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DEALS OF THE YEAR 2009

## COMPANY OF THE YEAR - ARBORETUM VENTURES: Venture capital firm's \$73 million infusion makes it a viable national player

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It reads like an All-Star list of Ann Arbor's top technology companies.

HealthMedia, HandyLab, Accuri Cytometers, Esperion Therapeutics.

The common thread among all four? Arboretum Ventures. The Ann Arbor-based venture capital firm has invested in all four firms, not to mention a wide range of other technology companies.

Arboretum keeps hitting home runs, and its investors rewarded the firm with \$73 million in fresh capital in 2009. Arboretum, which harbors ambitions of

becoming a national player in

health care technology investment, is the 2009 Company of the Year for AnnArbor.com's Business Review.

The financial crisis, which demolished fundraising efforts for many venture capital firms, seems to have had little effect on Arboretum. The firm managed to raise that \$73 million for its newest investment fund in spite of the terrible economic climate.

The additional ammunition means that Arboretum is positioned to capitalize on technology companies' thirst for capital. The competition among startups for funding is creating a mountain of funding opportunities for Arboretum, said managing director Jan Garfinkle, who leads Arboretum alongside managing director Tim Petersen.

"It's a really good time to put this new money to work," Garfinkle said earlier this year. "It's a difficult time to be raising money if you're a new startup company."

Arboretum's strategy is simple: invest in technologies that lower the cost of health care. With governments, hospitals and companies scrambling to find ways to cut health care costs, finding technology that makes health care more efficient is like discovering gold.

Arboretum's latest victories:



Paul McCreadie of Arboretum Ventures accepts the Company of the Year award from David Parsigian, managing partner of the Ann Arbor office of Honigman.

Angela Cesere

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- [HandyLab](#), an Ann Arbor-based medical devices company that spun out of the University of Michigan about 10 years ago. The firm's three-foot-long infection-detection system promises to expedite the infection identification process for doctors who currently rely on machines the size of a room.

In October, New Jersey-based global medical devices maker Becton, Dickinson and Co. announced that it had agreed to acquire HandyLab in a deal that sources said was worth close to \$300 million.

Garfinkle said Arboretum, which invested in HandyLab in 2004, had a 10 percent stake in the company. HandyLab is expected to grow its 60-person team in the Ann Arbor area.

- HealthMedia, an Ann Arbor-based health care software company and U-M spinoff [acquired](#) by Johnson & Johnson in October 2008. The deal earned a 10-fold return for Arboretum, which invested in HealthMedia several years ago. HealthMedia has maintained its downtown Ann Arbor office and is reporting continuous revenue growth in the high double digits.

The lesson for fellow investors: Pay attention to Arboretum's next investment.

"Our goals and our aspirations are to be one of the best venture funds in the nation in medical devices and health care services," Garfinkle recently said.

Lipitor co-discoverer Roger Newton, CEO of Esperion Therapeutics, one of Arboretum's 2008 investments, said Arboretum's growth is remarkable during the economic crisis.

"They have been able to attract significant dollars," said Newton, who also serves on the Esperion board. "And that is one of the key elements of success is being able to have a VC group that is respected on both coasts."

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**More Info:**

Arboretum Ventures

What they do: A venture capital firm that invests in early-stage companies whose technology lowers the cost of health care.

Leaders: Managing directors Jan Garfinkle and Tim Petersen

Fundraising: Raised \$73 million for a new investment fund.

High-profile successes: Invested in Ann Arbor-based HealthMedia and HandyLab

Web site: [www.arboretumvc.com](http://www.arboretumvc.com)

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