

OFFICE OF THE GOVERNOR

ROBERT BENTLEY  
GOVERNOR



DEPARTMENT OF COMMERCE

GREG CANFIELD  
SECRETARY OF COMMERCE

To: Jon Barganier for Governor Robert Bentley  
Lieutenant Governor Kay Ivey  
Speaker Mike Hubbard  
Senator Del Marsh

cc: Ann Strickland, Alabama Department of Insurance  
Kelly Butler, State Budget Office  
Bill Newton, Alabama Department of Finance  
Brian Taylor, Alabama Department of Finance

Re: 2015 Annual Review of the Certified Capital Companies

Date: March 28, 2016

The 2015 annual review of the Certified Capital Companies - Program I and II - is provided below. The information was submitted by the CAPCOs and the review of their annual independent financial audits will be completed in April, 2016. All CAPCOs in Program I have met their fifth anniversary requirement of 50% investment in Qualified Technology Businesses prior to that anniversary and five CAPCO Program I pools have voluntarily decertified, meaning they have loaned out all of their allocations.

All CAPCOs in Program II have achieved the three-year milestone of loaning 35% or more of their investment pools, with all six also exceeding the fifth anniversary (50%) milestone. Two CAPCO Program II pools have voluntarily decertified, meaning they have loaned out all of their allocations.

Under "Agreed Upon Procedures" for exiting an investment pool (voluntary decertification), the CAPCO continues to have reporting requirements until the dissolution of the funds. If at any time after the submission of the procedures report prepared by the independent certified public accountant and the decertification of the CAPCO (the "Decertified CAPCO"), the Decertified CAPCO makes a distribution of which 10% is required to be paid to the State of Alabama under the CAPCO Laws, the Decertified CAPCO will, at the time of the distribution to others, pay to the State of Alabama the required distribution via a check or wire transfer of immediately available funds. In addition, the Decertified CAPCO will provide the Alabama Department of Commerce with notice of any anticipated or proposed distribution as soon as is reasonably practicable.

**PROGRAMS I & II**

I. Number of Program I CAPCOs: 6 total (5 of which are "Voluntarily Decertified CAPCOs")

Number of Program II CAPCOs: 6 (2 of which are "Voluntarily Decertified CAPCOs")

II. Number of Certified Capital Companies holding certified capital: 5

III. Amount of certified capital invested in each Certified Capital Company:

	Program I <i>Capital Invested</i>	Program II <i>Capital Invested</i>
Advantage Capital Alabama Partners I, LP*	\$16,583,472.01	\$22,217,698.00
Aegis Alabama Venture Fund, LP	--	\$2,943,500.00
Enhanced Alabama Issuer, LLC**	\$18,717,916.00	\$20,897,433.00
Stonehenge Capital Fund Alabama, LLC**	\$19,494,068.00	\$12,413,693.50
Waveland NCP Alabama Ventures***	\$15,339,471.00	\$9,137,132.00
Whitecap Alabama Growth Fund Management Company, LLC**	\$14,619,884.00	\$11,062,783.00
Wilshire Alabama Partners, LLC**	\$11,852,570.00	--
	\$96,607,381.01	\$78,672,239.50

\* Program I and II is a "Voluntarily Decertified CAPCO," having loaned out 100% of the Program funds.

\*\* Program I is a "Voluntarily Decertified CAPCO," having loaned out 100% of the Program funds.

\*\*\*Program II is a "Voluntary Decertified CAPCO," having loaned out 100% of the Program funds.

Respectfully submitted by:

Angela C. Till  
CAPCO Administrator  
Alabama Department of Commerce

IV. Amount of certified capital the Certified Capital Company (Programs I & II) has invested in qualified technology businesses as of December 31, 2015

	Allocation	2004-2014			2015 Investments		Total Investment		Percent Invested
		Investments	2008-2014	2015 Investments	12/31/2015	Pool			
<b>PROGRAM I</b>									
Advantage Capital Alabama Partners I, LP	\$16,569,200.79	\$16,583,472	\$22,217,698	\$0	\$22,217,698	\$16,583,472	100.1%		
Enhanced Alabama Issuer, LLC	\$18,713,450.30	\$18,717,916	\$2,943,500	\$0	\$2,943,500	\$18,717,916	100.0%		
Stonehenge Capital Fund Alabama, LLC	\$19,493,177.35	\$16,556,879	\$19,869,535	\$1,027,898	\$20,897,433	\$19,494,068	100.0%		
Waveland NCP Alabama Ventures	\$19,493,177.40	\$15,222,471	\$11,686,107	\$727,587	\$12,413,694	\$15,339,471	78.7%		
Whitecap Alabama Growth Fund Management Com	\$14,619,883.05	\$14,619,884	\$7,087,132	\$2,050,000	\$9,137,132	\$14,619,884	100.0%		
Whitecap Alabama Partners, LLC	\$11,111,111.11	\$11,852,570	\$11,062,783	\$0	\$11,062,783	\$11,852,570	106.7%		
	\$100,000,000.00	\$93,553,192.01	\$3,054,189.00	\$0	\$96,607,381	\$96,607,381	96.6%		
<b>PROGRAM II</b>									
Advantage Capital Alabama Partners II, LP	\$22,091,893.43	\$22,217,698	\$0	\$0	\$22,217,698	\$22,217,698	100.6%		
Aegis Alabama Venture Fund, LP	\$5,256,857.15	\$2,943,500	\$0	\$0	\$2,943,500	\$2,943,500	56.0%		
Enhanced Capital Partners, LLC	\$22,277,857.84	\$19,869,535	\$1,027,898	\$0	\$20,897,433	\$20,897,433	93.8%		
Stonehenge Capital Fund Alabama II, LLC	\$19,330,406.76	\$11,686,107	\$727,587	\$0	\$12,413,694	\$12,413,694	64.2%		
Waveland NCP Alabama Ventures II, LLC	\$9,137,055.84	\$7,087,132	\$2,050,000	\$0	\$9,137,132	\$9,137,132	100.0%		
Whitecap Alabama Growth Fund Management Com	\$21,905,928.98	\$11,062,783	\$0	\$0	\$11,062,783	\$11,062,783	50.5%		
	\$100,000,000.00	\$74,866,755	\$3,805,484.50	\$0	\$78,672,240	\$78,672,240	78.7%		