

ADVISORY COMMITTEE
of the Connecticut Bioscience Innovation Fund
Minutes – Regular Meeting
Wednesday, June 3, 2015

A regular meeting of the **Connecticut Bioscience Innovation Fund Advisory Committee** (the “Committee”) was held on June 3, 2015, at the office of the Connecticut Innovations, 865 Brook Street, Rocky Hill, CT.

Call to Order: Noting the presence of a quorum, Philip Siuta, acting Chief Executive Officer and Chief Financial Officer at Connecticut Innovations, and acting Chairperson of the Advisory Committee, called the meeting to order at 10:10 a.m.

Committee members present: Peter Farina, Ph.D.; Steven Hanks, M.D. (joined the meeting at 10:16 a.m.); Marc Lalande, Ph.D.; Alan Mendelson; Commissioner Catherine Smith; Bill LaRochelle, Ph.D.; Philip Siuta; Edmund Pezalla, M.D.; and Eleanor Tandler.

Other Attendees: Margaret Cartiera, Ph.D., (CI), Ariel Drew (CI), Carrie Collins White (CI), Leslie Larson (CI), David Wurzer (CI), Christopher Loose, Ph.D. (Yale; by phone, joined the call at 11:10 a.m.).

Approval of Minutes

Mr. Siuta asked the Advisory Committee members to consider the minutes from the April 15, 2015 meeting.

Upon a motion made by Commissioner Smith, seconded by Dr. Pezalla, the Advisory Committee members voted in favor of adopting the minutes from the April 15, 2015 meeting as presented. VOTE: 6-0-2 (In favor: Farina, Lalande, Smith, LaRochelle, Siuta, Mendelson; Abstained: Tandler, Pezalla).

Approval of the CBIF Annual Legislative Report

Dr. Cartiera asked the Committee members for any additional comments to the CBIF annual legislative report, as presented to the Committee at the April 15th meeting. As there was no further commentary, Mr. Siuta requested a motion to approve the report.

Upon a motion made by Commissioner Smith, seconded by Dr. Farina, the Advisory Committee members voted in favor of approving the CBIF Annual Legislative Report. VOTE: 9-0-0 (In favor: Farina, Lalande, Mendelson, Smith, LaRochelle, Siuta, Pezalla, Tandler, Hanks).

Strategic Initiative: Follow-up Discussion (PITCH)

Dr. Cartiera reviewed the purpose of the larger strategic initiative investments detailing that these cross-state proposals were synergistic, multi-year, multi-million dollar investments that would bring together different stakeholders/institutions and enable a gap to be filled within the state of Connecticut. She gave a brief summary to the Committee regarding the three strategic initiatives that are currently under consideration, emphasizing that each of the initiatives are different in scope, but complimentary to one another with regard to sector and Fund goals. A discussion regarding the strategic initiatives and the Fund increasing its pipeline of strategic initiatives ensued.

Dr. Farina and Dr. Lalande were excused from the PITCH discussion.

Dr. Cartiera briefly reviewed details of the PITCH presentation, as presented to the Committee at the April 15th meeting by Dr. Craig Crews (Yale) and Dr. Dennis Wright (UConn). She reviewed the proposal's objectives, the strengths of the universities and assembled teams involved, and the project's proposed milestones. She stated that additional information has been received by Dr. Crews and Dr. Wright, as requested by the Committee. A discussion ensued regarding the supplemental information provided.

The Committee discussed at length the investment dollar amount which was being asked of CBIF, the proposed investment structure, as well as the return on investment to the Fund. Commissioner Smith raised the issue of PITCH becoming self-sustaining over time, and discussed possible business models of the project including a fee-for-service model. A discussion ensued.

Upon a motion made by Dr. Pezalla, seconded by Ms. Tandler, the Advisory Committee members voted in favor of approving the first year of the project, in the amount of \$3,500,000, as outlined in the proposal budget. Additional investment would be subject to the following contingencies: (i) successful completion of Year 1 and Year 2 milestones within 18 months; and (ii) creation of a successful, self-sustaining business model structure acceptable to the CBIF Advisory Committee. VOTE: 7-2-0 (In favor: Smith, LaRoche, Siuta, Mendelson, Pezalla, Tandler, Hanks; Recused: Farina, Lalande).

Strategic Initiative: BioScience Pipeline Pilot Program

Dr. Farina joined the meeting; Dr. Lalande was excused from the BioScience Pipeline Pilot Program.

Dr. Christopher Loose joined the meeting by phone at 11:10 a.m. Dr. Cartiera introduced the BioScience Pipeline Pilot Program, previously referred to as the "BioScience Innovation Challenge", to the Committee. She discussed the value and opportunity of the proposed project, stating that the project looked to offer

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smaller size funding at the earliest stages of bioscience company/concept formation in an effort to groom opportunities for CBIF and other investors in Connecticut. The program would help to build critical mass within the state and fill the gap for funding at the \$30,000 level.

Dr. Cartiera discussed that the two (2) year proposed project offered a solid value for the \$1M investment. Not only would it offer multiple \$30,000 awards of needed "step-wise" funding to seedling companies and groups, but it would foster and leverage the entrepreneurial resources that exist within the different university systems. Lead universities include Yale, UConn, and Quinnipiac with the opportunity for funding open to additional colleges and universities in the state. The focus of this funding would be concentrated on the medtech sector: medical devices, diagnostics and health IT; and would include an independent peer review process with minimal program administration costs.

A question regarding intellectual property and investment expectations was asked. Dr. Cartiera stated that CBIF's investment for this specific program would be a grant.

Upon a motion made by Commissioner Smith, seconded by Ms. Tandler, the Advisory Committee members voted in favor of funding the BioScience Pipeline Pilot Program, in the amount of up to \$1,000,000. VOTE: 8-1-0 (In favor: Mendelson, Smith, LaRochelle, Siuta, Pezalla, Tandler, Hanks, Farina; Recused: Lalande).

Other Business

Dr. Cartiera informed the Committee that the Fund is moving forward with university awards and those are currently in the final stages of document review and closing.

In addition, she asked the Committee to revisit the CBIF award that was made to UCHC/Dr. Robert Clark in December, 2014. The approval made by the Committee requiring that Dr. Clark engage a business advisor before the second tranche of CBIF dollars was deployed. Dr. Cartiera stated that Dr. Clark is actively looking for an appropriate advisor to help commercialize the technology, but is in need of additional dollars to help secure the advisor. He requested a budget increase, in alignment with the 5% budget contingency that was approved at the January 21, 2015 Advisory Committee meeting. Dr. Cartiera asked the Committee for a motion to approve a 5% budget increase for Dr. Clark's CBIF award.

Upon a motion made by Dr. Hanks, seconded by Dr. Farina, the Advisory Committee members voted in favor of approving the 5% budget increase for application #517—UCHC (Clark), for up to \$480,000. VOTE: 8-0-1 (In


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favor: Mendelson, Smith, LaRochelle, Siuta, Pezalla, Tandler, Hanks, Farina; Abstained: Lalande).

Adjournment

Upon a motion made by Commissioner Smith, seconded by Ms. Tandler, the Advisory Committee members voted in favor of adjourning the meeting at 11:40 a.m. VOTE: 9-0-0 (In favor: Lalande, Mendelson, Smith, Tandler, Farina, Hanks, LaRochelle, Siuta, Pezalla).

Respectfully Submitted,



Philip Siuta, Acting Chairperson