



NEWS RELEASE

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COMMISSIONERS KISBER, FARR ANNOUNCE TNINVESTCO FINALISTS

Will Seek General Assembly Approval to Expand Tax Credit Allocations

NASHVILLE, Tenn. – Tennessee Economic and Community Development Commissioner Matt Kisber and Revenue Commissioner Reagan Farr today announced the names of the six selected venture capital firms and two alternates named to participate in the TNInvestco program. They are:

- Tennessee Community Ventures Fund, LLC, Nashville, Tennessee.
- XMi High Growth Development Fund, LLC, Nashville and Chattanooga, Tennessee.
- Limestone Fund, LLC, Nashville, Tennessee.
- Tri-Star Technology Fund, LLC, Nashville, Tennessee.
- Innova Fund II, LP, Memphis, Tennessee.
- Council & Enhanced Tennessee Fund, LLC, Nashville, Tennessee.

The two alternate funds selected include:

- Solidus-TNInvestco LLC, Nashville, Memphis, Chattanooga and Oak Ridge, Tennessee.
- Tennessee Angel Fund, Nashville, Tennessee.

Each of the six TNInvestco funds will receive an allocation of \$20 million dollars in gross premiums tax credits which will be marketed to insurance companies to create a pool of venture capital funds for investment in early- and mid-stage companies in Tennessee. In addition, Commissioners Kisber and Farr also announced their intention to request an additional \$40 million dollars in tax credits from the Tennessee General Assembly when it convenes in 2010 in order to allow the two alternate funds to proceed as well.

The goals of TNInvestco as outlined by the commissioners are to develop Tennessee's entrepreneurial infrastructure, to bring additional capital into the state, to diversify the state's economy and to create "anchors" or "clusters" of business innovation which can result in new companies being created or spun off and new talent being attracted to Tennessee.

"Each of the funds named today brings a different set of skills and a different area of expertise to the TNInvestco program" said Commissioner Kisber. "I believe each fund has looked closely at Tennessee's strengths and has developed well reasoned strategies for developing companies with strong prospects for success."

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TNInvestco announcement

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“The funds we’re naming today are about more than simply providing capital to entrepreneurs, although that’s an important part of what they do,” said Commission Farr. “Each fund has a strong history of also mentoring and advising early stage companies and guiding them from innovation to sustainability and that’s one of the reasons they were chosen.”

The TNInvestco program was created by the Tennessee General Assembly in 2009 as part of a broad strategy to nurture entrepreneurship in the state and to jump start job creation in sectors of the economy with high growth potential.

Commissioner Farr said the funds may begin marketing their allocations and reviewing applications from companies immediately, but the law creating the TNInvestco program specifies allocations will not be received by the venture funds until January 2010.

Individual businesses interested in applying for the program may go to www.tninvestco.gov and complete an application form which will be submitted to each of the TNInvestco funds. In addition, businesses applying for the program will receive information about available help through the U.S. Small Business Administration, the Tennessee Department of Economic and Community Development’s Business Enterprise Resource Office for small and disadvantaged businesses and the Tennessee Technology Development Corporation.

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