

**STRATEGIC ECONOMIC INVESTMENT AND COMMERCIALIZATION BOARD  
OCTOBER 8, 2008 MEETING**

**ADOPTED MEETING MINUTES**

A meeting of the Strategic Economic Investment and Commercialization (SEIC) Board was held at the Michigan Economic Development Corporation (MEDC), 300 N. Washington Square, Lansing, Michigan, on October 8, 2008.

**MEMBERS PRESENT:** Dave Baumgarten; John Brown; Mary Campbell; David Cole; Mary Sue Coleman; Keith Cooley; Jim Croce; John Dunn; Michael Jandernoa; Robert Kleine; David Baker Lewis; Michael Rao; Lynnette Rhodes; Ken Rogers; Lou Anna Simon; Dennis Wend; George Vande Woude (via phone)

**MEMBERS ABSENT:** Glenn Mroz; Irvin Reid

**CALL TO ORDER:** The meeting was called to order at 9:03 a.m. by Chairman Michael Jandernoa.

**APPROVAL OF MINUTES:** Mr. Jandernoa asked if there were any questions or comments regarding the minutes from the August 20, 2008 meeting. Being none, **Director Cooley motioned to approve the minutes as presented. Mr. Lewis seconded the motion.** The motion was approved unanimously – 15 ayes; 0 nays; 0 recused; 4 absent

**PUBLIC COMMENT:** Mr. Jandernoa opened the floor for public comment. There was no public comment.

**COMMUNICATION:** Nathan Ohle, MEDC Board Relations Liaison, advised the Board that letters had been received from Dr. Simon recusing herself from items on the agenda. He also pointed out the updated agenda material that had been distributed prior to the meeting. Finally, he explained that with regard to the actions to be taken on agenda item E.1., because of the number of recusals for various proposals, the proposals would be broken down into groups and that prior to each action, the recusals would be addressed.

**AWARDEE UPDATE:**

**Resolution 2008-054: MSU Push Pull Investment – Approval of Loan to NamesforLife, LLC**

*Cindy Douglas, MEDC Director of Program Administration, provided information on this action.*

Through the 21CJF Program in 2006, MSU was granted a \$300,000 Pre-Seed Fund whereby MSU performs the due diligence and recommends to the SEIC Board companies that should receive up to \$50,000 for commercialization activities.

MSU is bringing to the SEIC Board a recommendation for the second loan agreement through this program – NamesforLife, LLC (N4L) for \$50,000. N4L has a proprietary database containing the current names of all bacteria and all of their prior names, along with a software system that integrates this database content with published journal articles, inventories of live bacteria, bacterial detection systems, etc. N4L is fundamentally a web-based information service providing a name lookup and resolution service, currently for bacteria, but eventually for any biological name or dynamic terminology. Academics, physicians, lawyers, policymakers, pharmaceutical companies, shipping companies, and many others are users of this information. N4L generates revenue by charging a fee to users for access to this data and by charging a fee to those who make their value-added content accessible via the N4L service.

Development of the N4L product has been ongoing for several years. To date, the following investments have been made in the product and technology: Michigan University Commercialization Initiative (“MUCI”) - \$50k, Founder's equity - \$39k, Phase I DOE STTR -\$100k, and Ann Arbor SPARK - \$10k. The majority of the funding needed over the next two years is to cover salaries of personnel. The \$50,000 loan will allow N4L to hire a full time business development person to identify and pursue paying customers, and allow a key partner to focus on the technology development. *This project is further described in Resolution 2008-054.*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Dr. Coleman motioned approval of Resolution 2008-054. Director Cooley seconded the motion.** The motion was approved unanimously – 15 ayes; 0 nays; 0 recused; 4 absent

### **21<sup>st</sup> CENTURY JOBS FUND COMPETITION:**

**[Recused:** David Cole; Jim Croce; Ken Rogers]

*Cindy Douglas and Ned Staebler, MEDC Vice President of Program Administration, provided information on the following actions.*

