

Venture capital for
growing small business

I N T R O D U C I N G

go

FUND

Alternatives
Growth
Opportunities
Fund



**LOOKING FOR
BUSINESS FUNDS?**

How does a business finance an opportunity to expand? If the business has equity and collateral, a small business loan works fine. If the business owners have capital, they can invest in the business. If it is a high-tech business, venture capital can be the solution. But for upstate, low-tech, fully leveraged small businesses, these options aren't available.



ALTERNATIVES GROWTH OPPORTUNITIES FUND

go
FUND

As a small business lender, Alternatives has responded by creating a hybrid debt/equity product, which suits the needs of small businesses - a middle ground between a loan and an ownership stake in the company. The Growth Opportunities Fund (GO Fund) encourages the development and expansion of small businesses that do not have access to equity or equity-like instruments. The goal of the Fund is to provide equity-like financing that does not require immediate repayment to support the development of small businesses that can demonstrate growth potential.

THE GO FUND BENEFITS BUSINESS

Our capital is patient.

Businesses are not required to make immediate payments to the GO Fund, which allows the businesses to use the monies for their own capital and labor expenses.

Our investment does not require collateral.

Funds from the GO Fund can be used for working capital and equipment.

Our investment will leverage other types of financing.

It's easier to attract investors when you already have capital.

Our investment does not take an ownership stake in the business.

This allows for more flexibility in management.



YOUR BUSINESS

HOW THE GO FUND WORKS

The GO Fund will assist businesses and provide returns to Alternatives and its investors sufficient to justify the level of investment risk.

The GO Fund is looking for businesses which can demonstrate the ability to grow. The product is tailored for businesses which are seeking a non-collateralized loan. The pricing exceeds that of a conventional bank loan.

The businesses will make payments to the GO Fund in two parts; interest only for six months at a low rate of 5% APR, then loan payments amortizing over ten years. After the first year the businesses will then pay the GO Fund based on a percentage of sales as the business expands, for the next nine years.

APPLICATION PROCESS

If your business is interested in this type of financing, please submit a business plan to Jeff Lawhead, GO Fund Manager. Jeff can be reached at 607-273-3582 ext. 846 or via email at jeff@alternatives.org. Jeff will review the proposal and collect further information. He will then make recommendations to the Investment Review Committee.



INVESTMENT REVIEW COMMITTEE

In addition to staff, a team of advisors will determine the terms and nature of the investments. These people include the following expert volunteers:

Rustin Howard has experience as an executive and in venture capital. He was previously President and CEO of BioWorks, Inc. in Geneva, New York, which he founded.

Brian Hunt received his MBA from Northwestern University and has experience in the private sector as a Portfolio Manager and as an Investment Officer.

Angela Noble, Director, Office of Women and Minorities in Business, Cornell University Johnson Graduate School of Management. Ms. Noble received her MBA from Cornell University and helped found the Community Enterprise Opportunity program, where she assisted small business owners and microentrepreneurs.

John Nozell, Director of Career Services, Cornell University Johnson Graduate School of Management. Mr. Nozell previously worked for Chase Manhattan Bank. His experience includes corporate financing, business plan consulting, and access to a venture capital network.

Ron Rigores, Principal in IncQbate, LLC, a high-tech incubator located in Ithaca, NY that helps companies focused on e-commerce and Internet-based products or services, by providing seed financing and business plan consulting.

George Schneider, former President of the Business Innovation Center, at the Research and Technology Park. Mr. Schneider has experience working in the private sector, consulting for technology-oriented start-ups.

TECHNICAL ASSISTANCE

The GO Fund will provide valuable assistance as needed to the businesses in which it invests. The GO Fund is a partner with Alternatives Federal Credit Union. The Credit Union has a Business Lending Department and a Community Enterprise Opportunities program, which assists microentrepreneurs. The GO Fund also has links with Cornell University and the Johnson Graduate School of Management whose MBA students can provide additional expertise.



SUCCESS

THE ALTERNATIVES GROUP

The GO Fund is a product of the Alternatives Venture Fund, a 501(c)(3) affiliate organization of Alternatives Federal Credit Union, a community development financial institution that has been a leader in community development since 1979. The Credit Union has assets more than \$30 million and has provided \$10 million in loans to businesses in the region.

ALTERNATIVES GO FUND

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