



# 20th Annual Growth Capital Symposium

June 19-20, 2001  
Ann Arbor, Michigan

University of Michigan Business School

presented by:  
Center for Venture Capital and Private Equity Finance (CVP)  
The University of Michigan Business School

Dr. David J. Brophy, Director  
[www.umich.edu/~cvpumbs](http://www.umich.edu/~cvpumbs)

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# THE 20<sup>th</sup> ANNUAL GROWTH CAPITAL SYMPOSIUM

## June 19-20, 2001

In the last five years the venture capital industry has experienced a true "boom-and-bust", with unprecedented growth in capital raised and invested, growth in valuations and deal-flow, mostly centered around the internet. This was followed by a sharp decline in the capital markets and the demand for technology, which was reflected in the performance of the portfolios of many venture capital investors.

Beyond the current state of the market, however, there are few significant trends emerging that will mark the path for the next few years in the business. The focus of the 20<sup>th</sup> Growth Capital Symposium is to bring to the forefront views from the leaders on the investment and technology fronts who have managed to break ahead of the curve and are preparing to take advantage of the general market conditions. This is echoed in the sentiment among a growing group of investors who believe that the next few years will be in fact some of the best for venture capital investment.

### Tuesday, 19<sup>th</sup> June

The Symposium will begin at 10:00am Tuesday morning in Hale Auditorium in the University of Michigan Business School, and will conclude at 5:30pm with a reception at the Museum of Art and a dinner at the Michigan Union.

#### **MORNING SESSION:**

##### **THE FUNDRAISING & INVESTMENT CLIMATE**

The morning will feature two panels on the general fundraising and investment climate from both the institutional investor's view (Limited Partner's) as well as from the venture capitalists (General Partner's).

The first group of panelists will share their insights on asset allocation and interesting investment sectors and vehicles. The second panel will give insights from fund managers who have recently raised capital as to how they are leading changes in their approach to investments and value creation in the current and coming environment.

#### **AFTERNOON SESSION:**

##### **THE LEADING EDGE OF TECHNOLOGY INVESTMENT**

The focus of this session is to highlight the "next wave" of technologies, their markets and their applications. Leading speakers from both the research and the investment arenas will share their insights and experiences. The broad areas of technology addressed will include:

- **Microsystems & Nanotechnology**
- **Life Sciences**
- **Telematics and Intelligent Transportation Systems**

## **EVENING SESSION:**

### **Awards Presentation**

The Growth Capital Symposium  
Award for Excellence in Growth Capital Investment

The 2000 Award will be presented to Mary Campbell, Hayden Harris and Thomas Porter, founders of Enterprise Development Fund, now EDF Ventures.

### **Keynote Address**

**JOHN DENNISTON**  
**COO - KLEINER PERKINS CAUFIELD & BYERS**

## **Wednesday, 20<sup>th</sup> June**

The second day will begin at 7:00am with a continental breakfast at Hale Auditorium. Day 2 presentations will conclude at approximately 5:30p.m.

### **Company Presentations**

The second day will serve as a platform for executives the leading entrepreneurial companies to make investor presentations. The majority of these companies will have significant investments in them already made.

Companies presenting on this day have been pre-selected by the CVP team on the basis of the attractiveness of the business opportunity, strength of the management team, technology position, financial position and the recommendation of their current investors.

## Biographies of Selected Speakers:

**DAVID C. TURNER**  
**ADMINISTRATOR, ALTERNATIVE INVESTMENTS DIVISION**  
**STATE OF MICHIGAN TREASURY**

David Turner is Administrator of the Michigan Alternative Investments Program with responsibility to direct and manage a diversified private equity portfolio valued at \$8.0 billion and a staff of 11. He also served as a Senior Portfolio Manager for the private equity group for over 15 years and in this capacity has originated, managed and liquidated over thirty investments in venture capital and buyout funds, and public and private operating companies both domestically and internationally and is a current or past member of several private equity partnership advisory boards and company boards of directors. In his earlier career, Mr. Turner has over 12 years experience in the fields of small business finance, technology transfer, economic development, and urban and regional planning in both executive and consulting capacities. Mr. Turner has published several articles in his professional fields of interest and holds a Bachelor of Arts degree in Urban Planning from the State University of New York.

