

A TRUE PARTNERSHIP: CBS AND PLEXUS CAPITAL

Community Bank Services (CBS) has been in business since 1980, looking for business partnerships that can help North Carolina's banks. This help might mean working with banks to find a more efficient model for business operations, or introducing services and products that will produce bottom line earnings or create savings on existing business. When we find these partnerships and connect them with our bankers, the result is a "win-win" combination that benefits all parties involved.

However, true partnerships rarely "just happen." They require mutual commitment and respect, as well as hard work from both sides, no matter the endeavor. This is the recipe that led to the partnership between CBS and Plexus Capital as the two work together to benefit the economy of North Carolina and North Carolina banks. The partnership between CBS and Plexus began almost 10 years ago, and the rest is history - an ongoing history.

For starters, this partnership would not have been made possible without the vision of NCBA President and CEO Thad Woodard. In Plexus' early days as a firm, Woodard saw great potential in the company's business model, and most importantly in the five Plexus founders - Bob Anders, Michael Painter, Kel Landis, Mike Becker and Robert Gefaell. Woodard's confidence in the Plexus team led to Plexus Fund I obtaining 15 North Carolina banks as investors, creating a solid foundation for what the brand has become - a successful Small Business Investment Company (SBIC), partnering with businesses and

banks throughout North Carolina and beyond.

Founded in 2005, Plexus manages over \$550 million across three investment funds. As Plexus has evolved, the firm has remained committed to a relationship-first approach with its investors, external business partners and employees. Investors in the Plexus family of funds include 45 banks, more than 100 individuals and dozens of family offices, investment advisors and institutions. Of the 45 banks, 28 are North Carolina banks representing 26 percent of total private capital raised. As Plexus enters its next phase of growth, the company's headcount continues to expand (now with 18 professionals), and Michael Painter, a founding partner, recently succeeded Bob Anders as managing partner of the firm. In 2013, Plexus was



Kim Hutchens is Executive Vice President of CBS, a wholly-owned subsidiary of the North Carolina Bankers Association.

Investing in North Carolina-based companies, coupled with leveraging the strategic partnerships Plexus has made with North Carolina-based companies, is a key tenet of that approach.


selected as SBIC of the Year, from more than 200 SBICs in the United States, due to its performance, innovation and commitment to community.

Plexus remains focused on creating significant value for its investors by remaining true to its original investment approach and target market - businesses that are growing with \$10 - \$100 million in revenue.

Investing in North Carolina-based companies, coupled with leveraging the strategic partnership Plexus has with North Carolina banks, is a key tenet of that approach. Of the more than 65 investments Plexus has made since its funding, 15 have been in North Carolina (more than any other state) representing 23 percent of total capital invested. Additionally, among the 65+ investments, North Carolina banks have partnered with Plexus in 20 transactions.

In addition to providing a complementary capital source to its bank Lending Partners (LPs), Plexus offers strategic value by generating Community Reinvestment Act (CRA) credit due to Plexus' SBIC classification. In the last year and a half, the SBIC program has received significant attention due to the low cost of leverage that can be accessed by SBICs. The five Plexus founders obtained their first SBIC license nearly 20 years ago while working with predecessor firm, Centura Bank, where Kel Landis, a founding Plexus partner and former chairman of the NCBA, was CEO. They are now working off their fourth SBIC license. Plexus' longevity in the SBIC program provides strategic value to its North Carolina bank LPs.

The outcome of the longstanding and evolving partnership between CBS, North Carolina banks and Plexus has been increasingly positive for everyone involved. Plexus continues to focus on providing strong cash returns to its investors, and has delivered exceptional returns to its Fund I and Fund II LPs (Plexus Fund III is still in the early stages of investing).

The ongoing partnership between CBS, North Carolina banks and Plexus continues to develop. As Plexus continues its growth, North Carolina banks will remain an instrumental component of Plexus' future success. This success will come as a result from providing growth capital to small businesses in North Carolina and elsewhere in the United States alongside its North Carolina bank partners. The mutual commitment of CBS, North Carolina banks and Plexus has created exceptional results for everyone involved - but, the best is yet to come. 

Trusted. Lending. Partner.

"We are very pleased with the recent Holding Company Loan we acquired from TIB. The entire process was smooth and we were very impressed by the level of professionalism we witnessed at each stage - application through closing. Our entire Board of Directors is grateful to TIB and their staff of experienced banking professionals."

Jim Smith, President & CEO
Sandhills Holding Company, Inc.
North Myrtle Beach, SC

Call Mac Cochrane Today

(704) 620-8841

www.mybankersbank.com

