



CONNECT®

The UCSD Program in Technology and Entrepreneurship

14TH ANNUAL
UCSD CONNECT
TECHNOLOGY FINANCIAL FORUM

Concept Forum & Reception

technology'98
financial forum

WEDNESDAY, FEBRUARY 11, 1998

5:00 P.M. - 8:00 P.M.

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CONCEPT FORUM PRESENTERS

1998

UCSD CONNECT Technology Financial Forum

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CONNECT welcomes the following concept forum presenters to the
1998 UCSD CONNECT Technology Financial Forum:

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ACTION SPORTS COMPOSITES INC.

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San Diego, CA 92121
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Fax: (619) 794-9609
E-mail: stur@drtechnologies.com

Sector: Drug Discovery

Chief Executive: Lyle Dunbar, CEO.

COMPANY OVERVIEW

Action Sports Composites Inc., designs, manufactures and distributes high performance equipment for the rapidly growing action sports segment of the sports equipment market. Our products are based on the application of advanced composite materials technology, proprietary low-cost manufacturing processes, and patented or patent pending product design features. Action sports are physically intense activities emphasizing individual performance. Our composite material products for surfing, windsurfing, wakeboarding, jetskiing and snowboarding are designed and constructed to optimize individual performance. Our current product lines include the Future Systems™ replaceable surfboard fin/fin-box system, Curtis™ RTM surfing and windsurfing fins, Tau Ceti™ personal watercraft parts, and private label/OEM wakeboards.

Action Sports develops and markets its own brands only in niche market segments where the competition is limited and will be a private label supplier of products to OEM's in the larger, more competitive action sports equipment segments, such as snowboards. Action Sports plans to offer a line of private label snowboards to OEM manufactureres in 1998.

MARKET OVERVIEW

Action sports is the fastest growing segment, worldwide, of the overall sporting goods equipment market. In the U.S. alone, sales in action sports equipment has grown an average of 18% per annum over the past five years to approximately \$1.4B, compared to a much slower 5% per annum for the much larger, \$18.1B overall sports equipment industry. Target customers are under 35 years old, highly active and self competitive individuals. However, there are an increasing number of baby-boomer parents who are taking up action sports spurred on by their children's interest in these activities. Snowboards make up approximately 43% of this market and are becoming dominated by a few large brands. On the other hand, surfing, windsurfing, and wakeboarding are smaller market niches (19% of the action sports market) that allow us to develop branded products with planned and reasonable marketing and advertising budgets.

TECHNOLOGY OVERVIEW

All Action Sports Composites products utilize composite material constructions, tailored to deliver the durability, flex patterns, light weight, and appearance required by the participants in the particular sports. Composite materials are formulated from ultra-high strength fibers, including carbon, glass and aramid, in the form of fabrics, tapes or discontinuous arrays in a binding polymer matrix. Our core technology includes specialized expertise and tools for the analytical design of composite architectures (the type, amount, location and direction of the reinforcing fibers) used to achieve the required properties in each of our products.

We have developed and utilize proprietary net shape manufacturing processes using precision tooled, closed molding processes that lower manufacturing costs by reducing labor content, increase production rate, and maximize product reproducibility and quality. The proprietary processes include flexibly tooled long fiber injection molding, compression molding of ultra lightweight foam core constructions, and multi-cavity resin transfer molding (RTM). In particular, we have developed and use proprietary multi-cavity mold designs and processes for volume manufacturing of low cost carbon fiber and carbon fiber hybrid products using RTM.

Our products utilize several patented or patent-pending design features. These include a patent-pending design for a structurally superior surfboard fin box, a patented design for a flexible edge surfboard safety fin, and a patent pending wakeboard torsion insert spar that provides superior torsional rigidity while providing the most durable anchor for binding attachment currently available.

USE OF FUNDING

New product development and acquisitions, working capital, production equipment and marketing.

MANAGEMENT

Lyle E. Dunbar, CEO; Stuart N. Rosenwasser, President & COO; Gary Levitt, CFO

ADVANCED BUSINESS SOFTWARE

Address: Post Office Box 102
Lakeside, CA 92040
Phone: (800) 786-9631
Fax: (619) 390-7537
URL: abs-system.com

Sector: Software Developer
Founder/Owner: Michael Kogus
Management: Frieda du Toit, MSEE, CCE

COMPANY OVERVIEW

Advanced Business Software develops and markets activity based cost accounting and business management software. This software is designed for managed health care and municipalities. We have large corporate customers in both sectors. Business Expert software system provides business data management tools to every department and enables direct access to data for each business activity and asset throughout organization.

THE MARKET

Studies have shown that approximately 30% of managed health care organizations will replace existing business applications by the year 2000. The overall market size is estimated to be 1.2 billion dollars. Up to one thousand main frame based systems, developed more then 12 years ago, will be replaced by Year 2000 compliant client server based applications.

