: [info@qcaFirstFund.com](mailto:info@qcaFirstFund.com)

## **QCA First Fund Raises \$1.5 Million and Starts Looking for Investments**

- **QCA First Fund, a new seed-stage investment fund, has raised \$500,000 of private capital and received a \$1 Million award from the Ohio Technology Action Fund.**
- **The First Fund will make small investments in promising young technology companies that are too early-stage to attract most investors**
- **The First Fund's individual investors are seasoned entrepreneurs and managers who have committed to mentor the Fund's portfolio companies**

CINCINNATI, OHIO, September 4, 2003 – Queen City Angels, the Cincinnati angel investor group, announced that it has created a new \$1.5 Million seed stage investment fund, the QCA First Fund, with help from a \$1 Million grant from the State of Ohio's Technology Action Fund. Individuals who are members of Queen City Angels, together with Tri-State Growth Capital Fund, are providing the other \$500,000 of investment capital.

Queen City Angels is a group of 25 individuals ("angels") who invest in young companies that demonstrate the potential to grow quickly. Although QCA members invest in companies at an earlier stage than venture capital funds, they still prefer to fund businesses with a finished product and some customers. There is currently no source of funding in the Cincinnati area that fills the gap between the founder's "friends and family" capital, and investment by an organized angel group (like QCA).

The First Fund will attempt to remedy that problem. "We frequently see companies that have good potential, but are simply too immature to get money from private investors," said John Habbert, QCA member and the Manager of the First Fund. "We have created the QCA First Fund to help young companies reach the milestones needed to allow further investment from traditional sources. We have just started operations, and we already have three interesting deals in the pipeline."

The QCA First Fund investors will provide more than money. The investors--experienced entrepreneurs and senior managers--are committing their time to mentor the Fund's portfolio

companies. They will use their experience and their contacts to assist in everything from creation of the business plan and budgeting, to recruiting and sales efforts. “Advice from seasoned entrepreneurs is as hard to find as money,” according to Pat Longo, Director of the Hamilton County Business Center incubator. “By providing mentoring as well as capital, the QCA First Fund will have a big positive impact on young companies.”

Tri-State Growth Capital Fund is also an investor in the QCA First Fund. Tri-State Growth Capital Fund is a wholly owned subsidiary of Fort Washington Investment Advisors, Inc., which manages \$675 million in private equity commitments made since 1985 to more than 70 private equity funds. Given its close working relationship with so many other venture funds, Fort Washington Investment Advisors will be in a position to help secure additional funding for the portfolio companies as they mature.

Since May 2001, C-Cap, the Cincinnati region’s angel capital hub, [www.c-cap.net](http://www.c-cap.net), has been actively soliciting deals for QCA to review, and has created a substantial deal flow. QCA members have funded eleven companies to date. C-Cap will be soliciting young technology companies for the First Fund from universities, business incubators, and professional firms. C-Cap is an initiative of The Circuit, which networks technology companies in the Cincinnati region.

More information on the QCA First Fund can be found at [www.qcafirstfund.com](http://www.qcafirstfund.com) or by emailing [info@qcaFirstFund.com](mailto:info@qcaFirstFund.com).

###