



Celebrating Long Term Success

Annual Report 2008

The logo for Connecticut Community Investment Corporation (ctcic) features the lowercase letters 'ctcic' in a bold, dark blue font. A light blue, curved swoosh element arches over the letters, starting from the left and ending to the right of the 'c'.

Connecticut Community Investment Corporation

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Our 2008 Annual Report celebrates the long term success of some of our small business borrowers as well as the long term success of the loan programs provided by CTCIC and its sister corporations - the New Haven Development Corporation and the Technology Investment Fund, Incorporated.



To have long term success in business, you need to be nimble and able to adapt to changing business environments in your industry and/or the economy at large. You have to be a survivor. Unfortunately, we are in the midst of unprecedented times that truly test small business survival skills.

Through the first quarter of our new fiscal year, we have witnessed the impact of the current global recession on Connecticut and Rhode Island small businesses and their owners. Many will need additional assistance to survive. But as the demand for help rises, resources are diminishing. As an economic development lender, we recognize the importance of making loans and providing technical assistance to small business in this adverse environment. We also recognize that, as an organization, we need to be more flexible and more resourceful to address the changing capital needs of our borrowers.

Over the last year, we believe we have positioned CTCIC both financially and organizationally to work through the current downturn and to make a positive difference in the coming year. Taking a page from the agile small businesses highlighted in this year's Annual Report, we are trying to be proactive, rethinking how to best increase lending while protecting our funders and CTCIC from unnecessary loss.

It will be a challenge, but we are up to the task.

Sincerely,

Mark S. Cousineau
President

Debbie Maiorana joined CTCIC in December, 2007 as a Loan Assistant. Debbie has spent the majority of her 20-year career in the mortgage industry, both in residential and commercial lending. Her experience spans all facets of the mortgage process – from sales to closing. Prior to that, she worked for one of the major real estate firms in Connecticut as a sales manager and financial counselor. Debbie has also served on the Business Advisory Council for ACES.



Debbie Maiorana

Ericka Latimore has been with CTCIC since June, 2007, when she started as a credit intern. After receiving her MBA in January, 2008, she stayed on to help service 504 loans. She officially joined the staff in June, 2008 as a Lending Associate/Analyst and currently underwrites for the Microloan and SBA 504 Loan Programs. A big believer in community service, Ericka supports Students In Free Enterprise and Alpha Phi Omega.



Ericka Latimore

Carolyn Welch joined CTCIC as a Vice President after a long career in Banking, both in Connecticut and Western New York. Carolyn has over twenty-five years of commercial lending and management experience. Carolyn received her formal credit training through JP Morgan Chase. Throughout her career, Carolyn has been very active in civic affairs serving in leadership capacities for a number of organizations.



Carolyn Welch

Commercial Resources provides SBA 504 loan services for RICIC.

Jim Roche is the principal and founder of Commercial Resources. Jim has over 20 years experience in banking, commercial real estate lending, credit analysis, and operations business consulting. During his 16 year banking career, Jim successfully started and managed commercial loan departments for several lending institutions throughout New England.



Jim Roche

- SBA 504
Established in 1981

- SBA Microloan
Established in 1993

- SBA Microloan/Childcare
Established in 1997

- EDA Defense Diversification
Established in 1995

- EDA Technology Investment Fund
Established in 1982

- Community Reinvestment Fund
Established in 2007

- CTCIC/NHDC Direct Loans
Established in 1972

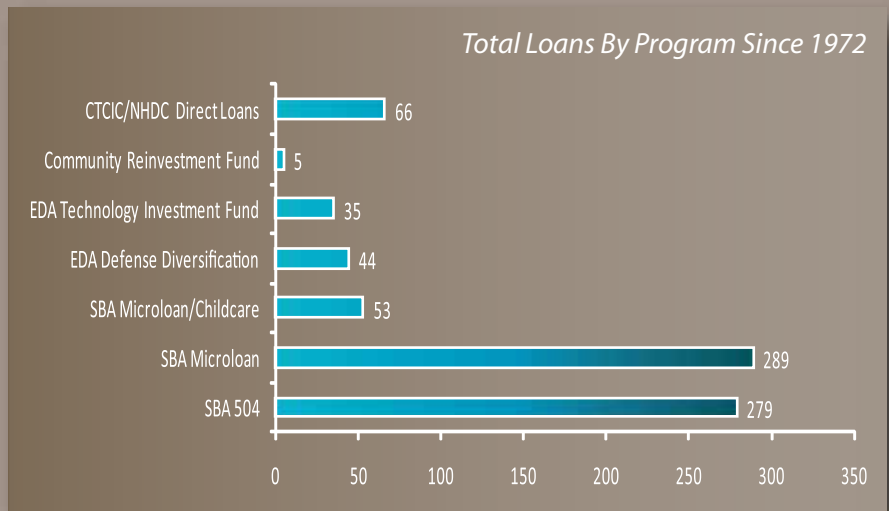
At CTCIC, we seek opportunities to help small business grow and flourish by combining our expertise with our clients' professional experiences and goals.

