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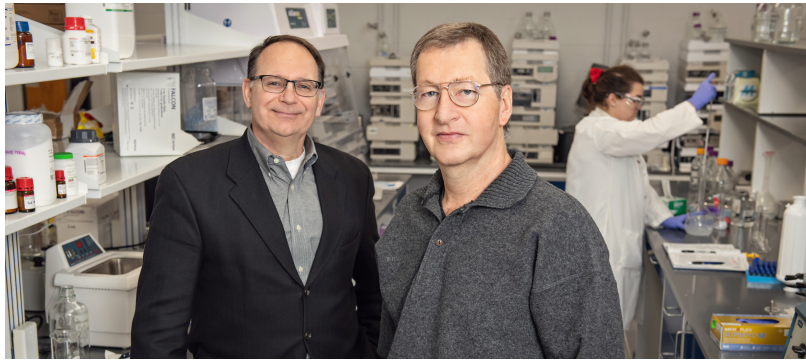
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Media Release



Velesco Pharma Finds Room to Grow with Bank of Ann Arbor Technology Industry Group

Ann Arbor, Michigan, February 7, 2019 – More than jobs were at stake for pharmaceutical scientists facing the closure of Pfizer Michigan Research & Development in Ann Arbor. The 2007 closure also created the potential to lose decades of drug development experience, including critical specialties that were in high demand from small and mid-size bio-tech and pharmaceutical clients.



Michael Cole and Dave Barnes in Velesco Pharma's formulation and analytical laboratory

Former co-workers Gerry Cox and Dave Barnes saw the opportunity to create a new drug formulation and clinical manufacturing provider in the wake of the Pfizer office closure. Together they founded Velesco Pharma and enlisted the Bank of Ann Arbor Technology Industry Group (TIG) for their start-up banking needs.

“We were ‘accidental’ life science entrepreneurs who’d spent our careers in a huge corporation,” recalled Cox. “Mike Cole, Technology Industry Group President, and Tim Marshall, Bank of Ann Arbor President & CEO, guided us as we set up our small business. Right out of the gate, having a community bank relationship was important for everything, from accounts to hold our State of Michigan seed funds to much-appreciated breakfast meetings.”

Building a contract research organization would take a banking partner familiar with the intense capital requirements of a life sciences start up. This proved to be an additional challenge for both Cox and Barnes, already tasked with finding their first clients and hiring staff.

“Early on, we knew cash flow would be a concern, so a working capital line of credit made sense for the business,” said Cole. “Through the years, we’ve monitored Velesco’s needs and increased that line of credit to support their rapid growth. It’s a great example of our Technology Industry Group understanding the special needs of a life sciences or bio-tech start up in Southeast Michigan and providing the appropriate financial solutions.”

The relationship between Velesco Pharma and Bank of Ann Arbor TIG has continued since their launch. Now, eleven years later, the group still relies on Cole and his team to help the company through its day-to-day banking needs and special growth financing, including in May 2018 the purchase of a new facility in Wixom, Mich. The project, which doubled Velesco’s formulation and analytical laboratory space, allows the company to maintain the impressive growth rate of recent years and meet the needs of its broad client base.

“When the company started outgrowing their facilities in Kalamazoo and Plymouth (Mich.), the management team came to us for acquisition financing and connections to commercial real estate brokers,” said Cole. “Ultimately, Bank of Ann Arbor TIG also helped Velesco Pharma creatively finance leasehold improvements and equipment; they transformed what was a generic office building into a state-of-the-art pharmaceutical research and development operation, with a wet lab and modular clean rooms.”



Velesco Pharma facility in Wixom, MI

“Watching the team at Velesco Pharma forge an incredible business out of what was, at the time, a crisis for our Michigan life sciences community, is a testament to the resilience and problem-solving skills of our entrepreneurs. It’s been a privilege to help them grow.”

Photo Credit: Leisa Thompson Photography

About Bank of Ann Arbor

Bank of Ann Arbor is a locally owned and operated bank with total assets and assets under management of over \$3.2 billion, serving people and businesses in Southeast Michigan with offices at the corner of Fifth Avenue and Washington Street in downtown Ann Arbor, in the Traver Village Shopping Center, at the corner of Stadium and Liberty streets, on West Ellsworth Road in Pittsfield Township, on West Michigan Avenue in downtown Ypsilanti, in Plymouth on Ann Arbor Road, on East Michigan Avenue in downtown Saline, and on Woodward Avenue just north of 14 Mile Road in Birmingham Michigan. UniFi Equipment Finance, a wholly owned subsidiary of the bank and headquartered in Ann Arbor, is a well-established company with a national presence in the small ticket vendor space. UniFi has funded more than 85,000 transactions, totaling over \$1 billion. www.boaa.com / www.unifiedge.com. Visit us on Facebook, Twitter, and LinkedIn.

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