University of Michigan’s Frankel Fund Leads $600,000 Series A Investment in Fusion Coolant

Student-led venture capital fund to provide seed financing and strategic guidance to Detroit-based manufacturing enhancement technology company

Ann Arbor, Mich. – January 16, 2013 — The Frankel Commercialization Fund, in collaboration with The Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the University of Michigan Ross School of Business, today announced that it has invested in Fusion Coolant Systems, Inc., a developer of an advanced coolant and lubrication system that makes manufacturing more efficient. The Frankel Fund’s $80,000 investment was part of a $600,000 series A round that also included the Amherst Fund, Spark’s Michigan Pre-Seed Capital Fund and previous investors.

Part of a trifecta of student-led venture funds at the University of Michigan, the Frankel Fund is a pre-seed investment fund established to identify and accelerate the commercialization of ideas generated within the University community and the surrounding area. The Fusion Coolant deal marks the fund’s seventh investment and the third investment in a manufacturing enhancement technology company, including SurMod and Arbor Photonics, which was recently acquired by nLIGHT.

“The Frankel Fund provides graduate students unparalleled, behind-the-scenes access to early stage investing,” said Tom Porter, director of the Frankel Fund and executive in residence at the Ross School. “The teams function as independently financed venture capital companies and did a stellar job identifying the investment opportunity in Fusion Coolant and driving the entire due diligence process on behalf of all investors. We were pleased that we could lead this round of investment.”

Detroit-based Fusion Coolant has developed a disruptive metal-working innovation that cools and lubricates metal in a novel way that eliminates the cleaning process for tools and extends machining tool life. The company’s patented CHiP Lube system reduces metalworking cooling fluid costs and cleans without any toxic chemicals. The response to the Fusion Coolant System by customers has been very positive and the company intends to utilize the Frankel Fund seed money to finance new product development and initial customer development.

“It’s gratifying to bring a disruptive metal working coolant technology to market that offers customers the opportunity to achieve the next level of lean manufacturing processes,” said Tom Gross, CEO, Fusion Coolant Systems. “With the lead funding from The Frankel Fund, we’re now able to accelerate our growth and excited to deliver increased value to customers seeking ways to improve productivity while saving money.”
"We're really excited about Fusion Coolant and their potential to transform the manufacturing industry. Not only does the company have a unique technology with customer traction, but it also has a superbly qualified team that has the understanding and capability to meet the challenges of integrating it into the production environment," said Daniel Itsara, MBA 2014 and a fellow on the Frankel Fund’s Tech team. "In addition, we've been able to leverage the Frankel Fund's resources within the University of Michigan community to provide valuable resources to the team."

Companies and individuals interested in obtaining funding from the Frankel Fund may find additional details about the application process on the Institute’s website.

About The Frankel Fund at the Ross School of Business at the University of Michigan
The Frankel Commercialization Fund is a pre-seed/seed student-managed investment fund established to identify and accelerate the commercialization of ideas and technology generated within the University of Michigan community and the surrounding area as well as to provide the best possible learning opportunity for Ross students. Student investment teams adopt a hands-on approach to investing that leverages the talents and resources available at the Stephen M. Ross School of Business at the University of Michigan and its Zell Lurie Institute for Entrepreneurial Studies to help company founders create value for their companies and for the University Community. For more information, visit http://www.zli.bus.umich.edu/wvf/frankel_fund.asp.

About the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies
The Institute and its Center for Venture Capital and Private Equity Finance bring together a potent mix of knowledge, experience and opportunities from the front lines of entrepreneurship and alternative investments. The student learning experience is further enhanced through internships, entrepreneurial clubs and events that serve to provide viable networks and engage the business community. The School’s three student-led investment funds, with over $6.5M under management, immerse students in the business assessment and investment process. Founding Board Members include Samuel Zell, Chairman of Equity Group Investments, and Eugene Applebaum, Founder of Arbor Drugs, Inc. For more information, visit the Institute at www.zli.bus.umich.edu.

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