University of Michigan Frankel Commercialization Fund Invests in Are You a Human, Developer of the Next Generation of Online Human Verification to Replace the CAPTCHA

*Student-led commercialization fund participates in Series A round with Detroit Venture Partners and First Step Fund*

Ann Arbor, Mich. – July 25, 2011 – The [Samuel Zell & Robert H. Lurie Institute for Entrepreneurial Studies](#) at the University of Michigan Ross School of Business today announced that the Ross School of Business’ [Frankel Commercialization Fund](#), the country’s first student-led pre-seed investment fund, joined a syndicate of investors in a Series A round $750,000 investment into Are You a Human, LLC (“AYAH”). This is the sixth investment by the Fund and the first by its consumer team.

Are You a Human is developing the next generation of online human verification tools, used by millions of websites to ensure their users are humans, and not scammers, robots, automated programs or spammers. The technology offers a number of improvements on the current mode of verification, the Completely Automated Public Turing test to tell Computers and Humans Apart (CAPTCHA), which most people will recognize as the distorted text test websites occasionally display when completing forms or buying tickets.

The investment in AYAH was led by Detroit Venture Partners, which last week announced that Earvin “Magic” Johnson joined the firm as a general partner. The AYAH investment also includes participation by the First Step Fund also of Detroit. The investment funds will be used for product development, beta testing, and customer acquisition.

“The investment by the Frankel Commercialization Fund and other investors will allow the company to quickly test its product and business model in the marketplace as a preferred alternative to the current CAPTCHA approach to Internet security,” said Tyler Paxton, AYAH Chief Executive Officer. “The support, diligence, and mentorship by the Frankel Commercialization Fund has been a valuable source of assistance and validation throughout our development process, and we look forward to their continued guidance moving forward.”

Paxton founded AYAH while pursuing his Masters of Business Administration at the University of Michigan’s Ross School of Business, and recruited four other MBA students to start the company with him. Two members of the Frankel Fund, Benjamin Blackmer (MBA ’12) and Biswaroop Palit (MBA ’11), were part of the co-founding team at AYAH. The company was founded in September of 2009, joined the Ann Arbor incubator TechArb in the fall of 2010, and received support from both the Ross School of Business’ Zell Lurie Institute and the College of Engineering’s Center for Entrepreneurship throughout the 2010-2011 academic year. In April, the company was awarded a Dare To Dream Integration grant of $5,000 by the Zell Lurie Institute. The company also competed at the Rice University 2011 Business Plan
Competition and placed second out of more than 500 applicants and 42 participants, earning $154,000 in prize money.

“The Frankel Fund is particularly pleased to make this investment since the Are You a Human founders were all active participants of the Zell Lurie Institute’s programs and represent the very best of Ross students,” according to Thomas S. Porter, Executive-in-Residence at the Zell Lurie Institute of the Stephen Ross School of Business at the University of Michigan. “The founders are a formidable team well qualified to take advantage of their exciting new internet security concept.”

About the Frankel Commercialization Fund

The pre-seed Frankel Commercialization Fund is believed to be the only student venture capital fund of its kind with a focus on the commercialization of ideas and the formation of new companies. Frankel Fund participants evaluate and invest in early-stage entrepreneurial opportunities, learn about the commercialization evaluation process and how to be a seed investor. The unique program was formed to provide action-based learning opportunities to students interested in entrepreneurial and venture capital markets, and to provide early-stage funding to explore the commercialization potential of business ideas born at the U-M and other local research centers. The program complements other entrepreneurial and venture capital programs at the Ross School, including the $5 million Wolverine Venture Fund and the Social Venture Fund, student-led venture capital funds sponsored by the University’s Zell Lurie Institute for Entrepreneurial Studies.

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, organizations and events that serve to provide viable networks and engage the business community. The School’s three student-led investment funds, with over $5M under 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.