

ELI WHITNEY ADVISORY COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Thursday, May 3, 2018

A regular meeting of the **Eli Whitney Advisory Committee of Connecticut Innovations, Incorporated** (the “Advisory Committee”) was held on May 3, 2018 at the office of Connecticut Innovations, Inc. (“CI”), 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 3:02 p.m. Advisory Committee members present: Gerry DePardo (by phone), Alan Mendelson (by phone), Paul Pescatello (by phone), Rafael Santiago (by phone), Tim Shannon (by phone), and Michael Werle (by phone).

Absent: Erik Jansen

CI Board members attending: Richard Mulready (by phone).

Staff attending: Matthew Bloom, Daniel Boyle, Kevin Crowley (by phone), Peter Longo, Heidi Marshall, Matthew McCooe, Pauline Murphy, Ted Murphy, Jaime Rinaldi, Douglas Roth, Matthew Storeygard, Tara Sweeney, Daniel Wagner, Carrie White, David Wurzer, and Ting Yi.

2. Approval of Minutes:

Mr. Santiago asked the Advisory Committee members to consider the minutes from the March 3, 2018 “regular” meeting.

Upon a motion made by Mr. Werle, and seconded by Mr. Shannon, the Advisory Committee members voted unanimously in favor of approving the minutes, as presented, from the March 3, 2018 “regular” meeting. (Mr. Pescatello was not present for the vote).

3. New Investment Proposal:

“Source Defense – Beer Sheva, Israel”

Mr. Storeygard and Mr. Boyle discussed the proposed new investment in Source Defense. Mr. Storeygard stated that Source Defense is a cyber-security company that protects websites from vulnerabilities originating in 3rd party scripts and plans to put its US headquarters in CT.

Mr. Storeygard asked the Eli Whitney Advisory Committee to enter executive session to discuss Source Defense.

Upon a motion made by Mr. Mendelson, and seconded by Mr. Werle, the Advisory Committee members voted unanimously in favor of going into executive session at 3:08 p.m. to discuss financial and/or commercial information and/or trade secrets, regarding Source Defense. (Mr. Pescatello was not present for the vote).

The executive session ended at 3:33 p.m., and the regular meeting was immediately reconvened.

Upon a motion made by Mr. Mendelson, and seconded by Mr. Shannon, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee that financing be approved in an amount of up to \$1,000,000 for product development, sales and marketing, and working capital in Source Defense.

4. Pre-Seed Update:

Mr. Wurzer and Ms. Sweeney gave a brief presentation on the “Pre-Seed and Internal Approvals – CI Ventures’ Update”.

Upon a motion made by Mr. Werle, seconded by Mr. Shannon, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee that the memorandum entitled “Pre-Seed and Internal Approvals – CI Ventures Update” for the quarter ended March 31, 2018 be approved.

5. Other Business:

“Frevvo – Branford, CT”

Mr. Crowley discussed CI’s investment history in Frevvo. He stated that Frevvo is a point-and-click workflow software that connects people, data and systems and transform inefficient processes into fully automated workflows. Mr. Crowley explained that CI has negotiated an effective “redemption” of its stock.

Upon a motion made by Mr. Shannon, and seconded by Mr. DePardo, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee that redemption is approved by CI for Frevvo Inc., in an amount of up to \$500,000, the amount of CI’s original investment, on the terms described.

“Oxford Performance Materials, Inc. – South Windsor, CT”

Mr. Murphy, along with Mr. Wurzer, discussed the proposed extension of the expiration date from July 2018 to July 2020 for CI’s existing warrant, issued in July 2011, in conjunction with a \$1.2M equipment loan.

Upon a motion made by Mr. Werle, and seconded by Mr. Shannon, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee that the extension of the expiration date of the redemption exercise period from July 2018 to July 2020, for Connecticut Innovations, Inc. warrant, issued in July 2011, be approved for Oxford Performance Materials, Inc.

“Process Discussion”

Ms. Murphy discussed an amendment to the internal approval processes and the corresponding delegation of authority from the Eli Whitney Advisory Committee and Investment Committee to the CI Venture team. The Committee discussed the proposed amendment and requested that the internal approval of matters for items in Section 3 of the policy be limited to investments up to \$1 million.

A discussion ensued.

Upon a motion made by Mr. Werle, and seconded by Mr. Shannon, the Advisory Committee members voted unanimously in favor of recommending to the Eli Whitney Investment Committee that the proposed changes to the Venture Internal Approval Policies and Procedures is approved as presented with the addition of the up to \$1 million limitation in Section 3.

6. Date of Next Meeting:

June 7, 2018 at 3:00 p.m.

7. Adjournment:

Upon a motion made by Mr. Werle, and seconded by Mr. Shannon, the Advisory Committee members voted unanimously to adjourn the May 3, 2018 meeting at 3:55 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Rafael Santiago', is written over a horizontal line.

Rafael Santiago
Chairperson of the Eli Whitney Advisory
Committee