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ANN ARBOR ANGELS DRIVE \$82M IN NEW INVESTMENTS FOR AREA FIRMS

FOR IMMEDIATE RELEASE – ANN ARBOR, MICH. – April 27, 2006 – The Ann Arbor Angels (A2A) investment group reported involvement in 26 transactions with total value of \$82 million in 2005. Investment activity included \$46.2 million in information technology sector related companies and \$7.5 million in the life science sector. Companies representing the advanced automotive, consumer products, financial services, homeland security/defense, manufacturing technology, and nanotechnology sectors also received funding.

“Angel investment is critical to the development of new exciting companies in our state,” said Michael Cole, vice president of the Technology Industry Group at Bank of Ann Arbor and managing director of A2A. “Southeastern Michigan’s angel investment community is world-class and through the success of A2A we are pleased to now have an opportunity to provide this vitally important information to the public.”

“The state of Michigan’s angel investment community continues to demonstrate its strength and vision, evidenced by the companies and investments highlighted in the 2005 A2A investment report,” said Jim Epolito, president and chief executive officer of the Michigan Economic Development Corporation (MEDC). The \$32 million investment in ePrize was one of the largest angel deals in the Midwestern United States in 2005. Over the past century Michigan’s angel investors have helped to launch automobile companies, chemical companies and cereal companies, providing the foundation for our great state’s economic prosperity. The 21st Century Jobs Fund initiative will further boost angel investments in Michigan, at this critical junction, with the creation of capital gains roll-over incentives, pre-seed funds and commercialization investments. These programs will help Michigan’s angel investors launch the companies that will drive our economy for the next 100 years.”

Angel investment transactions of note in the region during 2005 included a \$32 million third round recapitalization for interactive promotions agency ePrize. The transaction was lead by angel investors Gary Shiffman of Sun Communities; Brian Hermelin of Active Aero; and Dan Gilbert and David Katzman of Quicken Loans/Rock Financial/Cleveland Cavaliers, Camelot Ventures, with Bank of Ann Arbor providing \$500,000 of pre-recapitalization debt financing.

“ePrize has been fortunate to work with the Technology Industry Group at Bank of Ann Arbor for more than two years. Michael Cole and the Bank of Ann Arbor stepped up to provide financing to ePrize when no one else would,” noted Robb Lippitt, chief operating officer and general counsel for

ePrize LLC. "They also introduced us to A2A and have been an integral part of our growth. Our region and new economy companies have a need for these kinds of services which The Bank of Ann Arbor and the A2A are doing a great job filling."

Machine vision company Coherix raised more than \$6 million in 2005 utilizing the new Michigan Innovation Certificate of Deposit (MICD) angel-funding vehicle with Bank of Ann Arbor acting as the lead bank. A2A lead the angel funding with participation from Toledo, Ohio-based Core Network. Coherix has raised in excess of \$8 million of a targeted \$11 million to date.

"The A2A present a huge opportunity for the entrepreneurial community in Ann Arbor to lead at a time when leadership is going to be extremely important as we face the upcoming economic crises in Michigan," said Dwight D. Carlson, chief executive officer of Coherix. "A2A has started to take shape to provide leadership which will assist the administration of the University, the local community and State government deal with significant global economic development issues unique to the 21st Century."

Nano-particles company Nanocerox closed an over-subscribed \$2.4 million Series B round. A2A lead the funding with participation from members of the Great Lakes Angels. Bank of Ann Arbor provided \$240,000 of equipment financing and a \$100,000 working capital line of credit.

"The A2A with Michael Cole taking the lead were most helpful to me and Nanocerox in our efforts to raise a round 2 funding," said Steve Swanson, chief executive officer of Nanocerox. "A2A provided a platform to organize an investor presentation and helped identify prospective angel investors. A2A is a vital link for early stage companies in their effort to find funding."

Flow cytometer device company Accuri Instruments closed an \$800,000 Series A preferred equity transaction and a \$1.5 million convertible debt round in 2005. Members of A2A lead the funding with participation from the Great Lakes Angels and Core Network. The company is currently closing an additional round of funding.

Among the other angel rounds participated in by A2A in 2005 were \$1.5 million for laser navigation company Self Guided Systems, \$1.5 million for drug discovery analytics company Genetics Squared, \$420,000 for Pier 3 Technologies and \$150,000 for Myrmidon Biomaterials.

Other key A2A funding and acceleration service partners during 2005 included Ann Arbor SPARK Business Accelerator, Amherst Fund LLC, Arboretum Ventures, Bodman LLP, CrystalPoint Partners, Dykema Gossett PLLC, Inovo Technologies, Plymouth Venture Partners, Menlo Innovations, Miller Canfield PLC, Online Technologies, Schox PLC and Seneca Partners.

About the Ann Arbor Angels (A2A):

The Ann Arbor Angels is dedicated to bridging the gap between angel investors and the region's premier growth companies. The not-for-profit network founded by the Bank of Ann Arbor is supported by the Michigan Economic Development Corporation (MEDC) and Ann Arbor SPARK. Key collaborators include The University of Michigan Zell-Lurie Institute for Entrepreneurial Studies, Center for Venture Capital & Private Equity, and Office of Technology Transfer; the Ann Arbor IT Zone, MichBio and the Michigan Venture Capital Association.

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