

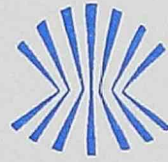
4TH ANNUAL

Springboard Luncheon

THURSDAY, AUGUST 14, 1997 • 11:00 A.M. - 1:30 P.M.

SHERATON GRANDE TORREY PINES

DEVELOPING THE SAN DIEGO ENTREPRENEURIAL COMMUNITY



CONNECT[®]

The UCSD Program in Technology and Entrepreneurship

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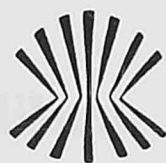
San Diego Manufacturing Extension Center

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San Diego Manufacturing Extension Center

AGENDA

- 11:00 a.m. - 11:50 a.m. Registration and View Exhibits
- 11:50 a.m. - 12:20 p.m. Welcome: **Dr. Abi Barrow**, Director,
Emerging Technology Programs, *UCSD CONNECT*
- 12:30 p.m. **Dr. Ramesh Jain**, CEO, *Praja, Inc.*
- 12:30 p.m. - 1:15 p.m. Springboard Presentations
1. **CompliMed**
 2. **Golden Hour**
 3. **Kreiss Johnson Corp.**
 4. **MicroForest**
 5. **RayjaBiotics**
 6. **Zalkin Technologies**
- 1:15 p.m. - 1:20 p.m. Wrap-up: **Bill Otterson**, Director
UCSD CONNECT
- 1:20 p.m. - 1:30 p.m. Optional View Exhibits

Launching Technology Through Entrepreneurship

The Springboard program was started to assist high-tech and biotech entrepreneurs who are in the early stages of developing a concept and strategy for a business.

Successful applicants to the Springboard program are invited to make a presentation to a select group of UCSD CONNECT sponsors and members. This group will typically include a venture capitalist, accountant, corporate attorney, patent attorney, marketing professional and an executive from a successful company in the same industry. Experts will also be drawn from insurance, real estate, human resources and other areas as needed.

The goals of the hour and a half Springboard meeting are to provide the entrepreneur with candid recommendations for the development of their business plan or concept and to help define the desired outcome of their efforts.

SPRINGBOARD

UCSD CONNECT launched the Springboard program in August, 1993, to provide support for early stage high-tech and biotech entrepreneurs in the San Diego/Baja region. Springboard has now helped over sixty entrepreneurs develop their business strategies. Since their involvement, many of these entrepreneurs have further defined their strategies and many have successfully secured funding.

The San Diego Manufacturing Extension Center (SanMEC) is an independent, nonprofit organization affiliated with the Manufacturing Extension Partnership which provides high quality, unbiased information and expertise using SanMEC center staff and well-established, successful community partners, such as UCSD CONNECT. SanMEC has partnered with CONNECT in order to enhance support services offered to very early stage manufacturing companies in San Diego County through such programs as Springboard.

For further information about Springboard, please contact Candy Quaranta at (619) 534-6114 or e-mail 'cquaranta@ucsd.edu'.

**PROSPECTIVE
SPRINGBOARD
PRESENTERS IN-
CLUDE UCSD FAC-
ULTY INTERESTED IN
COMMERCIALIZING
THEIR DISCOVERIES;
LARGE COMPANY
EMPLOYEES WHO
WANT HELP THINKING
THROUGH AN IDEA
BEFORE PRESENTING
IT AS AN INTERNAL
PROJECT; OR ANY-
ONE INTERESTED IN
STARTING, OR WHO
HAS RECENTLY
STARTED, A HIGH-
TECH OR BIOTECH
COMPANY IN THE SAN
DIEGO REGION.**

Springboard Luncheon Success Stories

Virage, Inc. is one of the leading providers of solutions for managing multimedia data. The company has 35 employees and operates out of San Mateo. In their two rounds of funding, they received \$2.5 million in the first round and \$3 million in the second round. Successful partnerships have been formed with some world renown corporations such as Eastman Kodak and Oracle. In 1996, Upside magazine rated Virage as one of the Hot 5 Internet startups for 1996.

Prisa Networks makes both hardware and software products targeted toward movie and television studios. This company with 27 employees is expecting 100-200% growth for this next year. Notable companies with Prisa technology in operation are Sony and Warner Brothers. Recently, the National Academy of Broadcasters awarded the company the Editor's Pick of the Show for advancements in the art and science of television.

SPRINGBOARD ALUMNI

Femcap completed their multi-centered clinical trials on their female contraception device on February 28 of this year. On October 6, the results will be sent to the FDA for approval. Once FDA approval is granted, the next stage for Femcap will begin. Femcap's contraceptive device has been published in 26 clinical and medical journals since its invention and was presented at the European Society for Contraception in June of 1996 in Barcelona. A possible merger acquisition underway should benefit funding.

Team ASA produces after-market high-speed networking software and hardware solutions. The company is preparing to bring on equity to add to the \$150,000 raised since last year's springboard. Although Team ASA is still at the start-up stage, great strides have been made for growth in the future with improvements in their accounting system and with the addition of a corporate legal partner.

Cryogen, formerly Aegis Medical Technology, Inc., develops a catheter to treat abnormally rapid heart rates. Currently, 17 employees strong, the company has raised close to \$7 million in funding. Included in this funding is a grant awarded by the National Institutes of Health of \$100,000. Clinical trials are set to begin on the catheter in either the third or fourth quarter of 1997.

EACH YEAR
CONNECT
CELEBRATES
ENTREPRENEURSHIP
THROUGH ITS
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LUNCHEON.
UP TO SIX
ENTREPRENEURS
WHO HAVE
PRESENTED AT
SPRINGBOARD
ARE INVITED TO
PRESENT AT A
LUNCHEON IN
AUGUST WHICH IS
ATTENDED BY OVER
250 PEOPLE.

Springboard Luncheon Success Stories

Interactive Simulations, Inc. produces software for three platforms which are molecular modeling, simulation, and drug design. After two successful rounds of financing at both the local and venture level, the company has moved from the R&D stage to the Product Launch stage. Interactive Simulations is comprised of 16 employees and they have formed partnerships with RW Johnson, Vertex Pharmaceutical, and MDL Information Systems.

Laurite Corporation intends to launch their special lighting products for original equipment manufacturers this fall. GE Lighting has tested the company's products for the last few years and the product's quality has surpassed GE's expectations. From the GE tests, a technical paper has been completed and the paper's findings will be released in Seattle in August at the annual conference of the Illuminating Engineering Society of North America. The company has recently received a grant from the Department of Energy.

S P R I N G B O A R D A L U M N I

Aquam International is about a year and a half away from selling the abalone they grow on a farm in Baja California. The company has raised over \$4 million of equity from private sources since their presentation at Springboard. Aquam now has over 150,000 abalone on their farm between the ages of 4 months and 15 months. California's elimination of commercial fishing of abalone in May 1997 ensured that marketing will not be a problem for Aquam.