**JOHN DENNISTON,**  
**CHIEF OPERATING OFFICER, KLEINER PERKINS CAUFIELD & BYERS**

John Denniston joined Kleiner Perkins in February, 2001 as Chief Operating Officer. John came to KPCB from Salomon Smith Barney, where he was a Managing Director and head of Technology Investment Banking for the Western U.S., and also served on the Investment Committee for Salomon's direct investment venture fund and its venture capital fund-of-funds. Prior to Salomon, John was a Partner with the law firm Brobeck, Phleger & Harrison, where he was the head of Brobeck's Venture Capital Practice Group, Co-head of its Information Technology Practice Group and a member of the Investment Committee for its venture capital fund. He holds a B.A. in Economics and a J.D. from the University of Michigan.

**ERIK LUNDBERG, CFA**  
**CHIEF INVESTMENT OFFICER, UNIVERSITY OF MICHIGAN**

Mr. Lundberg is the Chief Investment Officer of the University of Michigan, in charge of directing and overseeing the investment of the University's \$5 billion in financial assets. He joined the University from Ameritech, where he was responsible for global asset allocation research and implementation and also had managed both the domestic and international equity programs. Mr. Lundberg holds an undergraduate degree in Business Administration from the University of Wisconsin – Eau Claire and an MBA from the Ohio State University. He is a CFA charterholder.

**RICK SNYDER**  
**CEO, ARDESTA, LLC**

Rick Snyder is CEO and co-founder of Ardesta, dedicated to the development of the microsystems industry. The company invests in startups and early stage companies; provides business and technical resources to support these companies; and develops industry-building resources such as publications, web sites and trade shows.

In 1997, Rick founded Avalon Investments, Inc., a venture capital company targeted at investments in technology-oriented ventures. From 1991 to 1997, he served as Executive Vice President and then President and COO of Gateway, Inc., where his responsibilities included overseeing all aspects of company operations and assisting in the strategic direction of the company. During his tenure with Gateway, the company grew from a privately held \$500 million company to a NYSE traded organization with revenues in excess of \$6 billion.

He studied at the University of Michigan, where he earned a Bachelor of General Studies degree with high distinction in 1977, a Masters of Business Administration with distinction in 1979, and a Juris Doctor in 1982. Currently, Rick serves on the Board of Directors of Gateway, Inc., and Launch Media, Inc., both publicly-held companies, and on the boards of a number of privately-held companies. He also serves on the board of The University of Michigan's College of Engineering National Advisory Committee and the Governor's e-Michigan Advisory Council

**ARLAN STEHNEY**  
**EXECUTIVE DIRECTOR - IDB FORUM**

Mr. Stehney is the Executive Director of IDB Forum, an international technology development association with over 70+ members working to develop and promote open-architecture in-vehicle networking. Members include Ford, General Motors, Nokia, Motorola and Windriver Systems. IDB Forum has established relationships with Automotive Multimedia Interface Collaboration, 1394 Trade Association, and Consumer Electronics Association.

He was previously the Intelligent Transportation Systems Program Leader at the Society of Automotive Engineers, where he managed the standards development program including government contracts for passenger and commercial vehicle ITS Standards Development. Development efforts included: ITS Data Bus, Advanced Traveler Information Systems, Adaptive Cruise Control, Forward/Side/Backing Collision Warning and Avoidance, Navigation, Route Guidance, and Location Reference Profiling. Mr. Stehney has received graduate and undergraduate degrees in Engineering Management and Industrial Engineering from the University of Pittsburgh.

**EARL K. LYLE**  
**MANAGER, BUSINESS DEVELOPMENT- FORD GLOBAL PURCHASING**

Earl K. Lyle is the Manager, Business Development for Ford Global Purchasing. He is responsible for managing the Value Participation Program through which he establishes strategic alliances with suppliers. Mr. Lyle joined Ford in 1997. Prior to that he managed his own public accounting practice in which he specialized in providing accounting, tax and consulting services to start-up and development stage businesses. Mr. Lyle has also worked as a consultant and accountant for KMPG Peat Marwick and Arthur Andersen. Mr. Lyle holds a Masters Degree in Business Administration from the University of California at Berkeley and he is a Certified Public Accountant.

