

**MINUTES OF THE REGULAR MEETING
OF THE ENTREPRENEURSHIP COMMITTEE
OF THE BOARD OF THE INDIANA
ECONOMIC DEVELOPMENT CORPORATION**

December 7, 2006

Chairperson Sally Burn convened a regular meeting of the Entrepreneurship Subcommittee of the Board of the Indiana Economic Development Corporation at 9:37 a.m. on Thursday, December 7, 2006, at Mays Chemical Company, 5611 East 71st Street, Indianapolis, Indiana.

MEMBERS PRESENT: SALLY RUSHMORE BYRN
 DANE A. MILLER
 CATHY LANGHAM
 BRUCE WHITE

MEMBERS ABSENT: NONE

STAFF PRESENT: Rhonda Cook
 Nate Feltman
 David Gard
 Pat Henn
 Bruce Kidd
 Karl Koehler
 Kelly Streepy

OTHERS PRESENT: James C. Marcuccilli, STAR Financial Group, Inc.
 J.K. Wall, Indianapolis Star

WELCOME

The Chair noted conformance with State Open Door Policies, the presence of a quorum, and the importance of not exposing during discussion confidential information contained in the proposals upon which the recommended awards are based.

Nate Feltman introduced Rhonda Cook, Vice President and General Counsel, to the Board. Bruce Kidd introduced David Gard, Special Projects Director, to the Board. Both Rhonda and David are recent additions to the IEDC staff.

The committee also briefly discussed the recent Entrepreneur Dinner at the Governor's Residence as well as the Venture Capital Reception for 21 Fund awardees. Both events were considered successes.

Mr. Kidd noted that the IEDC had removed Kokam America from consideration as a result of failure to negotiate an acceptable agreement. Terms acceptable to Kokam would have resulted in low jobs growth, and those highly contingent, in Indiana. Furthermore,

Kokam headquarters would have remained in Missouri. These and other issues led to the conclusion that such an agreement would not be in Indiana's best interest.

APPROVAL OF THE SEPTEMBER 21ST MINUTES

Mr. White moved approval of the minutes of the September 21st meeting of the Entrepreneurship Committee, with Ms. Byrn seconding. The minutes passed unanimously.

PRESENTATION OF 21ST CENTURY RESEARCH & TECHNOLOGY FUND APPLICATIONS

Three projects were discussed:

HealthCall, LLC

Crown Point, IN

Recommended Award: \$1,200,000.00

Healthcall™ is an advanced system of information management and communications technologies designed to provide enhanced risk prediction, detection of high-risk traits, and predicted response to treatments. A proof-of-concept prototype has been developed and tested within three studies. All have demonstrated clinical and fiscal efficacy. HealthCall, LLC would like to further develop their system through a 21st Century Fund award.

Mr. Kidd introduced the discussion of the HealthCall project. He noted that IEDC staff has met with HealthCall's CEO as well as a representative of HCA. Mr. Kidd further described HealthCall's patient self-monitoring device and its prospects. Initial IEDC concerns about HealthCall's IP position were put to rest, and staff are now comfortable with the business model. Board members brought up the jobs growth potential of this project. Mr. Kidd noted that at least 121 jobs were likely within 3 years. It was further noted that HealthCall's CEO has committed significant resources to bringing this project to its current stage. Mr. White pointed out that 'our mission is jobs growth' and that it was essential that Mr. Kidd confirm that these jobs would be created.

Ms. Byrn moved approval of an award of \$1,200,000.00 contingent on jobs commitment as described by Mr. Kidd. Mr. White seconded, and the motion was approved unanimously.

MaimoniDex RA/MaimoniDex USA

TBD Indianapolis, IN

Recommended Award: \$2,000,000.00

The CD44 molecule and its splice variants provide new opportunities for the discovery of specific therapies for cancer and inflammatory diseases. MaimoniDex RA's proprietary monoclonal antibodies aim at eradicating or markedly reducing the destructive inflammatory activity in Rheumatoid Arthritis. These antibodies specifically target a CD44 splice variant, unique to inflammatory synovial cells expressed in Rheumatoid Arthritis patients, but leave cells engaged in normal biological and immunological functions undamaged. A successful accomplishment of this project should provide the first specific drug for the treatment of Rheumatoid Arthritis.