1997

Springboard Lunch Presenters Index

CONNECT welcomes the following concept forum presenters to the 1997 Springboard Luncheon:

<i>Presenters:</i>	<u>Page</u>
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Kreiss Johnson Corp.	14
MicroForest	17
RayjaBiotics	20
Zalkin Technologies	23

CompliMed

Sector: Medical Information

Address: 3182 Highland Drive
Carlsbad, CA 92008

Phone: (760) 730-0750

Fax: (760) 729-8247

CEO & President: Dr. Mark J. Krupp

Presenter: Dr. Mark J. Krupp

COMPANY PROFILE

Legal Form: A Nevada Corporation

Date Established: April 12, 1995

Stage of Development: Startup

Funding Sought: Staged Equity: \$1.0 million - 12/97 ; \$2.5 million - 6/98; \$4.0 million - 12/98

COMPANY OVERVIEW

The CompliMed system will drastically reduce health care costs through better management of prescription drug therapy. It will accomplish this by providing a device that will not only remind patients to take their drugs correctly but will also collect both compliance information and objective clinical data. Both of these pieces of information are needed for evaluating the effectiveness of prescription drug therapy. As a result, CompliMed's system is the only one that offers a complete solution for disease management. Exclusive rights to an existing patent and a patent pending will provide a significant barrier to competitors with regards to this distinguishing feature.

MARKET OVERVIEW

Despite peoples good intentions average compliance for taking medications is only 50%. Often times patients are simply overwhelmed by their prescription therapy. An example of this are the more than 14 million seniors taking over 5 or more prescription drugs daily. Patients enrolled in the new combination AIDS therapy programs are taking as many as 21 pills per day. Prescription-drug related problems - often caused by patients not taking their drugs properly - cost an estimated \$76 billion in medical bills. More than \$47 billion was the result of drug-related hospitalizations.

CompliMed's products and services are very well suited for programs devoted to disease management. The Company's goal is to provide disease management programs with accurate and timely compliance information and clinical data. With this information case managers can effectively monitor prescription drug therapy to make sure that it is achieving the expected result. If it is not, they can determine why prescription drug therapy is failing and then take appropriate steps before serious problems develop.

CompliMed's main customers will be managed care organizations. HMOs have been rapidly implementing disease management programs in order to cut health care costs. The diseases that are especially high on their list, are asthma, diabetes, cardiovascular disease, mental illness and AIDS. These diseases can often result in catastrophic losses if prescription therapy is not well managed. High utilizers with severe asthma for example, can cost between \$5,000 and \$120,000 a year in hospitalizations alone.

The Company expects HMO's to be very selective when deciding what patients should be placed on the CompliMed system. As a result, sales projections were limited to diseases where there is significant interest in implementation of disease management programs - namely, asthma, diabetes, cardiovascular disease, mental illness and AIDS.

MARKET OVERVIEW (continued)

It is also expected that HMO's will only place patients on the CompliMed system that have demonstrated a history of utilization of costly health care procedures such as hospitalization. As a result, with the exception of diabetics, hospital discharge figures were used to estimate the total potential market for the CompliMed system. Insulin usage was used as the criteria for estimating the total potential market in the diabetic population. These figures were actually lower than the number of patients that were hospitalized with a primary diagnosis of diabetes. Using this criteria, the total potential market is estimated to be 12,298,462 patients.

It has been determined that the most efficient way to penetrate the HMO market is by aligning with the major disease management programs. Some of the companies that CompliMed intends to approach include: PCS, Merck & Co./Medco Containment, Bayer, Boehringer Mannheim, Bristol-Myers-Squibb, Glaxo Wellcome PLC, Pfizer, Inc., SmithKline Beecham PLC, Upjohn-Pharmacia, Warner-Lambert & Co., and Zeneca/Salick.

TECHNOLOGY OVERVIEW

CompliMed's MediMinder device very much resembles a telephone message pager. It will be dispensed and programmed in retail pharmacies. It has an internal alarm that beeps or vibrates whenever a drug should be taken. The patient is instructed to press the display key whenever an alarm goes off. This then brings up a reminder message which tells them what medication they are supposed to take and the correct dose. The patient is instructed to press a "Taken" or "Not Taken" button to indicate whether they took the medication. The MediMinder also requests clinical information. A data port is provided for direct transmission of clinical data from medical devices such as Lifescan's One Touch Profile glucometer. CompliMed is also developing a remote communication station that will enable programming the device in the home. Remote communication capabilities will also allow for closer monitoring of certain patients. The MediMinder also reminds patients to renew their existing prescriptions.

Compliance data and clinical information is recorded for future downloading into the CompliMed pharmacy terminals. This information will then be stored in a central server. The patient's physician and case manager will be able to access this information via the Internet. Special access codes will be used to insure patient confidentiality.

BUSINESS OVERVIEW

Physicians will prescribe CompliMed's MediMinder device to patients that have been identified as high risk patients by their HMOs disease management programs. The MediMinder will be dispensed and programmed in retail pharmacies. A special computer terminal will be used to program the device. CompliMed plans to eventually integrate its programming terminals with the pharmacy computers. This will enable the pharmacist to almost automatically program the device whenever they enter in the usual information for generating a prescription label.

CompliMed will receive revenues from product sales, monthly service fees and from the sale of information. CompliMed plans to provide MediMinder devices to retail pharmacies for cost (approximately \$30). The Company will charge managed care organizations a monthly \$2 service fee for every active drug that is on the device. It was estimated that the average patient will be using two prescription drugs. Pharmacy reimbursement for selling and programming the device will be negotiated between managed care organizations and the pharmacies that they contract with.

CompliMed will also generate significant income from the sale of clinical and compliance information. Summary information compiled from the data stored in CompliMed's proprietary database will be sold to entities such as HMOs, drug manufacturers, disease management programs, and prescription benefit management companies. Companies such as IMS America make a tremendous amount of income from the sale of prescription information. Industry sources have indicated that patient pharmacy files stripped of identifying information can be sold for up to \$1 per file to entities such as pharmaceutical manufacturers.

BUSINESS OVERVIEW (continued)

of prescription information. Industry sources have indicated that patient pharmacy files stripped of identifying information are often sold for as much as \$1 per file to entities such as pharmaceutical manufacturers

USE OF FUNDING

The proposed funding will be used for start-up costs of CompliMed including:

Product Development & Clinical Trials:	\$2,000,000
Establishment Production Capabilities:	\$3,000,000
General Marketing Capital:	\$2,500,000
Total Funding:	\$7,500,000

MANAGEMENT BIOGRAPHIES

Dr. Mark J. Krupp, D.D.S., M.S., President, CEO. Dr. Krupp is the primary inventor of the Complimed System. Dr. Krupp's medical background is in the area of dentistry. He has had a private practice devoted to periodontics and dental implantology for over 13 years.

