

DCA Capital looks to reinvest



General partner Steve Mills says one of the strengths of Roseville-based DCA Capital Partners is its active consulting and monitoring.

[DCA Capital Partners](#), a Roseville investment fund, is hungry to make more investments after successfully exiting four of seven companies in its first fund.

Late last month, the Roseville group launched a new private-equity fund, with a goal of at least 25 million for the investment pool.

DCA targets growing companies with at least \$10 million in revenue. It typically invests \$3 million to \$10 million in each company, with the payoff coming when those companies are sold.

One payoff came in December, when [Superior Vision](#) in Rancho Cordova merged with Maryland-based [Block Vision](#). In one of its largest deals, DCA led a \$54 million recapitalization of Superior in February 2007. It's not clear how much DCA netted from the deal in December.

DCA's first fund totaled \$12 million, which DCA leveraged to a much larger pool with other investors and sources of financing, said DCA partner [Curt Rocca](#). He said the goal for the second fund is an investment pool of \$25 million or more.

Investors in both funds are high-net-worth individuals, mostly from the Sacramento area, Rocca said. Many of the same investors participated in both funds, which target companies in growing markets that have a sustaining advantage in their markets as well as a talented executive team, Rocca said.

DCA's portfolio companies are sold, merged or invested in by larger strategic investors, enabling DCA to exit the deal and pay its investors. DCA doesn't do hostile takeovers, Rocca said.

"We generally partner with people who have a five-year exit horizon," he said. "There is an alignment of interests from the beginning, and that avoids a lot of conflict at the back end."

Mark Anderson covers technology, banking and finance, medtech and biotech, venture capital, energy, mining, hotels, restaurants and tourism for the Sacramento Business Journal.

The first fund, with three remaining companies, is still active and remains very promising, Rocca said. That's saying something, considering when the fund was formed.

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DCA started investing in 2005 in companies in the Sacramento region, Arizona and Nevada, which were among the areas

hardest hit by the housing collapse and recession. Compared with other funds launched at that time, DCA's performance is in the top quartile, Rocca said.

The fund doesn't release specific financial metrics.

"We were staring into the barrel of the cannon for a couple of years," Rocca said.

"We are exceptionally proud of the results we were able to achieve in our first fund — especially given the timing," said [Steve Mills](#), general partner of [DCA Capital Partners](#). "It was this strong performance that allowed us to successfully launch our second fund. We are even more bullish about the returns we see possible with this new fund."

One of the strengths DCA brings to companies is active consulting and monitoring, Mills said.

DCA invests in a variety of industries, including software, retail and medical. Although it does not invest in real estate, farming or mining, it can invest in companies that serve those industries

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