#### **Resolution 2008-055: 21<sup>st</sup> Century Jobs Fund Competition Oral Interview Phase: Parking Carma**

Ms. Douglas began the presentation by recapping the competition process through the oral interview phase. At this point, she explained that through the cross-normalization process, it was recognized that based on the due-diligence performed on the third party match letters one company's score was readjusted, which put them through to the oral interview phase, although they were not included in the original group approved by the Board to move forward to the interview phase. *This project is further described in Resolution 2008-055.*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Director Cooley motioned approval of Resolution 2008-055. Dr. Rao seconded the motion.** The motion was approved unanimously – 12 ayes; 0 nays; 3 recused; 4 absent

**[Returned:** David Cole; Jim Croce; Ken Rogers]

Mr. Staebler proceeded with the presentation, continuing to highlight the competition process to date and the results of the oral interview phase of the competition. *Discussion ensued regarding the confirmation of the third-party matches, the total dollar amount of the recommended applicants, and the options available to the Board for proceeding with making the awards. Further discussion took place regarding the process moving forward and what would happen next, and the importance of not straying from the original purpose of this competition and keeping the full integrity of the competition in tact.*

**[Dennis Wend disconnected from conference call and joined the meeting in person]**

*Discussion ensued about clarifying both in the resolution and in communications to the public that during the next steps of due-diligence with the initial applicants recommended to be awarded, should a company be disqualified, the company with the next highest score that did not make it into the first 17 will move up and fill that vacancy and due diligence will begin on that company. This process will continue with any additional of the original 17 proposed awardees that become disqualified. It was also discussed about the importance of having the due diligence subcommittee meet to discuss each of these situations as they come up.*

**[John Dunn and Lou Anna Simon join the meeting in person.]**

Being no more discussion, **Dr. Rao motioned to approve making two edits to the resolution language for the competition awardees: 1) Making the date correction in the last paragraph from November 14 to November 12; and 2) Adding specific language to reflect that during the due-diligence process for the 17 recommended awardees, should any company get disqualified, the next company in line will be able to take that place. Director Cooley seconded the motion.** The motion was approved unanimously – 17 ayes; 0 nays; 0 recused; 2 absent

Mr. Ohle explained to the Board that they would now begin voting to approve the recommended top 17 companies to begin moving through the final due-diligence process and that these would be voted on in batches based on conflict identified by the Board members.

**[George Vande Woude disconnects for the remainder of the meeting.]**  
**[Recused: Jim Croce; Ken Rogers]**

**Resolution 2008-056: Proposals Recommended for Competitive Edge Technology Loans**  
***Includes the following companies: Hybra Drive Systems***

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Mr. Brown motioned approval of Resolution 2008-056. Mr. Wend seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 2 recused; 3 absent

**[Returned: Jim Croce]**  
**[Recused: Ken Rogers]**

**Resolution 2008-057: Proposals Recommended for Competitive Edge Technology Loans**  
***Includes the following companies: Critical Signal Technologies***

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Director Cooley motioned approval of Resolution 2008-057. Dr. Cole seconded the motion.** The motion was approved unanimously – 15 ayes; 0 nays; 1 recused; 3 absent

**[Returned: Ken Rogers]**  
**[Recused: Lou Anna Simon]**

**Resolution 2008-058: Proposals Recommended for Competitive Edge Technology Loans**  
***Includes the following companies: Fulcrum; AI Medical Device; Solidica***

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Dr. Rao motioned approval of Resolution 2008-058. Dr. Cole seconded the motion.** The motion was approved unanimously – 15 ayes; 0 nays; 1 recused; 3 absent

**[Recused: Mary Sue Coleman; Lou Anna Simon]**

**Resolution 2008-059: Proposals Recommended for Competitive Edge Technology Loans**  
***Includes the following companies: Avidimer***

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Treasurer Kleine motioned approval of Resolution 2008-059. Mr. Brown seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 2 recused; 3 absent

**[Recused: Mary Sue Coleman; Lou Anna Simon; Ken Rogers]**

**Resolution 2008-060: Proposals Recommended for Competitive Edge Technology Loans**  
***Includes the following companies: Cielo MedSolutions***

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Mr. Brown motioned approval of Resolution 2008-060. Dr. Rao seconded the motion.** The motion was approved unanimously – 13 ayes; 0 nays; 3 recused; 3 absent