Michael S. Mahle, Director of Product Development. Mr. Mahle has over 20 years of experience in the computer industry. He is also the Founder and President of Vitafit International, Inc, a firm specializing in the development of portable "health-related" electronic devices for over sixteen years.

Donald R. Marvin, Acting Director of Corporate Development. Mr. Marvin is a business executive with over 20 years of experience in small, high growth and Fortune 100 companies. Formerly the President and Chief Executive Officer of Ditron Corporation, a venture backed start up biomedical company, he is currently President of Cairn Associates, a firm providing consulting services to companies with innovative products or services for emerging global markets.

CompliMed has identified several well qualified candidates for future management positions. The Company plans to hire a full-time professional President and C.E.O. once it has obtained venture capital.

BOARD OF DIRECTORS

Dr. Mark J. Krupp, CompliMed, Inc., **Mr. Michael S. Mahle,** CompliMed, Inc., **Shelly Komer Jackier,** CompliMed, Inc.

CURRENT INVESTORS

General Partners of CompliMed, Inc.

FINANCIAL OVERVIEW AND PROJECTIONS

Year	1997	1998	1999	2000	2001	2002
Systems Placed	0	0	137,464	372,386	650,755	1,352,833
Research & Devt. Expenses	\$582,000	\$1,090,000	\$120,000	\$180,000	\$120,000	\$120,000
Total Operating Expenses	\$100,000	\$2,712,639	\$11,172,639	\$14,913,445	\$24,615,094	\$35,332,378
Net Sales	\$0	\$0	\$8,285,312	\$21,681,513	\$38,571,389	\$77,811,754
Net Profits	(\$682,000)	(\$3,802,047)	(\$3,007,327)	\$6,588,068	\$18,836,295	\$42,359,376
Cumulative Retained Earnings	(\$682,000)	(\$4,484,047)	(\$7,491,374)	(\$903,306)	\$12,932,989	\$55,292,365

Golden Hour Data Systems Inc.

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San Diego, CA 92130
Phone: (619) 792-6273 ext#2 (W); (619) 605-4716
Fax: (619) 792-6045
E-mail: KCDoc@aol.com

Chief Executive/Presenter: Kevin Hutton, M.D.

COMPANY PROFILE

Date Established: 1993, as Golden Hour Consulting, Incorporated 1997
Stage of Development: Product Development/ Business Start-up
Funding Sought: \$1,500,000 in 2 stages based on 1 year milestone

COMPANY OVERVIEW AND MISSION STATEMENT

Golden Hour Data Systems Inc.TM is an on-line health information management and billing service for the 9 billion dollar medical transport industry. The service, called LifeNetTM, allows for:

- Patient encounter and billing information to be integrated, standardized, processed, and analyzed with our proprietary SmartChartTM features.
- Billing information is submitted electronically with justification letters and typed documentation.
- Decreased account receivable times, decreased claims denial, and improved revenue.
- Secure data management and storage.
- Better utilization of personnel and decreased number of personnel.
- Complete control of inventory and charge capture.
- Rapid and experienced access to data allowing management using database decision analysis.
- Sentinel event and quality assurance notifications and monitoring.
- Industry analysis, and benchmarking.
- Revenue to be generated by a charge of 4 % of gross billings and data processing and initiation fees.

Our mission is to provide a consistent, predictable service which produces robust revenues, saves transport providers money while providing value added service that gives the transport industry the ability to analyze itself, and show benefit to patients with research and cost effectiveness.

TECHNOLOGY DESCRIPTION

LifeNetTM is an interrelational, client-server database written in 4th Dimension (ACIUS). We have several patents pending on features within LifeNet. It allows interaction of multiple users on a single server computer via phone lines. Providers input encounter data remotely to our secure server using connection software. LifeNet then, using our proprietary SmartChartTM features, comprehensively integrates the entire patient encounter, produces all the documentation required, and transmits an electronic bill.

COMPETITIVE POSITION

- Only information management service (IMS) available to this industry.
- Developed by emergency physicians experienced in critical care and air medical transport.
- Developed in a strong managed care environment.
- Allows utilization review, outcome research, justification for transport, and cost-effectiveness.
- Reduces transport program costs by eliminating duplication, speeding data entry.
- Promotes accuracy, reduces legal risks, simplifies data analysis, decreases accreditation costs.

COMPETITIVE POSITION (continued)

- Rapid, electronic billing improves revenue by 10-15%, off setting our 4% charge.
- Cross platform allowing access via most modem equipped computers.
- Standardizes data across transport programs, allowing industry analysis and benchmarking.
- Received an official endorsement from the Air Medical Physicians Association.
- Concept supported of many Association Air Medical Services leaders and decision makers.
- One major competitor in air medical segment is a software product, called Aero Medical Software (AMS) (Innovative Engineering).

- LifeNet has many feature which make it superior.
 - AMS software does not comprehensively integrate information.
 - Not client-server, customers must invest and maintain network hardware.
 - Reputation of marginal service, less than 15% partial market penetration.
 - Does not allow for industry analysis or bench marking.
 - Cannot electronically bill, track inventory, or produce customized reports.

- In the ground CCT and EMS markets several similar small software products exist.
 - None are client-server architecture.
 - None integrate clinical, dispatch, with billing and inventory.
 - None have become commercial successes.

- Medical billing companies charge 5 - 12 % to abstract data, submit, and collect a bill by hand
 - Hospital billing companies are inefficient at billing for transport service
 - Electronic billing is not used effectively by most billing services

MARKET ANALYSIS/PLAN

Air medical (AMT), ground critical care transport (CCT), and Emergency Medical Service providers now rely on inefficient information management methods (pen, paper, and people). These providers are sufficiently stressed by changes in health care, that they are ready to change the paradigm of information management and billing and out source these services to gain better control of their operations. The US market size based on population and published data as well as the published averages for transport charges can be found in Figure #1. The percentage of billings has been set at 4% based on rates charged by ER billing services (6-15%) and positions us to be extremely competitive given that we are offering information management services as part of the service. The overall market is \$470 million a year which includes an additional 29 million market for data processing. Our plan is to sequentially target these market segments from most complex, AMT (where we have our most familiarity) to least complex, EMS (which is more consolidated and organized and perhaps could serve as an avenue to acquisition). We anticipate a steep market response in year 3 and expect to reach our 1st milestone of 10 providers by October of 1998.

Figure #1



MARKET ANALYSIS/PLAN (continued)

Distribution :

We will distribute our service by continuing to garner industry support, enhancing our associations with key decision makers, and utilizing personal contacts within the industry. We will augment this with conference presentations, a direct sales force, journal and web site advertising, as well as our own cutting edge web site which will allow for demonstration of our service, as well as multiple other functions.

