

DATE

August 20, 2012

SECTORS

Technology & Software

DEAL TYPE

M&A Advisory

DEAL LOCATIONS**DEAL TEAM****Frank Cordek**
Director

DC Advisory advised FirstGiving on its sale to FrontStream Payments



FrontStream Payments, Inc., a national provider of payment and donor solutions, announced today that they have finalized the acquisition of the Boston-based, nonprofit solutions provider, FirstGiving, Inc. This news is the latest strategic initiative by FrontStream with the backing of Arsenal Capital Partners, as it enhances its product offering through strategic acquisitions and the launch of their ground-breaking payment and donor management application, fasttransact. This acquisition is consistent with Arsenal's commitment of investing in companies that provide unique and differentiated products and services and FrontStream's commitment to the nonprofit sector, including charitable giving and education, states Jeff Kovach, Partner at Arsenal Capital Partners.

The fasttransact product launch positioned FrontStream to better serve all of our targeted verticals, and led us into several relationships with notable nonprofit partners, such as KIMBIA, Habitat for Humanity, Fisher House, Center For Nonprofit Advancement, and YNPNdc, stated Nina Vellayan, Chief Executive Officer and President at FrontStream Payments. This acquisition fits well for us strategically, because FirstGiving's stellar fundraising products are complementary to our own, creating an even greater opportunity to provide nonprofits more robust and versatile solutions for handling donor contributions of all kinds, from any originating source.

FirstGiving is focused on helping nonprofits and their supporters meet and exceed fundraising goals for important causes. Their proprietary fundraising platform enables fundraisers and nonprofits to create web-based fundraising pages that leverage personal networks in support of events, campaigns and causes. Their peer-to-peer fundraising platform can be used by individuals on a grassroots level to raise money for any 501(c)(3) organization and also scales into a one-to-many fundraising and event management application for nonprofit organizations to deploy across a network of engaged supporters. The interface accepts donations made by credit card, which are then aggregated and submitted directly to the charity by FirstGiving via check or direct deposit. Over the last

decade, the FirstGiving platform has helped their former parent, The Giving Group, raise more than \$1.5 billion in charitable contributions worldwide.

FrontStream's fasttransact Donor Management Platform offers nonprofits a secure, compliant and configurable solution for accepting electronic donations of all types through a multitude of capture channels, including onsite payment forms, embeddable buttons and widgets, and mobile swiping. Page configuration is simple and allows for personalized branding, messaging and product selection. Critical donor data is also automatically secured and exported to other in-house CRM and ERP applications, greatly simplifying back-end administrative processes, and dynamically building a qualified marketing database. The platforms online payment capture tools are Smartphone and social media ready and organizations are able to utilize built-in SMS and emailing features to stay connected with their supporters.

Both platforms support full API integrations for third parties wishing to add a charitable element to their businesses, along with feature-rich, intuitive administrative portals and a host of reporting options. The respective functionality will be blended over time into a single product suite to provide cause-based organizations a true, one-stop source of integrated tools to help them create a comprehensive, fully-automated online fundraising program.

Together, we can offer an end-to-end fundraising and donor management solution to nonprofits, supporters and API partners that combines the latest donor-facing and administrative tools into one simple to configure and very affordable package, stated Karsten Robbins, FirstGiving's Chief Executive Officer. We expect nonprofits will embrace this merger and technology pairing as a positive step forward for the industry-at-large.

Going forward, it has been determined that FrontStream will retain and assign the FirstGiving brand to their nonprofit business channel and immediate steps will be taken to share appropriate cross-platform product and service functionality with respective clients in advance of an integrated version of the two platforms.

As this model evolves into a single-source fund aggregator, data capture and marketing product suite, we will no doubt identify ways to further incorporate its strengths into other areas of our vertical landscape, continues Vellayan. We are excited for the long-range growth opportunities this new acquisition creates for FrontStream and are also pleased to be able to offer immediate benefits to our nonprofit partners and clients.