[Returned: Lou Anna Simon, Ken Rogers]

[Recused: Mary Campbell; Mary Sue Coleman]

**Resolution 2008-061: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Arbor Photonics; Nanocerox*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Dr. Rao motioned approval of Resolution 2008-061. Dr. Dunn seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 2 recused; 3 absent

[Returned: Mary Campbell]

[Recused: Mary Sue Coleman]

**Resolution 2008-062: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: NeuroNexus; Compendia; Pixel Velocity*

Mr. Jandernoa asked if there were any questions from the Board. Being none, **Dr. Rao motioned approval of Resolution 2008-062. Mr. Wend seconded the motion.** The motion was approved unanimously – 15 ayes; 0 nays; 1 recused; 3 absent

[Recused: Mary Sue Coleman; Michael Jandernoa]

[Michael Rao assumed the role of temporary Chairperson]

**Resolution 2008-063: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Accuri*

Dr. Rao asked if there were any questions from the Board. Being none, **Director Cooley motioned approval of Resolution 2008-063. Mr. Rogers seconded the motion.** The motion was approved unanimously – 14 ayes; 0 nays; 2 recused; 3 absent

[Recused: Mary Sue Coleman; Keith Cooley; John Dunn; Michael Jandernoa; Lou Anna Simon]

**Resolution 2008-064: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Nephron*

Dr. Rao asked if there were any questions from the Board. Being none, **Treasurer Kleine motioned approval of Resolution 2008-064. Mr. Wend seconded the motion.** The motion was approved unanimously – 11 ayes; 0 nays; 5 recused; 3 absent

[Returned: Mary Sue Coleman, Lou Anna Simon]

[Recused: Keith Cooley; John Dunn; Michael Jandernoa]

**Resolution 2008-065: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Meditrina*

Dr. Rao asked if there were any questions from the Board. Being none, **Mr. Brown motioned approval of Resolution 2008-065. Ms. Campbell seconded the motion.** The motion was approved unanimously – 13 ayes; 0 nays; 3 recused; 3 absent

[Mary Sue Coleman assumed the role of temporary Chairperson]

[Recused: John Brown, Keith Cooley; John Dunn; Michael Jandernoa]

**Resolution 2008-066: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Tolera Therapeutics*

Dr. Coleman asked if there were any questions from the Board. Being none, **Mr. Wend motioned approval of Resolution 2008-066. Mr. Rogers seconded the motion.** The motion was approved unanimously – 12 ayes; 0 nays; 4 recused; 3 absent

[Returned: Keith Cooley]

[Recused: John Brown, John Dunn, Michael Jandernoa]

**Resolution 2008-067: Proposals Recommended for Competitive Edge Technology Loans**

*Includes the following companies: Metabolic Solutions*

Dr. Coleman asked if there were any questions from the Board. Being none, **Mr. Wend motioned approval of Resolution 2008-067. Treasurer Kleine seconded the motion.** The motion was approved unanimously – 13 ayes; 0 nays; 3 recused; 3 absent

[Returned: John Brown, John Dunn, Michael Jandernoa]

[Michael Jandernoa reassumed the role of Chairperson]

**OTHER BUSINESS:** Mr. Jandernoa opened the floor for any additional business to be addressed. *Director Cooley noted that he was extremely impressed with the hard work done by all of the staff members in order to have information prepared and ready for the meeting. He then asked that all of the staff members present at the meeting who were involved with the competition process stand and that those names be included in the minutes, along with his gratitude.*

*Staff members present: Cindy Douglas; Ned Staebler; Valerie Hoag; Rhonda Pierce; John Walter; Jennifer Nelson; Nathan Ohle; Sante Perrelli; Kathleen Markman; Michael Psarouthakis; Jie Mi; Maggie Bierlein; Elias Shakour; Stephen Haakenson; Matthew Rick*

**ADJOURNMENT:** Being no more discussion, the meeting was adjourned at 10:32 a.m.

I certify that these minutes reflect the actions taken by the Strategic Economic Investment and Commercialization Board at the August 20, 2008 meeting.

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Dr. Michael Rao  
SEIC Board Secretary