

**ELI WHITNEY ADVISORY COMMITTEE**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Thursday, June 6, 2013

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on June 6, 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. Santiago, Chairperson of the Advisory Committee, called the meeting to order at 2:00 p.m. Advisory Committee members participating: Gail Coppage, J. Kevin Grogan (by phone), Erik Jansen (by phone), Alan Mendelson (by phone), Rafael Santiago (by phone), Tim Shannon (by phone), and Michael Werle (by phone).

Observers participating: Mun Choi and Alex Pencu.

Staff attending: David Audibert, Margaret Cartiera, Kevin Crowley, Claire Leonardi, Peter Longo, Shelly Mondo, Lillian Mu, Pauline Murphy, Patrick O’Neill, Megana Patel, Cynthia Petruzzello, Sandra Rizza, Matthew Storeygard, Russell Tweeddale, Douglas Twele, Daniel Wagner, Linda Wieleba, Michael Wisniewski, and Dave Wurzer.

2. **Approval of Minutes:**

Mr. Santiago asked the Advisory Committee members to consider the minutes from the May 2, 2013 meeting.

**Upon a motion made by Mr. Mendelson, seconded by Mr. Werle, the Advisory Committee members voted in favor of adopting the minutes from the May 2, 2013 meeting as presented (Mr. Grogan and Ms. Coppage were not present for the vote).**

3. **New Investment Proposal:**

**“Payveris, LLC, Wethersfield, CT”**

Mr. Audibert and Dr. Cartiera discussed the request for an investment from CI of up to \$700,000 as part of a \$3,900,000 round. Mr. Audibert explained that Payveris is an online and mobile bill payments company. He reviewed the investors in the round and noted that the company has also applied for a loan from the Department of Economic and Community Development. The funding from CI will be used for product development, sales and marketing and operating capital.

**Upon a motion made by Ms. Jansen, seconded by Mr. Werle, the Advisory Committee members voted in favor of going into executive session at 2:03 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Payveris, LLC, Wethersfield, CT (Ms. Coppage was not present for the vote).**

The executive session ended at 2:13 p.m., and the regular meeting was immediately reconvened.

Dr. Cartiera explained the products offered by Payveris and discussed the on-line bill payment market. Mr. Audibert reviewed the management team and talked about the competition and marketing and sales pipeline. The risks and benefits of the transaction were discussed. In response to a question, Dr. Cartiera indicated that the company anticipates expanding from 15 employees in 2013 to 53 employees in Connecticut by the end of 2016.

**Upon a motion made by Mr. Jansen, seconded by Mr. Werle, the Advisory Committee members voted in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$700,000 for Payveris LLC, Wethersfield (Ms. Coppage was not present for the vote).**

**4. Follow-On Investment Proposals:**

**“EpiEP, Inc., New Haven, CT”**

Mr. Tweeddale and Mr. Wagner reviewed the proposed follow-on investment of up to \$500,000 in EpiEP, Inc., New Haven as part of a \$2,000,000 bridge financing round. He indicated that the investment will be initially a single \$250,000 tranche, with the additional money to be held in reserve to support the company if needed. Mr. Tweeddale discussed CI's investment history in the company. He talked about the platform developed by the company to enable the treatment of deadly and incurable arrhythmias and to improve the efficacy and safety of other cardiac procedures.

Mr. Wagner discussed the developments and progress since CI's last investment. The risks and benefits of the transaction were reviewed.

**Upon a motion made by Ms. Coppage, 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 \$500,000 for EpiEP, Inc., New Haven, CT.**

**“Zadspace, Inc, Norwalk, CT”**

Ms. Murphy and Mr. Storeygard reviewed the proposed follow-on investment of up to \$200,000, the first \$87,000 of which will be deployed in a convertible note bridge round that is expected to be approximately \$300,000. Funding will be used for sales, marketing and working capital.

**Upon a motion made by Ms. Coppage, seconded by Mr. Mendelson, the Advisory Committee members voted unanimously in favor of going into executive session at 2:25 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Zadspace, Inc., Norwalk, CT.**

The executive session ended at 2:38 p.m., and the regular meeting was immediately reconvened.

The terms and conditions of the investment were discussed.

**Upon a motion made by Ms. Coppage, seconded by Mr. Grogan, the Advisory Committee members voted in favor of recommending to the Eli Whitney Investment Committee a follow-on investment of up to \$200,000 for Zadspace, Inc., Norwalk, CT.**

**“Intelligent Clearing Network, Inc., New Canaan, CT”**

Mr. Crowley and Mr. Storeygard reviewed the proposed follow-on investment of up to \$105,000 as part of a \$600,000 bridge round for Intelligent Clearing Network, Inc., New Canaan. Mr. Crowley discussed CI's investment history in the company. He reviewed the proposed terms and conditions of the follow-on investment. Intelligent Clearing Network is a Software-As-A-Service company that electronically delivers and clears coupons and other incentives in real time at the point of sale. Mr. Crowley reviewed the progress made by the company since CI's last investment. The risks and benefits of the investment were discussed.

