

ELI WHITNEY ADVISORY COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Thursday, January 10, 2013

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on January 10, 2013, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. **Call to Order**: Noting the presence of a quorum, Mr. Schiele, Chairperson of the Advisory Committee called the meeting to order at 2:05 p.m. Advisory Committee members participating: Erik Jansen (by phone), Tim Shannon (by phone), George Schiele (by phone) and Catherine Smith.

Advisory Committee members absent: J. Kevin Grogan, Alan Mendelson, Rafael Santiago, and Michael Werle.

Observers participating: Mun Choi (by phone), and Alexander Pencu (by phone).

Staff attending: Margaret Cartiera, Kevin Crowley, Pamela Hartley, Claire Leonardi, Peter Longo, Shelly Mondo, Lillian Mu, Doug Roth, Matthew Storeygard, Russell Tweeddale, Daniel Wagner, David Wurzer, and Mike Wisniewski.

2. **Approval of Minutes**:

Mr. Schiele asked the Advisory Committee members to consider the minutes from the December 6, 2012 meeting.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted in favor of adopting the minutes from the December 6, 2012 meeting as presented.

3. **New Investment Proposal**:

“BioXcel Corporation, Branford, CT”

Mr. Wagner discussed the request for funding of up to \$750,000 from CI’s Growth Loan Fund in two tranches. He talked about the background of the Growth Loan Fund, noting that to date CI has provided three investments from the fund. Mr. Wagner summarized the history of the company. BioXcel Corporation provides business services in pharmaceuticals, biotechnology, diagnostics and financial industries. The funding will be used to finalize, launch and roll out the company’s PharmGPS platform. Mr. Wagner discussed the management team and experience.

Mr. Storeygard talked about the market for the product, the risks and benefits, and the competition in the market. . Mr. Storeygard discussed the structure of the loan, noting that the terms are consistent with the guidelines of the program.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$750,000 for BioXcel Corporation, Branford, CT.

4. Follow-On Investment Proposal:

“CyVek, Inc., Wallingford, CT”

Mr. Wurzer and Dr. Cartiera reviewed the proposed follow-on funding of up to \$500,000 for CyVek, a platform technology company that has developed a research and diagnostic tool that it believes is faster, better and cheaper than other products in the market. Mr. Wurzer indicated that the company has grown to 16 full-time employees.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted unanimously in favor of going into executive session at 2:27 p.m. to discuss financial and/or commercial information and/or trade secrets regarding CyVek, Inc., Wallingford, CT.

The executive session ended at 2:45 p.m., and the regular meeting was immediately reconvened.

Dr. Cartiera reviewed the progress of the company to date. She discussed some of the advantages of the product and talked about the experience of the management team.

Mr. Wurzer explained that the additional funding will be used to further develop the technology towards commercialization and for sales and marketing. He discussed some of the risks and benefits of the additional investment and reviewed the proposed terms and conditions of the funding.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee a follow-on investment of up to \$500,000 for CyVek, Inc., Wallingford, CT.

There being no objection, the order of the agenda was changed.

5. Preseed Proposals:**“Pattern Genomics, Madison, CT”**

Dr. Cartiera explained that Pattern Genomics, located in Madison, is requesting preseed funding of up to \$150,000 for proof of concept, intellectual property development and other company start-up expenses. The company is developing a novel software platform which enables simultaneous pattern analysis and molecular assay design based on large-scale DNA sequencing data. Dr. Cartiera discussed the background and experience of the Founder.

Upon a motion made by Ms. Smith, seconded by Mr. Jansen, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$150,000 in Pattern Genomics, Madison, CT.

“P2 Science, Inc., New Haven, CT”

Ms. Mu reviewed the request for follow-on preseed funding of up to \$200,000 for P2 Science, Inc., a specialty chemical company that enables the conversion of biomass into di-acids and aldehydes to eventually be used in personal care products. In August 2012, the Investment Committee authorized up to \$150,000 in preseed funding for P2 Science, Inc. The follow-on funding will be used as a bridge to an expected CI seed round and will be used to continue product development, marketing and market research, development of intellectual property and the expansion of the lab. Ms. Mu explained the proposed terms of the investment. In response to a question, Ms. Mu indicated that P2 Science, Inc. has received matching funds from another investor.

Upon a motion made by Ms. Smith, seconded by Mr. Jansen, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee a follow-on investment of up to \$200,000 in P2 Science, Inc., New Haven, CT.

“Preseed and TechStart Program Loan Modification Proposal, CT”

Mr. Crowley explained the recommendation to authorize the amendments to the notes under the Preseed and TechStart Program. He noted that many of the terms on the first Preseed and TechStart loans are coming due, and staff would like the authority to address each note on a case by case basis (i.e. receiving payments, extending and/or changing certain terms, etc.).

Upon a motion made by Ms. Smith, seconded by Mr. Jansen, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee approval of the Preseed and TechStart Program loan modifications.

6. Other Business:**“Soft Tissue Regeneration, New Haven”**

Mr. Tweeddale discussed the proposed additional financing of up to \$250,000 in Soft Tissue Regeneration, Inc., (“STR”), an early-stage orthopedic device company developing a tissue engineering platform used to regrow ligaments and tendons. He reviewed CI’s investment history in the company.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted unanimously in favor of going into executive session at 2:56 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Soft Tissue Regeneration, New Haven.

The executive session ended at 3:13 p.m., and the regular meeting was immediately reconvened.

Mr. Tweeddale reviewed the proposed terms and conditions of the additional investment in STR.

Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee approval of additional financing of up to \$250,000 for Soft Tissue Regeneration, Inc., New Haven.

Noting a potential conflict of interest, Mr. Schiele recused himself from the discussion and vote on the Solais Lighting Proposal and left the meeting.

“Solais Lighting, Inc., Stamford, CT”

Mr. Crowley and Mr. Roth discussed the proposed follow-on funding of up to \$175,000 for Solais Lighting, Stamford. He explained that staff recommends that CI participate in a Series B financing round. The company makes LED lamps and fixtures designed to displace high quality halogen lamps in retail spaces. Mr. Crowley reviewed CI’s investment history in the company. He discussed the progress the company has had since CI’s initial investment. Mr. Crowley discussed the risks and benefits of the follow-on investment, as well as the proposed changes to the terms and conditions of the follow-on funding. In response to a question, Mr. Crowley indicated that research and development is performed in Connecticut.

Upon a motion made by Ms. Smith, seconded by Mr. Jansen, the Advisory Committee members voted in favor of recommending to the Eli Whitney Investment Committee approval of additional financing of up to \$175,000 for Solais Lighting, Inc., Stamford, CT (Mr. Schiele was recused and not present for the vote).

7. **Next Meeting:** February 7, 2013, at 2:00 p.m.

8. **Adjournment:** Upon a motion made by Mr. Jansen, seconded by Ms. Smith, the Advisory Committee members voted to adjourn the January 10, 2013 meeting at 3:23 p.m.

Respectfully submitted,

Catherine Smith
Chairperson of CI