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Brinks, Hofer event brings inventors, investors together

By Jerry Crimmins
Law Bulletin staff writer

Investors in “clean technology” are looking for better devices to measure energy usage and devices that do dirty and dangerous jobs people don’t want to do.

But entrepreneurs in “clean tech” also got sharp warnings from speakers Wednesday in an event at Brinks, Hofer, Gilson & Lione.

The event was the Where Are They Now? Brinks Innovation Competition Luncheon.

Among the warnings entrepreneurs heard were:

- Don’t ask for millions.
- Don’t depend on government subsidies or regulations.
- Don’t drink too much.
- No technology in the market place is better just because it’s “clean” or “green.”

The law firm also showed off three companies that won the Brinks Innovation Competition of 2010.

The 70 people in the audience were venture capitalists, financiers and other investors as well as entrepreneurs, researchers and representatives of corporations, said James P. Naughton, the Brinks attorney who opened the event.

Also attending, Naughton said, were representatives of universities and trade organizations at the state and federal level and from foreign countries.

A problem that seeks a solution, Teresa Esser, general partner of the Capital Midwest Fund II, said is that the U.S. does not know how much energy it uses and wastes nor “how much energy capacity we have inside our own country” to reduce our reliance on foreign oil.

The nation needs better measuring devices, she said.

She said the country also needs better

measuring devices for homeowners to understand the effects of using appliances at peak times and to give homeowners incentives to try solar or wind energy devices.

Also, she said small robots, such as PackBots, could be useful in mines and nuclear plants in the U.S. There will be customers, Esser said, for “technology that does jobs humans don’t want to do, work that is dirty or dangerous.”

Thomas L. Churchwell, managing partner of Midwest Venture Partners, advised caution and said “clean tech” is the latest thing following on “biotech” and “nanotech.”

But “investors have not been very successful in a number of clean technology projects.”

“Be a good business no matter what category you’re in,” Churchwell said to entrepreneurs.

Good businesses, Churchwell said, don’t depend on government subsidies or regulations because they are not reliable. “I never in my career saw a good business grow out of regulations.”

Also, Churchwell said, a good business should seek to start fast on a small amount of money. “If building your business depends on raising very large amounts of capital in very early stages, you’re in for disappointment.”

He advised young businesses to aim for \$1 million in revenue before seeking larger investments.

And “the single most dangerous concept in clean tech or green tech,” Churchwell said, “is that if you’re involved in clean tech or green tech it makes you” a better person or a better business.”

“It doesn’t,” he said. “Unless your product has a price and quality that can compete with other businesses that are

not so green, not so good, you’re going to fail.”

Esser, who is also managing director of the Silicon Pastures Angel Investment Network, said she brings together investors with representatives of young companies. This is done at events with open bars.

“We watch and see how much you drink,” she said, as well as how well entrepreneurs sell their ideas.

Naughton and Lawrence G. Almeda, also of Brinks, Hofer, spoke Wednesday. Naughton said the Brinks competition is “intended to promote green business and technology in the Midwest” and promote the name of the law firm.

Three winners of last year’s Brinks Innovation Competition described their products and praised Brinks for giving them exposure.

James Tretheway, president of BioIonix, which uses electricity to break down water for food safety disinfection and for water reuse, said winning last year’s competition “showed our investors other people are watching.”

Tretheway said his company expects to pay off its investors in 2013 and make a profit in 2014.

Merle G. Roche, chairman of EcoThermics Corp., which has a new system for using carbon dioxide as a refrigerant, said his company has recently doubled its employees and more than doubled its investors.

Stephen Ogonek, chief executive officer of Lumec Control Products, which manufactures a new valve like the iris of the eye to regulate natural gas flow, said, “we expect to be profitable in 24 months.”

Brinks is seeking applications for this year’s Innovation Competition contest with a deadline of June 28.