



Dogwood Equity Announces Realization of Harmony Labs Investment

Raleigh, North Carolina – Dogwood Equity, manager of the North Carolina Economic Opportunities Fund, is pleased to announce that the Fund completed the sale of Harmony Labs to Stephens Capital Partners, LLC. Edgeview Partners served as the exclusive advisor to the shareholders of Harmony Labs. Dogwood invested \$5 million as part of the acquisition of Harmony on May 1, 2003; this is the Fund's first exit.

Harmony Labs (www.harmonylabs.com) is a leading provider of outsourced turnkey solutions for the design, development, testing, and production of branded and generic topical skin care products in the U.S. prescription drug, over-the-counter ("OTC"), cosmeceutical, and cosmetic markets. From its FDA-regulated and cGMP-compliant facilities, the Company offers industry leading design and production capabilities for a wide range of topical products in lotion, cream, ointment, gel, liquid, sachet, and powder forms. Harmony is located in Landis, North Carolina.

William Lynch, chief executive officer of Harmony Labs, stated, "Dogwood was integral in helping guide the strategic direction of the business, helping to produce outstanding results and capture maximum value for all the shareholders. The entire team dedicated itself to fully understanding the merits of our business and the dynamics of the industry and was a significant resource for management and the company during its successful growth over the last three years."

Dogwood Equity (www.dogwoodequity.com) is a \$74 million private equity fund that invests \$1 million to \$5 million in growth capital and small MBO or LBO transactions. The principals in Dogwood Equity bring a combined experience of over 85 years in banking, private equity, general management, and economic development. Dogwood invests primarily in companies located in the state of North Carolina, particularly non-metropolitan areas.

Stephens Capital Partners LLC is the private equity arm of Stephens, Inc., (www.stephens.com), a full-service, privately owned investment banking firm based in Little Rock, Arkansas, with offices across the U.S. and in London. Founded in 1933, Stephens has decades of experience in corporate finance, family financial planning, mergers and acquisitions, insurance services, stock market analysis, public finance, and has conducted private equity transactions for over 50 years, and seeks to be a reliable long-term partner to management of growing companies.