MANAGEMENT BIOGRAPHIES

Kevin Hutton, M.D., Chief Executive Officer, has been a flight physician in two separate air transport programs and was the Medical Director of Life Flight-San Diego. He has been involved with air medical transport for the past 11 years. He obtained subspecialty training in the administration and operations of air medical transport program. Dr. Hutton is also residency trained and board certified in Emergency Medicine and is on the clinical faculty of the UCSD School of Medicine Department of Emergency Medicine. He is the co-founder of Golden Hour Data Systems.

Scott Jones, M.D., Chief Technology Officer, has a background in flight medicine, medical research, and application of computer automatization to medical practice. He is also residency trained and board certified in Emergency Medicine. Dr. Jones has an engineering and computer science background from Stanford and Purdue University and is the principal programmer of LifeNet™. He is also a co-founder of Golden Hour.

Kirk Brauer, M.D., Ph.D., Product Development Officer, has a Bachelor Degree in Bioengineering from Revelle College at UCSD, and an M.D., Ph.D. from the Medical University at Luebeck, Germany, where his dissertation and Academic Doctorate are in the field of Medical Informatics. He has been a quality control engineer for Siemens in Munich, Germany, in the Division of Microchip production. He has obtained additional training in Emergency Medicine, Air Medical Transport and Emergency Medical Services.

Outside Management Consultants:

During our initial phase of business development our contracted outside management advisors have provided support for management decisions and activities. These individual and firms include:

Daniel Negroni Esq., Corporate Attorney -Selzer, Caplan, Wilkins, and McMahon; San Diego, CA

John Carson Esq., Patent Attorney, Knobbe, Martens, Olson, and Bear; San Diego, CA

Mach Chao, J.D., CPA, Corporate Accountant- Ernst and Young Accounting; Orange County, CA

Jim Tooman, MBA & Dave Bellon, MBA, Business Development -Suncor Group LLC, San Diego, CA

We will continue to use consultants for the roles of Chief Financial, Chief Business Development, and Chief Operations Officers, as well as Marketing/Sales Directors until these competencies are required full time.

Business Advisory Board:

Don Jones, JD, MBA. He is a nationally respected Executive in EMS and Managed Health Care. He has served as Chief Operating, VP Of Marketing, and Director of Corporate Contracts for MedTrans and Laidlaw and now serves as Senior advisor to the CEO of American Medical Response. He is also an advisor to the Board of Directors of NHTSA for the implementation of The Document EMS Agenda for the Future.

Technical Advisory Board:

David Schneider - is a Hardware/software engineer for ATT Network solutions. He has built, maintained, and adapted client- server networks for ATT. He has extensive experience with cross platform application telecommunication interfaces, and, intranet-Internet network solutions.

USE OF FUNDS AND FINANCIAL PROJECTIONS

Our strategic plan would be to obtain \$ 1.5 million in capital. We will use the funds to complete research and development, to complete our secondary Beta test, to lease, modify, and equip the corporate headquarters, and to pay for the consultants needed to augment our core competencies. We will also use the funds to continue to secure our intellectual property rights, to accomplish our marketing strategy, and to pay the salaries of the management and support staff required. We predict that the requested funds will allow us 2 years to prove the market.

Figure #2—Use of Funds

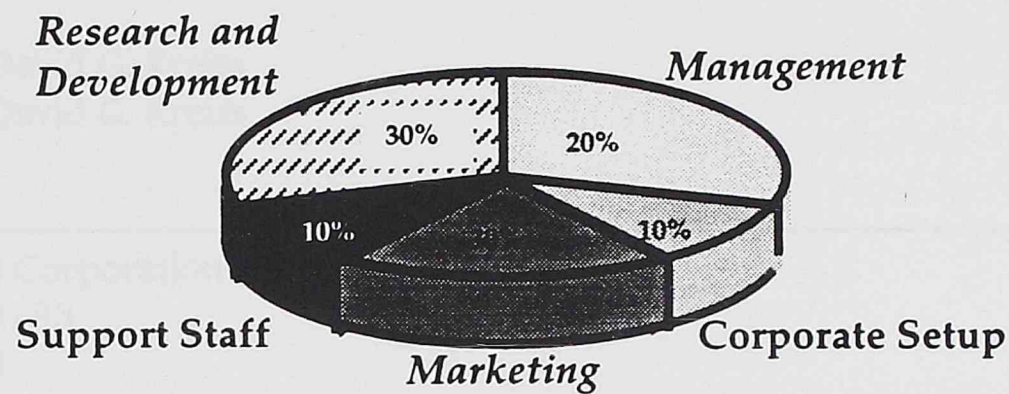
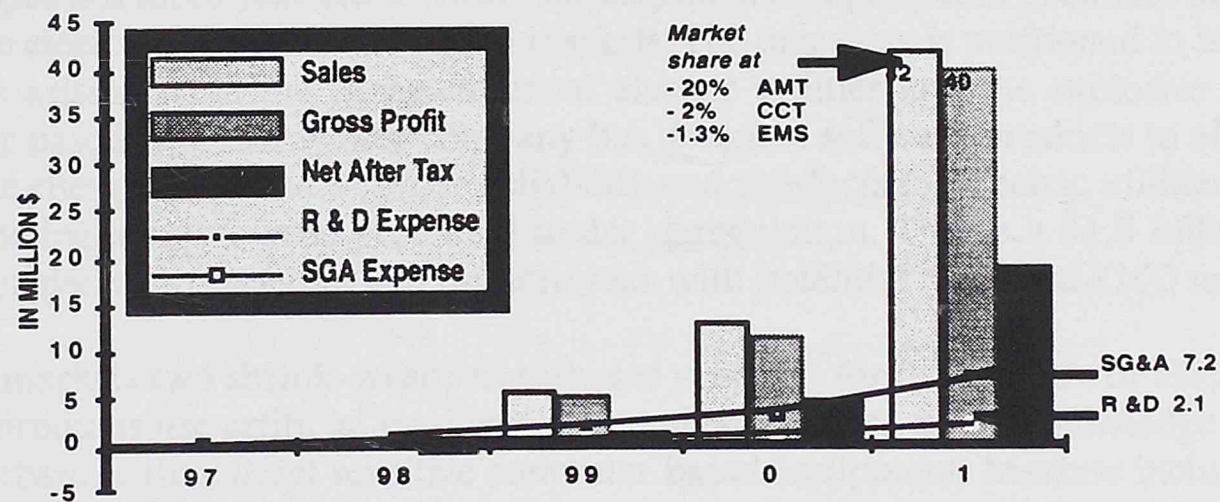


Figure #3 Financial Projections



We are predicting market penetrations of 20% for AMT, 5% for CCT and 2% for EMS segment by 5 years. This will provide annual gross revenues of greater than 40 million in year 5. This will allow a generous valuation for acquisition or provide a significant return on investment.

