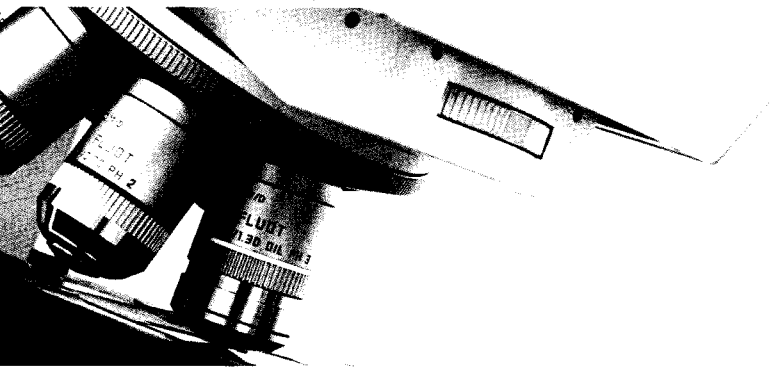


Michigan Pre-Seed Capital Fund

What You Need To Know

The Michigan Pre-Seed Capital Fund was established to support high-tech start-up companies as they near commercial viability. The purpose of the Fund is to provide access to capital at an early stage of development and to position the company for external investment.



Eligibility

The fund is designated for start-up companies within the following competitive edge technology sectors:

- Life sciences
- Advanced automotive, manufacturing, or materials
- Homeland security and defense
- Alternative energy

Eligible companies must also meet the following criteria:

- Michigan based (or willing to relocate upon award of funds)
- Ownership or license rights to innovative technology
- Michigan SmartZone sponsor
- A small business as defined by the United States Small Business Administration
- Evidence of follow-on investment interest or other revenue
- Completed business plan

Investment Guidelines

Investments will range from \$50,000 to \$250,000 from the fund, matched dollar for dollar with new investments. Match money could be a grant or private investment.

The following do not qualify as matching funds:

- Other state monies (i.e. Michigan Technology Tri-Corridor, 21st Century Job Fund, Michigan University Commercialization Initiative)
- Company revenues
- In-kind investments
- Other partner exchanges or trades

Investment opportunities must be brought to the Investment Review Board through a sponsoring SmartZone. If a deal is being developed by a partner organization such as NextEnergy, Michigan Venture Capital Association (MVCA) member firms, or angel investment groups, the partner organization will select the best suited SmartZone for managing the application.

Application Submission

The submission package must include:

- Executive summary
- Initial business plan
 - Company overview
 - Market information
 - Product description
- Management
 - Complete curriculum vitae or management team resumes
 - References-technical, professional, personal and customer
- Financial history and projections
 - Financial statements
 - Credit references
 - Certificate of Good Standing from the State of Michigan
 - Use of funds
- Recommendation and facilitation commitment by SmartZone on milestones to be accomplished
- Strategy for follow-on funding

Funding Decision

Many factors will be taken into consideration before a funding decision is made including; the strength and ownership of intellectual property portfolio, investment made by founders, market opportunity, length of time to market, and barriers to entry.

Michigan SmartZonesSM



1. Automation Alley
Oakland University and Lawrence Technological University
www.automationalley.com

2. Battle Creek Aviation
Western Michigan University and Kellogg Community College
www.bcunlimited.org

3. Houghton/Michigan Tech Enterprise
Michigan Technological University
www.mtecsmart.com

4. Lansing Regional
Michigan State University
stowers@mbi.org

5. Mount Pleasant/Center for Applied Research and Technology
Central Michigan University
www.cmurc.com

6. Kalamazoo
Western Michigan University
www.southwestmichiganfirst.com

7. Grand Rapids
Grand Valley State University and Van Andel Research Institute
www.wmsti.org

8. Muskegon Lakeshore
Grand Valley State University
www.muskegonareafirst.org

9. Ann Arbor/Ypsilanti
University of Michigan and Eastern Michigan University
www.annarborspark.org

10. Detroit/Woodward Technology Corridor
Wayne State University
www.techtownwsu.org

11. Wayne County-Pinnacle Aeropark
Detroit Metropolitan Airport
ldtyler@co.wayne.mi.us

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