**Upon a motion made by Mr. Mendelson, seconded by Ms. Coppage, the Advisory Committee members voted in favor of recommending to the Eli Whitney Investment Committee a follow-on investment of up to \$105,000 for Intelligent Clearing Network, Inc., New Canaan, CT.**

**5. Preseed Investment Proposals:**

**“ImStem Biotechnology, Inc., Unionville, CT”**

Ms. Mu reviewed the proposed preseed funding of up to \$150,000 for ImStem Biotechnology Inc., Unionville. Funding will be used to continue the development of cell

therapeutic products derived from human pluripotent stem cells for tissue repair, treatment of neural, health vascular, blood system diseases and autoimmune diseases. The company was formed based on research from the University of Connecticut and Yale University. Ms. Mu noted the opportunity for potential seed funding in the future.

**Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$150,000 for ImStem Biotechnology, Inc., Unionville.**

**“Engineered Carbon Solutions, Inc., Norwich, CT”**

Mr. Wisniewski reviewed the proposed preseed funding request of up to \$150,000 for Engineered Carbon Solutions, Inc., Norwich, to complete the industrial scale up of the ECFuel Hybrid pellet manufacturing product and implement a marketing and sales program. He described the ECFuel Hybrid pellet product and noted that there are two provisional patents. Mr. Wisniewski discussed the management team.

**Upon a motion made by Ms. Coppage, seconded by Mr. Werle, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$150,000 for Engineered Carbon Solutions, Inc., Norwich, CT.**

**6. Preseed Follow-On Investment:**

**“AlphaChromics, Inc., Farmington, CT”**

Mr. Wisniewski discussed the proposed follow-on preseed funding of up to \$200,000 for AlphaChromics, Inc., Farmington to fund operations. The company will build out lab space, expand staff and invest in further development of its technology and market the business. The company was formed based on technology optioned from the University of Connecticut. AlphaChromics has developed conductive polymer technology that enables the creation of color changing products. CI provided \$120,000 in preseed funding to assist with the initial prototype and third party consulting services associated with the intellectual property and corporate development. Mr. Wisniewski summarized the progress made by the company since the initial investment.

**Upon a motion made by Ms. Coppage, seconded by Mr. Grogan, 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 for AlphaChromics, Inc., Farmington Hartford.**

**7. Liquidation Event:****“Sale of PowerSecure International Stock, Stamford, CT”**

Mr. Longo explained that CI received shares of stock in PowerSecure International with the sale of Solais Lighting, Inc. He asked the Advisory Committee to consider authorizing the sale of the stock, and he explained the proposed terms of the sale.

**Upon a motion made by Mr. Mendelson, seconded by Mr. Jansen, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee the sale of stock in PowerSecure International, Stamford, CT.**

**8. Innovation Eco-System Investment Proposal:****“Lean Launch Ventures, LLC/Innovation Eco-System”**

Mr. Wisniewski explained the recommendation to allow an additional team into the accelerator program for training and funding under the accelerator program of the Innovation Eco-System. The team *Test My Pitch* will replace *WorkLife*. In response to a question, it was noted that funding in the amount of \$33,000 is part of the Innovation Eco-System funding.

**Upon a motion made by Mr. Jansen, seconded by Ms. Coppage, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee funding of up to \$33,000 for Lean Launch Ventures, LLC under the accelerator program of the Innovation Eco-System.**

**9. Additional New Investment;**

*Noting a potential conflict of interest, Mr. Shannon left the meeting at this time.*

**“Arvinas, LLC, New Haven, CT”**

Mr. Wagner and Ms. Mu discussed the proposed investment of up to \$1,500,000 in Arvinas, an early-stage biotechnology company. Mr. Wagner reviewed the proposed terms and conditions of the funding. Additionally, the company is seeking a biofacilities loan of up to \$750,000. He spoke about the management team and noted that the technology developed by the company is licensed out of Yale University.

Ms. Mu explained some of the advantages of protein degradation versus inhibition. She reviewed the science behind the technology and strategies developed by Arvinas. Ms. Mu talked about some of the targets for the company.

Mr. Wagner discussed the patents pending and summarized the technology review. He reviewed the risks and benefits of the investment.

**Upon a motion made by Ms. Coppage, seconded by Mr. Werle, the Advisory Committee members voted in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$1,500,000 and a biofacilities loan of up to \$750,000 for Arvinas, LLC, New Haven, CT (Mr. Shannon was not present for the vote).**

10. **Other Business:** There was no other business to discuss.
11. **Next Meeting:** July 11, 2013, at 2:00 p.m.
12. **Adjournment:** Upon a motion made by Ms. Coppage, seconded by Mr. Werle, the Advisory Committee members voted to adjourn the June 6, meeting at 3:13 p.m.

Respectfully submitted,

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Rafael Santiago  
Acting Chairperson of the Eli Whitney  
Advisory Committee