

Trillium Group, state pension fund invest in 5Linx

By TOM ADAMS

Henrietta telecommunications services provider 5Linx Enterprises Inc. this year has doubled its employment to 34 and expects to grow by another 75 percent as a result of a multimillion-dollar equity investment from the Trillium Group LLC and the New York State Common Retirement Fund.

"We're hiring right now," 5Linx president and CEO Craig Jerabeck said Wednesday. "We're in the process of hiring six full-time people. We expect by the end of the October to have a full-time head count of 42."

The amount of the investment was not disclosed. The Trillium portion comes from its Lakefront Partners III Fund, which typically makes investments ranging from \$2 million to \$5 million.

"It allows us to build our own infrastructure," Jerabeck said of the infusion of

capital. "We're buying our own switching equipment. It allows us to grow the business and, in essence, become a telephone company. We're becoming our own VOIP provider."

The company sells telecom products and services, with an emphasis on voice over Internet protocol, to residential customers and small to midsize businesses worldwide.

It uses an independent sales staff of 10,000 to market its products and has 100,000 residential and business customers in the United States and eight other countries, Jerabeck said.

"Their direct sales model sets 5Linx apart from its competition," Trillium general partner Christopher O'Donnell said in a statement. "The company benefits significantly from an independent, entrepreneurial sales force. Such independent representatives are operating their own

businesses with product, marketing and customer service provided by 5Linx."

The company was founded in 2000 and started doing business in March 2001.

"Our sales are growing dramatically," Jerabeck said. "It's just five years of grinding it out."

A key moment for 5Linx may have come in March 2005 when the company increased its focus on VOIP, Jerabeck said.

"That was really a turning point for our sales force and for our company (because) we had a solid direction and a solid product line to go forward with," he said.

The company has increased its office space here to 11,000 square feet, from 7,500 square feet, by adding a 32-seat customer service center that will be installed next week. It is scouting potential locations in Atlanta for a field office, Jerabeck said.

This month 5Linx joined *Inc. maga-*

zine's list of the 500 fastest-growing private U.S. companies. It is ranked 338th.

"We think next year at this time we'll be somewhere in the neighborhood of 60 employees," Jerabeck said.

The investment from Trillium Lakefront Partners is its seventh, the fourth to a Rochester-area company. The state retirement fund is the largest single investor in the Lakefront Partners fund.

Previous Lakefront Partners investments were made to:

□ AccuMED Technologies Inc. of Buffalo in July;

□ Accu-Dyne Inc., a Rochester sheet metal components and fabrication firm, in May;

□ Auction Direct USA, a pre-owned vehicle seller in Victor, in April;

□ Election Services Corp., a Long Island election software and services company, in August 2005;

□ Northern Safety Co., a safety and industrial supply firm in Utica, in June 2005; and

□ E-chx Inc., a payroll processor in Brighton in December 2004.

The Common Retirement Fund, the second-largest public pension fund in the United States, is administered by state Comptroller Alan Hevesi. It has assets of \$120 billion, including its \$364 million in-state investment program.

"Investing in New York State companies such as 5Linx is one of the best ways to earn a competitive return for the state's pension fund and to help these companies to grow throughout New York State and beyond," Hevesi said in a statement.

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