

## INTRODUCING THIRD SECTOR CAPITAL PARTNERS

Third Sector Capital Partners is a nonprofit that collaborates with government, funders and providers to create **Pay for Success (PFS)** and **Social Innovation Finance (SIF)** solutions.

### NATIONAL LEADERSHIP

*Third Sector is launching the nation's first state-level and county-level PFS and SIF pilots, and we are performing multiple readiness assessments across the U.S.*

#### First State-Level PFS Pilot: Juvenile Justice

In collaboration with New Profit Inc., Third Sector was selected as the intermediary in a \$25 million PFS project with evidence-based service provider, Roca, Inc. that seeks to reduce recidivism rates and increase employment outcomes for over 900 at-risk young men in Massachusetts.

#### First County-Level PFS Procurement

Advising Cuyahoga County, Ohio in the launch of formal Request for Responses to explore PFS in child welfare and youth/adolescent mental and behavioral health. Procurement will pave the way for up to 3 pilots by Spring, 2013.

#### Consultant/Advisor to Santa Clara County, CA

Conducting PFS readiness assessment for the County in collaboration with Step Up Silicon Valley and The Health Trust.

#### First State-Level PFS Pilot: Chronic Homelessness

Partnering with Massachusetts Housing and Shelter Alliance as a Financial Advisor to achieve significant reductions in chronic homelessness in a \$25 million project. Supporting partners include Corporation for Supportive Housing and United Way of Massachusetts Bay and Merrimack Valley.

#### Only Federal Second Chance Act PFS Grant in Nation

Assisted Cuyahoga County, Ohio in obtaining a \$750,000 PFS grant offered by the U.S. Department of Justice Second Chance Act Program. The grant will be used to support the development of a prisoner reentry PFS model.

#### Recognized Thought Leader

Articles by Federal Reserve Bank of San Francisco publications, The Economist, Wall Street Journal, and New York Times, and presentations at the White House, Harvard Business School, Social Capital Markets Conference, and more.

### CLIENT PERSPECTIVES

*Third Sector is privileged to collaborate with partners across sectors for PFS/SIF initiatives.*

#### Government

"We have greatly benefited from Third Sector's expertise in this area [PFS], and I doubt that the County would have been able to launch its procurement or the community could have responded to the RFR without Third Sector's involvement."

- David Merriman, Assistant to the Executive, **Cuyahoga County Office of the Executive**

#### Providers

"Third Sector was the only organization that could unpack the 'black box' of the components of Pay for Success and Social Impact Bonds for us at Roca."

- Molly Baldwin, Founder and Executive Director, **Roca, Inc.**

#### Funders

"What is perhaps most impressive about Third Sector is its team's ability to listen first, then adapt Pay for Success concepts and frameworks to the realities and priorities of the County."

- Marcia Egbert, Senior Program Officer, **The George Gund Foundation**

### KEY SUPPORTERS



Arnold Foundation



## KEY CONCEPTS

### Pay for Success (PFS)

Performance-based contracting within the social sector where government pays only if results are achieved.

### Social Innovation Finance (SIF)

Financing approach that bridges timing gap between government payments and capital needed to run PFS programs.

### Social Impact Bonds (SIBs)

SIF tool that asks funders to assume upfront financial and performance risk inherent in PFS contracting.

## ADVISORY SERVICES

We bring proven experience in finance, project management, rigorous evaluation methodologies, and cross-sector collaboration to ensure our clients are **educated, engaged and equipped** to participate in PFS and SIF initiatives. Our services include:

- **Transaction Advisory Services:** Program feasibility, program risk evaluation and partnership formation.
- **Deal Construction:** Financial structuring, capital raising, contract negotiations, vetting of partnership stakeholders.
- **Post-Closing Intermediary Services:** Project management, investor relations, evaluation advisory services.
- **Education and Advocacy:** Services and activities to advance the development of a performance-driven social sector.

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We believe in the importance of bringing **performance-driven social innovations to scale**, in a way that is **financially sustainable**.

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## MEET OUR MANAGEMENT TEAM

*Our management team is composed of experienced leaders with long track records of excellence in for-profit and nonprofit capital raising, financial modeling, project management, impact evaluation, and legal counsel.*

### George Overholser - CEO & Co-Founder



George was a member of Capital One's founding management team and co-founder of North Hill Ventures, a Boston-based venture capital firm, before transitioning full-time to the social sector 12 years ago. An expert in finance, evaluation and social entrepreneurship, he is a recognized leader in the emerging PFS and SIF fields.

### John Grossman - Partner & General Counsel



John is an attorney who led teams in Massachusetts government for 16 years, building the nation's first statewide computer crime unit, serving as a senior manager in the Attorney General's Office, and overseeing multiple agencies as an Undersecretary of Public Safety. Before Third Sector, he spent a year at MIT as a Sloan Fellow in Innovation and Global Leadership. John is the project manager for the pioneering Massachusetts juvenile recidivism PFS project.

### Caroline Whistler - Partner, Client Services



Caroline is a founding team member of Third Sector and experienced project manager. Previously she worked at Nonprofit Finance Fund Capital Partners, where she developed growth capital campaigns for high-performing nonprofits and supported over \$300 million in nonprofit financing. Caroline leads the client and government advisory engagements for Third Sector, overseeing feasibility assessments and developing customized PFS arrangements.

### Rick Edwards - Partner, Capital Markets



Rick brings over 20 years of business experience in structuring public-private partnerships and completing major capital markets transactions. His experience as an investment banker and entrepreneur include serving as the Global Head of Project Finance and Advisory for JP Morgan Chase. He joined Third Sector Capital in 2012 as a Partner and focuses on raising funding for the new Pay For Success transactions being implemented in the U.S.

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## Third Sector Capital Partners, Inc.