CONCLUSION

Golden Hour Data Systems is completing development on LifeNet™, our solution for the information management and billing needs of the medical transport industry. Golden Hour Data Systems has received official endorsement from the Air Medical Physicians Association. We intend to continue our advances in technology and rapidly penetrate these essentially untapped and stressed markets. Golden Hour Data Systems will produce revenues in excess of \$40 Million dollars by year 5. We are seeking \$1 million dollars now and a commitment for \$500 thousand in October of 1998 as we surpass our first milestone of 10 contracts. We are seeking a few value added investors to share and refine our business vision.

Kreiss Johnson Technologies, Inc.

Sector: Software

Address: 1155 Camino Del Mar Suite 514
Del Mar, CA 92014

Phone: (619) 259-0711

Fax: (619) 259-7618

E-mail: dkreiss@kjt.com

Website: www.kjt.com

CEO: David G. Kreiss

Presenter: David G. Kreiss

COMPANY PROFILE

Legal Form: S Corporation

Date Established: 9/93

Number of Employees: 4

Stage of Development: Early

Funding Sought: \$1.4 million

BUSINESS DESCRIPTION

Kreiss Johnson Technologies is a three year old software development company that produces analysis and graphing software for the electric utility and industrial markets. The company is positioned to take advantage of the opportunities arising from the deregulation of electric utilities and the explosive growth of power sensitive computer based equipment. The company has designed software products to allow utility customers to reduce their energy costs and improve reliability and products for electric utilities to implement new revenue producing services now permitted under deregulation. This is a \$1.5 billion market where KJT products are projected to generate \$45 million/year with potential to exceed \$100 million.

At present, the company markets two shrink-wrapped software products for the analysis of electric power quality problems. These products use artificial intelligence to embed industry expert knowledge to identify and analyze power disturbances that affect sensitive computer based equipment. Markets include electric utilities, who must respond to complaints by their customers, as well as large industrial and commercial companies who regularly diagnose and correct problems within their own electrical distribution system. KJT uses a network of manufactures reps to sell the products domestically and abroad. KJT's customer list includes over 350 Fortune 500 companies. 1995 sales exceeded \$450 thousand.

MARKET OVERVIEW

The electric energy services market is projected to rapidly grow to \$200 billion by the year 2000. The key factors impacting this market is the deregulation of the electric utility industry and the explosive growth of power sensitive computer based equipment. These factors have resulted in the need for power analysis software products.

Under deregulation, industrial and commercial customers will be able to select their energy provider. KJT will supply this market a software product to evaluate their energy usage and to select the low cost provider. This market is projected to be **\$1 billion/year**.

MARKET OVERVIEW (continued)

Also under deregulation, electric utilities will offer additional higher profit "custom power" services. KJT will supply a software product to allow utilities to implement and bill for these new services. This market is projected to be **\$200 million/year**.

The explosive growth of power sensitive computer loads has resulted in the rise of power related problems with these devices including motors using electronic drives. KJT will provide products to help users diagnose and correct these power quality problems. The power quality analysis market is projected to be **\$220 million/year** and the portable motor analysis market exceeds **\$100 million/year**.

Competition is expected to evolve, however, KJT has a well defined product and marketing strategy to assure its leadership in each of its target segments. Tactics include providing a technologically superior product at a lower cost than competitors and to have these products marketed through a network of strategic partners who are eagerly awaiting their introduction. These strategic partners are the major providers of hardware systems for the power industry.

TECHNOLOGY OVERVIEW

KJT possesses a unique set of core technologies, not found with other power system companies, as well as a library of "intelligent power analysis objects" that have been developed over the past three years and implemented in a commercial program. These technologies include artificial intelligence, power quality analysis, and object oriented databases and programming. In addition, KJT has developed a unique and innovative design which will permit the development of the next group of software products in a fraction of the time and cost of conventional applications. This rapid application development system (RAD) system will use a common set of supportable code for each of KJT's analysis applications. Much of intellectual property that KJT has and plans to develop will be protected.

The development strategy is to first develop Power Center™, which is the underlying data platform. This system will be an open architecture that will permit the storage of all power systems data. This data has previously been stored in a variety of proprietary databases which required their own unique software packages. Then to develop the series of automated intelligent analysis applications using KJT's RAD system. The specific products include:

- Energy Broker - industrial product for the selection of the lowest cost energy provider.
- Ai*Custom Power - utility product for the implementation of custom power programs.
- Ai*Power - utility and industrial product for the analysis of power quality problems.
- Ai*Outage - utility product for the analysis of utility outages.
- Ai*Motor Analysis - industrial product for the diagnosis and predictive failure analysis of electric motors.
- Ai*Apparatus Predictive Maintenance - utility and industrial product for the prediction of problems with power systems apparatus and switchgear.

USE OF FUNDING

KJT is seeking \$ 1.4 million to fund the development and introduction of the specific products described in this plan.

MANAGEMENT BIOGRAPHIES

David G. Kreiss, CEO. Mr. Kreiss has 21 years of experience in the management and development of products for the power industry. He was the VP of Product Development and Marketing for a leading manufacturer of power system's test and measurement equipment and helped grow that company from \$4 million to \$30 million. Mr. Kreiss is an active member of numerous standard setting industry organizations and is an expert in the field of power quality and intelligent methods in power systems analysis.

Daniel S. Brancaccio, VP of Engineering. Dan has over 22 years experience in software design and is an expert in the field of software development using object oriented technologies, databases and the Microsoft windows environment.

Dave Rau, Senior Software Engineer. Dave has over 20 years experience in software development. Dave has been developing software for the Microsoft Windows environment since version 1.0, and is an expert in GUI design and implementation.

FINANCIAL OVERVIEW AND PROJECTIONS

Projected Income Statement Summary (\$000s omitted)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenue	600	4,136	13,105	23,268	45,635
Net Income before Taxes	(1,393)	26	3,219	10,491	21,057

MicroForest, Inc.

