**No Sand Between Our Toes (2014)**

**Why our feet are not stuck in the mud.**

I truly thought we might be skipping this 7th annual post – or have to retitle it “Feet Stuck in Mud”. The cycle of summer seems to start only after the kids leave school and then return. My wife Tricia used to say “summer starts on the 4th of July and ends two weeks later,” and that sentiment brings near universal agreement –especially to those who have to pay attention to the back-to-school shopping rhythm and planning that truly does start in late July. In truth, I was looking forward to an extended August respite because business was, well – just slow on the new biz development front. No complaint, we are plenty busy and full of appreciation for clients and obligations we have right now. Our current collection of funds under management and associated portfolio companies are steaming along as we continue the work-a-day obligation of sustaining and growing value. One of my favorites in the portfolio is going to crash through a $75 million run rate this year after plateauing near $25 million for the last few years. Exciting stuff! Our dozen plus Federal New Markets Tax Credit projects are either completed or in the ground, being particularly proud of the redevelopment of Liberty, Kentucky after its near total devastation by a tornado just two years ago. We have even seen one of our completed University projects jump start an even more advantageous investment in a textbook demonstration of economic development leverage resulting in the creation of a fully privately funded nursing school. New jobs created, lives improved and strong emotional satisfaction from Florida to Oregon and San Antonio to New York City.

So…what am I grumbling about? In truth, we love the hunt for new fund and business opportunity. We revel in the initial introduction to a vexing challenge. It takes upwards of a year when we work with Limited Partners to help them understand the mitigation opportunities they have when they are involved with a troubled fund and/or recalcitrant General Partner. All those months of free consulting – becoming intimate of the private troubles and competing interests, managing the diverse opinions and educating all parties about the complexities and opportunities of the intervention process and the initial entry – is wonderfully exciting all by itself (even if we don’t get paid for the effort). I may be overselling that a bit but for those of you involved in biz dev I think you can more readily understand.

We had at least two funds scheduled to come off the “contemplation and discovery” phase and move into “direct intervention” for the beginning of this summer. However, for various reasons the engagements were put on pause until the fall. We even demurred we step into one of those funds because we saw another path that would allow a repair of the GP/LP relationship twinned with some governance and oversight changes. Less income and work for us but it’s about doing the right thing for the client. I will confess to missing the excitement of walking into a new challenge...alas.

It was if we were planning to dig our feet firmly into the soft wet beach sand rather than trodding yet a few more airport terminals this August. Then, just as the doldrums of summer were about to wash over us, BANG, a client crisis arrives. Nothing is better than being able to stride into a maelstrom of doubt and fear that a challenging situation requires. I can’t tell you about it just yet (on second thought, I’m likely to never tell you about it unless it becomes a heavily veiled business school case study) but I promise you we are enjoying the trials and pains of putting our clients at ease and reigning in the troubles caused by their badly-behaving GP.

Maybe Tricia was right. I did get the frantic initial Limited Partner call on July 20th. Summer did end two weeks after Independence Day. Oh well, there is always Labor Day weekend.

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