MBA students make waves at "Investor Idol"

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Xavier Cabo, Chonchol Gupta and Alex Owings may not have much in common with Kelly Clarkson or Adam Lambert, but they can all say they're idols.

Rebirth Financial, a new company started by the second-year MBA students, was one of four finalists chosen from among more than 30 applicants to participate in Investor Idol, a showcase for New Orleans small businesses seeking investors.



MBA students Alex Owings, Chonchol Gupta and Xavier Cabo, left to right, were chosen to participate in Investor Idol, a showcase for small businesses seeking investors.

The session was part of the 2010 National Interagency Community Reinvestment Conference, the premier CRA training event for community development bankers. Since this year's conference was taking place in New Orleans, organizers decided to add a session to let local entrepreneurs seeking funding pitch their business ideas to a panel of venture capitalist judges.

Rebirth Financial plans to offer a web-based platform to connect small business owners in need of loans directly to individual and small organizational lenders. Borrowers will be able to post a loan amount and desired interest rate, and lenders will have the ability to research the loan request and specify the amount they're willing to loan at the given rate. According to Gupta, the platform will enable businesses to get lower interest rates than at banks and lenders to earn higher returns than with bank deposits or CDs.

While the tongue-in-cheek name and format of the session were borrowed from the television show "American Idol," Investor Idol did not single out a winner, but Gupta says the opportunity pitch their business idea to an all-star panel of judges and make contacts in the national investment community was prize enough.

"We have somebody that we're going to be talking to this week about investing with us, but even more importantly we made a lot of great contacts at the Federal Reserve Bank of San Francisco," says Gupta. "They've been working on peer-to-peer social lending as an investment tool, and now they're really excited about our idea and want to help us."

According to Ian Galloway of the Federal Reserve Bank of San Francisco, who coordinated the session, that was the idea.

"All the presenters delivered excellent pitches to our panel of judges," Galloway says. "Hopefully, the experience has better positioned them to secure growth capital and bring their ideas to life."