

Waveland Colorado Ventures, LLC

Fact Sheet

2002 Pool Allocation (\$5,514,441):

- Statewide Allocation: \$4,043,853
- Rural Allocation: \$1,470,588

Investment Strategy:

- **Type of Financing Available:**
 - Senior Debt
 - Subordinate and Mezzanine Debt with Warrants
 - Preferred Stock
 - Common Stock
- **Stage of Investment:** Waveland Colorado Ventures, LLC (“WCV”) focuses on those companies that have successfully completed their initial seed financing and have validated the concept of their business plan. Our team has extensive experience in providing customized debt and equity solutions for the purpose of:
 - Equipment financing
 - Working capital
 - Leveraged buy outs
 - Generational succession within family businesses
 - Organic or acquisition related growth

In certain circumstances (with particular emphasis given to the strength and related domain experience of the management team) WCV will consider participating in seed round financing.

Investment Criteria:

- **Typical Size of Investment:**
 - \$100,000 to \$500,000
- **Underwriting Considerations:**
 - Quality and depth of management team and their ability to execute their corporate vision:
 - Relevant and successful domain experience
 - Significant equity ownership
 - Products or ideas that address dynamic markets with significant growth potential
 - A leading edge or breakthrough product or service
 - Compelling market opportunities and high margins
 - Definable exit strategy (refinancing or recapitalization)

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- Debt financings will focus on repayment predicated on:
 - Debt Service Coverage Ratio
 - Collateral – Loan to Value
 - Pro-forma cash flow projections
 - Covenants
- Equity Financing will focus on the ability of the company to achieve a liquidity event which may include the following:
 - Merger or acquisition
 - Refinancing or re-capitalization
 - Initial public offering
 - Reverse merger
- Non-Preferred Businesses/Industries
 - Professional Services (Legal/Accounting)
 - Real Estate
 - Restaurants
 - Bars
 - Convenience Stores

Investment/Due Diligence Process:

Our due diligence process is designed to provide a timely response to the company seeking investment while understanding the importance of in-depth and appropriately scoped credit review. In most instances upon a review of the business plan we will be able to determine our level of interest and our ability to provide the type of financing required. This initial review should take no longer than 5 to 10 business days.

- Receipt of business plan of the company seeking investment. Particular focus should be paid to the use of proceeds.
- Credit and background analysis:
 - Financial Statements - Actual and Pro-forma
 - Tax Returns
 - Schedules of assets and liabilities
 - Budgets
 - Organizational documents
 - Marketing materials
 - Customer and vendor lists
 - Competitive assessment and industry review
- Third party validation and legal review

The Waveland Colorado Ventures, LLC Team

Rick Hayes, CEO

Rick has been associated with the investment industry since 1980. He has originated, structured, and/or placed several billion dollars in various security transactions, including private and public debt and equity. He has experience in all aspects of start-up investing, from conceptualization and initial capitalization, through sale or re-capitalization. He has particular expertise in the financial services and health care industries, and has provided advisory services to a number of start-up enterprises. Prior to founding Waveland Ventures, LLC he served as President of Waveland Capital, LLC, a privately held company that invests in the securities of small and mid-

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cap public companies. He has held senior positions at EF Hutton, Prudential Securities, and Dean Witter Reynolds. Rick is a cum laude graduate of Michigan State University where he has served as a member of the Advisory Board at the Eli Broad College of Business, School of Management. His other prior Board appointments have included Legacy Bancorp, the 13th largest Black-owned bank in the United States.

Johan Segerdahl, CFO

Johan began his career in the investment industry in 1981, serving as head of Institutional Equity Sales at Robert W. Baird & Company from 1988 to 1992. He was a Senior Managing Director and Head of Equity Sales, Trading and Research at the Chicago Corporation from 1992 until its acquisition in 1995. Since 1995 he has been the President, CEO and majority shareholder of Iron Block Holdings. His third party board appointments include: Professional Account Management, LLC, a collection agency; Vigen Laboratories, Inc., a biotechnology company; the Cardiovascular Research Board of the Medical School of Wisconsin, and the Research Foundation of the Medical School of Wisconsin. Johan received his BA from Bowdoin College and his Master of Arts in Law and Diplomacy from the Fletcher School of Law and Diplomacy (Tufts and Harvard Universities). Johan also serves as the honorary Swedish Consul for the State of Wisconsin.

Paul Deslongchamps, Chief Investment Officer

Paul has over two decades of entrepreneurial, operations and investment experience. Prior to joining Waveland, Paul was the Managing Director of Operon Partners, LLC where he managed the investment of capital and services into early stage technology companies. From 1994 to 1999 Paul served as Director of Ventures in the Office of the President of GE Capital and made investments on behalf of GE Equity, the private equity arm of General Electric. Before joining GE Capital, Paul was a Director at the online service GENie and developed new markets for GE Informational Services as well as Sterling Software, the predecessor to what became Sterling Commerce (acquired by SBC). Paul has degrees in Accounting and English from Villanova University.

Chester Schwartz, Managing Director/General Counsel

Chet has been engaged in the practice of corporate and real estate law for thirty years. During this time he has served as counsel for both public and private companies in a variety of transactions. These transactions have included merger and acquisitions and public and private debt and equity financings. Chet received his B.S. in 1967 in Business from the University of Colorado, and his J.D. in 1970 from the University of Colorado School of Law, where he was elected to the Board of Editors of the University of Colorado Law Review.

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