

ELI WHITNEY ADVISORY COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Thursday, June 5, 2014

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on June 5, 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 2:02 p.m. Advisory Committee members participating: Gail Coppage, Erik Jansen (by phone), Alan Mendelson (by phone), Rafael Santiago (by phone), and Michael Werle (by phone).

Members absent: J. Kevin Grogan and Tim Shannon

Others Present: Jonathan Roth (by phone)

Staff attending: Heidi Bieber, Matthew Bloom, Kevin Crowley, Claire Leonardi, Peter Longo, Lillian Mu, Pauline Murphy, Chris Penner, Julie Rader, Douglas Roth, Matthew Storeygard, Glendowlyn Thames, Russ Tweeddale, Daniel Wagner (by phone), Michael Wisniewski, and David Wurzer.

2. **Approval of Minutes:**

Mr. Santiago asked the Advisory Committee members to consider the minutes from the May 8, 2014 meeting.

Upon a motion made by Mr. Jansen, and seconded by Mr. Werle, the Advisory Committee members voted in favor of adopting the minutes from the May 8, 2014 meeting as presented.

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

“etouches, Inc. – South Norwalk, CT”

Ms. Murphy discussed the request for up to \$1,000,000 of follow-on funding for etouches, an event management software company located in South Norwalk, CT. Ms. Murphy reviewed CI’s investment history in etouches which was created in 2008 and CI initially invested in 2010.

Upon a motion made by Ms. Coppage and seconded by Mr. Mendelson the Advisory Committee members voted unanimously in favor of going into executive session at 2:14 p.m. to discuss financial and/or commercial information and/or trade secrets, regarding etouches, Inc.

The executive session ended at 2:25 p.m., and the regular meeting was immediately reconvened.

Upon a motion made by Ms. Coppage, seconded by Mr. Mendelson, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee an investment of up to \$1,000,000 for potential follow-on investment for etouches, Inc.

It was requested that iDevices, LLC of Avon, CT be moved to the end of the agenda.

4. Liquidity Events:

"Cara Therapeutics, Inc., - Shelton, CT"

Mr. Crowley briefly reviewed Cara Therapeutics a biotechnology company focused on developing novel therapeutics to treat human diseases associated with pain and inflammation. Mr. Crowley then talked about CI's investment history in Cara Therapeutics. CI requested approval to execute its warrants and begin selling stock once the IPO lockup period expires July 31, 2014. Shares will not be sold for less than (adjusted cost basis) of \$5.86/share. This request includes stock acquired as a result of warrant exercise and shares of stock previously acquired through investment.

A discussion ensued regarding opportunity and risk.

Upon a motion made by Mr. Mendelson, seconded by Ms. Coppage, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee authorization for staff to exercise outstanding original CI warrants in Cara Therapeutics Inc., Shelton, CT and to sell all the shares of Cara Therapeutics Inc. stock at prices above \$5.86/share.

"Nxt-ID, Inc. – Shelton, CT"

Mr. Crowley discussed NXT-ID a company who is focused on delivering secure solutions to the mobile device and mobile payment marketplace. Mr. Crowley then reviewed CI's investment history in Nxt-ID which was created in 2012. It was also discussed that CI requests approval to sell its shares of NXT-ID stock at a price above our cost basis (\$2.70/share).

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 approval of the request to sell 55,497 shares of NXT-ID, Shelton, CT, stock above \$2.70/shares.

“SchoolChapters, Inc. – West Hartford, CT”

Mr. Penner discussed SchoolChapters, Inc. a software company that provides solutions for online evidenced-based accreditation for educational institutions. The Company has received a Letter of Intent for a proposed acquisition. CI is asking the Eli Whitney Investment Committee to approve the sale and allow CI to liquidate its stake in the Company.

Mr. Storeygard reviewed CI's investment history in SchoolChapters, Inc.

Upon a motion made by Ms. Coppage and seconded by Mr. Werle the Advisory Committee members voted unanimously in favor of going into executive session at 2:40 p.m. to discuss financial and/or commercial information and/or trade secrets regarding SchoolChapters, Inc., West Hartford, CT.

The executive session ended at 2:50 p.m., and the regular meeting was immediately reconvened.

Upon a motion made by Ms. Coppage, seconded by Mr. Mendelson, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee to authorize and execute all documents related to the proposed transaction for SchoolChapters, Inc., West Hartford, CT.

5. Follow-on Investment Proposal:

Mr. Mendelson left the call due to a conflict of interest because of his prior financial involvement with iDevices.

“iDevices, LLC – Avon, CT”

Mr. Penner discussed iDevices LLC which was founded in late 2009. iDevices, LLC provides app-enabled devices and services. In late 2011, CI funded iDevices in an amount of \$150,000 in pre-seed financing for the purpose of funding a proof of concept, intellectual property development, and other company start-up expenses related to iGrill®.

Upon a motion made by Ms. Coppage and seconded by Mr. Werle the Advisory Committee members voted unanimously in favor of going into executive session at 2:54 p.m. to discuss financial and/or commercial information and/or trade secrets regarding iDevices, LLC, Avon, CT.

The executive session ended at 3:02 p.m., and the regular meeting was immediately reconvened.

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 \$300,000 for the purpose of providing cash flow to build inventory for iDevices, LLC, Avon, CT.

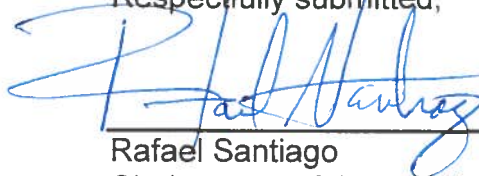
6. **Other Business:**

There was no other business to discuss.

7. **Next Meeting:** July 10, 2014, at 2:00 p.m.

8. **Adjournment:** Upon a motion made by Ms. Coppage, seconded by Mr. Werle, the Advisory Committee members voted to adjourn the June 5, 2014 meeting at 3:04 p.m.

Respectfully submitted,



Rafael Santiago
Chairperson of the Eli Whitney Advisory
Committee