For over 36 years, CTCIC's lending programs and services have produced exciting results for small businesses in Connecticut and Rhode Island.

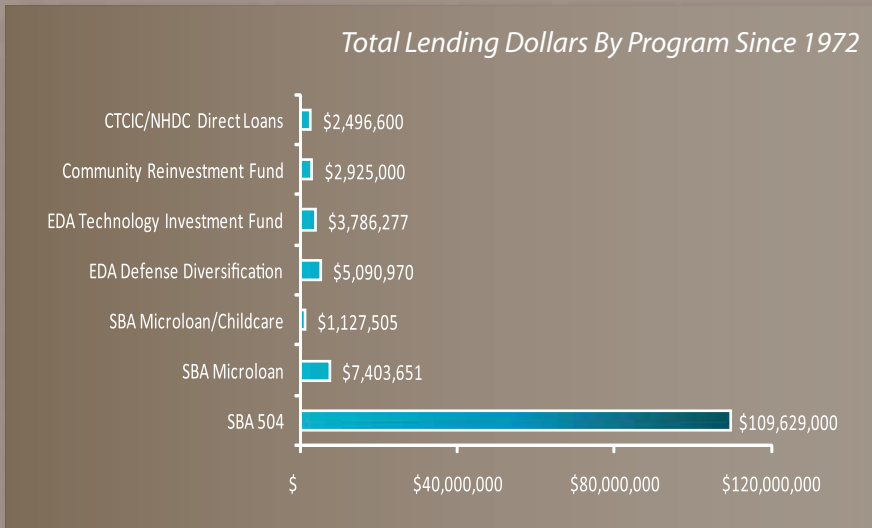
Since 1972, our team has been committed to providing small business owners with access to capital that may not be available elsewhere. CTCIC's unique financing packages and excellent customer service have helped to expand businesses that will have a positive impact on the communities they serve.

Over the years, CTCIC has reached many significant milestones and secured itself for long term success. Our measurable accomplishments are many, but in 2008 a few key accomplishments really stood out...

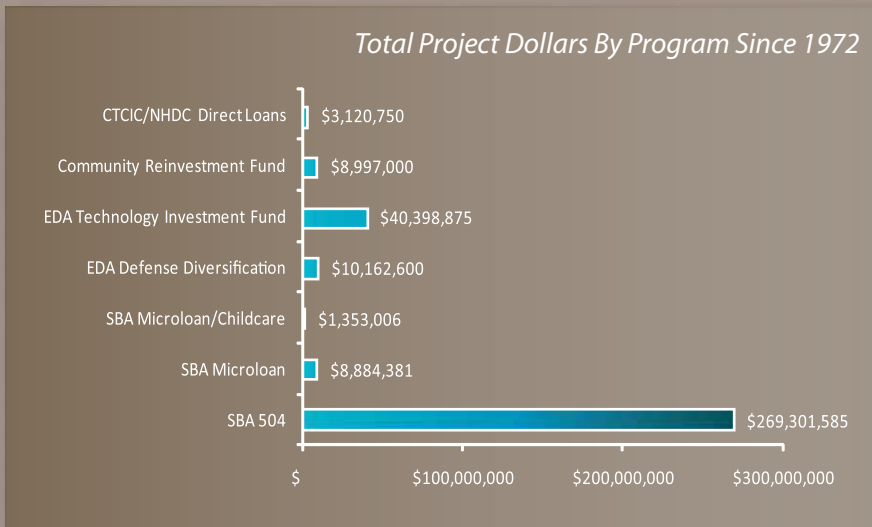
CTCIC has now provided over 770 loans (across its various lending programs) to small businesses in Connecticut and Rhode Island.



By 2008, CTCIC loans accounted for over \$130 Million in Lending Dollars...



And well over a Quarter Billion Dollars in Total Project Dollars.



