

Advanced Interactive Rings Up \$12M Recap

By VentureWire Staff Reporters
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Oldsmar, Fla. -- ABS Capital Partners has spent \$11.9 million to buy a minority stake in Advanced Interactive Sciences LLC, a provider of technology for direct-response advertising. The proceeds of the recapitalization round will be used to buy out some of the shares of the company executives and founders that have bootstrapped the company since its founding in 2003, said Michael Ferzacca, its chief executive, who declined to provide the company's valuation. Advanced Interactive Sciences provides automated call answering services that use speech recognition technology and predictive analytics to maximize revenue from a direct-response advertising campaign. In this kind of campaign, the advertiser is seeking to generate revenue from the campaign, such as an infomercial, rather than building brand recognition. The Internet has helped give advertisers an appetite for forms of advertising, like direct-response, that provide them with measurable results per dollar spent on advertising. As advertisers spend more on these forms of advertising, Advanced Interactive will be in a good position to benefit, said Deric Emry, a general partner with ABS Capital. "We've got more available [capital for investing in the company's growth], but the good news is that the company doesn't need it because it is growing better than 50% a year off its own cash generation," said Emry, adding that the company has been profitable practically from day one. The company has no plans to raise additional capital, but wouldn't rule out the possibility, Ferzacca said. Advanced Interactive Sciences has less than 100 people and offices in Oldsmar, Fla. and McClean, Va.

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