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# BUSINESS COURIER

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BY STEVE WATKINS



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# Touched by a (super) angel



MARK BOWEN | COURIER

Kevin Cummins, CEO of Batterii, a downtown software design firm, got capital from a "super angel" investor. "It's much cleaner because there are fewer people," he said. Batterii raised \$2.5 million in its first round of funding.

It's a group that likes  
to stay out of the  
headlines, but  
'super angels' are  
playing an increasingly  
important role in  
early-stage VC

BY STEVE WATKINS | swatkins@bizjournals.com

**D**owntown startup Batterii was looking for money earlier this year to change its distribution system and grow exponentially. The software company was able to get funds from seed-stage firm CincyTech and others, but it wanted more to fully develop its growth plans.

So Batterii, which designs software that helps companies innovate, turned to a category of invest-

tor you might never have heard of: super angels.

Super angels don't get much publicity because they don't want it. They're folks with the wealth and business acumen to make a difference, but they don't want to be publicly known.

Super angels often step in to help finance startups by filling the void of early-stage venture capital.

They've come to the forefront lo-

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## A rich life: Roger Grein's ardent journey

BY LUCY MAY

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Roger Grein is a self-made millionaire and quiet philanthropist who gave away more than \$7 million before losing his wealth in 2008 when his stocks plummeted in value at the start of the recession.

Yet Grein found an unusual way to continue supporting charities - by getting high school students to help. He created Magnified Giving, a nonprofit in Reading that teaches teens about philanthropy by giving high school students money that they then contribute to nonprofits they research.

But losing his money is far from the biggest obstacle Grein has overcome. That came when he was a little boy, and it shaped the unwavering faith, hard work and fierce determination that made Grein who he is.

"My mother told me from the beginning, 'You're a gift from God,'" said Grein, now 70 and still running his tax preparation and accounting business in Reading. "That's a mother's love. Nobody's going to tell a mother who loves you what their child can't do."

**GREIN, PAGE 23**



COURTESY OF ROGER GREIN

**Thelma Grein and Roger as a toddler.**



## NEXT WEEK

Green took  
Easter Seals  
CEO job amid  
major change

## INSIGHT



## SUPER ANGELS: These investors – often quietly – provide capital to startups just after seed stage

FROM PAGE 1

cally now because of a lack of early-stage venture capital money. In the past, venture funds invested just after the seed stage in what's known as a Series A round. But after the 2008 financial crisis, many venture funds have avoided riskier Series A investments. That left a gap that super angels have started to fill. They're vital to the local startup community, especially lately.

"Companies are forced to find capital in other places," said David Willbrand, a venture capital partner at downtown law firm Thompson Hine.

### LOW-PROFILE INVESTORS

Consider Batterii, which has commitments from investors totaling \$2.5 million. Half of that came from three super angels.

One, Ken Salkin, is a Beverly Hills, Calif.-based investor who pumped money into Batterii – neither he nor Batterii would say how much – and has invested in three other startups in Cincinnati. He invests in deals with downtown-based investment firm CincyTech. They compare favorably with deals he finds in California and in New York.



Salkin

"I've consistently been so impressed by the folks at CincyTech and the quality of deals," said Salkin, whose mother lives in Cincinnati and who has local relatives.

Talk to three people in startup finance, and

you get three quite different definitions of a super angel. But the essence is this: Super angels invest much larger amounts of money than the \$25,000 or \$50,000 that typical angel investors do, and they work more or less on their own and do their own due diligence, rather than investing through a group.

"You've heard of the 1 percent? These are maybe the .05 percent," said CincyTech President Bob Coy. "They can stroke \$250,000 checks, or \$400,000 checks."

They aren't publicly known and don't want their names out there. In fact, no local super angels would talk for this report. Some are former startup entrepreneurs, including an ex-Procter & Gamble employee who has invested \$3 million with a CincyTech company, Coy said.

Salkin was instrumental in keeping the Cincinnati startup community rolling during the financial crisis, Willbrand said. He was one of the first active super angels and invested in local companies in the middle of the 2008-09 financial crisis, when it was almost impossible for companies to raise money.

"Ken Salkin should be given the key to the city," Willbrand said. "He played a really strategic role. There may not be an AssureRx today if it were not for him," he said of another local startup success story.

That sets Salkin apart from some investors. He's willing to keep investing, even as a startup faces the inevitable setbacks.



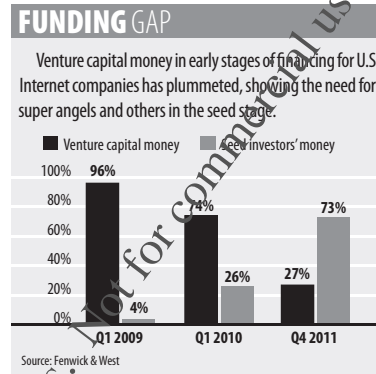
**'You've heard of the 1 percent? These are maybe the .05 percent.'**

**Bob Coy**  
CincyTech president

"What makes a good investor is, if the fundamentals are still there, you have to stay the course," Salkin said. "I'll continue to fund when nobody else would."

### 'THE CONVERSATION IS PRETTY SHORT'

Salkin looks for companies that can grow a lot, have a great team of people behind them – "you can have a great idea, but you need the right people," he said – and can be



sold to larger companies.

Luckily for Batterii, it fit his criteria. Batterii CEO Kevin Cummins said the super angels were instrumental to Batterii's ability to raise money.