“CTCIC and its sister corporations New Haven Development Corporation and Technology Investment Fund, Incorporated have a shared history of promoting economic development. We are proud to be part of the organizations that produced the numbers behind the graphs below. It's not the numbers, however, that keep us coming to work everyday. It's the 700 stories behind the numbers”

CTCIC Staff

Those numbers not only represent CTCIC's continued growth, but also its commitment to building small business for tomorrow.

In 2008, CTCIC is celebrating long term success.



Fish Mart, Inc.
West Haven, CT

"I have known Peach personally and professionally for a long time. Her energy and vision for her business have kept Fish Mart successfully moving forward all these years. Fish Mart is one of CTCIC's oldest loan relationships. Peach became involved with our SBA program long before it became a loan program of choice. She has always been a pioneer."

Gary Toole
Vice President

Laura "Peach" Reid, SBA's 2001 Small Businessperson of the Year in Connecticut, and her company, Fish Mart, Inc., are industry leaders in the wholesaling of aquarium fish. Started in the 1970s, Fish Mart has grown to 37 employees. Its customers are mainly independently owned single location pet stores, and regional and national chains of pet stores throughout New England, New York, New Jersey, Pennsylvania, and Delaware.

Back in 1986, Fish Mart came to CTCIC (then NHCIC) to help with the purchase of its current location using financing from the old SBA 503 Program, the predecessor of the current SBA 504 Program. Fish Mart quickly outgrew its facility, forcing the construction of a sizable addition two years later -- bringing the total square footage of the building to 14,000. Again in 2004, Fish Mart expanded its facility by purchasing adjoining parcels and a building to meet the needs of the growing company.

Fish Mart's growth is directly attributable to Peach's Quality Maximizing Program. The program has three basic elements aimed at fostering customer loyalty: "Our People, Our Plant, and Our Product."

Our People – Fish Mart has a work culture usually found in close, family operated businesses. All the employees and customers are considered part of the Fish Mart family and as a result, there is a sense of employee pride and ownership. Many key employees have been with the company for over a decade providing Fish Mart with a depth and product knowledge that is difficult to match in any industry.

Our Plant – Plant technology gives Fish Mart a competitive advantage. Peach and her team developed the Fish Mart Notebook as a unique reference source and specialty stock locator offering a wealth of information in a single, conveniently organized program.

Our Product – Fish Mart is committed to purchasing only the highest quality products for distribution to its customer base.

Beyond the business of pet wholesaling, Peach is deeply committed to the community and encourages employees to participate in area activities. Fish Mart and its employees are especially focused on education and donate their time to schools offering tours of the facility and "loaner" animals to classrooms for on-site nature programs.

Peach also believes that, as an industry leader, she has a responsibility to the pet community. Even given her incredibly busy schedule, Peach finds time to work on legislative and regulatory issues concerning all things pet in support of wholesalers and retailers in the pet industry. Even after 30 years, she remains an energized leader of a highly successful business gem in Connecticut.

Ken Tumolo launched Phonetel from his home in Southington back in 1998. As a start-up, Ken worked hard to build a handful of key relationships into a customer base. Ken saw a demand for moderately priced, high quality telephone systems and shaped Phonetel into a full service telephone installation and maintenance business, providing “turnkey” telephone systems.

Ken first approached CTCIC for Microloan financing in 1999 to purchase equipment and a truck to fully gear up his business. Just two years, later with the first loan paid in full, Ken expanded Phonetel with an additional loan from CTCIC. He used the loan proceeds to fit up commercial space in Wallingford and move the Phonetel operation from his home.

The business grew steadily and in 2003, Ken acquired Phone Country -- a similar phone systems installation company with a 20-year history. Sales doubled and Ken entered into a partnership with Daniel Link to take the company to the next level. Two years later Ken and Dan incorporated Phonetel, Inc. and have since expanded into the nearby New York and Massachusetts markets.



Ken and Dan credit some of their success to Phonetel’s ability to service older phone systems. Most competitors do not offer maintenance for “outdated” systems, leaving customers with a single option to upgrade. Ken and Dan’s licensed technicians can install the latest telephone/voice mail systems and also keep the legacy systems running smoothly.

Personal attention is what keeps Phonetel’s clients coming back and spreading the word about the company’s quality service.

Because of this, either Ken or Daniel tries to be present for many of the installations. Ken attributes much of the sustained success of his business to his knowledgeable technicians, many of whom have been with the firm since the early days. Every one of Phonetel’s technicians is licensed in Connecticut.