**DR. THOMAS C. KINNEAR**  
**EXECUTIVE DIRECTOR - ZELL-LURIE INSTITUTE**

Thomas C. Kinneer is Eugene Applebaum Professor of Entrepreneurial Studies, Executive Director of the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies, and Professor of Marketing at the University of Michigan Business School. He is former editor of the *Journal of Marketing* and the *Journal of Public Policy & Marketing* and co-author of several books including: *Principles of Marketing*, *Marketing Research: An Applied Approach*, *Promotional Strategy*, and *Cases in Marketing Management*. Professor Kinneer has consulted for firms such as: Aetna, AT&T, Alcatel, Chrysler, Domino's Pizza, Inc., Eli Lilly, Ford, General Motors, General Electric, Helmac Products, Kodak, L'Air Liquide, and Travelers.

He also has served or is serving as a member of the Board of Directors or Corporate Advisory Boards for several companies and community organizations including: Avail Networks, Inc., Bard Manufacturing, Inc., Beautiful Island.Com, BlueGill Technologies, Inc., Copernicus, Inc., Domino's Pizza, Inc., Greenhills School, Helmac Products, Inc., Interpretive Software, Inc., and Network Express, Inc.

In 1990, he co-founded and served as a director of Network Express, an early competitor in the ISDN market. It was sold in 1995 for \$110 million to Cabletron Systems. In 1996, he co-founded and served as a director of Bluegill Technologies, the pioneer in bill and document presentation on the Internet. It was sold in 2000 for \$250 million to Checkfree Holdings Corporation. In 1999, he co-founded and is serving as a director of Avail Networks, a DSL hardware and software provider, and of Beautiful Island.com, an ISP targeted at seniors. He holds an undergraduate degree from Queen's University at Kingston, Ontario, an MBA from Harvard University, and a Ph.D. in Business Administration from the University of Michigan.

## Previous Participants in the Growth Capital Symposium

3i Capital  
Advent International Corp.  
Arbor Partners  
Avalon Investments  
Baker Capital  
Banc Boston Capital  
Banc One Venture Corporation  
Battery Ventures  
Benchmark Capital  
Blue Chip Venture Company  
Brinson Partners  
Burr, Egan, Deleage & Co.  
Chase Capital Partners  
CIBC Oppenheimer  
CID Equity Partners  
Compass Technology Partners  
Coral Ventures  
Donaldson, Lufkin & Jenrette  
EDF Ventures  
Endeavor Capital Management  
Essex Woodland Health Ventures  
Fidelity Venture Associates  
First Analysis Corporation  
Ford Global Technologies

GE Capital  
HarbourVest Partners  
J & W Seligman & Co.  
KB Partners  
M Group  
Menlo Ventures  
Morgan Stanley Venture Partners  
Morgenthaler Ventures  
Patricof & Co.  
Primus Venture Partners  
Ralph Wilson Equity Fund  
River Cities Capital  
Robertson, Stephens & Co.  
Safeguard Scientifics  
SCP Private Equity Partners  
Silicon Valley Bank  
Sprout Group  
Summit Partners  
Sutter Hill Ventures  
Weiss, Park and Greer Ventures  
Welsh, Carson, Anderson & Stowe  
White Pines Management  
William Blair Capital Partners  
Windpoint Partners

## Presenting Companies include:

### **HANDYLAB:**

HandyLab, a "lab on a chip" company, is a University of Michigan spinout company that focuses on making disposable microfluidic device for DNA diagnostics. The technology developed by researchers at the University of Michigan allows for the miniaturization of any laboratory analysis process involving liquid handling and manipulation down to the nanoliter scale. Currently, the company is developing a revolutionary micro laboratory to allow physicians and other health care practitioners to quickly obtain critical diagnostic information at the point of care. The HandyLab product will be able to fit easily in the palm of the hand and will be able to interface with relevant medical information systems as necessary. Currently, clinical applications are being investigated that would allow physicians with a critical need for real time assessment and treatment strategies, to more readily access the required information to make those determinations. A recent industry study suggests that most physicians are forced to wait 36-48 hours for such data.

Handylab has received \$2.75MM from EDF Ventures, Ardesta, X-Rite Ventures and Avalon Investments.

