

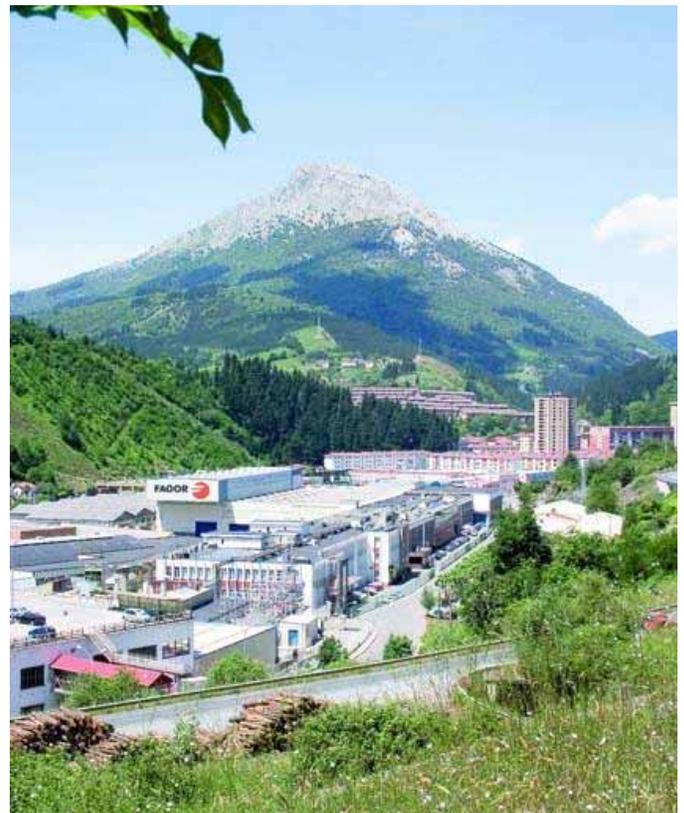
ShoreBank Enterprise Cleveland partners with community leaders to establish new fund aimed at developing Cooperatively Owned Businesses in NEO
Evergreen Cooperative Development Fund will launch first business in early 2009

Historically, ShoreBank Enterprise Cleveland has offered financing options to the underserved in Cuyahoga County through its ShoreGrowth and ShoreBridge funds. Beginning in 2009, in addition to providing financing through ShoreGrowth and ShoreBridge, SEC will join with The Cleveland Foundation and other community leaders to capitalize a new fund, the Evergreen Cooperative Development Fund (ECDF). The ECDF will provide financing to start-up cooperative businesses in the Greater University Circle area as part of the Greater University Circle Initiative. Using start-up cooperative businesses as a model for neighborhood wealth creation, SEC and its partners will target developing new employee-owned firms in Cleveland with the intention of replicating the concept across the NEO region and potentially nationally. In conjunction with our efforts to establish cooperative loan fund, ShoreBank Enterprise Cleveland (SEC) plans to initially fund a cooperative commercial laundry facility (Evergreen Cooperative Laundry) in the Glenville neighborhood within SEC's Glenville Enterprise Center.

Through this innovative approach to wealth building, SEC is at forefront of a groundbreaking attempt to generate new community wealth. These businesses will create substantial equity for their employee owners and, because they are employee owned, that equity ownership will be widely dispersed in underserved neighborhoods. Because they are employee owned, they will also anchor capital and jobs in the region and, the evidence is, have a higher multiplier effect than conventionally owned firms, especially those with absentee owners.

The ECDF, which is designed to play a role somewhat similar to the Caja Laboral, the central financial institution of the Mondragon cooperatives in the Basque Region of Spain, will also have an initial governance role in the establishment of new cooperatives and a modest continuing role in governance going forward to guarantee the social mission of the Evergreen cooperatives and to provide emergency management intervention, should it prove necessary. The Mondragon co-ops

have grown from a single co-op with a handful of members in 1956 to more than a 110 industrial, financial, and retail cooperatives employing more than 100,000 co-op members today. The umbrella organization, the Mondragon Cooperative Corporation, is the 4th largest industrial and 7th largest financial group in Spain. Its story is a remarkable half-century saga of self-help growth and development by an ethnic minority systematically excluded by the central government and Spanish economic society.



*Fagor Arrasate assembly plant.
Part of the Mondragón Cooperative Corporation.*

For additional information about ShoreBank Enterprise Cleveland, please visit our website at www.shorebankenterprisegroup.org