



## SPEAKER SPOTLIGHT

### THE VISION OF FLASHLINE, INC.



Charles Stack

**Charles Stack, founder and CEO of Flashline, Inc.**, founded the company in 1998 with a vision of assisting organizations in increasing the value of their software by viewing software as an asset. His vision guides the company, providing solutions that enable organizations to improve their software development productivity. He is recognized throughout the industry as a true visionary, having been honored with awards, such as InfoWorld's "Top 10 Innovators in eBusiness," and the Small Business News "Visionary Award."

Stack has managed software development for over 20 years, with more than a decade of experience managing the development of online systems. He is credited with founding the first Internet retail store, Books.com, and is the inventor of two patented ecommerce applications. In 1996, Books.com was sold to Cendant Corporation. As a vice president, Stack opened six new Internet retail sites within 15 months, and served on design committees for

NetMarket and for Cendant core information systems.

Stack began his professional career after graduating from Case Western Reserve University's School of Law, when he developed and marketed a groundbreaking software package for the legal industry. He is a frequent speaker at conferences and trade shows, lecturing on software development, ecommerce, and the benefits of reuse as an integral part of a larger strategy to dramatically improve the efficiency of software development.

As a young attorney in 1981, Stack adhered to his adage of "in complexity lies opportunity" when he developed a new way to gather information and became involved with computers. He went on to develop a database of books for sale over the Internet and received calls from all over the world. Since that time, technology has changed dramatically, but Stack believes there is still plenty of opportunity. "There are still many, many new ideas out there. There's not a lull in economic opportunity," he notes. He also believes that CDs will become a thing of the past and that music and movies will simply be copied directly onto our computers. "In addition, the words 'artificial intelligence' will reenter our vocabulary," he says. According to Stack, the Internet will continue to be the common ground and constant input will become a way of life. However, he sees no "replacement for reading."



Eric Von  
Hendrix

### *Minorities and Venture Capital: Why a Minority Oriented Fund?*

**Eric Von Hendrix is President & CEO of MWV Pinnacle, LLC and MWV Pinnacle Management Company**, the General Partner and Fund Manager respectively of MWV Pinnacle Capital Fund, L.P., a \$25 million private equity fund created in 2003 to invest in minority-owned, controlled, or led businesses located primarily in the State of Ohio.

Prior to creating the MWV Pinnacle Capital Fund, L.P., Von Hendrix was President of Shorebank Cleveland

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## OVA MEETINGS

OVA meets monthly for lunch at  
The Union Club, 1211 Euclid Avenue.

The usual meeting schedule is:

- 11:30 Networking
- 12:00 Lunch and Introductions
- 12:45 Five-Minute Forum
- 1:00 Main Speaker
- 1:30 Adjourn

Check the calendar on page 4 for dates and speakers. For reservations, call the OVA office at (216) 566-8884, or e-mail to: [admin@ohioventure.org](mailto:admin@ohioventure.org).

# SPEAKER SPOTLIGHT

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Corporation, a \$75 million bank holding company comprised of ShoreBank, Cleveland, a state chartered FDIC-insured Community Development Financial Institution with over \$60 million in assets, Shorebank Enterprise Group, the not-for-profit affiliate, and ShoreBridge, Ltd., a mezzanine debt fund. Von Hendrix was also President & CEO of ShoreBank Cleveland and, during his tenure, led the Bank to profitability and regulatory compliance while increasing its assets by nearly 25%.

Von Hendrix believes that "changing demographics, both in the general population and the small business sector, dictates a focus on minority-owned, led, or controlled businesses." For example, by 2050, over 50% of the general population will be minority, and Ohio's minority population will double to 1/3 of the state's population. In addition, he feels that minority businesses are the fastest growing small business segment, growing five times faster than non-minority businesses. Von Hendrix says that there are about 25 minority oriented funds with about \$5 billion under management.

Historically, venture capital investment in minority businesses has proven profitable, yielding returns comparable to investments in non-minority businesses. In fact, Von Hendrix's fund successes over the past five years include Radio One; Z-Spanish Media; and Ohio's own Midwest Stamping with revenues of over \$150 million. That's reason enough for a minority-oriented fund!

Source: "Minorities and Venture Capital: A New Wave in American Business," by Timothy Bates and William Bradford, sponsored by Ewing Marion Kauffman Foundation.

## Payroll With Paycor, Inc.

Robert Coughlin, founder and CEO of Paycor, Inc., is a graduate of Miami University of Ohio and the 1997 Entrepreneur of the Year in Cincinnati. Coughlin is also an advisor to the entrepreneurship program at Ball State University. He founded Paycor in 1990 by selling \$500,000 shares of stock to friends and relatives, and by obtaining an SBA loan. The company's mission is to be a leading provider of payroll and human resources systems and services to small and middle market companies.

