

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

June 21, 2007

Chairperson Sally Byrn convened a regular meeting of the Entrepreneurship Committee of the Board of the Indiana Economic Development Corporation at 9:03 a.m. on Thursday, June 21, 2007, in Rom 4005 of the Main Building on the campus of the University of Notre Dame, South Bend, Indiana.

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

MEMBERS ABSENT: BRUCE WHITE

STAFF PRESENT: Rhonda Cook
 David Gard
 Bruce Kidd
 Karl Koehler

WELCOME

The Chair called the meeting to order, recognized the presence of a quorum, noted conformance with State Open Door Policies, and confirmed no members of the public were present.

APPROVAL OF THE APRIL 25, 2007 MEETING MINUTES

Ms. Langham moved approval of the minutes of the April 25, 2007 meeting of the Entrepreneurship Subcommittee of the Board, with Mr. Miller seconding. The minutes were unanimously approved.

PRESENTATION OF 21ST CENTURY RESEARCH & TECHNOLOGY FUND APPLICATIONS

Mr. Kidd presented seven recommended projects to the Committee for consideration:

1. Rest Assured, LLC

Lafayette, IN (Tippecanoe County)

Recommended Award: \$519,897.00

Late last year, the IEDC internal review team recommended approval in principle for an award to Rest Assured. Rest Assured was currently engaged in a pilot program with the Indiana Family and Social Services Administration (FSSA). FSSA Secretary Roob indicated to Secretary Feltman that FSSA would likely have access to sources of federal/state funding that could be applied to Rest Assured. Thus, the Rest Assured proposal was referred from the IEDC/21 Fund to FSSA as a more appropriate source of funding for the company's proposal. However, FSSA was unable to secure the necessary funding, leading Rest Assured to return to the 21 Fund as it had originally applied.

Rest Assured providing remote in-home monitoring support to persons with intellectual or developmental disabilities through a web-based system of electronic devices, including electronic sensors, speakers and microphones, and web cameras. The company is a partnership between The Wabash Center, developer of the technology and a not-for-profit organization in Lafayette and ResCare, a leading providers of services for persons with disabilities based in Louisville.

A 21 Fund award enables completion of the company's scalable V4.0 telecare platform software, creation of Rest Assured's customer care and support center facility in Lafayette with over 100 jobs created in 3-5 years, and leverage of another \$4.0 million in funding contributed by the parent company.

Mr. Miller moved for approval of a \$519,897.00 award. Ms. Byrn seconded, and the motion passed unanimously.

2. MaimoniDex RA/MaimoniDex USA

TBD Indianapolis, IN (Marion County)

Recommended Award: \$2,000,000.00

In December 2006, MaimoniDex (led by dr. Itzik Golan) was presented to the Committee for consideration. Because the split 2-2 vote did not produce a clear majority, the award was unable to be approved. Over the past six months, the 21 Fund Staff has engaged MaimoniDex to redress outstanding issues. The Anson Group provided additional regulatory review and project assessment. Through its evaluation, Anson believed that the project should not be considered as too early-stage to preclude 21 Fund award consideration as the company has identified a molecule (CD44) for a specific therapeutic

(with efficacy demonstrated in mice) for an identified disease (Rheumatoid Arthritis) in great need of targeted treatment.

MaimoniDex is projected to create 50-60 jobs in the next five years and will leverage collaborative partnerships with the Indiana University School of Medicine. The company also has the opportunity to potentially leverage a 21 Fund award with a matching award from the U.S.-Israeli Binational Industrial Research Development (BIRD) Foundation.

Mr. Kidd explained that BioCrossroads' Indiana Seed Fund is moving too slow to assist MaimoniDex at this stage. Ms. Byrn indicated that a criterion should be made that MaimoniDex use an Indiana-based Clinical Research Organization (CRO). Mr. Kidd agreed and emphasized that Dr. Golan is committed to Indiana and views the U.S. as a huge market opportunity. MaimoniDex is developing its molecule as a platform technology with other spin-off market applications and opportunities. Mr. Gard also pointed out that Dr. Golan has recently been published in a leading scientific/medical peer review journal, further signaling strong industry/market interest. Mr. Kidd closed by summarizing I.U.'s strong interest in collaborating with Dr. Golan.

Ms. Byrn moved for approval of a \$2,000,000 award. Mr. Miller seconded, and the motion passed unanimously.

3. ParaPRO, LLC

Carmel, IN (Hamilton County)

Recommended Award: \$2,100,000.00

ParaPRO, LLC seeks support for development of a Spinosad-based prescription non-chemical crème rinse treatment (NatrOVA) for human head lice through a Phase 3 clinical trial. Spinosad was discovered and is licensed from Eli Lilly and will be manufactured by Dow AgroSciences. Upon commercialization, ParaPRO believes that its low toxicity, fast-acting therapy will become the approach of choice. The Phase 3 trial will consist of two independent parallel trials, comparing NatrOVA with Nix Crème Rinse.

ParaPRO is wholly-owned by SePRO, maker of leading aquatic herbicide SONAR, and has already committed \$19 million to secure commercial rights to NatrOVA. Mr. Kidd emphasized that ParaPRO has strong potential to become a \$50 million company in five years or less as the company is already working on products two and three. Dr. Koehler explained that the active ingredient is applicable to mammals and works by directly impacting insect metabolism (lice & eggs).

Mr. Miller moved to approve a \$2,100,000 award. Ms. Byrn seconded, and the motion passed unanimously.

