



**opportunityreturns**

Creating more jobs for today and tomorrow

OFFICE OF THE GOVERNOR  
Rod R. Blagojevich – Governor

**news**

**FOR IMMEDIATE RELEASE**

**CONTACT**

December 14, 2006

**Abby Ottenhoff 312/814.3158**  
**Rebecca Rausch 217/782.7355**  
**Andrew Ross 312/814.8193**  
(DCEO)  
**Mark Harris 312/814.0095**  
(DCEO)  
**Laura Pearl 847/492.1111**  
(Ceres)  
**Nicole Loftus 630/833.8441**  
(Zorch)  
**Susan Kunz 303/413.8616**  
(Solidware)

**GOV. BLAGOJEVICH ANNOUNCES INVESTMENT IN WOMAN-OWNED VENTURE CAPITAL FUND THAT TARGETS EARLY STAGE, HIGH-GROWTH COMPANIES**

***Ceres Venture Fund, L.P. Makes First Investments in Two Innovative Start-Up Companies***

CHICAGO – Gov. Rod R. Blagojevich today announced a \$700,000 investment in the Ceres Venture Fund, LP, a woman-owned, Evanston-based venture capital fund, to continue to provide critical capital to help promising young companies grow. Through this partnership, Ceres will invest in Chicago-based Zorch International, Inc., a brand management and promotional product management services company that will help the company continue to build revenue and create Illinois jobs; and Solidware Technologies Inc., an early stage software company that reduces defects in software code, which will help the company establish a product development operating center in Champaign. The state contribution comes from the Illinois Department of Commerce and Economic Opportunity (DCEO) and is part of Opportunity Returns, the Governor's comprehensive economic development strategy to create jobs and expand the economy.

"Since entrepreneurs are the backbone of our economy, nothing is more essential for them to develop successful new companies than early stage capital. By investing in the Ceres Venture Fund, the only woman-owned venture capital fund in the state, we are helping to address a critical shortage of this type of financing and continuing to build a business environment that encourages innovation. As a result, promising firms with great potential like Zorch and Solidware are getting the resources they need to build their businesses and create new, high-paying, Illinois jobs," Gov. Blagojevich said.

The Ceres Venture Fund, LP, established earlier this year, is a venture capital fund

dedicated to funding high growth businesses in the Midwest and focuses on investment opportunities in information technology, healthcare and business services areas. Ceres is owned and managed entirely by women with more than 60 years of experience in venture capital and operating early stage companies. Ceres has a particular, but not exclusive interest, in financing women-led businesses. The investments in Zorch and Solidware represent the fund's first two investment deals.

Zorch International was founded in 2002 by industry veteran Nicole Loftus to provide a more sophisticated, streamlined and customer-friendly model for managing the promotional products and branded merchandise used by major corporations for employee, customer and general outreach programs. Promotional products represent an \$18 billion market, and Zorch's clients include Motorola, BP and AT&T. The Ceres financing includes participation from new and existing investors. Funds will be used to finance the expansion of existing contracts and service international programs. Zorch has 30 employees and expects to add 25 more jobs in 2007.

Solidware, a fast-growing company based in Boulder, Colorado, delivers innovative software tools that reduce defects in software code. Studies show that 75 percent of software development costs are spent on finding and fixing defects, which is estimated to reach \$400 billion this year. The company recently licensed state-of-the-art software testing technology from the University of Illinois at Urbana-Champaign to complement its existing Adaptive Analysis Technology™. With the completion of this funding, which also includes support from Illinois Ventures, LLC, the company intends to establish a product development operating center in Champaign. The company will begin with two to four employees and expects to expand in the future.

"On behalf of Ceres, we are thrilled to be working with Zorch and Solidware, two innovative and deeply experienced companies on the path to tremendous success. Ceres is one of the few venture funds focusing its efforts on young growing businesses in the Midwest, and I praise Governor Blagojevich for helping us address this critical need for funding early stage companies to facilitate their growth," said Laura Pearl, Managing Director of Ceres.

"These are exciting times at Zorch. Each year sales have increased 400 percent, and Zorched corporations are saving millions. My thanks to Ceres for providing valuable resources and experience to assist in our expansion and to Governor Blagojevich for his commitment to investing in early stage funds," Nicole Loftus, President and CEO, Zorch International said.

"Software is everywhere, and with exponentially increasing complexity, scale and other mounting challenges, software quality cannot be ignored, downplayed or saved for post-shipment patches. We are excited about our partnership with the Ceres principals, who have depth and breadth of experience in successfully building businesses, and we look forward to our growth in Illinois," Susan Kunz, CEO of Solidware said.

In 2005, Illinois captured just 1.3 percent of the nearly \$23 billion of venture capital invested nationally, and seed and early stage venture capital, which are

critical to keeping start-up companies afloat and growing, are even more difficult to come by. Illinois is making progress, however, reporting roughly \$47.3 million in early stage capital for the first half of 2006, about 3 percent of the national total, which has more than doubled Illinois' percentage from the same period last year. This data comes from the PricewaterhouseCoopers and National Venture Capital Association MoneyTree™ Report.

The state's investment in Ceres Venture Fund, LP comes from DCEO's Illinois Seed/Angel Fund, which is investing in other seed stage venture funds across Illinois. Gov. Blagojevich has announced a combined total of \$1 million from this fund towards the ARCH Development Fund and Tri-County Venture Capital Fund, which are already investing in promising companies throughout the state. These investments in Illinois funds not only work to help small businesses grow and create jobs, but will also help to keep these companies in the state.

"In order to have a robust regional economy, it's important that the necessary resources are available for our young businesses, especially when it's a matter of vital start-up dollars that can make or break a promising, high-growth company. I commend Gov. Blagojevich and the Ceres Venture Fund for stepping up to address this need, which is going to provide a lifeline for many fledgling companies," State Senator Jeff Schoenberg (D-Evanston) said.

"By investing in our young companies today, Gov. Blagojevich and I are helping to keep them in our region so they can grow and create more new good jobs tomorrow. The state must continue making these kinds of important investments that will support high-growth, women-owned business and take advantage of the many innovations taking place across the region," State Rep. Julie Hamos (D-Evanston) said.

"Illinois must continue investing wisely in start-up companies to help create more good-paying jobs, and there is no better place to do that in the Champaign-Urbana community," State Rep. Naomi Jakobsson (D-Urbana) said.

"Gov. Blagojevich and I strongly believe that in order to create good jobs we must be strategic about providing our young, innovative firms with the resources they need to develop into economically viable and sustainable companies. This investment will help to get the ball rolling in what we hope will be a stronger investment climate in the region and across Illinois," DCEO Director Jack Lavin said.

Illinois led the nation in monthly job growth this year in both April and July, which has never happened twice before in one year in recorded history. The total number of new jobs created this year is 77,300, which is the best start to a year since 1999 and best in the Midwest. Since January 2004, Illinois has gained more than 152,000 new jobs, which is also best in the Midwest.

The Illinois unemployment rate has dropped to 4.1 percent, which is its lowest level in recorded history. It has remained at or below the national rate for six consecutive months, which is the first time this has happened in seven years. The state has dropped below the national unemployment rate for the fourth time this year, which is the first time this has occurred in eight years. The federal

Bureau of Labor Statistics and the Illinois Department of Employment Security compiled these statistics.

Site Selection Magazine also ranked the Chicagoland area the top metro region for new and expanded corporate facilities in 2005, while Illinois was ranked third in the nation. Business Facilities Magazine named Illinois the top state for biotech growth last year.