University of Michigan’s Student-led Social Venture Fund Makes Second Investment this Year
Participates in $225,000 investment round for sustainable food start-up Jack & Jake’s

Ann Arbor, Mich. – July 9, 2012 – The Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies at the University of Michigan’s Stephen M. Ross School of Business announced today its Social Venture Fund has closed an investment in Jack & Jake’s, a sustainable food provider based in Louisiana. The Social Venture Fund participated in this investment round which totaled $225,000 alongside lead and prior investor, Keller Enterprises, as well as angel investors and Amcref Community Capital, a New Orleans organization that provides community development financing.

This marks the second investment ever made by a socially-oriented student-led venture fund. The Fund’s first investment was made in April of this year as part of LearnZillion’s series A round.

Jack and Jake’s is building a new local food system in the New Orleans area to reconnect farmers and fishers with those who need access to fresh healthy foods. Led by founder and CEO John Burns, Jack & Jake’s is helping to catalyze the economy and support multiple communities within Louisiana by extending the distribution and sales capabilities of local farmers and fishers, and bringing healthy, fresh food options to areas that wouldn’t otherwise have access.

“The Social Venture Fund is helping us connect two groups who need each other – farms and fisheries and community institutions such as elementary schools, hospitals and assisted care facilities,” stated Burns. “As part of the investment, students in the Social Venture Fund have created a set of social metrics against which we can measure the impact of the investment – not just the financial return, but more importantly the degree to which the investment is improving the community and the environment.”

A team of seven students led by Sanjay Vachani (MBA ’12) and Emily Rinner (MBA ’12) sourced the deal through the Social Venture Fund’s national call for business plans in 2011. Working with Burns for more than a year, the team saw first-hand how growth plans for Jack & Jake’s were taking shape and contributed to great momentum for the business. As a result, the time was right to join this latest investment round and provide Jack & Jake’s with additional support.

"The recent deal with Jack & Jake’s provided another opportunity for our students to experience the complexities of double bottom line ventures -- balancing social need with a positive return on investment," stated Tom Kinnear, executive director of the Zell Lurie Institute. "The Zell Lurie Institute's three student-led investment funds provide practical, hands-on experiences of investing..."
real money in classical (Wolverine Venture Fund), early stage (Frankel Commercialization Fund) and social arenas (Social Venture Fund). We were the first to launch a student-led investment fund with the Wolverine Venture Fund more than 10 years ago and figured out how to make the program work. The three funds together engage over 80 graduate students and we are excited to see the second investment by the Social Venture Fund this year."

“Our goal as a fund is to support entrepreneurs in the social space and find organizations and leaders who need our support,” stated Gautam Kaul, Professor of Finance at the Ross School of Business and managing director of the Social Venture Fund. “In this case, our student team did a great job cultivating a relationship and I am confident that both Jack & Jake’s and our Social Venture Fund students will learn a tremendous amount and realize significant value from the business relationship.”

The Social Venture Fund seeks to make early-stage investments of up to $200,000 in sustainable, innovative, for-profit organizations that deliver financial returns and place the generation of a significant social impact at the heart of their mission. It is managed by 34 students (29 MBAs and 5 BBAs) who have wide-ranging experience in fields that include technology, investment and education. Along with the Wolverine Venture Fund and Frankel Commercialization Fund, the Social Venture Fund completes U-M’s trifecta of student-led venture funds, managed by the Zell Lurie Institute, which effectively immerse students in experiencing all aspects of venture capital investing.

“This is so much more than an investment. It has been a diverse and valuable hands-on learning experience for all of the students involved,” stated Rinner. “We’ve had the rare opportunity as MBA students to learn first-hand about early stage investing in socially and environmentally responsible companies. Navigating complicated and sensitive issues like market sizing and valuation, while also strategizing ways to help Jack & Jake’s continue on its growth trajectory, has pushed all of us to learn and work in ways we’d never be able to in the classroom setting.”

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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