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COOPERATIVE FUND of New England

CFNE News

Spring 2007

Volume 1, Issue 2

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

Visit us on line at at www.cooperativefund.org or www.coopfund.coop

to learn about our borrowers; print out our loan application; download our prospectus; and find links to our borrowers, other community development organizations, socially responsible investing sites, and cooperative business assistance sites.

OUR MISSION

CFNE advances community-based, cooperative, and democratically owned or managed enterprises with preference to those that serve low income communities through:

- provision of prompt financial assistance at reasonable rates;
- provision of an investment opportunity that promotes socially responsible enterprise; and
- development of a regional reservoir of business skills with which to assist and advise the above groups.

Loans Approved and Funded: New Milestones

In 2007 we are off to a great start with CFNE continuing to experience strong loan volume and demand. We have already made 16 loans to 13 different borrowers that totaled \$636,000 and there is another \$320,000 approved and awaiting funding at this writing. A new milestone has been reached: this brings the total number of loans made since CFNE's inception in 1975 to over **\$14 million in 400 loans** to borrowers.

Loans made in 2007 to date include: two advances totalling \$60,000 to **Belfast Food Co-op** in Belfast, ME, for store renovations; \$2,000 to **Land for Good** in Keene, NH, a nonprofit that fosters sustainable land use and farm succession for working capital; two loans totalling \$30,000 to **Pelham Auto** in Belchertown, MA, with line of credit draws for working capital; three advances totalling \$105,000 to **Intervale Foundation** in Burlington, VT, on a line of credit for its compost project; \$200,000 to **River Valley Food Co-op** in Northampton, MA, for start-up costs; \$10,000 to **Renew Building Materials**, a nonprofit in Brattleboro, VT, that deconstructs houses, sells, and recycles the materials; a \$57,000 draw on its line of credit



Above: Klara Grape from CFNE speaks at the ground breaking at River Valley Market in Northampton, MA



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Outreach and Conference News

Participation at conferences is a large part of CFNE's outreach strategy. A lively meeting of the Connecticut Valley Neighboring Co-ops in Middlebury, VT, was the scene of cooperation among cooperatives and the hatching of many new and exciting ideas. CFNE, which co-sponsored the meeting of about 40 people including food co-op managers and board members, plans to be involved in the facilitation and financing of some great possible projects developed at the meeting.



Do you recognize Robyn, Alex, Patti and Rochelle from Putney, Brattleboro, Green Field and River Valley co-ops.

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FROM THE EXECUTIVE DIRECTOR



I have just returned from 10 days on the road, traveling from Burlington, VT to Springfield, MA, stopping at every co-op possible on the way. It was great fun and truly inspirational. My stops included conferences, board meetings, and lots of site visits. I spent a wonderful day at the Connecticut Valley Neighboring Co-ops meeting in Middlebury where various food co-op managers and board members met to discuss all sorts of possible opportunities to practice the principal of "cooperating among cooperatives." CFNE will surely play a role in making those ideas come to fruition.

My stops included food co-ops, worker-owned businesses, and housing groups. I went to the Flynn Avenue Housing Co-op which provides limited equity affordable housing in Burlington, and the construction site of the Burlington cohousing project. I was told at a cohousing community picnic by one resident that she "wanted to move into cohousing because it was accessible, affordable, and provides community."

The first Board meeting of the Cooperative Capital Fund (CCF) was held in the offices of Brattleboro Food Co-op. Representatives from a number of co-ops and co-op associations met to discuss next steps on the development of CCF. The business plan is almost complete and we are ready to start raising funds.

A lot is going on at CFNE and we couldn't do it without you. We will keep you posted on our progress, and please let us know if you have comments or questions. As always, thanks for your continued support.

— REBECCA DUNN

Thanks to David Gerratt of NonprofitDesign.com for our newsletter redesign.

••••• Keeping You Up-to-Date •••••

PEOPLE AT CFNE

We are seeking candidates for the CFNE Board. We are hoping to invite more individuals that will allow greater representation from the co-op community.

