

The FreshTracks Flurry

June 2008

FreshTracks Capital Announces Launch of its \$14MM Second Fund

FreshTracks Capital announced on June 2, 2008 that it has closed on \$14,000,000 of subscribed capital for FreshTracks Capital II, L.P. The limited partners of this fund include a mix of individual investors, family offices and institutions including; Middlebury College, Vermont Public Radio, the Vermont Community Foundation and Merchants Bank.

FreshTracks Capital II focuses on venture capital investments in emerging Vermont growth companies. The Fund also makes select investments beyond Vermont's borders. "We have already completed four investments in exciting growth companies out of our second fund, including NEHP, NativeEnergy, ISIS and SolarOne" said Cairn Cross, Co-Founder and Managing Director of FreshTracks Capital.

"We focus on investing in early stage opportunities," commented Lee Bouyea, Managing Director of the Fund, "These are companies earning between \$1MM and \$5MM in trailing twelve month revenue. We target investing \$1MM in each company over the life of that investment, and prefer working with other institutional co-investors to syndicate rounds larger than this size. This allows us to bring more capital to each portfolio company, as well as additional management and advisory expertise to the Board level."

"We are seeing excellent deal-flow right now, with a wealth of opportunities right here in Vermont," said Tim Davis, Managing Director of the Fund, "There are some very innovative Vermont companies that fall right in our investment criteria sweet spot. The entrepreneurial ecosystem of Vermont is stronger than ever before, with a number of vital resources available to these young companies, including the Digital Bridges program at Middlebury College, the Vermont Center for Emerging Technology at UVM, the Vermont Venture Network, and Champlain College's Bring Your Own Business program. In addition, there are more early-stage capital resources available today for young Vermont companies than ever before from groups such as the North Country Angels, UVM Ventures, the Vermont Investors' Forum and Peak Pitch."

Vermont entrepreneurs seeking capital from FreshTracks are encouraged to submit an executive summary of their business plan. "We like to work with entrepreneurs from very early on in a business' formation. Even if a company is still pre-revenue, we prefer to meet the management team, review their business plan, provide advice, and track the company's progress over time," noted Bouyea. "ISIS, *NativeEnergy* and NEHP, are all examples of businesses we tracked for many years before completing an investment. Many times we can help an entrepreneur refine their business model, introduce them to sources of seed capital and help distill their investment pitch, thereby increasing a business' chance of success."



**FreshTracks II
Current
Investments**
[ISIS](#)
[NativeEnergy](#)
[NEHP](#)
[SolarOne](#)

**FreshTracks I
Select Investments**
[Aircuity](#)
[Applied NanoWorks](#)
[Brighter Planet](#)
[EatingWell](#)
[GetWell Network](#)
[Kluster – FKA mophie](#)
[M2S](#)
[Vermont Teddy Bear](#)

Kluster Launches NameThis, Lands Press with CMS Wire and Mashable

Kluster continued its prolific ways this month by launching NameThis, another product that lives within the Kluster Labs umbrella. Here is a quote from Mashable which explains the new service:

"It's called [NameThis](#), and it gives entrepreneurs the option to capitalize on the democratization of naming stuff. Not only entrepreneurs, even. Want a better name for your own private, or corporate social network? Maybe your robot? Anything, really. NameThis is there to make the process easy. If you're willing to offer up \$99, Kluster will present your concept or idea to the collective brain power that fuels NameThis. If you're coming up empty when you're ready to stamp out a brand or commission a big banner for your new shop, the folks tossing out names at NameThis can be a major help, and probably well worth the fee."

To read the complete coverage, please click here:

[Mashable - Crowdsource Your Branding with NameThis](#)
[CMS Wire – Crowdsourcing with Kluster](#)



VTB Lands coverage in Boston Globe for its Hillary Clinton Bear

From the Boston Globe Article entitled Teddy bear maker cuts price on Hillary bear that ran June 11, 2008:

"Hillary Clinton's not only out of the running. She's been relegated to the bargain bin. A teddy bear maker that's selling bear likenesses of presidential candidates John McCain, Barack Obama and Clinton has cut the price on the Clinton model -- from \$99.95 to \$74.95 -- because she's no longer a candidate."

"The company wouldn't say how many of the bears have sold, but according to Terrien, 55 percent of those sold were Obama bears, 35 percent were Clinton bears and 10 percent McCain bears."

To read the complete article, please click here: [Teddy Bear Maker Cuts Price on Hillary Bear](#)



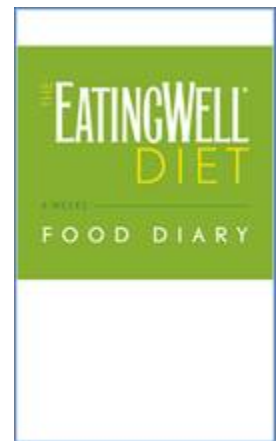
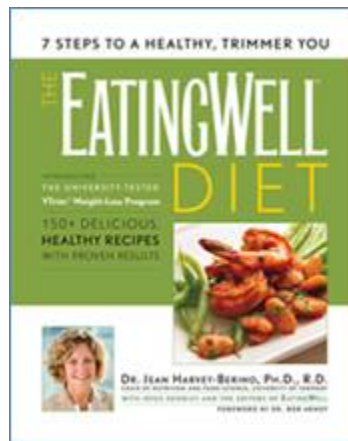
Jean Harvey Berino, In Partnership with EatingWell, Wins Prestigious James Beard Award

From UVM's University Communications:

"The EatingWell Diet by Jean Harvey-Berino with Joyce Hendley and the editors of EatingWell (The Countryman Press) combines the magazine's healthful, delicious recipes with Harvey-Berino's behavioral modification program, Vtrim, funded by the National Institutes of Health."

To read the complete press release, please click here:

[Jean Harvey-Berino Wins Prestigious James Beard Cookbook Award](#)



About FreshTracks Capital

FreshTracks Capital II L.P. (www.freshtrackscap.com) is the second fund raised by FreshTracks Capital and is part of the Village Ventures nationwide network of venture capital funds. Since inception, FreshTracks Capital I raised \$11 million and invested in 14 portfolio companies. *NativeEnergy*, *ISIS*, *NEHP* and *SolarOne* represent FreshTracks II's first four investments for the new portfolio.

FreshTracks focuses its investment in private growth-oriented businesses, primarily companies in close geographic proximity to Vermont. Its founding partners, Cairn Cross and Charlie Kireker, were joined in the third quarter of 2005 by Lee Bouyea and Tim Davis, whose bios can be found [here](#). FreshTracks is an affiliate fund in the Village Ventures national network of funds, which collectively have close to \$500 million in capital under management, directed by some 35 venture professionals in 14 distinct funds.

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