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ADVISORY COMMITTEE
of the Connecticut Bioscience Innovations Fund
Minutes – Regular Meeting
Wednesday, July 16, 2014

A regular meeting of the **Advisory Committee of the Connecticut Bioscience Innovation Fund** (the “Advisory Committee”) was held on July 15, 2014, at the office of the Connecticut Innovations, 865 Brook Street, Rocky Hill, CT.

Call to Order: Claire Leonardi, Chairperson of the Advisory Committee, noting the presence of a quorum, called the meeting to order at 10:09 a.m. Advisory Committee members present: Peter Farina, Steven Hanks, Marc Lalande, Charles Lee, Claire Leonardi, Bill LaRochelle, Alan Mendelson, Edmund Pezalla, Carolyn Slayman, and Eleanor Tandler.

Members Absent: John Fontana, Joseph Kaliko, Catherine Smith

Other Attendees: Jeremy Crisp (CI), Margaret Cartiera (CI), Susanne Wilke (CI), Ariel Drew (CI), Lori Granato (CI), Leslie Larson (CI), and Lauren Carmody (CI), Xiaofang Wang (ImStem Biotechnology).

Ms. Leonardi welcomed and thanked everyone for participating in today's meeting.

Approval of Minutes

Ms. Leonardi asked the Advisory Committee members to consider the minutes from the June 4th, 2014 meeting.

Upon a motion made by Carolyn Slayman, seconded by Peter Farina, the Advisory Committee members voted unanimously in favor of adopting the minutes from the June 4, 2014 meeting as presented. VOTE: 10-0-0 (In favor: Farina, Hanks, Lalande, Lee, Leonardi, LaRochelle, Mendelson, Pezalla, Slayman, Tandler).

Recap of the Application Ranking Process

Dr. Crisp reviewed the timeline for Wave 1 applications and what has been achieved so far. He discussed that the next step after today's meeting is to inform the CBIF applicants of the funding decisions. Dr. Crisp then provided an overview of materials that were provided for the meeting. He gave a recap of application ranking and how application scores were determined from the scientific and business peer review process. Funding recommendations were

made based on the information and scores given by the scientific and business review.

Recap of the Recusal Process and Identified Conflicts

Dr. Crisp introduced the recusal process, stating that it is the first time this operating recusal process will be put in place with the CBIF Advisory Committee. He explained the formal process and addressed ground rules for the day.

Advisory Committee members then provided commentary, feedback and asked questions regarding the application review process and the information supplied to the Committee. A question was asked regarding the type of investment CBIF will provide and how funded dollars will be tranches. Dr. Cartiera explained that dollars will be tranches based on projected project milestones. Mr. Mendelson asked how equity investments will be determined. Ms. Leonardi stated that CI is still working internally on deciding the details of the investment instruments when it comes to equity investments. Ms. Leonardi discussed that CBIF terms will be comparable to deals made on the CI Venture team and that these investments may be convertible notes.

Another question raised by Mr. Mendelson was the definition of "resubmission" and what the stated funding recommendation of "resubmission" meant for applicants. Dr. Crisp explained that applications that received a "resubmit" for the funding recommendation were too early in stage at this point. CBIF would provide feedback to the applicant, and recommend that they reapply when the science and technology are ready or other issues identified by the team are satisfied. Mr. Mendelson asked if the funding decision process takes into account "reserves" for follow-on applications. Ms. Leonardi stated that the 1st wave of applications does not include reserves. She suggested putting the topic of follow-on funding on the next meeting's agenda for discussion.

Consideration of Opportunities One by One in Priority Order and Funding Decisions

Dr. Crisp introduced Lori Granato, who would be keeping time for the Committee discussion; ten (10) minutes was allotted for each application's discussion. Dr. Crisp then introduced Susanne Wilke, a newly hired Consultant to the CBIF team.

Dr. Crisp reviewed the running order in which the applications will be discussed. He stated that every application's funding decision will require a motion.

- 506—Dura Biotech (Pham)

Stating there were no conflicts with this application and the Advisory Committee, Dr. Crisp provided an introduction to the project, elaborating on project aims and

milestones. Dr. Crisp discussed what the requested CBIF dollars would be used throughout duration of the project. He stated that this is a high quality application and reviewed the given scientific and business scores. The project was recommended for funding in full, with no conditions.

Dr. Slayman raised a question on the scientific review and whether the proposed size of the groups for the animal study would result in meaningful data. A discussion ensued. There was general agreement from the Committee that the design of the animal study must be reviewed and approved by a qualified statistician as a condition of funding.

Upon a motion made by Carolyn Slayman, seconded by Charles Lee, the Advisory Committee members voted in favor of funding Application 509, Dura Biotech, Pham (Principal Investigator), in the amount of \$400,368 subject to revisiting the design of the proposed animal studies.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Tandler, Lalande, Slayman).

- 516—Yale (Braddock)

Dr. Crisp provided a brief summary to the proposed project. He discussed project deliverables, as well as concerns. Dr. Crisp mentioned this is a high scoring application and as a result of the translational stage the project is at, it has great potential to reach the marketplace. The project was recommended for funding in full, with the condition that the budget be adjusted to reflect appropriate personnel efforts.