What began as a home based sole proprietorship with one truck is now a professionally managed corporation with a fleet of service vehicles and seven employees, continually looking for growth opportunities.



Phonetel, Inc.
Wallingford, CT

"Phonetel has been CTCIC’s vendor for many years. Ken and Dan are a pleasure to deal with. I have always found them to be available to answer my questions and they have ‘gone the extra mile’ for me on many occasions."

Margie Slater
Office Manager



Law Offices of Elizabeth
L. McMahon, LLC
Branford, CT

"It was a great pleasure assisting Betsy with her expansion; the real estate purchase allowed for the continued growth of her practice. Betsy's firm is the epitome of small business and truly emphasizes CTCIC's mission. Additionally, the financing kept a good corporate citizen in the town of Branford."

Gary Toole
Vice President

Elizabeth (Betsy) McMahon took an indirect route to Connecticut via Long Island, NY, Washington, DC, Germany, and Iceland. Betsy grew up in New York and later graduated from Georgetown University College of Arts and Science and Georgetown University Law Center. At that time her husband was in the Foreign Service. Assignments took the family to Europe where they lived in Germany and then Iceland before returning to the States. Ironically, Betsy and her husband chose to settle in Connecticut because it was one of two New England states without an income tax at the time.

After working for law firms in New Haven for a while, Betsy open her own firm in 1994 focusing on a highly specialized niche in family law commonly referred to as QDROs (pronounced "Quad Rows"), Qualified Domestic Relations Orders. In a divorce preceding, a Qualified Domestic Relations Order assigns the right to receive all or a portion of the benefits under a qualified retirement plan between (former) spouses, children or other dependents. Attorney McMahon's firm completes the complex analysis for law firms from around the state to be used as the basis for court judgments and decrees.

The Law Office of Elizabeth L. McMahon, LLC is the only law office in Connecticut specializing in QDROs, completing a few hundred per month. Betsy credits her highly trained staff for the firm's ability to handle the volume, meet court deadlines, and provide the service at an affordable price.

Because of the expertise developed over the years, Attorney McMahon is a frequent expert witness in cases involving QDROs. Recently, Attorney McMahon completed the first same sex marriage QDRO in Connecticut.

As the practice grew, the firm needed to find new space to accommodate new staffing levels as well as future growth. With the help of an EDA funded loan from CTCIC, Betsy was able to purchase and renovate a 2,500 sq-ft building on 0.11 acres in Branford to house the practice.

Attorney McMahon regularly participates in the Connecticut Bar Association's pro bono program, providing legal services to Connecticut residents living at 125% of the federal poverty guidelines without expectation of payment. Her on-going efforts were recognized in 2007 when the Connecticut Bar Association selected her to receive its Pro Bono Award. In addition to her pro bono work, Betsy supports the Branford Land Trust by accepting donations to the trust in lieu of payment for various legal services provided to friends and family.

Puritan & Genesta Natural Foods (Puritan & Genesta) is the largest natural foods store in southeastern CT. The store is named after the two sailboats that raced off the coast of NYC in 1885 in what was the 5th running of the yacht race now known as the America's Cup. The store opened in 1985 (the 100th anniversary of the namesake race) and over the next few years went through a series of ownership changes. CTCIC borrower Christine Cooney became the fourth owner of the store in 1997.

Christine had a vision that incorporated both the Puritan & Genesta business and her strong sense of community and region. With funding from CTCIC, Christine moved the store to its current location, a mere 500 yards from the original location. The move increased floor space threefold and provided Christine with the opportunity to not only increase the store's capacity but also to create a venue for local artists to display and sell their work. Christine stocked the shelves with products from familiar Northeast producers like Neighborly Farms and Cobb's Corner of Vermont, Tar Barrel Hill Farms and Weil Honey of Stonington, Connecticut.

One of the highest profile businesses in the region, Puritan & Genesta is a regular participant in local business events, whether as a sponsor of such happenings as the Harvest Moon Festival or as a source for much sought after samples and information about healthy living.

In-house, Puritan & Genesta sponsors "Community Giving Days" on the last Saturday of each month. Christine invites a local non-profit to set up an informational table in the store and she shares 5% of that day's profits with the group.

Her attitude is contagious. Many of the store's staff donate their time each week to serve at the New London soup kitchen. And as you would expect, Puritan & Genesta also participates with food donations.



Perhaps Puritan & Genesta's most content customers are the residents of the Mystic Marine Life Aquarium. Over the past 18 months many of the snakes, bats, and lizards now on display in the Hidden Amazon Exhibit have eaten organic produce provided by Puritan & Genesta.

