

Proximities Secures \$4M Series B For Sales, Marketing Of Its RFID Wristband

Melbourne, Fla.

By Marine Cole

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Proximities Inc., which develops and markets secure radio frequency identification cashless payment access control and age verification systems, said it has raised \$4 million in a Series B round of financing.

International Speedway Corp., Axiom Venture Partners and Inflexion Partners, all new investors, co-led the up round. Previous investors Caydal, an investment partnership, reinvested in the company. Individuals also participated.

Marc Fogassa, principal at Axiom Venture Partners, said that Proximities planned to raise \$2 million, but that the round was oversubscribed. He said that the proceeds from the round will be used for sales and marketing.

Founded in 2002, Proximities received \$600,000 in a first round of financing in several tranches in 2002 and 2003 from Caydal and individual investors.

Fogassa said that the money should last until the company reaches cash flow positive status toward the end of 2005 or the beginning of 2006. "The current plan doesn't call for any further financing needed," he said.

Proximities offers an RFID chip in a plastic wristband that is provided to people who enter public events. The wristband is tied to a credit card or a debit card number, allowing consumers to use the band to purchase inside a venue.

Proximities' customers include large public companies running sporting arenas, conferences and concert halls, and the wristband could also be used in cruise lines, theme parks and casinos.

Fogassa declined to disclose the names of customers, but claims that the RFID wristband could increase sales by 60% for them.

"Lines move faster, which means that people can go back," Fogassa said, noting that it allows easy identification and it is also useful for age verification. "If you remove it, it doesn't work anymore." It also makes transactions more secure, he said.

The device, based on Proximities' proprietary technology, is working and has been available on the market for several months. Fogassa said that there isn't any competition in that market.

The company moved its headquarters to Melbourne, Fla., a year ago from Princeton, N.J., where the founders of Proximities met. It currently has less than 10 employees.

As a result of the round, Fogassa as well as Susan Schandel, chief financial officer of

International Speedway, joined the board of Proximities, which also include Proximities Chief Executive Ron Carney; Jim Daly of Caydal; and Proximities Co-Founder John Lerch.

<http://www.proximities.com>