Paycor has over 170 associates and services over 4,000 clients in 48 states and ranks in the top three privately held firms nationally in its industry. It is currently a Primus Venture Partners portfolio company and has been recognized with awards, such as: an INC. 500 company and the Company Service Award from the Cincinnati Chamber of Commerce.

Coughlin has had to jump his share of hurdles, one of which was the untimely death in 1997 of one of his top management executives. He asked himself many questions at the time—Sell? Get another license? Buy another company? Build? What to do?

From 1998-2000, Coughlin worked on software development and conversion. He created the Flying Pig Marathon in Cincinnati. And, in 1999, Paycor became associated with Primus. Even with a large investment by Primus, the company was slow to restart its sales engine, but by 2001, the company's debt was paid off and the future became positive.

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# FIVE-MINUTE FORUM

## DECEMBER 8 MEETING:

**Think-A-Move, Ltd.** is a research and development company in Cleveland that is currently in a \$1 million financing round. Think-A-Move has three U.S. patents and several international patents in two major areas: hands-free device control and superior communication. Its **InnerVoice** technology is a hearing aid-like device that acts as the "voice" of the body through pressure changes in the ear canal. Its hands-free device control is a non-invasive system with an extensive set of commands and the ability to control virtually any device. In addition, its inner-ear microphone/speaker provides superior noise filter processing mathematics because ambient noise has no effect.

The company is seeking to establish strategic relationships in the Cleveland community. For information, call **Jim West** at (216) 765-8874, or via [jwest@think-a-move.com](mailto:jwest@think-a-move.com).

## Paycor

(Continued from page 2)

Coughlin now owns 41% of the stock; 14% is with inside share-holders; 7% is a stock option allocation; and 38% is with outside shareholders. Paycor also boasts a strong board of directors. Its future projections include a 35% internal growth rate; more Internet-based services; \$40-50 million in revenues by 2006; and another acquisition in 2004.

Coughlin's words of wisdom include: "Be thankful for what you have; pick partners who share similar values; think long-term; be good at human resources; find the balance; listen to you clients; and share the wealth."

## JANUARY 12 MEETING:

**The Wireless Entertainment Broadcast Network (WiEBN)** of Berkeley, CA, aims to be the premium provider of sports and entertainment for those consumers who are willing to pay. WiEBN offers technological advances that provide near TV-quality video on existing wireless networks. As bandwidth increases and personal electronics converge on the cell phone, the experience will continue to become richer. The cell phone will become the centerpiece of all consumer devices over the next 3-5 years. WiEBN wants to create a broadcast network that offers consumers different sports options and expand into other areas of entertainment for variety. Users pay a subscription fee for access to basic content; higher fees apply for "premium" content. Broadcasts will be fed from networks, events, and other content providers to central servers for distribution over the cellular network. For information, contact **Benjamin Davis, III**, at (415) 722-6401 or via [Ben.Davis@WiEBN.com](mailto:Ben.Davis@WiEBN.com).

## FEBRUARY 9 MEETING:

There were no five-minute forum presentations in February.

## INNOVEST 2004

**Venture Capital  
Conference  
May 13-14, 2004  
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Cincinnati, OH**

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**For additional information, contact: Charles Burkett (216) 229-9445, x157**

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Lloyd Bell

As the **Director of the Corporate Finance Group** at Meaden & Moore, **Lloyd W.W. Bell, III** advises owners on the strategies necessary to build long-term shareholder value. He assists his clients with value growth—seeking opportunities to build value and understanding risks that erode value—with the goal of helping to achieve the business owner’s liquidity goals. This assistance often involves buying or selling a business, securing adequate growth capital or optimizing the company’s capitalization.

Bell’s range of expertise extends to all aspects of financial and operational management. His experience allows him to identify the drivers of corporate value, which is vital in assessing the viability and worthiness of capital transactions. His knowledge of the financial marketplace enables him to structure transactions in a manner most advantageous to his clients. In addition, Bell provides business owners with advice on financial management, including performance measurement, costing and budgeting, with the goal of maximizing shareholder value. Before joining Meaden & Moore, he held positions in credit, finance and commercial lending with a commercial lending institution.

Bell received an undergraduate degree in economics from Denison University and an MBA with a concentration in banking and finance from Case Western Reserve University. His professional development includes memberships in the Alliance of M&A Advisors, where he is certified in mergers and acquisitions, and the Institute of Business Appraisers, where he is a certified business appraiser. In addition, Bell is a member of the Association for Corporate Growth, the American Society of Appraisers, and, of course, the Ohio Venture Association. He is active on the Vestry and is an Executive Committee member at St. Paul’s Episcopal Church in Cleveland Heights.

## CALENDAR OF EVENTS



### Speakers for Upcoming Meetings:

- May 10** James J. Hummer  
*Whole Health Management*
- June 14** Jonathan E. Dick  
*Primus Venture*
- July 12** Packy Hyland  
*Hyland Software*

*This newsletter is not to be considered as an offering of securities, which can only be made through circulars provided to qualified investors.*

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