

The Hillcrest Commitment

An Interview with Robert J. Finlay,
Managing Partner, Hillcrest Management, LLC



Robert J. Finlay

EDITORS' NOTE Robert Finlay spent 15 years on Wall Street, during which time he held positions of increasing responsibility with major firms, including Credit Suisse First Boston, Lehman Brothers, and Deutsche Bank. In 2000, Finlay founded Commercial Defeasance, LLC, and in February 2006, he sold a majority interest in the firm to Summit Partners, but remains on the company's board of directors. Finlay has earned equal distinction as a professional race car driver in the Grand-Am Rolex Sports Car Series driving Daytona prototypes for Chip Ganassi Racing. Through his racing activities, he has hosted Make-A-Wish children across North America, while promoting public awareness of the organization. In 2005, Finlay received the Champion for Children with Disabilities award from the Allegro Foundation. In 2007, Finlay personally funded a new facility for the Concord, New Hampshire-based Friends of Forgotten Children. Finlay also serves as a board member of the New Hampshire Higher Education Assistance Foundation. Last month, Mr. Finlay began publishing New Hampshire Troubadour magazine, which spotlights the people, places, history, and culture of New Hampshire. The magazine is released monthly and it is free of advertisements and free of charge. In addition, he and his wife lead the Finlay Foundation, which focuses on philanthropic endeavors across a broad spectrum of causes including education, arts and culture, supporting families and children in need, and animal rights.

COMPANY BRIEF Hillcrest Management, LLC (www.hillcm.com), is a New Hampshire-based private investment firm with an expressed commitment to citizenship and community service. Hillcrest invests its own money and resources in emerging local, national, and international businesses and works closely with each portfolio company, assigning management professionals to develop and execute a strategic business model.

Can you provide an overview of Hillcrest Management's business and growth outlook?

Hillcrest Management is committed to excellence both in private investment and in inspiring the best in citizenship and community service through its workforce and its public campaigns. Hillcrest is dedicated to nurturing the entrepreneurial spirit in emerging companies and will continue to target small- to medium-sized businesses that show potential to transcend or revolutionize a traditional market.

You have been involved with a number of high-profile financial institutions. Why did you start Hillcrest Management?

I recognize how difficult it is to start a business and subsequently find success, and I realize that being able to execute a business plan makes all the difference. I started Hillcrest to provide capital and acumen, while serving as an operator for small and medium-sized businesses.

What are the attributes you look for when selecting companies for the portfolio?

We are committed to identifying and investing in emerging companies we believe can improve a people's quality of life while changing the world. Our portfolio is characterized by innovation, forward thinking, and profitability in the fields of real estate, finance, management, and technology.

What are some of the companies in your portfolio?

One company I am incredibly excited about is iHearSafe, the manufacturer of a line of safe-volume headphones for children and adults. We are also extremely proud of technology companies like Lotame, which has proved to be the leader in monetizing social network advertising. Another of our recent additions is the Mobile-Shop Company, a revolutionary tool-and-parts maintenance solution, which is dramatically improving the productivity of maintenance and repair staffs.

How did you get involved in the issue of hearing safety in children?

My wife and I are the parents of four young children. Together as a family, we travel quite a

bit, and my kids like to wear headphones and listen to music through their MP3 players. I suffer from hearing loss myself, and as soon as I noticed that I could hear what my kids were listening to because the volume was so loud, I became concerned about protecting their hearing. Recent surveys have shown that 15 percent or more of kids between the ages of 6 and 19 already have reduced hearing because of too much exposure to noise, much of which comes from their own personal music devices. This is an unacceptable social health problem, and that's why I was determined to find a preventative solution.

How are iHearSafe products different from other headphones on the market?

iHearSafe technology is a true "audio limiter" that prevents the volume of any audio device from exceeding the National Institute for Occupational Safety and Health's safe level of 85 decibels. Competitors may reduce volume, but people can overcome that reduction simply by using those headphones with a more powerful audio component. Only with iHearSafe can you guarantee to never surpass the safe volume threshold.

Are you happy with the level of talent you have been able to attract and retain?

I was very fortunate to bring with me to Hillcrest Dan Monfried, a longtime friend whom I respect and trust. Together, we have been able to hire some quality employees and welcome them into the fold. And part of the reason we have been able to do this is our location in New Hampshire. People want the high quality of life that New Hampshire offers, and that makes it easier for us to find talented individuals.

How would you define your management style?

I operate with a very open management style; I try to include everyone in decisions. I don't believe in offices, nor do I believe in hiring specifically for a job. I have found much more success investing in people; by that I mean hiring a person, not a résumé, and finding a job for the individual – not the other way around.

How important are the roles of good corporate citizenship and community service to your business model?

To say these roles are extremely important is an understatement. In fact, in many ways, they serve as linchpins for everything we do. At Hillcrest, we believe strongly in social responsibility and encourage all of our employees to take a leadership role in nonprofit organizations, civic posts, and community endeavors. ●