"It's much cleaner because there are fewer people," he said, comparing super angels to typical angel investors. "And when you go for the second round, you can go back to the super angels and say, 'Here's the dollars we're looking for.'"

Batterii set out to raise \$1 million but later extended it to \$2.5 million. Super angels provided much of that additional capital and will likely fund further rounds.

"It's great when you can go to the original investors and say, 'I guess you know the team,' and the conversation is pretty short," Cummins said.

That worked for Salkin. "The concept behind Batterii I really like," Salkin said. "It's all about, how do you innovate better, and can you do it quickly? They have the right mix of creative people and a guy like Kevin (Cummins)."

Salkin, who is 44 and made his money from his career at Intel Corp., wouldn't name his other local investments.

But he and others have provided capital that's music to the ears of entrepreneurs.

Take AssureRx. The Mason-based genetic testing company got an extra seed-stage round that included super angels, CincyTech's Coy said.

"They're necessary to fund the company, protect the other investors and grow the company and keep them here," Coy said.

## GREIN: How an adoptee, born with cerebral palsy, rose to the top – and why he decided to give back

FROM PAGE 1

That's where Grein's story starts.

When he was six months old, Grein was adopted by Frank and Thelma Grein. The Greins couldn't have children and were overjoyed with Roger. But something was wrong. The family doctor said little Roger had a spastic condition resulting from a birth injury. (Years later he was diagnosed with cerebral palsy.) Doctors told his mother her baby might never walk or talk or even recognize her. Some people urged Thelma Grein to give the boy back. Instead, she taught young Roger to walk by saying "heel-toe, heel-toe" over and over to guide him.

### THE COST OF BAD HANDWRITING

By the time he was about five, Grein was collecting bottles for deposits. By sixth grade, he'd saved enough to buy a lawn mower to cut grass for neighbors. By high school, he had more than 40 customers, including Lockland's mayor, school principal and superintendent.

"That was just part of the culture," Grein said. "The work ethic. The discipline."

He wondered how wealthy people spent their money, and he learned about securities. Customers invited Grein to join their investment club. Soon he was leaving classes early to call the stock market.

Grein graduated from high school and studied finance at University of Cincinnati. His dream was to be a stock broker. But without family or industry connections, Grein said, he couldn't break into that world. A family friend helped him get a job at a local bank. But after a year, he was fired. His boss said he didn't fit in ... and had bad handwriting to boot.

He earned his MBA from UC at night school. But, even with two degrees, he couldn't find



TOM UHLMAN | COURIER

**Grein, a nationally recognized girls' softball manager, has an office packed with trophies.**

a job. So he went back to his lawn care business, had business cards made and asked his mowing customers if they would let him do their tax returns.

He did 25 returns that first year, and his mother typed them up. By the third year he was doing 345 returns and had become the tax commissioner in three municipalities – Amberley Village, Woodlawn and Arlington Heights. In 1970, he opened an office in Reading and was doing 850 returns with a staff of eight.

What his family and friends didn't know, though, was that Grein was giving away thousands of dollars as his business grew, quietly funding scholarships and charitable works.

In 1999, he gave Northern Kentucky University \$500,000 to improve its softball field, and NKU officials convinced him to go public to encourage others.

"That was a huge, monumental decision because that's not the way I was brought up," Grein said.

### 'I LOST EVERYTHING. I FELT GUILTY'

His philanthropy took another turn in 2001. Former NKU President Jim Votruba told Grein about a student philanthropy partnership with the Mayerson Foundation. Students would be given money and tasked with researching nonprofits to decide which would get the funds. Grein approached Xavier University about starting a similar program there.

Xavier President Michael Graham was sold right away, said Gene Beaupre, Xavier's director for government relations, who helped launch the program.

Grein eventually worked with Boston-based Campus Compact to spread the program to 16 campuses, all the while contributing funding of nearly \$400,000 per year.

But when he lost his money in 2008, he couldn't do that anymore. Nearly 90 percent of his assets had been tied up in bank stocks, he said.

"What was worth almost \$7 million within a few months became worth \$65,000," he said. "I lost everything. I felt guilty. Look at all the people I can't help now."

He visited every campus with one of his student philanthropy programs to apologize to each president in person. "It was hell," he said.

At the same time, he had started taking

the philanthropy program to high schools. And when the president of Mercy College in Toledo told Grein the college would carry on the program without his money, Grein found hope. He formed Magnified Giving and, in his words, "became the beggar."

That's when Grein's prayers were answered. College Compact got a grant for nearly \$3 million to expand the student philanthropy program to 34 college campuses. And Grein started getting donations for Magnified Giving. He raised \$22,000 the first year and has grown the organization's annual budget to nearly \$150,000. The nonprofit has two employees and now works with 36 high schools.

"For me," Grein said, "spreading philanthropy is spreading love."

That message, and Grein's story, win people over, said Bill Keating Jr., a partner with

Keating Muething & Klekamp PLL downtown and a member of Magnified Giving's board.

"He's almost like a legendary coach who can get his players to do whatever he wants just by talking to them," said Paul Keating, a trading and operations analyst at Fund Evaluation Group who is also

Keating's son and a member of the Magnified Giving board.

Now Grein is focused on making Magnified Giving strong enough to continue without him. And who knows, the elder Keating said: Maybe the program will produce the next Louise Nippert, Carl Lindner Jr. or Patricia Corbett to walk in the footsteps of the city's late, great philanthropists. Or just maybe, it will produce the next Roger Grein.

"When he passes away finally, he'll ascend directly into heaven," Beaupre said. "He seems like a saint."



Graham