

## **Wellington Financial Announces Fund III Second Closing**

*New \$400 million Investment Program Under Way*

**Toronto, Ontario (August 31, 2006)** – Wellington Financial LP, a privately held specialty finance firm, today announced the second closing of Wellington Financial Fund III, structured to finance up to \$400 million in new debt transactions.

Fund III is expected to be capitalized with \$125 million in recirculating equity commitments from several leading Canadian institutional investors. Fund III institutional limited partners include the Canadian Commercial Workers Industry Pension Plan, the Canadian Medical Protective Association, Clairvest Group Inc. (CVG:TSX), Industrial Alliance Insurance And Financial Services Inc., and VentureLink Funds.

“The financial marketplace will always need innovative, responsive lenders,” said Mark McQueen, President and Chief Executive Officer of Wellington Financial. “Wellington Financial’s goal is to be the first port of call for Canada’s best growth companies, regardless of their economic sector or region.”

Founded in 2000, Wellington Financial provides bridge, term and venture debt loans. It can lead transactions between \$1 million and \$30 million in a broad range of Canadian business sectors.

Fund III is a successor fund to two previous entities. Wellington Financial Fund II was capitalized with \$83 million in recirculating equity funding commitments, and led over \$104 million via 18 loans over a 28-month period. Wellington Financial Fund I, created in 2000, led \$18.5 million in loans to five different companies.

Wellington Financial is a recognized leader in providing unique and flexible financing solutions to private and publicly traded Canadian growth companies.

Wellington Financial’s current and prior portfolio companies include many of Canada’s most exciting and recognizable growth firms, including:

- Airborne Entertainment Inc., named the “2005 Venture Capital Deal of the Year” by the Canadian Venture Capital Association;
- Basis100 Inc., acquired by The First American Corporation in 2004;
- MKS Inc., one of Canada’s fastest growing publicly traded software companies; and
- Top Aces Consulting Inc., named in June 2006 as “Canada’s fastest and fiercest company” by the Globe & Mail’s report on [Small] Business Magazine.

“We are delighted with our association with Wellington Financial,” said Garner Bornstein, Chief Executive Officer of Airborne Entertainment. “Their timely financing, sponsorship and advice was a key part of our success over the past two years.” Leading venture capitalist and Toronto Venture Group director Rick Segal added: “Mark McQueen and his team should be your first stop for debt financing in Canada. They can be trusted.” Mr. Segal is a partner with J.L. Albright Venture Partners.

“The track record of Fund II speaks to the success of the clients that we’ve had the pleasure to serve over the past two years,” added Mr. McQueen. “We are grateful for the support we have received from the institutional limited partnership community, and we are delighted to welcome all of our core institutions back with their participation in Fund III.”

“We have a disciplined investment approach that benefits both our investors and the companies we support,” said Ken Rotman, Chairman of Wellington Financial and Co-CEO of Clairvest Group Inc. “The fact that those involved with managing Wellington are prepared to put their own money beside that of outside investors speaks to our collective commitment to the business strategy and the tremendous success achieved to date.”

Wellington Financial has led more than \$120 million in debt financings via 23 announced transactions since its founding, making it one of the most active funds of its kind in Canada. Fund III will continue to follow the same proven model by assisting both public and private companies with a demonstrated customer following, talented management and well defined growth strategies.

### **About Wellington Financial LP**

Wellington Financial LP is a privately held specialty finance firm providing operating lines of credit from \$1 million to \$5 million; term loans and amortizing loans from \$2 million to \$30 million; and venture debt loans from \$2 million to \$10 million. Wellington Financial LP manages Wellington Financial Fund II, an \$83 million debt fund and Wellington Financial Fund III, a proposed \$125 million debt fund. Wellington Financial clients vary in size and business model, but generally have current year revenue in excess of \$5 million. Wellington Financial is managed by a partnership controlled by Fund management and Clairvest Group Inc. (CVG:TSX), who jointly have contributed a large financial stake in Fund II and Fund III. Limited partners include several Canadian institutional investors, such as pension funds, life insurance companies and money management firms. Please visit our website at [www.wellingtonfund.com](http://www.wellingtonfund.com).

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