CFNE INVESTORS

Funds from the US Treasury CDFI Fund were received in 3/07. This support will allow capacity building, training, and the development of our equity-like patient capital product. In addition, we are happy to report new investment loans from the Monarch Community Fund and the Dominican Sisters of Hope, as well as the renewal of the investment loan from the Episcopal Diocese of Connecticut.

Rebecca with new US Treasury CDFI Director Kimberly Reed



EQUITY PRODUCT: COOPERATIVE CAPITAL FUND

The patient capital-equity product is underway. The Cooperative Capital Fund has been incorporated. Bylaws have been written and the first meeting of the Board was held on June 7, 2007. It is the intent of the founders to include full representation of the cooperative and worker-ownership community. A business plan is almost complete and initial fundraising is underway. If you would like to support this exciting new venture with a tax deductible donation please contact Rebecca Dunn.



CCF BOARD

The first meeting of the Co-op Capital Fund Board. (L-R) Cory Greenberg, Adam Trott (for Collective Copies), Rebecca Dunn, Andy Danforth, Brenda Pfahnl, Erbin Crowell (for Equal Exchange), Bruce Boardman (for Brattleboro Food Co-op) and not pictured Jon Chrystal (for Vermont Center for Employee Ownership).

GOOD SEARCH

Everytime you use the Good Search internet search engine they will donate money to CFNE. All you need to do is visit www.goodearch.com and identify the Cooperative Fund of New England as your designated charity.

UNITED NATIONS INTERNATIONAL DAY OF COOPERATION

July 7, 2007 is International Co-op Day. This year's theme, "Cooperative Values and Principles for Corporate Social Responsibility," highlights the fact that cooperatives are by their very nature enterprises that balance or integrate economic, environmental, and social imperatives while at the same time addressing their members, member and stakeholder expectations, and thus promote "corporate social responsibility."

The International Co-operative Day / International Day of Co-operatives is celebrated on the first Saturday of July every year. Its aim is to increase awareness of co-operatives and promote the movement's successes and ideals of international solidarity, economic efficiency, equality, and world peace. The International Day also aims to strengthen and extend partnerships between the international co-operative movement and other actors, (including governments) at local, national and international levels.

According to the United Nations, more than 800 million people belong to co-ops, providing 100 million jobs throughout the world. CFNE supports the United Nations effort to bring world-wide attention to cooperatives.

BOARD OF TRUSTEES

Erbin Crowell, *President*
Brenda Pfahnl, *V. President*
Andy Danforth, *Clerk*
Tim Wingate, *Treasurer*
Elizabeth Ahearn
Rebecca Dunn
Cory Greenberg
Mary Hoyer
Jane Livingston

BOARD OF ADVISORS

Valerie Dahl
Susy Ellis
Linda Gallagher
Don Schramm
Marc Reich
John Talvacchia
Stan Warner

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Phebe Quattrucci
*Northeastern New England
Outreach Coordinator*
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CFNE BOARD

The Co-op Fund board met June 9 at the Berkshire Co-op Market in Great Barrington, MA. (L-R) Mary O'Hara, Phebe Quattrucci, Brenda Pfahnl, Mary Hoyer, Andy Danforth, Cory Greenberg, and Tim Wingate, (not pictured: Rebecca Dunn, Erbin Crowell, Apple Ahearn and Jane Livingston). Below: Art Ames, manager of the co-op.)



Coming soon:

Workplace Democracy Conference

The 4th biennial Eastern Conference for Workplace Democracy (ECWD) will be held Friday through Sunday, July 20th-22nd, at the University of North Carolina in Asheville. ECWD, which focuses on worker cooperatives as a development strategy for stabilizing and energizing communities, is affiliated with and pre-dates the U. S. Federation of Worker Co-ops (founded in 2004).

Three strands at the conference--Creating Democratic Workplaces, Managing and Financing Democratic Workplaces, and Building the Workplace Democracy Movement--will include over thirty workshops as well as free space for spontaneous discussions. Lynn Williams, former president of the United Steel Workers who pioneered union-led buyouts of enterprises over the past decades throughout the Midwest in both the U.S. and Canada, will deliver the keynote address.

