

**FOR IMMEDIATE RELEASE**

**FOUNDERS EQUITY INC. ANNOUNCES FINAL CLOSING OF  
FOUNDERS EQUITY SBIC I, L.P.**

*NEW YORK, NY, September 20, 2004* - Founders Equity Inc. a New York City-based private equity firm announced today the final closing of Founders Equity SBIC I, L.P. With the closing of this fund and with affiliated funds, Founders Equity Inc. has approximately \$140 million under management.

Investors in Founders Equity SBIC I, L.P. include affiliates of leading financial institutions such as Colorado PERA through its Targeted Opportunities Program, Citibank, HSBC, JPMorganChase, and Washington Mutual and a European investor, RWB, advised by Capvent. In addition, the New York State Common Retirement Fund, the second largest public pension fund in the U.S., has committed \$20 million to a side-by-side affiliated fund specifically for investments made in the State of New York. "I am proud to welcome Founders Equity as the Retirement Fund's newest investment partner in its \$298 million in-state private equity program. Through Founders, we are creating even more opportunities to help New York State businesses expand and add jobs," said New York State Comptroller Alan Hevesi, sole trustee of the New York State Common Retirement Fund. "I look forward to the fund's first investment in New York State."

Warren Haber, a founding partner of Founders Equity Inc. stated "We are pleased to have major financial institutions as our limited partners along with several family offices and high net worth individuals that have invested with us for more than 30 years. We expect to accelerate the pace of investments from our historical 1 to 2 investments per year to 4 to 5 investments per year. John Teeger and JD White, who have been partners for over 20 and 10 years, respectively are an integral part of this investment activity along with a number of key additions to our team."

Since the Fund's first closing in 2003, Founders has added significantly to its staff. Dolores Arton joined as Principal & CFO in 2003 after a 13 year career in investment banking, most recently at Citigroup, where she was a Director in Global Investment Banking Management. Ryan Kelly also joined the firm in 2003 as a Senior Associate. Ryan has more than 6 years of private equity experience, most recently at J.H. Whitney & Co. Roger Vincent joined the firm in 2004 as a Senior Associate and has a cumulative 6 year background in venture capital and private equity at the Sprout Group and DLJ Merchant Banking.

Founders is seeking investments in small to middle market companies with EBITDA in the \$2 to \$15 million range in the following industries: business and marketing services, outsourcing and logistics, healthcare services, environmental services, security systems, oilfield services, consumer products and services, food and food service, franchising and niche manufacturing.

Founders' principals have had significant operating experience and strive to be value-added partners with entrepreneurial owners and management teams. Since 1969, Founders Equity has been actively engaged in private equity investing and in enhancing the value of small to mid cap enterprises. Founders has initiated acquisition programs, restructured businesses, raised debt and equity in private placements and public offerings, and realized liquidity to maximize value, both as pro-active investors and as corporate executives.

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