Sector: Specialty Chemicals

Address: 145 Vallecitos de Oro, Suite E
San Marcos, CA 92069

Phone: (760) 736-3065

Fax: (760) 736-3193

E-mail/Home Page: jsherman@microforest.com
http://www.microforest.com

Chief Executive: Jonathan Sherman

Presenter: Jonathan Sherman

COMPANY PROFILE

Legal Form: California Corporation

Date Established: November 29, 1994

Number of Employees: 4

12 Month Sales/Revenues: \$287,000

Stage of Development: Emerging

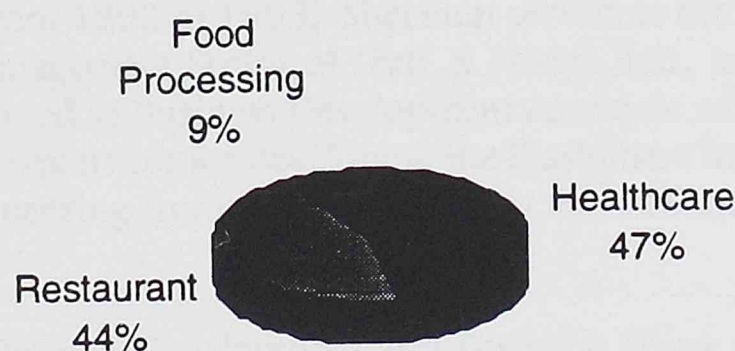
Funding Sought: \$2 Million

COMPANY OVERVIEW

MicroForest has developed technology for producing self-cleaning hygienic surfaces. The technology employs non-toxic sanitizing chemical additives (Catalite™) to be put into products as diverse as toilet seats and hospital tiles. The company holds worldwide exclusive rights to fundamental patents from the University of Central Florida covering this technology. Founded in 1994, the company is introducing its products to manufacturers of flooring, bathroom fixtures, and other interior surfaces. These self-cleaning solid surfaces will be sold to hospitals and other healthcare providers, clinical laboratories, restaurants, food-processing plants and other sanitary operations that need assistance with the infection-control battle.

MARKET OVERVIEW

\$1 Billion U.S. Market for Microbiocides in Commercial Flooring and Countertops



Sources: National Food Processors Association
National Restaurant Association
James Learey Architecture, Hospital Architects

MARKET OVERVIEW (continued)

The world-wide market for self-cleaning hygienic surfaces in commercial non-consumer applications exceeds \$2 billion. The primary markets are hospitals and other healthcare providers, clinical laboratories, restaurants, food-processing plants, and other sanitary operations. A key factor in controlling disease is the removal of bacteria from surfaces of operating rooms, plant walls, floors, and toilets. U.S. Centers for Disease Control have reported increasing Staphylococcus contamination in healthcare facilities, especially from antibiotic resistant strains, and increased E. Coli outbreaks in restaurants. The opportunity is to refit existing facilities with the company's new sanitary surfaces plus outfit new buildings with the materials. To gain rapid market penetration, the company will work with existing manufacturers of brand name flooring, bathroom fixtures, and wall coverings.

MicroForest aims to sell non-exclusive licenses to manufacturers in these industries with the goal of receiving up-front cash and a royalty on the sale of the final solid-surface product. Marketing the additives to the manufacturers is not a major hurdle as the marketplace is easily reachable, well-defined, and extremely interested in self-cleaning surfaces. The bathroom fixture industry is highly focused being dominated by a half-dozen major manufacturers. The resin tile and resin solid surface industry is somewhat broader.

PRODUCT/TECHNOLOGY OVERVIEW

Catalite™ product line — These self-cleaning additives are low-toxicity inorganic powders that may be combined with plastics, tile, paint, grout, and other surface materials during the manufacturing process. Development of all the ingredients employed in the self-cleaning additives is complete. The final product is a physical mixture of these ingredients. The composition of the final mixtures will be determined by pre-market testing with the various brand name solid surfaces (i.e. American Standard, Formica, Armstrong, etc.). Manufacturing involves straightforward chemical manipulations, and raw materials are inexpensive and in abundant supply.

USE OF FUNDING

Pre-market Testing	\$300,000
Regulatory Licenses	\$600,000
Establishment of a Marketing Department	\$200,000
Manufacturing Facilities	\$200,000
Inventory	\$100,000
General Working Capital & Cash Reserve (for regulatory uncertainty)	\$600,000

MANAGEMENT BIOGRAPHIES

Jonathan Sherman, President, Chief Executive Officer, Chief Financial Officer and Director. Sherman is a co-founder of MicroForest. From 1992 to 1993, Sherman served as the Senior Financial Analyst for the Chemical Sector and Waste Management Sector at Duff & Phelps, Inc., an NYSE-listed financial services firm. From 1986 to 1989, he served as Business Development Associate with Imperial Chemical Industries of the Americas where he was responsible for developing the Elastomers in Material Handling business. He earned a B.Sc. in Chemical Engineering from Brown University in 1986 and an M.B.A. in finance from the University of Michigan in 1991.

Jason Frank, Vice President Product Development and Director. Frank is a co-founder of MicroForest. Prior to co-founding the Company, Frank served as Database Programmer for Humana Michael Reese Healthcare Plans from 1990 to 1993 where he was responsible for upgrading company-wide database management systems. An experienced microbiologist, Frank has worked extensively on bacterial assay development, algal and fungal cultivation and field biology projects. He earned a B.Sc. in Botany from the University of Michigan in 1990.

TECHNICAL ADVISORY BOARD

Robert Bell, Ph.D. Bell is a world-class analytical chemist with special expertise in catalysis, assay development, and unknowns identification. Bell currently serves as president of R.A. Bell and Associates, an independent consulting firm to healthcare groups. Bell previously headed various groups in chemical synthesis, analytical chemistry, and toxicology areas at General Electric and then served as Director of the Division of Medical Consulting, Science Applications International Corporation (SAIC). He earned his B.Sc. and M.S. from CalTech and Ph.D. in Chemistry from Princeton University.

John Guerra. Guerra was formerly Vice President - Manufacturing of Decatrend Paints, served previously as Vice President, Operations/Technical Director of Major Paint Co., a subsidiary of Standard Brands Paint Company, and prior to that, Technical Director - R&D of Kelly-Moore Paint Company. He has thirty years of experience in the paint and coatings formulations business. Guerra earned his B.Sc. in chemistry from the University of Illinois.

Clovis Linkous, Ph.D. Linkous is Principle Investigator on light-activated chemical compounds at the University of Central Florida. A world leader in research on light activated chemical compounds, Linkous has spent fifteen years developing biocidal compounds on which MicroForest now holds an exclusive license. He previously conducted research for Brookhaven National Laboratory. He earned his Ph.D. in Chemistry from Michigan State University.