### **RUBICON GENOMICS:**

Rubicon Genomics' proprietary OmniPlex technology reformats naturally-occurring chromosomes into a molecular relational database by using nick-translation to create well-defined libraries of DNA molecules of consistent length. Once so reformatted, major hurdles in terms of speed, cost, and accuracy facing the industrialization of genomics can be overcome by replacing current biological processes with synthetic processes. OmniPlex has been demonstrated to work in a bacterial genome; its scale-up to eukaryotic systems provides a viable pathway to making Personalized Medicine a reality in the near- to mid-term.

The company was founded in 1998 by Dr. John Langmore, a Professor of Biology/Biophysics Research Division at the University of Michigan in Ann Arbor, Michigan; by Dr. Vladimir Makarov, a former Senior Research Scientist at the Engelhardt Institute of Molecular Biology, Moscow, most recently working in the same division as Dr. Langmore; and by Sloan Ventures.

Rubicon has recently recruited Dr. Thomas Collet as President & CEO. Thomas joins Rubicon from Tullis-Dickerson & Company, Inc., a healthcare-focused venture fund, where he was the General Partner in charge of the Midwest office located in Ann Arbor, Michigan. Previously, he led the successful start-up of Integrated Protein Technologies - A Unit of Monsanto Company as the business's Vice President of Business Development before then joining Tullis-Dickerson.

It received its initial round of \$1.75 million in May 2000 and has recently been awarded \$1.9 million by the Michigan Life Science Corridor Initiative.



## **NEPHROS THERAPUTICS:**

Nephros is a spinoff from the University of Michigan. The company designs, develops, and commercializes integrated cell replacement systems that provide comprehensive therapy for both acute and chronic renal failure patients. The company was founded in 1993 to commercialize the basic research findings of H. David Humes, M.D. Nephros closed a \$4.5MM expansion round in March from Graystone Venture Partners (formerly Portage), Seaflower Associates & Becton, Dickinson & Co.

## **INTEGRATED SENSING SYSTEMS - ISSYS:**

ISSYS is a vertically integrated microelectromechanical systems (MEMS) and MEMS applications company, currently focusing on semiconductor, medical and industrial applications. The company has a unique position in the MEMS world, as ISSYS owns exclusive rights to the Dissolved Wafer Process through an exclusive license from the University of Michigan. The company's founder, Dr. Nader Najafi comes from a background with IBM in MEMS technology & business planning. Other founders include two of the world's most renowned microsensor scientists: Dr. Kensall Wise and Dr. Khalil Najafi. The company was founded over six years ago and has been financed by a combination of private investment, government research grants and commercial contracts.

## **OSTEOMICS:**

Osteomics is a startup focused on the treatment of bone-related injuries and bone disorders by developing biological, DNA-based, or small molecule therapies directed at accelerating bone formation. The company has the ability to grow human bone in a controlled environment outside the body. Osteomics applies functional genomics to the systematic discovery of the genes, biological pathways, and drug candidates that accelerate bone formation. From this information, Osteomics will identify and validate new small molecule, biological- or DNA-based therapies for bone injury or disease. Osteomics solves the expensive and lengthy screening process by using rapid cellular and molecular biology approaches to identify new therapeutic targets. The company will leverage its targets and information on their function into co-development partnerships with leading biotechnology and pharmaceutical firms to develop pharmaceuticals for accelerating bone formation and/or repair. The technology for Osteomics' products has been developed at the University of Michigan, by Dr. Michael Long.

## **SENSICORE:**

Sensicore's initial applications employ silicon chips with sensors to analyze the ionic chemistry of water, wherever quick and continuous analysis is needed. The company is also creating microsensor devices for use in blood analysis, over a very wide range of applications including, DNA testing, detection of viruses and bacteria, testing cardiac functions, respiratory disorders and at-home medical systems. The University of Michigan has licensed selected microsystems technologies to Sensicore. Sensicore is founded and funded by Ardesta.

## About the Center for Venture Capital and Private Equity Finance

The mission of the Center is to expand, leverage and disseminate its core knowledge of entrepreneurial finance, venture capital and private equity investment for the benefit of its constituent community. This community includes university students, alumni and staff, entrepreneurs, managers, and investors, as well as public policy makers whose decisions affect the environment for entrepreneurship and equity investment.

The value created for the Center's community comes from a better understanding of how to form, finance and develop entrepreneurial, innovative fast growth-oriented companies, whether as start-ups, expanding companies, or as recapitalized, restructured or redirected entities. Programs of research, teaching and involvement with practitioners are offered to encourage the channeling of equity capital to build companies, and to harvest and recycle capital in new, emerging fields of opportunity.

