

**ELI WHITNEY ADVISORY COMMITTEE**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Thursday, April 3, 2014

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on April 3, 2014, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. **Call to Order:** Rafael Santiago, Chairperson of the Advisory Committee, noting the presence of a quorum, called the meeting to order at 2:01 p.m. Advisory Committee members participating: Gail Coppage (by phone), Alan Mendelson (by phone), Rafael Santiago (by phone), and Michael Werle (by phone).

Members absent: Erik Jansen and Tim Shannon.

Other Board members attending: Michael Cantor, Mun Choi (by phone) and Alex Pencu (by phone).

Staff attending: David Audibert, Heidi Bieber, Matthew Bloom, Kevin Crowley, Stepheni Harpin, Pam Hartley, Claire Leonardi, Peter Longo, Pauline Murphy, Patrick O’Neill, Chris Penner (by phone), Julie Rader, Doug Roth, Matthew Storeygard, Russ Tweeddale, Daniel Wagner, Mike Wisniewski, and David Wurzer.

2. **Approval of Minutes:**

Mr. Santiago asked the Advisory Committee members to consider the minutes from the March 6, 2014 meeting.

**Upon a motion made and seconded the Advisory Committee members voted in favor of adopting the minutes from the March 6, 2014 meeting as presented. (Mr. Choi and Ms. Coppage were not present for the vote).**

3. **Follow-on Investment Proposal:**

**“Novatract Surgical, Inc., Madison, CT”**

Mr. Wurzer discussed the proposed follow-on investment of up to up to \$600,000 as part of a \$1,200,000 Series A-1 Preferred Stock offering to fund product development, sales and marketing, regulatory development, and acquisition targeting for Novatract Surgical, LLC. CI will not close the Series A-1 Preferred round without at least \$1M in new money, including CI’s new investment. The funding is based on a pre-money valuation equal to the post-money valuation from the previous round of investment. CI expects all of the Company’s existing major investors to participate in the round.

Mr. Storeygard reviewed CI's investment history in the company. He explained that Novatract was founded to develop medical devices to address laparoscopic surgery and natural orifice transluminal endoscopic surgery.

**Upon a motion made and seconded the Advisory Committee members voted unanimously in favor of going into executive session at 2:05 p.m. to discuss financial and/or commercial information and/or trade secrets regarding Novatract Surgical, Inc., Madison, CT.**

The executive session ended at 2:20 p.m., and the regular meeting was immediately reconvened.

**Upon a motion made and seconded the Advisory Committee Members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an Investment of up to \$600,000 in Novatract Surgical, Inc., in Madison, CT.**

**"Precipio Diagnostics LLC, New Haven, CT"**

Mr. Crowley discussed the proposed follow-on investment in Precipio Diagnostics LLC. They are currently seeking to raise a Series B extension financing of up to \$750,000 with CI's participation of ~\$170,000. Many other Series B investors have confirmed their respective pro rata participation in the round. The investment will be used to ensure that the Company continues to execute milestones without interruption and increase the sales and marketing budget as opposed to relying purely on organic growth. Part of that will include bringing on a Senior VP of Sales.

Mr. Crowley also reviewed CI's investment history in the company. He noted a correction on the investment history slide that had been emailed regarding post-closing ownership. *He stated that it should be 10.5% not 11.3%. A discussion ensued regarding the sales force and also if Yale posed a risk of pulling out.*

**Upon a motion made and seconded the Advisory Committee Members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an Investment of up to \$750,000 in Precipio Diagnostics LLC, New Haven, CT.**

**"EpiEp – New Haven, CT"**

Mr. Wagner discussed the proposed follow-on investment of up to \$500,000 for EpiEP, Inc. as part of Series B Participating Preferred financing of a maximum of \$5,000,000. Co-investment will come from current investors and additional outside investors. In addition to the new money, roughly \$5,000,000 of Notes will be converted into the Series B at a predetermined cap. This financing will allow continued operations through the end of 2014, allowing for the company to continue executing on obtaining FDA 510k

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approval at the end of 2014, exploring liquidity options and lastly, preparing for a limited EU product launch in early 2015.

Mr. Wagner reviewed CI's investment history in the company. He explained that EpiEP is a medical device company that has developed a novel access system for the minimally invasive treatment of certain cardiac conditions, or arrhythmias, in which there is abnormal electrical activity in the heart.

A discussion ensued about the potential investment return scenarios.

**Upon a motion made and seconded the Advisory Committee Members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$500,000 for EpiEP, Inc.**

**"Cashpath Financial, LLC, Stamford, CT"**

Mr. Audibert and Mr. Wisniewski discussed the proposed follow-on investment of up to up to \$200k of pre-seed follow-on funding in order to continue development of its technology, support the ramp up of its users in a public beta. Cashpath is planning to close on a \$500K bridge round with Connecticut Innovations representing \$200K of the total round. The remaining \$300k will be comprised of other investors. Mr. Crowley also reviewed CI's investment history in the company.

A discussion ensued regarding if Cashpath had a Freedom to Operate opinion as part of the due diligence process. The Advisory Committee Members decided to defer the recommendation until information about the patent is brought back to the committee.

**6. Other Business:**

**"Perosphere, Inc., Mount Kisco, NY"**

Mr. Crowley requested an extension on the existing investment approval for Perosphere, Inc., to June 30, 2014 in-order to have time to close the transaction.

**Upon a motion made and seconded the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an extension of the existing investment approval for Perosphere, Inc., Mount Kisco, NY to June 30, 2014.**

**7. Next Meeting: May 8, 2014, at 2:00 p.m.**

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8. **Adjournment:** Upon a motion made by, seconded by, the Advisory Committee members voted to adjourn the April 3, 2014 meeting at 3:17 p.m.

Respectfully submitted,



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Rafael Santiago  
Chairperson of the Eli Whitney Advisory  
Committee