Mr. Mendelson asked about the current research collaboration this PI has with a strategic industry partner.. A discussion ensued. Ms. Tandler recommended that Dr. Braddock consult with a business advisor regarding the opportunity.

Upon a motion made by Peter Farina, seconded by Charles Less, the Advisory Committee members voted in favor of funding Application 519, Yale, Braddock (Principal Investigator), in the amount of \$500,000 subject to adjusting the budget to decrease Dr. Braddock's proposed salary and increase technical support staff.

VOTE: 9-0-1 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Tandler, Lalande; Recused: Slayman).

- 513—UConn (Zhu)

Dr. Cartiera introduced the project, as well as the unique leverage and the advanced clinical stage of the application. She discussed what the requested CBIF dollars would be used for, the score ranking, and that the project was recommended for funding, contingent upon retention of a business consultant to drive the commercialization strategy. A general agreement was reached that hiring a consultant to create a business plan is necessary and that the business plan is to be related to the proposed milestones. This requirement must be fulfilled before a second tranche of CBIF dollars is dispersed. CBIF also recommends that Dr. Zhu work with local manufacturing suppliers.

Upon a motion made by Edmund Pezalla, seconded by Steven Hanks, the Advisory Committee members voted in favor of funding Application 513, University of Connecticut, Zhu (Principal Investigator), in the amount of \$500,000 subject to hiring a consultant to create a business plan relative to proposed milestones.

VOTE: 8-0-2 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Pezalla, Slayman, Tandler; Recused: Lalande, Mendelson).

- 511—CaroGen Corporation (Almassian)

Dr. Cartiera provided a project summary and explained the project goals. She discussed previous investments this company has had, and what milestones the team has executed upon as a result of that funding.. Dr. Cartiera discussed the team's expertise; diligence scores received, and proposed use of requested CBIF dollars.

The project was recommended for funding in full, contingent upon CaroGen obtaining a SBIR Phase II grant (for \$1.5 million) or a substitute coinvestment alongside CBIF dollars in the same dollar amount. A discussion ensued regarding the project approach and the stage of the company.

Upon a motion made by Ellie Tandler, seconded by Carolyn Slayman, the Advisory Committee members voted in favor of funding Application 511, CaroGen Corporation, Almassian (Principal Investigator), in the amount of \$500,000 subject to obtaining a SBIR Phase II grant of \$1.5 million or substitute coinvestment in the same amount alongside CBIF dollars.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

- 501—Tangen Biosciences (Nobile)

Dr. Crisp introduced this project, discussed the project aims and the marketplace for this research. He reviewed the scores and noted that the scientific diligence found major weaknesses. Because of those weakness, it was recommended that the company resubmit their application, and that CBIF not fund the effort at this time.

Upon a motion made by Ellie Tandler, seconded by Edmund Pezalla, the Advisory Committee members voted in favor of not funding Application 501, Tangen Biosciences, Nobile (Principal Investigator), in the amount of \$400,000. The applicant may resubmit the application once identified weaknesses (detection limit and safety issues) can be addressed.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

- 505—Aria Neurosciences (Almassian)

Dr. Crisp provided a brief introduction to the product research, deliverables and exit strategy. He discussed the main benefits and risks. It was recommended that the project be funded, contingent to Aria raising an additional \$2 million alongside CBIF dollars.

Dr. Farina explained that although there is a clinical need for this project, the failure rate is high in this therapeutic area. A discussion ensued. There was a general agreement of the project's potential, but there is very significant risk involved given the technical challenges and chemistry work that lies ahead.

There was a general consensus that this applicant should resubmit their application once \$2 million has been raised and compiled data supporting a viable lead compound that demonstrates blood-brain barrier penetration and appropriate half-life has been submitted.

Upon a motion made by Steven Hanks, seconded by Marc Lalande, the Advisory Committee members voted in favor of not funding Application 505, Aria Neurosciences, Almassian (Principal Investigator), in the amount of \$500,000. The applicant may resubmit the application once \$2 million has been raised, and data results are submitted.

VOTE: 9-1-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Lalande, Pezalla, Slayman, Tandler; Opposed: Mendelson).

- 508—ImStem Biotechnology (Wang)

Dr. Cartiera introduced the project, discussed the project approach and research methods. She reviewed the purpose of the requested CBIF dollars and detailed that the project was recommended for funding contingent upon several conditions.

There was general consensus among Committee members that this application should not be funded at this time, and the applicant should resubmit once the conditions are met.

Upon a motion made by Steven Hanks, seconded by Edmund Pezalla, the Advisory Committee members voted in favor of not funding Application 508, ImStem Biotechnology, Wang (Principal Investigator), in the amount of \$500,000. The applicant may resubmit the application once the following conditions are met: (i) completion of all technical milestones related to ImStem's 2013 Stem Cell grant; (ii) raise of \$500,000 alongside CBIF dollars; (iii) hire of an experienced CEO.

