

# More \$\$\$ for First Coverage

**Barry Critchley, Financial Post**

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First Coverage Inc., a company that has developed a proprietary technology-based system that measures the effectiveness of information given by the sell side to institutional investing clients, has received a second round of financing.

The company, which was started in Toronto in 2005 and which opened an office in Boston last year, has received a US\$9-million capital injection, with a good chunk coming from a new investor, Boston-based Commonwealth Capital Ventures. In return for its investment, Commonwealth's Jeffrey Hurst will join the board.

Boston-based GrandBanks Capital and Toronto-based JLA Ventures raised their interest; both firms had invested in First Coverage's US\$5-million initial external round completed in late 2006. As a result of that investment, John Albright, managing partner with JLA Ventures, and Ryan Moore, general partner at GrandBanks Capital, were made directors.

The capital raised in the second round will be used to further the company's growth in both product development and geographic expansion. "It's all good for the company. It gives us the capital to grow," said Randy Cass, chief executive, who noted the company was able to sell equity at a higher price per share than in the first round.

Cass, a lawyer who worked for a while at the Ontario Teachers' Pension Plan, started First Coverage along with Colin Webster, whose father, Ben, is often regarded as the founder of venture-capital investing in Canada, and Jeffrey Parker, the former chief executive of Thomson Financial and the creator of First Call.

The system went live in 2007 and is now used by more than 300 financial institutions and provides a Web-based platform that simplifies the gathering, evaluation and organization of all sell-side services and information.

What's next? The market has reacted enthusiastically to the First Coverage platform. "We are running as fast as we can to keep up with demand," Cass said. Each March, First Coverage hands out its top-performer awards. "Based solely on the performance of ideas submitted to their buy-side clients, our annual top-performer awards are the only truly objective rankings of the value being generated by sell-side institutions available in the market today," Cass said last March.