



Neil M. Kaufman

Chairman of Long Island Capital Alliance

by Vivian Leber

Some years ago, one of Neil Kaufman's clients at Abrams Fensterman, a law practice in Lake Success where he is a partner and chairs the Corporate Department, received early-stage financing from the Long Island Capital Alliance (LICA), and he thought, "what a great organization." He soon joined its board, and in June 2012 became LICA's chairman, succeeding Jeffrey Bass, who after serving for 25 years now is Chairman Emeritus.

LICA is possibly the oldest continuously operating organization of its kind in the U.S. As a not-for-profit group, it does not take an investment stake in companies; it connects the investment community to Long Island businesses, which may range from early-stage to mature companies that are seeking growth capital. LICA also helps businesses form strategic relationships with customers, suppliers or business partners, and links them to expert business advisors.

"In my view, we need to focus on helping our local companies grow through every stage in order to create a more vibrant economy," Kaufman says. LICA is collaborating with the region's accelerators and investment firms. "We want to facilitate a more integrated stepping-stone approach, so as to avoid situations where a business gets some capital in one stage, and then is left as an orphan." As Kaufman explains it, a company that is funded with LICA as facilitator and mentor would instead step directly into a structured pipeline, so that partners such as Accelerate Long Island and the Long Island Angel Network, and in later-stages, debt funders, would be available with guidance and stand ready to continue with support at each growth step.

LICA is in the process of formulating a strategic plan that, Kaufman says, will build on its strengths and continue to address regional challenges. "We've seen the frustration of fiefdoms doing their own thing. We are committed to working closely and collectively with all other organizations for the common purpose of building the LI economy. LICA is committed to making even further progress."

"We're doing better as a region than people realize. A lot of manufacturing is tucked away in Long Island's industrial parks. Sure, it's expensive here, but with

our workers among the most productive in the world, and with our world-class science research, I don't see why we can't be competitive with other high tech regions." Kaufman notes that LI has more than 20 public companies and hundreds of successful middle-market family and privately owned companies, not household names, yet generating significant economic activity.

A lot of investment activity on LI flies under the radar and is thus being underestimated, according to Kaufman. LI has a long tradition of raising money through private placements which are not counted in traditional tallies of VC. Once pending regulatory rules for private placements are written, in theory, that will open another door – it would be allowable then to promote such instruments to accredited investors. "We'll see what the rules say before we decide how to proceed," he says.

The four Capital Forums that LICA runs each year cover sectors deemed to have solid growth potential. Starting with the most recent and indicating partner organizations, its forums have covered the fields of Biotech, with Cold Spring Harbor Laboratory, Health Care, with Stony Brook University, Social Media, with Accelerate LI and Social Media Association, Inc., Cyber Security, with LIFT and LISTnet, and Technology Transfer, with Brookhaven National Laboratory. On September 13, LICA will hold a Consumer Products Capital Forum, and on December 13, one for Manufacturing, with LIFT. A future Biotechnology Capital Forum is in store, with the Feinstein Institute of the North Shore Health System and Cold Spring Harbor Laboratory as partners.

Each forum books up to six presenting companies seeking capital, who are selected from a large pool of applicants. LICA gives them a template for the presentation, provides them with a coach, and rehearses them." Kaufman

notes that the companies find the process extremely helpful in refining their business plan. Each presenting company then gets eight minutes to make its case, followed by an expert panel analyzing an issue common to many entrepreneurs seeking capital. September's Consumer Products (and Retail) Forum reached its quota for investor-attendees long before the event. "Presenters have active discussions with investors and deals get done after each Forum," Kaufman says. Applicants who don't get to present are referred to other LI organizations based on their development stage and field.

A+ Technologies, an established and growing company which presented at the Cyber Security Forum, was able to raise \$12 million in capital. Long Island Fiber Exchange got funded and later sold. Population Diagnostics received some funding. Kaufman sees evidence that biotech companies have strong expansion potential on Long Island.

Kaufman describes working with his legal practice's clients to build companies as "one of the most fun and rewarding things I do." He explains that with three decades of experience helping to buy and sell businesses, and having learned how Wall Street, financial markets and boardrooms work, it was natural for him to want to give back by helping companies and research institutions to grow on Long Island.

Back when hardly any LI law firms handled corporate and securities matters, Kaufman took a chance on an opportunity that opened, a choice that has enabled him to take on many roles and still see his family. "After working at a big Wall Street firm and living in Manhattan, I made a life choice with my wife to live and work on Long Island, where we both grew up, to have a backyard and put my kids to bed at night." Kaufman's daughter, now in her mid-20s, is a teacher living in Chicago, and his son will begin NYU Law School, Kaufman's own alma mater, this fall.

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Kaufman also serves as president of the LI Chapter of Financial Executives Institute (FEI), is on the Corporate Advisory Board of the DNA Learning Center at Cold Spring Harbor Laboratory, and is on the Board of Advisors of LI Invest. FEI works to influence federal regulatory policies, statutes and regulations that affect capital formation. FEI brings together comptrollers, CFOs and other financial executives to meet in private to discuss common concerns and opportunities. A separate monthly meeting brings in speakers and provides a forum for community interactions.

Neil Kaufman appears to relish wearing multiple hats to help promote Long Island growth through business and capital formation, and says, "I don't think Long Island is as difficult as people make it out to be."

Mr. Kaufman is a partner and chairman of the Corporate Department of the 55-lawyer firm Abrams Fensterman (Abrams, Fensterman, Fensterman, Eisman, Formato, Ferrara & Einiger, LLP). He represents early stage to mature public companies and investment firms, with respect to corporate, securities, financing, borrowing, merger & acquisition and other legal matters covering the entire life cycle of companies. Contact him at nkaufman@abramslaw.com or 516-368-9411.

