

**ELI WHITNEY ADVISORY COMMITTEE**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Thursday, December 5, 2013

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on December 5, 2013, at the office of the Connecticut Housing Finance Authority, 999 West 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), Tim Shannon (by phone), and Michael Werle (by phone).

Members absent: J. Kevin Grogan.

Other Board members attending: Mun Choi, Joseph Kaliko, and Alex Pencu.

Staff attending: Heidi Bieber, Margaret Cartiera, Kevin Crowley, Stepheni Harpin, Claire Leonardi, Peter Longo, Shelly Mondo, Lillian Mu, Pauline Murphy, Chris Penner, Julie Rader, Doug Roth, Matthew Storeygard, Gwendowlyn Thames, Daniel Wagner, Mike Wisniewski, and Dave Wurzer.

2. **Addition to the Agenda:**

The Advisory Committee members were asked to consider adding to the agenda a discussion by Mr. Kaliko about royalties.

**Upon a motion made by Mr. Mendelson, seconded by Mr. Werle, the Advisory Committee members voted unanimously in favor of adding to the agenda a discussion about royalties.**

Mr. Kaliko asked the Advisory Committee members to consider requesting royalties from companies that receive CI funding and become very successful. He suggested that CI request and the state of Connecticut be rewarded with some additional amount when “homeruns” are achieved over and above what is netted from an initial public offering. Mr. Longo and Ms. Leonardi explained that CI receives returns from the IP through its equity position. They also indicated that the suggestion could be viewed negatively by co-investors and companies. This would negatively impact our ability to partner and could drive business away from CI. Several Advisory Committee members also spoke against requiring or requesting royalties and suggested that other options be considered (i.e. requesting warrants versus royalties). Mr. Kaliko left the meeting following this discussion.

**3. Approval of Minutes:**

Mr. Santiago asked the Advisory Committee members to consider the minutes from the November 7, 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 November 7, 2013 meeting as presented.**

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

**“Affinimark Technologies, Inc., New Haven, CT”**

Mr. Crowley reviewed the request for approval from CI to provide a follow-on investment of up to \$450,000 for Affinimark Technologies, Inc., New Haven. Affinimark has developed a point-of-care strip-based diagnostic test to quickly and cost-effectively provide a definitive determination about cerebral spinal fluid leakage in patients. He reviewed CI's investment history in the company and discussed the proposed terms and conditions of the follow-on investment.

**Upon a motion made by Mr. Jansen, 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 \$450,000, for Affinimark Technologies, Inc., New Haven.**

**“CyVek, Inc., Wallingford, CT”**

Mr. Wurzer discussed the proposed follow on investment from CI of up to \$500,000 in a \$3 million bridge funding round for CyVek, Inc., Wallingford, a technology company that has developed a diagnostic tool for testing biomarkers and performing immunoassays. The company was founded in 2010 and has grown to 26 employees and anticipates growing to 50 in the next year.

**Upon a motion made by Ms. Coppage, seconded by Mr. Jansen, the Advisory Committee members voted unanimously in favor of going into executive session at 2:28 p.m. to discuss financial and/or commercial information and/or trade secrets regarding CyVek, Inc., Wallingford, CT.**

The executive session ended at 2:41 p.m., and the regular meeting was immediately reconvened.

**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 an investment of up to \$500,000 in CyVek, Inc., Wallingford, CT.**

**“New Haven Pharmaceuticals, Branford, CT”**

Mr. Wagner reviewed the proposed follow-on investment of up to \$362,833 in New Haven Pharmaceuticals, Branford. He reviewed CI’s investment history in the company. New Haven Pharmaceuticals was founded in 2008 and has developed proprietary prescription pharmaceuticals for use in therapeutic applications. Mr. Wagner discussed the proprietary technology and discussed the progress made by the company since CI’s last investment. He reviewed the terms and conditions of the follow-on investment.

**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 \$362,833 in New Haven Pharmaceuticals, Branford, CT.**

**5. Liquidity/Restructuring Events:**

**“Environmental Energy Services, Inc., Sandy Hook, CT”**

Ms. Murphy discussed CI’s investment history in Environmental Energy Services (“EES”), Inc., Sandy Hook, CT, a specialty technology company that has developed technology to optimize combustive systems. She reviewed CI’s investment history in EES, noting that CI has invested a total of \$1,800,000 and has received back approximately \$600,000 in principal and interest. Ms. Murphy provided an update on the company. She explained the request to authorize the payoff of two \$250,000 notes as part of a bank refinancing by EES and to authorize the restructure of the existing note payable and subordination agreements. Ms. Murphy explained the terms of the restructure and subordination.

**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 approval of the payoff of outstanding notes and to complete the restructure of the existing note payable and subordination agreements for Environmental Energy Services, Inc., Sandy Hook, CT.**

**“MyCare, Inc., d/b/a Sami Health, Westport, CT”**

Mr. Wagner reviewed CI’s investment history in MyCare, Inc., d/b/a Sami Health, Westport, a healthcare information technology company founded in 2010.

**Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted unanimously in favor of going into executive session at 2:59 p.m. to discuss financial and/or commercial information and/or trade secrets regarding MyCare, Inc., d/b/a Sami Health, Westport, CT.**

The executive session ended at 3:04 p.m., and the regular meeting was immediately reconvened.

Mr. Wagner discussed the request to authorize the sale of the company and the potential return on CI’s investment.

**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 the approval allowing CI management to execute documents in the purposed sale of MyCare, Inc., d/b/a Sami Health, Westport, CT.**

**6. Other Business:**

There was no other business to discuss.

**7. Next Meeting:** January 16, 2014, at 2:00 p.m.

**8. Adjournment:** Upon a motion made by Mr. Jansen, seconded by Mr. Grogan, the Advisory Committee members voted to adjourn the December 5, 2013 meeting at 3:05 p.m.

Respectfully submitted,

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Rafael Santiago  
Chairperson of the Eli Whitney Advisory  
Committee