CFNE personnel will be well represented at ECWD. CFNE's Southwest Outreach Coordinator Mary Hoyer is the lead organizer for the event. Board President Erbin Crowell, Executive Director Rebecca Dunn, and Southeast Outreach Coordinator Mary O'Hara will present and facilitate workshops on domestic fair trade, finance, lending, and managing enterprise growth. ECWD participants will include worker-owners of cooperatives, members of employee stock option plans (ESOPs), academicians, social justice and community activists, and technical assistance personnel. Several elected officials have also been invited to learn about worker-owned businesses. For registration information contact Mary Hoyer at info@east.us-worker.coop.

If you would like to be added to CFNE's mailing list or would like information about either investing or borrowing from CFNE, please email us at
cfne@cooperatiefund.org

www.coopfund.coop update

With the help of two worker collectives, the Brattleboro Collective and Design Action, our thirteen year old website is being modernized to keep up with our new look. Stay tuned. The new site should be up by the fall.



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Outreach and Conference News

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Phebe Quattrucci in Washington, DC at CDVCA Conference



Corey Rosen, Director of National Center for Employee Ownership

Other conferences attended include the CDVCA conference (Community Development

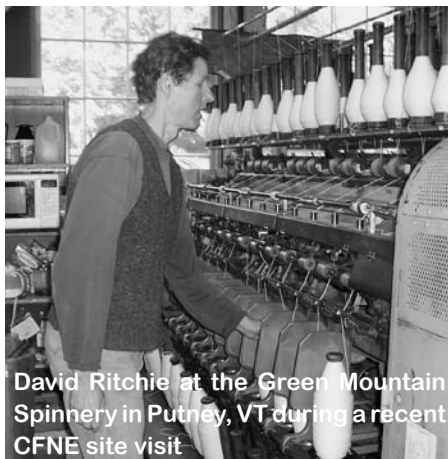
Venture Capital Association) in Washington, DC where Phebe Quattrucci and Rebecca Dunn attended training sessions in preparation for the formation of Cooperative Capital Fund.

CFNE was also a supporter of the Vermont Center for Employee Ownership annual conference in Burlington, VT. The keynote speaker Corey Rosen, Co-Founder and Executive Director of the National Center for Employee Ownership is one of the foremost experts on

employee ownership in the world. He helped draft some of the first legislation governing employee ownership. He has co-authored five books on employee ownership and written over 100 articles on the subject for business, professional, and trade publications. He makes the case for making employees true partners in a firm's success.

Rebecca Dunn and Phebe Quattrucci attended the annual National Cooperative Business Association (NCBA) National Co-op Summit in early May and the NCB annual meeting. CFNE is working with the the planners of the NCB Co-op 500 program to include CFNE in the cooperative development and financing process.

In addition, CFNE cosponsored, helped plan, and presented at the Co-operative Enterprise Conference in Manchester, NH in mid-June.



David Ritchie at the Green Mountain Spinnery in Putney, VT during a recent CFNE site visit

Loans Approved and Funded

FROM PAGE 1



Flynn Avenue Housing Co-op owner resident Marcia Mason

Harvest Food Co-op in Cambridge, MA for cash needs; \$12,000 to **Dollars and Sense** in Boston, MA, a nonprofit collective publisher addressing economic justice, for working capital; \$70,000 to **HAP (Hampden Hampshire Housing Partnership)**, a nonprofit that provides a number of housing services in Springfield, MA, for equipment purchases; \$30,000 to **Deep Root Organic Truckers Co-op** in Johnson, VT, for for its spring season working capital. In May, 2007 we funded a \$50,000 advance to **Collective Copies**, a worker-owned copy store in Florence, MA, on its line of credit and \$10,000 to the **Massachusetts Woodlands Co-op**, a hard wood producer/farmer cooperative in South Deerfield, MA, for working capital.

In addition, there have been loans approved to the **Flynn Avenue Housing Co-op** in Burlington, VT, and the **Oak Street Housing Cooperative** in Bath, ME.

We received loan repayment from the **Women's Development Fund** in Providence, RI, and the **Green Field Market** in Greenfield, MA.