

# BioArborPresents:

## “Angel Investor Forum”

### **Jerry Callahan, PhD, MBA, MS**

Chief Operating Officer,  
Hopen Therapeutics

### **David Sarns**

Managing Member,  
360 Advisors, LLC

### **Matt Turner**

President and CEO,  
Amherst Fund

## BioArbor in April

“The Good, The Bad & The Ugly: Serial Entrepreneurs Share Their Stories”



## BioArbor Steering Committee

*(Nametags with Green Borders)*

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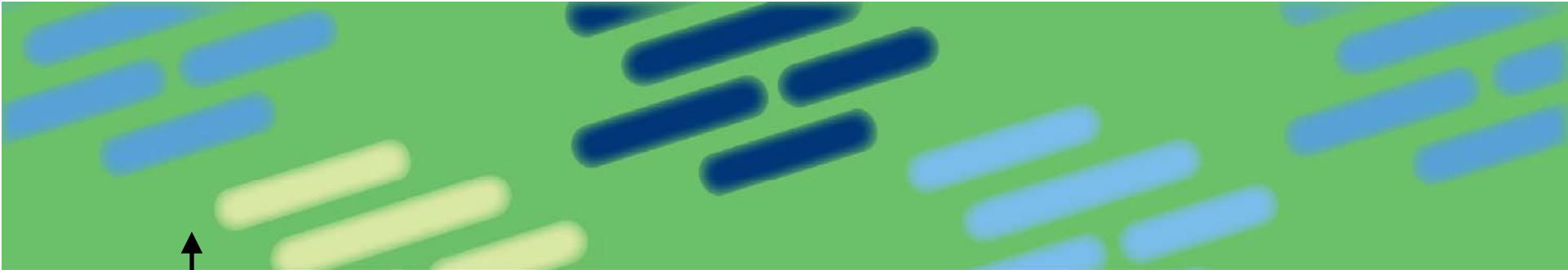
## Agenda

- Introductions
  - Angel Investing Profile
  - Angel Investment Criteria / Due Diligence
  - Angels and VCs
  - Q & A
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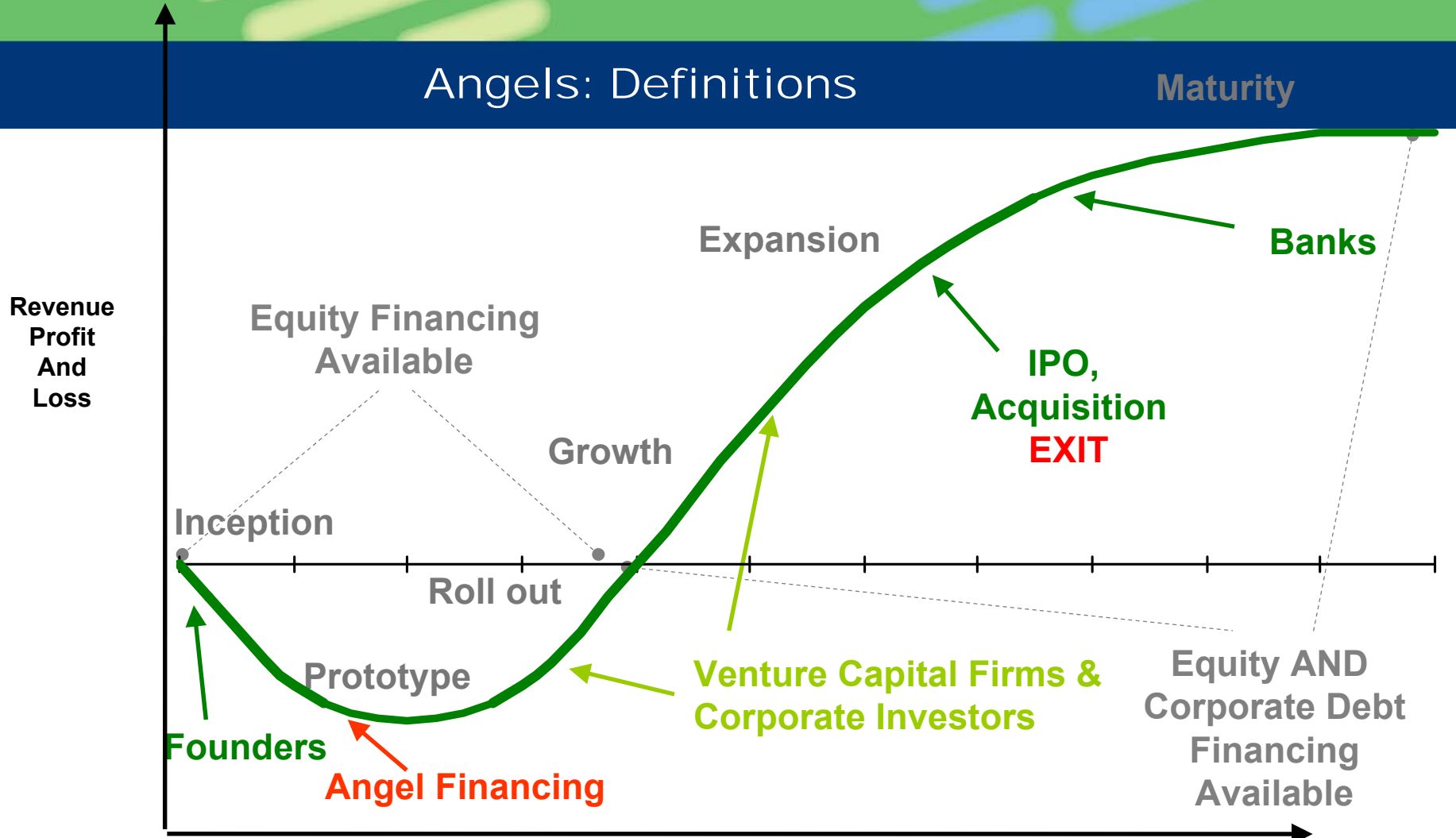
## Angels: Definitions

