

Dates of Activity: October 2008 through December 2008
Seed Grant: Building Investment and Entrepreneurship in the San Joaquin Valley
Grantee Organization: Golden Capital Network/Pacific Community Ventures
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Description of Quarter's Activity/Impact on Partnership

1. Building local private equity investment capacity, particularly at the stages between friends/family and later-stage private equity;
2. Developing a strong infrastructure that supports entrepreneurship and business growth;
3. Initiating and sustaining venture capital deal flow generation programs and activities.

During the quarter (Oct through Dec 2008), the following activities occurred to support the overall goals:

- After a year of interviews, focus groups, research, etc. Golden Capital Network (GCN) signed a Letter of Intent to move forward with an existing Venture Capital fund to serve as the "hub" of the proposed "hub and spokes" angel fund model. As part of this process, GCN worked with legal counsel, proposed angel fund Regional Directors, and the VC fund to finalize a compelling business model that can generate high returns for investors in the Central Valley, provides sustainable capacity in the region via the link to Regional Directors, and potential for significant economic development benefit through new jobs, wealth creation and tax revenue generation.
- GCN prepared preliminary job descriptions, angel fund "spoke" marketing plans and a business competition model called "California Business Ascent" to serve as an ongoing means to generate startup business activity in the Valley. (The fund and the competitions will start in Q1 of 2009 – listed below.)
- GCN launched its Web portal www.businessascent.com. It has been built to be scalable on a community-by-community basis; to provide video uploads of startup companies along with their executive summaries, as a tool to host local entrepreneur competitions in the Valley, and to showcase angel efforts and sponsors, etc. It connects it all together via an annual statewide competition so that entrepreneurs, investors and others can make the critical cross-regional connections vital to success.
- As Equity 101 workshops serving both service providers and entrepreneurs were being planned, the unforeseen and unprecedented economic climate radically changed the level and topics of interest. It required additional expertise and upon review with and approval from the Partnership staff, it was agreed that a podcast dealing with this topic would be the most efficient and expeditious way to address this information. This podcast was released on Dec. 16 and featured experts speaking on entrepreneurship, venture capital and bankruptcy.

Planned Activities for next 3-6 months

- The MOU between Central Valley Business Incubator and its Community College partner is still under review by the college's legal department.
- GCN will have the final angel group formation guidebook document finalized in early Q1 2009 for inclusion in the Seed Fund final report.
- GCN prepared preliminary job descriptions, angel fund "spoke" marketing plans and a business competition model called "California Business Ascent" to serve as an ongoing means to generate startup business activity in the Central Valley. The fund and the competitions will start in Q1 of 2009.
- GCN worked with the Partnership to initiate the planning and lay the foundation for the launch of an entrepreneur competition that will occur via the Venture Communities platform. Templates and processes from GCN's successful Venture Island entrepreneur competition pilots will be used for this process. (It will occur in Q1 and Q2 of 2009 – listed below.)

Challenges/Problems/Bottlenecks/Feedback

- The extreme economic challenges have required all stakeholders to very quickly retool some of the initial strategies in economic development. It is very challenging, given the drastic circumstances that we find ourselves in, not to

develop a 'silo' mentality. Strong ties have been nurtured during the time of this grant and will undoubtedly bear fruit in the future as the situation stabilizes.

- The regional geographic challenges require us to focus on using all technologies available in order to most effectively disseminate information.

If you have coordinated any outreach, please describe briefly

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