BOARD OF DIRECTORS

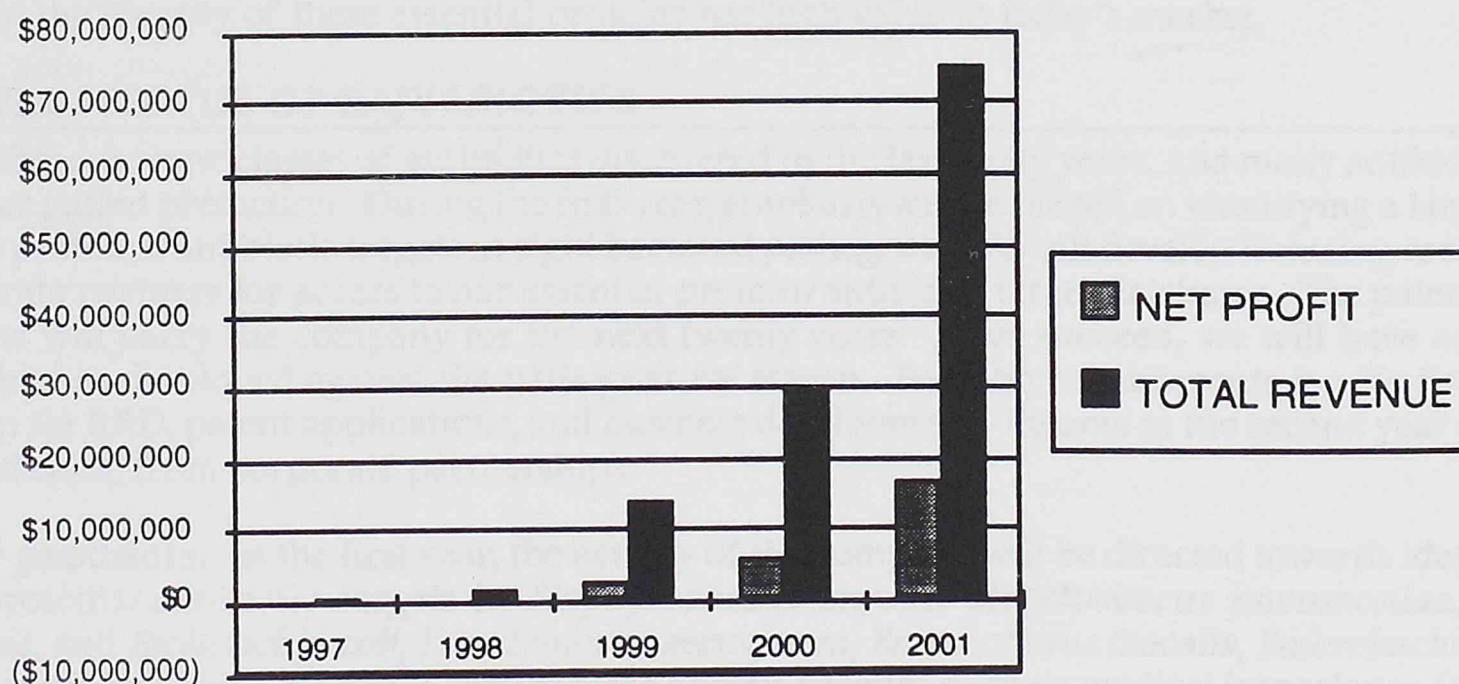
Jonathan Sherman, MicroForest, Inc.; Jason Frank, MicroForest, Inc.; Dexter Gaston, Gaston Technologies

CURRENT INVESTORS

Jonathan Sherman, Jason Frank, Associates

FINANCIAL OVERVIEW AND PROJECTIONS

MICROFOREST PRO FORMA P&L



(\$000's omitted)

FYE:	1996	1997	1998	1999	2000
Revenues:	\$ 220	\$ 500	\$ 2,500	\$ 13,900	\$ 30,000
Income Before Taxes:	\$ (75)	\$ (172)	\$ 450	\$ 2,300	\$ 6,000

RayjaBiotics

Sector: Biotech

Address: c/o Biology Department
San Diego State University

Phone: (619) 594-5374

Fax: (619) 594-5676

President & Chief Scientific Officer: Judith W. Zyskind, Ph.D.

COMPANY PROFILE

The recent resurgence of antibiotic-resistant bacteria has led to growing concern that the antibiotics employed today will soon become ineffective against many infectious diseases. The antibiotics currently in use are directed at inhibiting the function of approximately fifteen essential proteins. There are estimated to be at least 200 essential proteins in bacteria, leaving 185 unexplored proteins that could serve as targets for the development of new antibiotics. Identifying these proteins in pathogenic organisms is of great interest to the pharmaceutical industry because they encode potential antibiotic targets. The 1996 market for antibiotic drugs worldwide was \$22.5 billion dollars. The processes used currently for identifying new antibiotic targets from genomic information or genetic screening are time consuming and labor intensive.

The technology of RayjaBiotics is based on the discovery by Dr. Judith Zyskind of a novel, extremely rapid method for identifying antibiotic targets in pathogenic bacteria. This method combines molecular laboratory techniques with automated sequencing and has the potential to identify ALL essential proteins in ANY bacterial species. In pilot studies, several essential proteins were identified in *Escherichia coli* using this method. Such proteins are excellent targets for antibacterial.

In the first year, RayjaBiotics will focus on identifying all essential proteins/antibiotic targets in eight bacterial pathogens. Because of the high conservation of essential proteins, the targets identified with these organisms will represent the majority of potential targets present in most bacterial pathogens. The spread of antibiotic resistance threatens our current capabilities to cure infections caused by these pathogens. Accordingly, the identity of these essential proteins has high value in today's market.

BUSINESS PROSPECTUS OF RAJYABIOTICS

There have been no new classes of antibiotics discovered in the last thirty years, and many antibiotics are no longer under patent protection. During the first year, emphasis will be placed on identifying a large number of essential proteins/antibiotic targets in eight bacterial pathogens. We will develop licensing arrangements with corporate partners for access to our essential protein/antibiotic target databases. The patent estate on these targets will carry the company for the next twenty years. If we succeed, we will have access to all future antibiotics developed against the pathogens we screen. Funding requirements for the first year are \$1.1 million for R&D, patent applications, and business development. Income in the second year and future years would come from corporate partnerships.

First year products: In the first year, the activity of the company will be directed towards identifying all essential proteins/antibiotic targets in *Staphylococcus aureus*, *Streptococcus pneumoniae*, *Neisseria gonorrhoeae*, and *Escherichia coli*, *Pseudomonas aeruginosa*, *Enterococcus faecalis*, *Enterobacter spp.*, and *Helicobacter pylori*. These bacterial species were chosen because of their medical importance (see below). Essential proteins/antibiotic targets in these pathogens are valuable as products as indicated by current agreements between companies identifying such targets and large pharmaceutical companies. These agreements include milestone payments in the millions for identifying an undisclosed number of new essential proteins in bacterial pathogens.