- Seed Capital “Idea Stage”
    - Friends, Family & Fools: up to \$100,000
  - **Angel Capital “Prototype to 1<sup>st</sup> Customer”**
    - **Accredited Investors**
      - **\$25,000 to \$100,000 as individual**
      - **\$100,000 to \$1,000,000 as a group**
  - Venture Capital “1<sup>st</sup> Customer to Cash Positive”
    - Venture Funds
      - \$500,000 to \$2,000,000 early stage
      - \$2,000,000 to \$10,000,000+ later stage
  - Growth Capital “Growth, Operating, Acquisition”
    - Bank Funds, Private Equity Funds, Public Market
-



# Angels: Definitions

Maturity



— High-Growth



## Angels: Definitions

Defined term under the Securities Act of 1933

“Any **natural person** whose individual net worth, or joint **net worth** with that person's spouse, at the time of his purchase exceeds **\$1,000,000;**” and “Any **natural person** who had an **individual income** in excess of **\$200,000** in each of the two most recent years or **joint income** with that person's spouse in excess of **\$300,000** in each of those years and has a reasonable expectation of reaching the same income level in the current year.”

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## Angels: Trends

- Angel Investors
    - Business Owners, Entrepreneurs, Executives
    - 236,000 Individuals
  - Angel Groups
    - 250 Groups: Ann Arbor Angels, Grand Angels, Blue Water Angels, Great Lakes Angels
    - 10 to 150 accredited investor members
  - Capital Invested
    - Angels \$25.6 billion into 51,000 companies
    - Venture \$26.1 billion into 3,522 companies
  - Deal Flow
    - Stage 1 Screens 10% to 20%
    - Funded 0.5% to 1% (vs 0.20% to 0.25% for VCs)
  - Exit : IPO / Private equity / Strategic Buyer
  - Return: Investment Return Target: 10x to 30x capital invested. Exit Success Rate: One in Ten. ROI: 20% to 40% across “portfolio”
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## Angels: Trends

	<b>National*</b>	<b>Michigan**</b>
Average \$ invested per angel per round	\$90K	\$50K
Average per round of investment	\$265K	\$200K
Average \$ invested cumulative	\$1.94 million	\$500K
# of companies in Portfolio	~ 7	~ 3
# of investments in any given year	~4	?

Michigan based angel backed companies: Accuri, NanoBio, Afmedica, Intervention Insights, Incept BioSystems

•Angel Capital Association 2008

\*\* Author estimates



## Angels: Why do they invest

- Expectation of financial reward
  - Role in entrepreneurial process
  - Involvement in entrepreneurial company
  - Community involvement / Social responsibility
    - State Incentives: Michigan legislation update
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# BioArborPresents:

April 14:

## “The Good, The Bad & The Ugly: Serial Entrepreneurs Share Their Stories”

April 14th, 2010 5-7 p.m. ▪ SPARK Central ▪ 330 E. Liberty  
Register at [www.bioarbor.com](http://www.bioarbor.com)

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