4. Kinetic Art & Technology, Corp.

Greenville, IN (Floyd County)

Recommended Award: \$1,947,424.00

Kinetic Art & Technology (KAT) intends to transfer KAT's Segmented Electromagnetic Array (SEMA) actuator technology into several commercialized product applications offered by Honeywell in aerospace markets. The central project objective consists of evaluating two thermal design approaches to maintain rotor and stator integrity in SEMA machines within material specification design limits. Two Proof of Concept (PoC) designs will be developed. The first design focuses on lower power, higher speed motors that will interface with various pumps for use in a next generation electronic fuel metering system. The second design focuses on higher power, lower speed motor and generator applications for use in providing needed torque to taxi aircraft at low speeds with the engines turned off.

Mr. Kidd explained that KAT is a small entrepreneurial engineering consulting company in southern Indiana that, while very strong scientifically, does not have deep product development resources and experience. Partnering with Honeywell's Aerospace division in South Bend provides this expertise as well as access to global markets. Although Honeywell is a world leader, its divisions must compete internally for scarce corporate resources. A 21 fund award not only creates new engineering and product development jobs for KAT in Greenville, but preserves Honeywell manufacturing jobs in South Bend. Additional Indiana jobs will be created at 2-3 Indiana-based manufacturing partners. Ms. Byrn commented on the significance of being award to approve a meaningful 21 Fund award to a viable, deserving company in southern Indiana.

Ms. Langham moved to approve a \$1,947,424 award. Ms. Byrn seconded, and the motion passed unanimously.

5. Dealerflow Corp.

Kokomo, IN (Howard County)

Recommended Award: \$1,478,769

Dealerflow Corporation is developing a cutting-edge Web 2.0 application for auto dealers that will fundamentally change the way dealer companies are managed. Based on technology it is developing to model dealer organizations of any size, Dealerflow allows users to communicate and collaborate fluidly within a dealership as well as up and down multi-dealership group structures. The initial release includes a human resources (HR) system that will be leveraged as a directory to power company-wide communications including email, instant messaging and mobile text messaging. This innovative merging of two traditionally separate systems, HR and messaging, into one seamless solution represents the first of its kind built using the groundbreaking Ruby on Rails (Rails) web application framework..

Mr. Kidd explained that Dealerflow currently faces the proverbial funding gap between the founder, friends and family money that has fueled the project to its current state, and the venture capital funding that will be accessible after product completion and validation with early customers. A 21 fund award enables Dealerflow to complete Version 1 with full capabilities and deploy at two predetermined beta test sites (large car dealerships with a strong interest in purchasing the product).

Mr. Miller moved to approve a \$1,478,769 award. Ms. Byrn seconded, and the motion passed unanimously.

6. SuperDrive, Inc.

Anderson, IN (Madison County)

Recommended Award: \$1,613,000

SuperDrive seeks support for the final development and testing of a continuously variable transmission (CVT) based on intelligent control of hydrostatic transmission for on-road truck and bus applications. SuperDrive's CVT provides vehicles with heavy payloads and frequent starts/stops with steady torque rates, less maintenance, and greater fuel efficiency. The CVT is adaptable to both civilian and military markets.

Mr. Kidd explained how the CVT technology was referred to Cummins for review and assessment. Cummins identified market niche areas where SuperDrive can potentially gain significant traction. A 21 Fund award will enable SuperDrive to fully deploy and test the CVT in pilot programs with several major companies that have signaled strong interest including Isuzu and Coca-Cola.

Ms. Langham moved to approve a \$1,613,000 award. Mr. Miller seconded, and the motion passed unanimously.

7. Celsys BioFuels, Inc.

Indiana Cellulosic Fuels Challenge – Recommended Award Winner

Recommended Award: \$2,928,000

Dr. Koehler explained that of the five pre-applications that were received in response to the Indiana Cellulosic Fuels Challenge, the peer review process clearly revealed one overwhelming winner: Celsys BioFuels, Inc., a partnership involving Purdue University, Bowen Engineering, Defense Life Sciences, Dow AgroSciences, and the USDA-ARS National Center for Agriculture Utilization Research. Led Dr. Mike Ladisch, Celsys proposes to construct a systems-engineered scale-up facility for conversion of lignocellulosic biomass (initially corn stover, but later wood and grasses) into ethanol.

The IEDC/21 Fund review team recommends granting an award of \$2,928,000 to Celsys to build the prototype plant provided the company can secure a partner to augment the company's technological approach with specialized commercialization experience to

facilitate market movement of the end product. It is further recommended that two of the applying companying be directed to refine their proposals and resubmit directly to the 21 Fund.

Ms. Byrn noted her high regard for, and confidence in, Dr. Ladisch's scientific expertise.

Ms. Byrn moved to approve a \$2,928,000 award contingent on Celsys BioFuels' ability to secure a suitable commercial partner. Mr. Miller seconded, and the motion passed unanimously.

DISCUSSION OF ADMINISTRATIVE MATTERS

None, due to full allotment of meeting time devoted to 21st Century Fund project proposals.

ADJOURNMENT

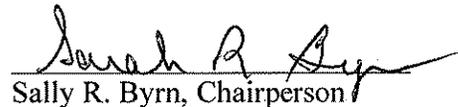
Mr. Kidd thanked the committee. Chairperson Byrn adjourned the meeting at 10:29 a.m.

Respectfully submitted,



Bruce Kidd, Director of Entrepreneurship
Indiana Economic Development Corporation

Approved,



Sally R. Byrn, Chairperson
Entrepreneurship Committee of the Board of the Indiana Economic Development
Corporation