VOTE: 9-0-1 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler; Recused: Lalande).

- 504—JAX (McKeon)

Dr. Cartiera introduced the project, research and approach. She explained the commercialization strategy and the main benefits associated with the novel approach of the research. Dr. Cartiera noted the scientific and business scores and detailed that the project was recommended for funding.

A question arose on the differences between the scores given on the scientific peer review and the business peer review. A discussion ensued on the importance of the research and specifics of the scientific approach. Based on the scientific score, a general agreement was made that the applicant resubmit and not receive funding at this point.

Upon a motion made by Carolyn Slayman, seconded by Alan Mendelson, the Advisory Committee members voted in favor of not funding Application 504, JAX, McKeon (Principal Investigator), in the amount of \$500,000. The applicant may resubmit the application once additional scientific and business data is provided.

VOTE: 8-0-2 (In favor: Leonardi, Farina, Hanks, LaRochelle, Mendelson, Pezalla, Slayman, Tandler; Recused: Lalande, Lee).

- 515—UConn (Wei)

Dr. Cartiera introduced the project and discussed the novelty of the approach. However, the lack of preliminary in vivo data and intellectual property concerns were highlighted as potential challenges. It was recommended that the applicant resubmit at a future time, and not receive funding during this wave of funding.

Upon a motion made by Peter Farina, seconded by Ellie Tandler, the Advisory Committee members voted in favor of not funding Application 515, University of Connecticut, Wei (Principal Investigator), in the amount of \$500,000. The applicant may resubmit the application through Orteponix, Dr. Wei's start-up company; reapply once preliminary data of biocompatibility tests is complete.

VOTE: 9-0-1 (In favor: Leonardi, Farina, Hanks, LaRochelle, Mendelson, Pezalla, Slayman, Tandler, Lee; Recused: Lalande).

- 509—Vesselon (Larsen)

Dr. Crisp reviewed the project summary, and discussed the project's scope and technology. He stated that this is an ambitious project and voiced concerns related to the associated risks. Given that this project is at the concept-stage, it was recommended that the applicant resubmit once they have a working prototype. It is suggested that they seek non-dilutive funding to pay for the costs associated with producing a prototype.

There was general agreement that while the research is worthwhile, the project is not at the right stage. The Committee members agreed this project should not be funded.

Upon a motion made by Steven Hanks, seconded by Peter Farina, the Advisory Committee members voted in favor of not funding Application 509, Vesselon, Larsen (Principal Investigator), in the amount of \$480,000.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

- 514—Elidah, Inc. (Kolb)

Dr. Crisp introduced the project, its technology, and the project deliverables. He noted that the timeline proposed in the application was unrealistic given that the technology was still at concept-stage. There were significant weaknesses detected in the diligence process.

Due to the stage of the company and there being no developed prototype, it was recommended to not fund this application.

Upon a motion made by Carolyn Slayman, seconded by Peter Farina, the Advisory Committee members voted in favor of not funding Application 514, Elidah, Kolb (Principal Investigator), in the amount of \$499,675.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

- 512—WBC Sciences (Theodorou)

Dr. Cartiera introduced the project and discussed the purpose of the research and the product the company is looking to develop. She stated the technology is at the concept-stage and currently has very limited personnel dedicated to the effort. Little information on the commercialization strategy was provided. It was recommended this application not receive funding.

Upon a motion made by Alan Mendelson, seconded by Ellie Tandler, the Advisory Committee members voted in favor of not funding Application 512, WBC Sciences, Theodorou (Principal Investigator), in the amount of \$500,000.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

- 503—Intensity Therapeutics (Bender)

Dr. Cartiera introduced the project and discussed what the requested CBIF dollars will be used for. She discussed there are significant scientific and business concerns with Intensity's approach. It was recommended that this application not receive funding.

Upon a motion made by Edmund Pezalla, seconded by Steven Hanks, the Advisory Committee members voted in favor of not funding Application 503, Intensity Therapeutics, Bender (Principal Investigator), in the amount of \$500,000.

VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).

Dr. Crisp provided a summary of funding applications.

- Fund = 4 (506, 516, 513, 511)
- Resubmit = 5 (501, 508, 505, 504, 515)
- Do Not Fund = 4 (509, 514, 503, 512)

Public Comment:

Xiaofang Wang, ImStem Biotechnology, provided an overview of the company's stage and milestones that have been achieved to date. He expressed concerns regarding the Committee's decision regarding the ImStem application. Ms. Leonardi stated that the "Public Comment" portion of the meeting was not an appropriate time to discuss specific application concerns and Committee rulings.

Adjournment:

**Upon a motion made by Carolyn Slayman, seconded by Charles Lee, the Advisory Committee members voted unanimously in favor of adjourning the meeting at 12:15 p.m.
VOTE: 10-0-0 (In favor: Leonardi, Farina, Hanks, LaRochelle, Lee, Mendelson, Pezalla, Slayman, Tandler, Lalande).**

Respectfully submitted,

Claire R. Leonardi
Chairperson of the Advisory Committee