Zell Lurie Institute Alumni Establish Resonant Venture Partners to Invest in Technology Start-ups in Michigan

Ann Arbor, Mich. – August 25, 2010 – Today, The Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the University of Michigan Ross School of Business announced that Michael Godwin and Jason Townsend, MBAs ’10, have formed Resonant Venture Partners, an emerging venture capital firm that makes seed stage investments in regional firms across a variety of technology sectors. Resonant is the first venture capital firm to be established by alumni who previously played critical roles in investment decisions for the Wolverine Venture Fund. The firm, which will focus on investments in the IT, life sciences, advanced manufacturing, alternative energy and defense sectors, closed its first deal late last week.

Headquartered in Ann Arbor, Resonant began subscribing its first fund in July 2010 despite the challenging economic climate, and will continue fundraising efforts while simultaneously sourcing new portfolio companies throughout the next 18 months. The initial investments in the fund were raised from both in-state investors, as well as those from out-of-state, underscoring the investment potential of Michigan and its status as an emerging hub for technology innovation.

“Resonant is committed to keeping promising companies Michigan,” said Godwin. “With the entrepreneurial talents and technology innovation coming out of the University, coupled with investors, like us, eager to invest locally, there is tremendous opportunity for companies to succeed in Ann Arbor and its surrounding communities.”

Zell Lurie Institute Programs and Support Prove Critical
After successful technology and business development careers in Silicon Valley, Godwin and Townsend attended the Ross School of Business in order to pursue their entrepreneurial passions and hone their venture capital skills. While there, they served together as managing directors of the University’s $5.5 million Wolverine Venture Fund, the country’s first student led venture fund that has served as a model for other university programs over the years. Both were deeply involved in rigorous due diligence in support of the Fund’s investment decisions. During their time as fund leaders, the Fund made seven investments and benefited from two exits, most notably the acquisition of HandyLab by Becton Dickinson.

Godwin and Townsend credit the hands-on experience and mentorship they received at the Institute for much of Resonant’s success, as well as citing the important relationships they established as a result of the Institute’s network of entrepreneurs and investors both locally and nationally. Resonant’s advisory board is comprised of several notable members of the local investment community, including Tom Kinnear, executive director of the Institute and seasoned angel investor, as well as Mary Campbell, managing director at EDF Ventures, and Donald Walker, managing director of Arbor Partners.
“It takes an immense amount of passion and effort to start a venture capital firm, especially in today's environment” said Kinnear, Executive Director of the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies, Wolverine Venture Fund Director and member of Resonant’s advisory board. “Based on the experiences and successes both Michael and Jason faced on the Wolverine Venture Fund, I am very confident in their ability not only to make Resonant thrive, but also to make significant contributions to Michigan’s flourishing startup community.”

Resonant Closes First Deal with Investment in Scio Security
Resonant was part of a $1 million investment in Scio Security, a computer security startup led by serial entrepreneur Dug Song and University of Michigan PhD candidate Jon Oberheide. Palo Alto, Calif.-based True Ventures led the round, which also included two strategic angel investors with extensive security expertise. As part of Resonant’s involvement, the firm will be actively involved in building the management team and technology commercialization, and Scio will maintain its Ann Arbor headquarters.

"We are looking to revolutionize the security market and provide strong authentication and fraud prevention by leveraging users' mobile devices," said Dug Song, co-founder, Scio. "The investment from True and Resonant will provide us the necessary capital to launch our flagship product which protects the security of online transactions and remote access. We are thrilled to have Resonant on board with us as we grow."

About the Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies / Center for Venture Capital & Private Equity Finance at the Ross School of Business at the University of Michigan
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 organization and events that serve to provide viable networks and engage the business community. The School's two student-led investment funds, with over $5M in management, immerse students in the business assessment and investment process. Members of the Advisory Board include Samuel Zell, Chairman of Equity Group Investments; Michael Hallman, former COO of Microsoft Corporation; and Eugene Applebaum, Founder of Arbor Drugs, Inc. For more information, visit the Institute at www.zli.bus.umich.edu.