

# Out of the Fog

**MEE INDUSTRIES' PATENTED WATER COMPRESSION SYSTEM IS FINDING NEW LIFE IN THEME PARKS, WINERIES AFTER FIRM EMERGES FROM BANKRUPTCY**

By Laurence Darmiento  
*Staff Reporter*

You're used to it snarling traffic on I-5 up north or making early mornings along the beach a little more atmospheric. But packaged the right way that fog is worth millions.

Through a patented process, Mee Industries Inc., a little-known Monrovia company with a colorful past, has found a way to turn fog—atomized water—into a \$25 million business.

With applications as broad as boosting the efficiency of electric power plants, producing a smoother Pinot Noir, protecting orchard from freezing or creating special effects at amusement parks, the company has turned itself around following a Chapter 11 filing in the late 1980s.

"Water is pretty magical stuff. It can be used in a huge variety of ways," said D'Arcy Murray, 41, president and, with her brother, co-owner of Mee. "We are just taking advantage of what Mother Nature has provided us."

The company's technology, which varies somewhat by application, involves pumps that compress water up to 3,000 pounds per square inch before forcing it through stainless steel nozzles that atomize it into super fine droplets less than 10 microns thick. That's less than one-tenth the diameter of a single strand of human hair.

## Mee Industries Inc.

**Year Founded:** 1969

**Core Business:** Fog systems for industrial, agricultural, special effects and other markets

**Employees in 1997:** 45

**Employees in 2000:** 105

**Revenue in 1997:** \$6 million

**Revenue in 2000:** \$25 million

**Goal:** To hit a projected \$35 million in revenue this year, while making further inroads into the building humidification market.

**Driving force:** The need for high-quality, pure water fogging systems in multiple markets.

The technology is based on patents Murray's father Thomas Mee, a cloud physicist and former Cornell University research scientist, received shortly after starting the company in 1969 in the family's Altadena garage.

The company originally was founded to sell a line of high-tech weather instruments, but converted into its current product line in the early 1970s after Mee developed the very first commercial fog system, Murray said.

The pure water system is an alternative to dry ice—solid carbon dioxide—and chemical fogging systems.

The company grew slowly over the next two decades and went public, but ran into financial troubles in the mid 1980s. It all culminated with armed marshals seizing the company on Dec. 31, 1986, for some \$250,000 in back taxes.

### Bankruptcy and Recovery

Murray and her brother Thomas Mee III, both of whom worked for the company at the time, managed to file for Chapter 11 bankruptcy protection, and took over running the company from their father. As part of the reorganization they were forced to sell almost all of the family's stock to pay off a total of \$2.5 million in debt, leaving a committee of creditors in control.

The company emerged from bankruptcy after four years and in 1992 the pair were able to regain control, partly by using capital generated from a second mortgage their mother took on the family home to quietly buy back claims issued to creditors.

"We went behind the creditors' back," said Chairman and CEO Thomas Mee III, who along with his sister took the company private in 1994. "They didn't know until it was too late."

The company has sold its generator systems, which can range in price from nearly \$10,000 to \$250,000, depending on the size and application around the world.



Siblings: Thomas Mee and D'Arcy Murry resurrected dad's company.

Mee systems humidify Grand River Hospital in Ontario, Canada, suppress dust at Browning-Ferris Industries' Central Los Angeles Recycling and Transfer Station and create special effects at hundreds of public fountains, malls, amusement parks, and other facilities, including at the Tokyo Dome in Japan and Knott's Berry Farm in Buena Park.

Terry Speizer, owner of Chamisal Vineyards, an Edna Valley winery south of San Luis Obispo, bought a system to humidify his barrel room so his Chardonnay and Pinot Noir wines would age properly.

"The wood transpires (loses moisture), but if I keep it humid the water won't come out of the wood," Speizer said. "They are certainly the Rolls Royce of the industry, but its not inexpensive to buy. The system for my barrel room costs \$7,000."

After regaining its financial footing in the mid-90s, the company started to grow after years of annual revenues that averaged in the \$2 million to \$3 million range. By 1997 revenue had hit \$6 million, then really took off when the company landed a big project to install their fog system on power generators operated by the Tennessee Valley Authority to cool air consumed by the huge gas turbine generators, increasing their electrical power output.

That opened doors for the company in the industry, and their air inlet cooling system applications now account for 80 percent of the company's revenue.