

U-M's Frankel Fund Makes First Investment

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ANN ARBOR – The Frankel Commercialization Fund, a student-managed venture capital seed fund at the University of Michigan's Ross School of Business, has made its first investment, \$85,000 in Arbor Photonics an Ann Arbor company commercializing technology that originated in the U-M's Department of Electrical Engineering and Computer Science.

Ann Arbor-based RPM Ventures, which invests in university spinouts and technology-focused companies that target customers based in the Midwest, led the initial round of financing.

"The Frankel Fund students are very enthusiastic to be able to provide initial funding to Arbor Photonics," said fund director Thomas Porter, executive-in-residence at U-M's Zell Lurie Institute for Entrepreneurial Studies. "The company possesses a stellar team built around a disruptive, proprietary technology that meets a clear market need."

Arbor Photonics and its chief science officer, EECS Professor Almantas Galvanauskas, have developed a scalable optical fiber technology that enables high-power fiber lasers to be used in a variety of new materials-processing applications in the automotive, electronics and aerospace industries while offering a lower-cost replacement to existing bulky laser systems.

Led by Phillip Amaya, a 20-year veteran of the laser industry, Arbor Photonics intends to use the Frankel seed money for customer identification, prototype development and assembly, and the development of engineering and manufacturing plans for the company.

"We're very fortunate to find both the technological and financial seeds for our business at the University of Michigan," Amaya said. "The Frankel Fund's early-stage investment plays a critical role in helping us transform the technology into a product demonstration and the business concept into a competitive strategy. The Frankel students are an impressive team to work with and we're looking forward to their continued participation in Arbor Photonics."

The team of Frankel Fund students responsible for the investment, all of whom are Ross School MBAs, include Punit Chiniwalla, Delara Godrej, Andy Hastings and Michael Tarasev.

"Our students have learned a great deal about technology commercialization through their evaluation of this investment opportunity. They look forward to making a real contribution through continued involvement with Arbor Photonics' business post-investment," said Porter, who also noted the support of the U-M Tech Transfer Office, which helped speed along the Arbor Photonics deal by expediting the licensing process.

Porter said the Frankel Commercialization Fund is continually seeking opportunities to help jumpstart new companies in Michigan. Established in 2005, the fund is believed to be the

only student venture capital fund of its kind with a focus on the commercialization of ideas and formation stage of new companies.

The fund is organized into two student teams that function as independently financed venture capital companies providing very early-stage company investing, often known as "seed or pre-seed" investing.

Each student team reports to a board of directors comprised of venture capitalists, entrepreneurs, industry experts and CEOs who provide additional mentoring and learning opportunities for the Ross students.

Companies and individuals interested in obtaining funding from the Frankel Fund must apply by Dec. 15, 2007, to be considered for investment by May 2008. Applications submitted after that date may be considered for investment in fall 2008.