



Press Release

Office of Economic Development

FOR IMMEDIATE RELEASE

Contact

Steven Brewster (408) 535-8168
San Jose Office of Economic Development
steven.brewster@sanjoseca.gov

San Jose's Catalyst Fund Names Inaugural Venture Funding Deal

Bentek is First Company to be Funded through the City of San Jose and Pacific Community Ventures Joint Funding Program

SAN JOSE, CALIF. — (June 28, 2007) — The City of San Jose, America's 10th largest city, announced today that the Economic Development Catalyst Program (EDCP) has chosen Bentek Manufacturing, Inc. as the first recipient of an investment from its strategic equity investment program. San Jose-based Bentek, providers of high-complexity subsystems and assemblies to capital equipment manufacturers, will receive \$350,000 in investment capital from The City of San Jose and \$2,575,000 from co-investors, including Pacific Community Ventures (PCV) and its affiliates.

“Bentek represents the ideal company to be supported by the Catalyst fund. It is a healthy company with the potential to experience rapid growth,” said Paul Krutko, chief development officer, City of San Jose. “The Catalyst fund is intended to bridge the sometimes difficult transition from start-up to sustainable long-term success. In Bentek we see the next great San Jose success story of growth and innovation.”

The EDCP/PCV investment will fund the expansion of Bentek's operations by providing increased working capital in support of the Company's growing revenues. In addition to Bentek's manufacturing capabilities, the company's engineering group has undertaken a major design effort to improve the performance and reliability, while lowering costs, of the power systems for a major semiconductor equipment manufacturer. Over the next several years, Bentek's plans will require hiring a significant number of low- and moderate-income workers in their San Jose-based headquarters. Thanks in part to this infusion of capital, Bentek is expected to record its second largest quarter in its history.

The EDCP, with PCV and its affiliates serving as the investment manager of the program, was developed to catalyze economic growth within San Jose by supplementing city funding with private sector financing. The Catalyst Fund will help build the City's tax base, create quality jobs for local residents and facilitate the integration of other small business programs and services.

“This latest round of funding will allow us to better serve our customers and hire a significant number of new employees in San Jose” said Matt Pitchon, CEO of Bentek. “We look forward to continuing to grow our business in the City of San Jose.”

The Catalyst program has dual objectives—providing competitive financial returns so the funds can ultimately be re-invested in other San Jose businesses and creating quality jobs for lower-income workers. These twin objectives go to the heart of PCV. “We are focused on making investments that deliver superior financial returns, while at the same time creating sustainable economic opportunities for lower-income workers. We’re confident Bentek will achieve both of these goals,” said John Thornton, managing director of Pacific Community Ventures. “Our partnership with the City of San Jose—and in turn with companies like Bentek— helps to secure the future growth and development of the region for all its residents, and we are proud to be part of that innovation.”

About Bentek

Bentek provides high-complexity, low-volume subsystems and assemblies to capital equipment manufacturers. The company's customer base includes semiconductor equipment manufacturers, flat panel market equipment manufacturers, and RFID equipment manufacturers. Bentek also works with OEMs in the government and aerospace industries. For more information, visit www.bentek.com/company.html.

About Pacific Community Ventures

Pacific Community Ventures, formerly Silicon Valley Community Ventures, is a 501(c)(3) organization. Incorporated in late 1998, PCV and its affiliates currently manage three profit-making investment funds, PCV Investment Partners I, II and III. Based in San Francisco, PCV invests in, and helps develop, selected businesses that provide substantial economic benefits to low-income communities throughout California. PCV provides targeted venture capital, critical business advice and resources, as well as access to a powerful network of individual and corporate partners. In making investments from its venture funds, PCV seeks double bottom line returns, meaning that it expects strong financial returns, measured in terms of internal rate of return, as well as social returns, assessed in terms of the number and quality of jobs that portfolio companies are able to provide to lower-income individuals in California communities. For more information, visit www.pacificcommunityventures.org.

About the City of San Jose’s Office of Economic Development

The City of San Jose's Office of Economic Development (OED) is committed to a vital, competitive San Jose economy that increases prosperity for people and companies and enhances City revenues. The Office guides the City's economic strategy, provides assistance for business success, helps connect employers with trained workers, and provides art and cultural resources to our community. For more information, please visit, www.sjeconomy.com.

About the City of San Jose

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, work, live, play and learn. For more information, visit, www.sanjoseca.gov.

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