

Testimony of
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Good morning. My name is Zachary Green and I'm the CEO and founder of MN8 Foxfire. I would like to personally thank Chairman Chabot and the members of the Small Business Committee for inviting me here today.

As a young man growing up in Cincinnati, Ohio, I had three distinct dreams:

1. To be a US Marine,
2. To be a firefighter, and
3. To be an entrepreneur.

Dedication, honor, teamwork, and most of all mission accomplishment were some of the life long values I garnered from my time in the Corps. I recognize that having the opportunity to pursue the American Dream is because of those that have gone before us. We must never forget that we are the land of the free ONLY because of the brave.

Several years later (and about 50 additional pounds), I fulfilled my second dream of becoming a volunteer firefighter, a rich American tradition started by one of our founding fathers, Benjamin Franklin. Being a firefighter, much like being a US Marine, taught me that no obstacle is too large, no hill is too steep and all

challenges can be solved through leadership, teamwork and perseverance. After all, in the fire service we have to solve the problem at hand; we don't have the option of calling 912 after the homeowner calls 911.

The summers in Parris Island and Twentynine Palms were unbearable. Marine Corps Officer training in Quantico, VA was extremely challenging, as is being a firefighter running into a burning building while everyone else is running out.

But all of these pale in comparison to the challenges I have encountered fulfilling my third dream: becoming an entrepreneur.

I came up with the idea of MN8 Foxfire while sitting on the tailboard of my fire engine. As a firefighter, some of our biggest risks are accountability and disorientation, all of which are compounded exponentially in the dark. I remembered seeing a special about September 11th and how the 9/11 commission report noted several times how photoluminescence materials helped people evacuate the twin towers before they collapsed. I thought of ways in which I could apply this same technology to firefighter accessories. During the next several months, I drove from fire station to fire station selling MN8 Foxfire accessories out of the

trunk of my car. Sales steadily increased, and my former Fire Chief, Robert Rielage, sat me down and told me how much he believed in me and this product. He said I shouldn't just treat this as a hobby, but rather look at how to really grow the company. As I walked out of his office, I remembered the words of one of my favorite leaders, Theodore Roosevelt: "In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing."

I refinanced my home, maxed out my credit cards, and took nearly all of my family's savings to officially start my journey to entrepreneurship. I'm proud to say that we now have more than 60,000 firefighters using Foxfire products. Additionally, we have grown our safety line of products such as eco-friendly EXIT signs (that never need maintenance, batteries or electricity), and a patented product that goes on stair edges that today illuminate the stairwells of sports arenas, high-rises, and universities all over the US and abroad. Thanks to the help of the US Dept. of Commerce's Commercial Services division, we have also exported this technology to more than 25 countries throughout the world, including the Civil Defense headquarters of the United Arab Emirates.

In 2013, MN8 Foxfire was awarded the “Excellence in Entrepreneurship” award; and I was named “Entrepreneur of the Year” by the Ohio Chamber of Commerce. I could not have been more proud, but every day is a struggle.

One of Foxfire’s biggest challenges – one many small business owners share – is the access to working capital. I love my mother very much, but the words of one of my mentors could not ring more true: Cash Is More Important Than Your Mother. I always thought the more Foxfire grew and the more we sold, the less I would have to worry about capital. I could not have been more wrong. When I realized that my personal investments would not be enough to finance our rapid growth, I raised capital from friends and family. With that capital, I hired more staff and bought more inventory, but it was still not enough to keep up with our supply chain and overhead costs. I next worked with a local venture capital advisory firm and raised additional funds. Those funds coupled with lines of credits from our regional lender, Bank of Kentucky allowed us to continue to grow.

Almost every entrepreneur I know has the same reoccurring nightmare: running out of money. Several months ago, due to several unforeseen circumstances, this almost happened. We were fortunate to find a new stream of access to capital online through

StreetShares, a peer-to-peer lender described by the press as “Shark Tank meets eBay”. We presented our business case with historical financials, tax returns, and a pitch describing how we would use the new funds.

StreetShares is a peer to peer internet-based marketplace that matches borrowers and lenders by shared social affinity—such as in this case, veterans lending to veterans—to drive down the rates and risks of a loan through a reverse auction model. Our loan was funded from a pool of investors who competed to take a portion of our loan, each setting their own rate of return. These investors reviewed Foxfire’s pitch and bid to fund a part of our loan.

StreetShares combined all the lowest bids into a single loan for us. They bid down our rate because they knew we were a veteran-owned business, and many of the investors were veterans themselves. In under 36 hours, Foxfire received the money we needed. The interest rate was in the teens.

If we had gone through this same process with a traditional financial institution, it would have taken months. If we had gone to one of the many small business "payday" type lenders online, they would have charged us an outrageous APR. The StreetShares loan had a reasonable APR, but was just as fast. If it were not for the quick access to an online peer-to-peer loan, I fear the worst could

have happened. This is the perfect example of how the free market can act faster than larger, traditional institutions, and keep the American Dream alive.

I became a US Marine, a firefighter, and thanks to new ways to fund startups like peer to peer micro loans, I am on my way to becoming a successful entrepreneur.

Thank you again for your time today.