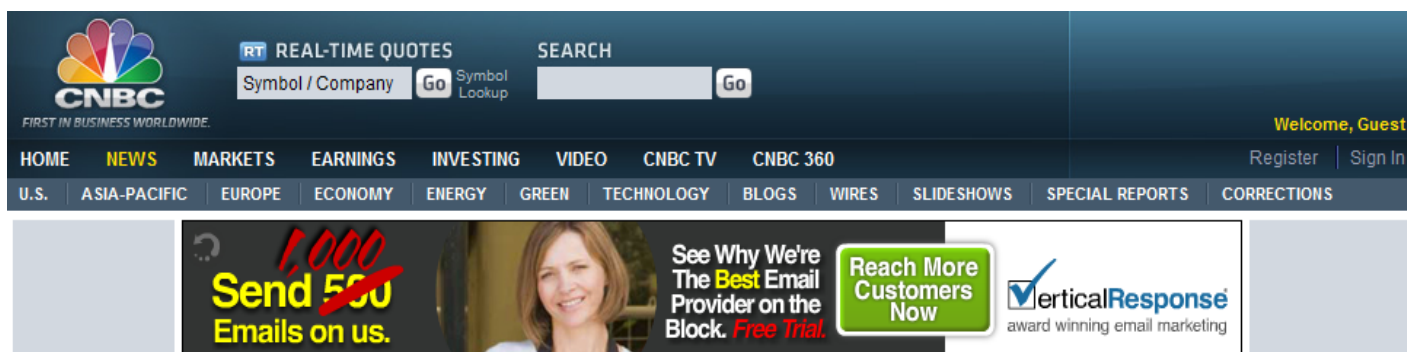


We've just held the first closing of our Royalty Fund – Please see below or view the article on your web browser (<http://classic.cnbc.com/id/40908628>)

- Andy Clapp, Jonathan Tower, Rick Waldo



The image shows the top portion of the CNBC website. On the left is the CNBC logo with the tagline "FIRST IN BUSINESS WORLDWIDE". To the right of the logo are "RT REAL-TIME QUOTES" and a search bar with a "Go" button. Below the search bar is a "Symbol / Company" input field and another "Go" button. A navigation menu spans the width of the page with links for HOME, NEWS, MARKETS, EARNINGS, INVESTING, VIDEO, CNBC TV, and CNBC 360. Below this is a secondary menu with links for U.S., ASIA-PACIFIC, EUROPE, ECONOMY, ENERGY, GREEN, TECHNOLOGY, BLOGS, WIRES, SLIDESHOWS, SPECIAL REPORTS, and CORRECTIONS. On the right side, it says "Welcome, Guest" with "Register" and "Sign In" links. A large advertisement for VerticalResponse is featured, showing a woman's face and text: "Send 500 Emails on us." (with "1,000" crossed out), "See Why We're The Best Email Provider on the Block. Free Trial.", and "Reach More Customers Now". The VerticalResponse logo and tagline "award winning email marketing" are also present.

Arctaris Royalty Fund Holds First Closing at \$18.0M Targeting a Total Fund Size of \$225M, Arctaris Provides Subordinated Debt Using Royalty Security

Published: Tuesday, 4 Jan 2011 | 10:04 AM ET

Text Size  

BOSTON, Jan 04, 2011 (BUSINESS WIRE) -- Arctaris Capital Partners, LLC, a royalty capital firm which provides subordinated debt to expansion stage companies using a non-dilutive royalty-based security, today announces the first closing of its fund, Arctaris Income Fund, L.P., totaling \$18.0 million.

Investors include institutional investors, foundations, family offices and individuals based in Florida, Michigan, New York, Virginia, Massachusetts, and New Hampshire. Arctaris is targeting a total fund size of \$225M and anticipates that it will hold its second closing for the fund in Q2 of 2011.

"We are excited as we are able to fill a void left by banks and other cash flow lenders," says Andrew Clapp, Managing Partner of Arctaris. "Arctaris provides a unique form of royalty-based debt that does not dilute the equity ownership of the founders or other investors, unlike most subordinated debt, venture funds or private equity funds." "Our loans and royalties are self-liquidating securities designed to generate gains for investors regardless of a liquidity event," says Jonathan Tower, General Partner of Arctaris. "Fund investors like the fact that our structure generates quarterly distributions of principal, interest and royalty streams -- without the whims of the IPO or M&A markets." Arctaris collects a royalty stream on the company's future sales growth, instead of taking equity or warrants from borrowers. This loan structure helps align a borrower's payments with its ability to pay. In addition, the non-dilutive feature means that the borrower's equity holders retain ownership in the company.

Arctaris Income Fund is managed by Partners Andrew Clapp, Jonathan Tower and Richard Waldo. Members of the Arctaris team have founded or have been part of previous venture and subordinated debt funds, including Brook Venture Fund I and II, Fidelity Ventures, IBM Corporate Development, Dutchess Capital, and have invested in more than three dozen companies, creating significant value for shareholders as well as fund investors.

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In November 2009, Arctaris Co-Investment, LP, a predecessor fund, invested in Beryllium, LLC, which owns Emerald BioStructures and Emerald BioSystems based in Bainbridge Island, WA, and has made six profit distributions to investors to date. Co-Investors included Gemini Investors, LP and Eastern Growth Capital, LP.

About Arctaris Capital Partners, LLC Arctaris Capital Partners, LLC is a royalty capital firm that provides debt and royalty financing principally through Arctaris Income Fund, LP to established companies seeking expansion capital to facilitate growth or change in ownership.

Founded in 2009, Arctaris is located in Boston, MA and Detroit, MI. For more information, please visit www.arctaris.com.

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