Mr. Kidd introduced the Maimonidex US proposal, noting that the IEDC senior staff had met with Dr. Golan following positive technical review. Mr. Koehler briefly described the monoclonal antibody technology of this project and pointed out that the essential next step for this project is 'humanization' of the mouse antibody. Further discussion addressed the intention to license rheumatoid arthritis application to big pharma; to develop other applications using income generated from RA license; the significant synergies between staff at the IU Medical Center and Maimonidex US research plans; the IEDC's intention to link return to the RA licensing process; and the substantial jobs

potential. Mr. Feltman indicated that clinical trials would be based in Indianapolis and that the IEDC envisioned developing an agreement including milestone payments.

It was also noted that Maimonidex would be eligible for a BIRD Foundation matching award of \$2 million based on a 21 Fund award of \$2 million. While this award is a little early stage considering the 21 Fund's current direction, IEDC staff concluded that it was a worthwhile investment. Sally Byrn noted that medical research carries with it well-known and documented multiplier effects on the local economy. Mr. White stated that these multipliers will not be apparent in the initial funding provided by the 21 Fund, since the 'humanization' process will be outsourced. Mr. Kidd noted that it is important that the State take these kinds of gambles. Mr. Gard added that this would be the first specific RA therapeutic. Mr. White stated that he believed this project to be too early-stage and outside the realm that the IEDC had deemed its target. He added that he intended to abstain. Mr. Miller said that he would have preferred that the 'humanization' process be completed prior to an award. Mr. Feltman pointed out that the 'humanization' would be one of the milestones leading to further payments. Mr. Miller observed the importance of the IEDC's confidence in Dr. Golan.

Ms. Byrn moved approval of a \$2,000,000 award to Maimonidex US, contingent on a key milestone being accomplishment of 'humanization'. Mr. Miller seconded the motion. Mr. Miller and Ms. Byrn voted in favor of the motion, Ms. Langham and Mr. White opposed. The motion was judged to have failed.

Sentelligence, Inc.

Indianapolis, IN

Recommended Award: \$1,300,000.00

Sentelligence, Inc. is an early stage company specializing in optical/spectral sensors for fluid condition monitoring applications in commercial applications. The company's intellectual property is intended to provide for the development of multiple sensor types to meet market requirements. The product offerings under development are focused on customers and markets where multiple sensors are needed to meet productivity, cost reduction, and regulatory requirements.

Mr. Kidd introduced the Sentelligence proposal, noting that it builds on a platform initially supported by the IEDC Board (\$400,000). The new device focuses on creation of a bio-diesel fuel sensor. Mr. Kidd also noted that the State of Michigan has recently offered Sentelligence \$1.6 million. The current request is for \$1.3 million. Between 100 and 150 jobs would be created in the next 3-5 years.

Mr. White motioned to approve a \$1,300,000 award to Sentelligence subject to confirmation of the above job estimates. Ms. Byrn seconded, and the motion was passed unanimously.

DISCUSSION OF ADMINISTRATIVE MATTERS

The committee briefly discussed post award monitoring processes, focusing on the site visits and auditing procedures.

ADJOURNMENT

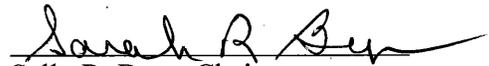
Mr. Kidd thanked the committee. Chairperson Byrn adjourned the meeting at 10:37 a.m.

Respectfully submitted,



Bruce Kidd
Bruce Kidd, Director of Entrepreneurship, Indiana Economic Development Corporation

Approved,



Sally R. Byrn
Sally R. Byrn, Chairperson

**AGENDA FOR THE REGULAR MEETING
OF THE ENTREPRENEURSHIP COMMITTEE
OF THE BOARD OF THE INDIANA
ECONOMIC DEVELOPMENT CORPORATION**

Indiana Economic Development Corporation

One North Capitol Avenue, Suite 700

Indianapolis, IN 46204

December 7, 2006

9:00 AM

- I. Call to Order – Chairperson Sally Byrn**
 - a. Recognition of a Quorum
 - b. Recognition of Compliance with Open Door Law
 - c. Reminder to avoid discussion of proprietary IP in this forum

- II. Approval of September 21, 2006 Minutes – Chairperson Sally Byrn**

- III. Presentation of 21st Century Research & Technology Fund Applications - Mr. Bruce Kidd**
 - a. HealthCall, LLC
 - b. MaimoniDex RA
 - c. Sentelligence, Inc.
 - d. Kokam America, Inc.

- IV. Discussion of Administrative Matters – Mr. Bruce Kidd**
 - a. Award Oversight Update – Mr. Bruce Kidd
 - b. Report to the General Assembly

- V. Adjournment – Chairperson Sally Byrn**