BUSINESS PROSPECTUS OF RAJYABIOTICS (continued)**Medical importance of the eight pathogens to be screened in year one:**

- *Staphylococcus aureus* is a virulent pathogen and may cause more frequent and varied disease than any other human infectious agent. *Staphylococcus aureus* causes approximately 1 million postsurgical infections per year, and these infections frequently result in death. These infections are still treatable with two antibiotics, methicillin and vancomycin; however, of the one million *Staphylococcus aureus* infections acquired in hospitals each year, 40-50% are methicillin-resistant. An infection caused by a vancomycin-resistant *Staphylococcus aureus* strain was recently reported in Japan. Resistance to vancomycin could spread rapidly leaving us with no antibiotics left to combat this deadly pathogen.
- The pneumococcus, *Streptococcus pneumoniae*, is the most frequent cause of acute bacterial pneumonia and middle-ear infections. It is estimated that approximately 500,000 cases of this disease occur each year in the United States, and at least 5% of all infected patients die. Antibiotic-resistant strains of pneumococcus have risen to 40% in several places in the world.
- *Neisseria gonorrhoeae* causes gonorrhea, the most common sexually transmitted disease. Gonorrhea and its complications result in \$1 billion per year in health care costs in the United States. Gonorrheal infections were treatable with penicillins until penicillin resistance became widespread. Now the treatment is ciprofloxacin, but *Neisseria gonorrhoeae* resistant to this antibiotic are being reported with increasing frequency.
- *Pseudomonas aeruginosa* frequently infects the lungs of children with cystic fibrosis and causes a variety of infections in immunocompromised patients. *Pseudomonas aeruginosa* isolates from these patients are now relatively resistant to most antibiotics.
- Members of the *Enterococcus* spp. cause 10% of the hospital-acquired infections. Many strains of enterococci have become resistant to vancomycin. Because vancomycin-resistant enterococci are resistant to other antibiotics as well, patients infected with these pathogens are essentially untreatable. A grave concern is the real possibility that vancomycin resistance in enterococci will be transferred to more virulent pathogens such as *Staphylococcus aureus*.
- Pathogenic strains of *Escherichia coli* are the most frequent cause of cystitis, an infection that results in 7 to 8 million physician and hospital visits at a cost of greater than \$1 billion per year. *Escherichia coli* pathogenic strains cause 12% of the hospital-acquired infections.
- *Enterobacter* spp. is a pathogen related to *Escherichia coli* that also causes hospital-acquired infections (6%) and is rapidly acquiring resistance to antibiotics.
- *Helicobacter pylori* is the agent responsible for most gastric ulcers and is one of the most common infections of humans. In 1996, over six billion dollars was spent on drugs to treat gastritis and ulcers. Unfortunately, this pathogen is rapidly developing resistance to metronidazole, quinolones, and macrolides, antibiotics currently used in treatment.

Zalkin Technologies, Inc.

Sector: Software
Address: 225 KBroadway Ste 890
San Diego CA 92071
Phone: (619) 535-8904
Fax: (619) 535-9216
President

COMPANY PROFILE

Zalkin Technologies ("ZTCorp" or the "Company") provides digital imaging solutions for information management, document storage and retrieval. The Company has developed a proprietary suite of software programs currently maintained under the trademark DOCUWOE~M, (Document to CD WOE~M) which will enable users to instal digital imaging capability in house or to become a digital imagery service bureau with the ability to offer digital imaging services for hire.

With DOCUWORM, documents are entered through a digital scanner, indexed and stored in an image management system and can be retrieved, viewed and manipulated by end users.

DOCUWORM is unique and superior to other imaging programs in several ways. i.) We believe that DOCUWORM is the only imaging software product that meets and exceeds the laws and regulations that govern the use of imaged data as "original" documents in lieu of hard copies. ii.) DOCUWORM s graphical user interface (GUI) is easy to learn and operate. DOCUWORM provides audible assistance and visual demonstrations on how to use the various functions. iii.) DOCUWORM employs an extensive indexing and database system which enables the user to rapidly search through millions of imaged pages either by indexed fields or by word search.

In addition to the development and sales of turnkey software solutions, ZTCorp operates its own imaging service bureau ("ZTServe"), and provides scanning, indexing, database development and document conversion services. In order to provide the best quality service ZT offers workflow analyses, network systems evaluations, custom software, and training.

BUSINESS STRATEGY

ZTCorp's business strategy is designed to maximize revenue. Customers are allowed to choose between two pricing mechanisms. One option is to purchase the software for an up front cost in the range of \$12,000 to \$30,000. The alternative is to pay a nominal up front fee for the software and to pay a per scanned page fee to ZTCorp for the use of the system.

The third option offered by ZTCorp is to provide complete outsourcing of customers digital imaging needs through its service bureau, ZTServe.

MARKETING

ZTCorp intends to market the software in three separate versions: light, standard and professional. The light version will be distributed as freeware at trade shows, conventions, as inserts to trade journals, and by direct mail. The standard and professional versions will be marketed by direct sales, media advertising, and retail distribution.

ZTCorp intends to enter into OEM, VAR, and business partnership agreements as part of its marketing strategy.

THE OFFERING

ZTCorp is offering Preferred Stock equivalent to a 40% share of the Company in exchange for \$3,000,000.00 infusion of capital. The Company believes these funds will be sufficient to fund development and operations for the next two years, at which point ZTCorp will have reached profitability. The Offering will consist of a certain number of shares at values and terms to be mutually agreed upon by the Company and prospective investors.

SUMMARY FINANCIAL INFORMATION

ZTCorp projects that with a sufficient capital support the Company will grow from 1 million in sales to 27 million in sales over the next five years.

ZTCorp was formed in March of 1996 and commenced operations in July of 1996. Since then the Company has earned approximately \$120,000.00 from its service bureau and has spent approximately \$180,000.00 in research and development of software, capital investment in hardware (Zalkin owns all of its equipment) and for operating expenses.

MANAGEMENT

Zalkin Technologies was formed in March of 1996 by Irwin Zalkin, Esq. and Victor Ciccarelli as a digital imaging service bureau in San Diego, California.

Mr. Zalkin is a graduate of U.C.L.A. and California Western School of Law in San Diego, California.

Mr. Zalkin has eighteen years of major civil litigation experience. He has successfully used imaging technology in his own firm and teaches the subject of law and technology. As CEO and one of the senior partners, Mr. Zalkin provides legal counsel and management support for the company.

Victor Ciccarelli is a former United States Navy Operations

Specialist, with twelve years experience designing and developing high level information display systems including the war room aboard the USS REID which managed in Operation Desert Shield. Mr. Ciccarelli is an information management specialist and highly experienced in the design and application of digital imaging technologies. As CIO, and partner, Mr. Ciccarelli is responsible for supervision of all technical aspects of the company including research and development of software programs and imaging services.

Emanuel Zimmer, Esq. is a Harvard Law School graduate with over forty years of experience representing major foreign and domestic corporations in mergers and acquisition matters, business negotiations, transactions and litigation. Mr. Zimmer is Chairman of the company and provides a wealth of experience and business acumen.

Springboard Luncheon



THURSDAY, AUGUST 14, 1997

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