The Center objective is to encourage an increasing rate of sustainable growth of jobs, income and wealth creation by encouraging entrepreneurial activity in local, regional, national and international markets. As an integral part of the University of Michigan Business School, the Center is uniquely positioned to influence private sector practices and public policy toward this mission and objective.

The Center was started with a generous gift, from the Parsons family, Michael Stark, J. Robert Dobbin, Jim Daverman and David Shelby, alumni of the University of Michigan Business School, and practitioners in the field. The Center has also received continued support from other benefactors from the venture capital and private equity field, including Ted Doan, Ian Bund, David Arscott and William Baumel.

The Center continues to support its activities through proceeds from programs and the sponsorship of symposia.

### CENTER CONTACT INFO

Center for Venture Capital and Private Equity Finance  
University of Michigan Business School  
701 Tappan Street, Ann Arbor, MI 48109  
Telephone: (734) 936-3528  
Fax: 734-615-8929  
Email: [cvpumbs1@umich.edu](mailto:cvpumbs1@umich.edu)

**David J. Brophy**  
*Director*  
734-764-7587  
[djbrophy@umich.edu](mailto:djbrophy@umich.edu)

**Wassim Mourtada**  
*Associate Director*  
734-936-3528  
[wassim@umich.edu](mailto:wassim@umich.edu)

**Bharati Hulbanni**  
*Program Manager*  
734-936-3528  
[bhulbann@umich.edu](mailto:bhulbann@umich.edu)

## CVP Team

### **Dr. David J. Brophy, *Director***

Professor David J. Brophy is a member of the Finance Faculty at the University of Michigan School of Business Administration where he teaches courses in venture capital and private equity finance. He is Director of the UMBS Center for Venture Capital and Private Equity Finance, and is a member of the executive committee for the Zell-Lurie Institute for Entrepreneurial Studies.

He has published extensive research on venture capital and private equity finance and has twice won the National Association of Small Business Investment Companies Research Award. He is the author of a book titled Finance, Entrepreneurship and Economic Development, and has published a large number of research papers in this and other aspects of finance. He is a founding member of the editorial board of the Journal of Business Venturing, The Journal of Private Equity Finance, and the International Venture Capital Journal.

He has been a director of several public companies and is a director and advisor to a number of banks, money market funds, and financial services firms including Compass Technology Partners (a venture capital firm in Palo Alto, CA), Munder Capital Management (Birmingham, MI), Continental Capital (OH), River Place Holdings (Detroit, MI) and General Motors Acceptance Corporation Wholesale Auto Receivables Corporation. He also is an investor in and an advisor to a number of emerging technology-based firms.

### **Mr. Wassim R. Mourtada, *Associate Director***

Mr. Mourtada is Associate Director for the Center, where he is responsible for the strategic development of the organization. His research at the Center includes “Best practices in technology transfer, and the commercialization of intellectual property” and “A Framework for Venture Capital Investment in Telematics & Intelligent Transportation Systems.”

Some of his past research in Venture Capital and Private Equity Finance has been published by the Federal Reserve Bank, the Government of France’s Conseil du Credit et du Titre and the Financial Management Association. He has received degrees from the University of Michigan in both Civil and Environmental Engineering and in Economics.

## Registration Form

### 20<sup>th</sup> Annual Growth Capital Symposium University of Michigan Business School June 19-20, 2001

#### Instructions

Please fax this application form to our Center at:

Center for Venture Capital and Private Equity Finance  
University of Michigan Business School  
Attn: Bharati Hulbanni  
Fax: 734-615-8929

Email: [CVPUMBS1@umich.edu](mailto:CVPUMBS1@umich.edu)  
[www.umich.edu/~cvpumbs](http://www.umich.edu/~cvpumbs)

**The cost for the Symposium is \$395 for the first participant from a company and \$195 for each additional participant from the same company.**

You may also register on-line at: [http://www.umich.edu/~cvpumbs/programs/symp\\_form.html](http://www.umich.edu/~cvpumbs/programs/symp_form.html).

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Name

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Company Name

Company Website (if any)

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Address

City

State

Zip

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Email

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Phone Number

Fax Number

**We will contact you shortly about completing the registration process.**