When asked how she has been able to thrive in a business where others have struggled, Christine lists her friendly and knowledgeable staff, her ability to adapt to the changing needs of the public and the "big move" financed in part by CTCIC as the keys to her success.



Puritan & Genesta Natural Foods
Mystic, CT

"Puritan & Genesta, under the guidance of Christine Cooney, is the picture of Small Business Success. She has worked very hard to build up her business. She's overcome problems and business cycles. She continues to be a landmark in downtown Mystic."

Dennis Brown
Vice President



Atticus Bakery, LLC
dba Chabaso Bakery
New Haven, CT

"Chabaso Bakery was recently highlighted in a national publication produced by the National Association of Development Companies. The focus was on CDCs helping small businesses succeed everyday with the 504 program."

Carolyn Welch
Vice President

Charles Negaro started Atticus Café in 1980 as one of the first bookstore cafés in the country. Located in downtown New Haven, CT, the business was a model for the Barnes & Noble and Borders chains. Artisan breads were the trademark of the Atticus Café. Charlie baked the breads with the assistance of grad students attending local colleges and universities. By the mid-1990's, Atticus' bread was so popular that Charlie decided to start a wholesale bakery. In preparation he visited world class bakeries and interviewed chefs in France to gain insight on large scale baking of high quality artisan breads.

In 1995 Charlie completed his first expansion by renting a building in a distressed area of New Haven and starting a wholesale bread operation under the moniker Chabaso Bakery (named after Charlie and Nancy Negaro's three children, Charlie, Abigail, and, Sophia). By 2000 revenues reached \$2.8MM and full time employment reached 45 with the majority living in the immediate area. The business outgrew its leased facility and in 2001 Charlie completed his second expansion, purchasing a larger facility in close proximity to its leased location.

He approached CTCIC to finance the key component of the second expansion: the purchase and installation of \$1.1MM worth of state of the art proofing, oven, cooling and conveyor components for specialized bread making.

With the new equipment Chabaso Bakery greatly increased production levels while maintaining artisan baking quality. Today Chabaso Bakery employs over 150 local residents and delivers product from Massachusetts to New Jersey, including Long Island, all boroughs of New York City, as well as the Hudson River Valley. Chabaso breads are available throughout New England at hundreds of stores and restaurants and as far away as Maryland and Washington, D.C. In August 2008 the bakery marked another production milestone, with the addition of a 69-foot-long tunnel oven from Italy. The addition was the bakery's second, and is expected to double its production capacity.

Charlie Negaro makes every effort to support the communities he serves, donating more than 100,000 loaves of bread each year to voters on Election Day, poetry enthusiasts during National Poetry Month, school programs, food banks and soup kitchens, and bicycle and road races.

"We don't accomplish anything in this world alone... and whatever happens is the result of the whole tapestry of one's life and all the weavings of individual threads from one to another that creates something."

Sandra Day O'Connor

We are fortunate to have an outstanding community of lenders who share our enthusiasm for small business and recognize the important role economic development finance plays in the marketplace. As members of our community, these lenders have experience working with our specialized programs and are dedicated to providing growth opportunities to our shared clients. Each lending institution listed below has participated with us in a 504 or CRF deal in Connecticut or Rhode Island within the past two fiscal years (2007, 2008). We sincerely thank them for their dedication and loyalty and look forward to partnering with them in the future.

Webster Bank, N.A.

Citizens Bank of Connecticut
 National Cooperative Bank
 Naugatuck Savings Bank
 Peoples United Bank
 Bank of Southern Connecticut
 TD BankNorth, N.A.
 CIT Lending Services Corporation
 Union Savings Bank
 Bank of America
 Fairfield County Bank Corporation
 Essex Savings Bank
 Zions Bank
 UPS Capital Business Credit
 Naugatuck Valley Savings and Loan, S.B.

PNC Bank
 Sterling Bank
 Key Bank
 Digital Federal Credit Union
 BLX Capital, LLC
 New Alliance Bank
 Navy Federal Credit Union
 Coastway Credit Union
 Savings Institute Bank & Trust
 Savings Bank of Danbury
 Collinsville Savings Society
 Thomaston Savings Bank
 Connecticut River Community Bank
 Liberty Bank

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

Margaret Mead



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Rhode Island Community Investment Corporation

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or
(866) 776-6172 Ext. 150

www.ctcic.org

Our Expertise. Your Future. *Building Business for Tomorrow.*