PRODUCT AND TECHNOLOGY

Written in Microsoft Access, PC client/server based, Business Expert software system changes the way information within an organization is directed. Complete business information management becomes feasible in a department. Direct access to information for each business activity and asset throughout the organization facilitates timely and informed decisions.

COMPETITION/STRATEGY

At the present the company is the only one offering comprehensive and affordable business data management capabilities to managed health care department managers. Our strategy is to: Expand customer base by aggressive marketing; Enhance existing products. Develop new software meeting market demands.

MANAGEMENT:

A CEO with business development expertise will be recruited.

FUNDS REQUESTED

\$500,000 US dollars. The funds will be used to improve distribution channels and expand customer support capabilities.

ANAMED INC.

Address:	One Technology Drive, Suite D-409 Irvine, CA 92618	Sector:	Medical Devices
Phone:	(714) 453-8667	Management:	Alok Nigam, Ph.D.; Adrian Koppes; Peter Buck, CPA, Paul Kramsky, RAC.
Fax:	(714) 453-8551		
E-mail:	anamedinc@aol.com		

COMPANY OVERVIEW

A start-up company to design, manufacture, and market innovative medical devices for the surgical correction of chronic pathological conditions in immuno-privileged sites: eye, spine, brain. The company will focus initially on the eye, specifically (a) a valved drainage implant to regulate intraocular pressure of glaucoma sufferers and (b) refractive stents to correct vision.

MARKET

Glaucoma: The World Health Organization (WHO) estimates that more than 100 million people have glaucoma. Of these, 22 million are diagnosed to have elevated intraocular pressure which, if untreated, leads to blindness. Drug therapy often fails. As a result, every year, about 2 million filtration surgeries are performed globally to correct the condition, at a cost of \$1 billion.

Vision Correction: 3.4 billion people (57% of the world's population) have a refractive error requiring correction either through spectacles, contact lenses or, recently, surgery. Arthur D. Little predicts that refractive surgery procedures in the USA will triple to 2% of the targeted patient pool (low myopia) in the year 2000, at \$4000 per patient. Globally, the number of procedures in the year 2000 is forecast at 2.4 million and expenditure at \$2 billion.

PRODUCTS AND TECHNOLOGIES

The proprietary drainage technology consists of an elastomeric tube with a built-pressure-openable aperture encased in a flexible diffusion chamber made of a biocompatible and bio-inert permeable material that does not allow protein and cell attachment, growth and migration. This self-anchoring, one-way valve system will permanently regulate intraocular pressure between 8 to 15 mm Hg.

The proprietary refractive stent consists of a permeable, biocompatible material with the same refractive index as the cornea and which promotes cell attachment, growth and protein migration, thereby enabling nutrients to reach corneal tissues. These implants correct vision by reshaping the outer surface of the eye, whereby the central thickness and curvature determine the amount of refractive error correction.

COMPETITIVE ADVANTAGES

Glaucoma: predictable results; consistent outcomes; easy to implant in less than 15 minutes in a "no-stitch" surgical procedure; obviates use of carcinogenic anti-metabolic drugs during surgery; eliminates pressure reducing drug therapy post-surgery; superior longevity; and cost-effective.

Vision Correction: reversible procedure; adjustable results; predictable and stable outcomes; quality of vision and visual acuity comparable to contact lenses; easy to implant using known surgical technique(s).

MANAGEMENT

General, Marketing, Financial and Regulatory Managers have been recruited.

FOUNDERS

Alok Nigam, Ph.D., Adrian Koppes, Hansen Yuan, M.D.

FUNDS REQUIRED

\$6 - 8 million for product development, clinical studies, manufacturing and QA equipment and working capital.

CAREMED CORP.

Address: 5565 Grossmont Center Drive
Suite 2, Building 2
La Mesa, CA 91942

Phone: (619) 698-0608; Voice: (619) 698-2216

Fax: (619) 698-0609

E-Mail: caremed@inetworld.net

URL: <http://www.caremed.com>

CORPORATE OVERVIEW

CareMed Corp. was founded in 1993 to provide Electronic Medical Records Systems to physicians' offices to maintain patient records. CareMed seeks to become the premiere worldwide provider of a cost effective solution for total office automation to create a paperless, efficient, office practice.

The goal of CareMed is to provide a solution to reduce the ever growing overhead in clinics, thereby ethically increasing the income for the physicians. This solution is especially productive for the physicians in the managed care arena. CareMed has developed strategic partnership with a company to integrate the hospital's patient information into an existing information system (Med ProFile®). CareMed is working with another company to share the same information with a Home Health Care system.

MARKET

The primary market consists of physician offices such as solo practitioner, group practice, residency programs, large IPAs, MSOs, PHOs, etc. The total number of physicians in the United States is around 800,000 and 25,000 residents graduate and go into practice every year. Currently, only 6% of these physicians use EMR and only 1% of the population is being served using computerized information systems. The estimate is that this would increase to over 50% of the physicians in three years.

Product and Technology: Med ProFile® (Medical Professional File) is a turn key product that was researched and developed over 3 1/2 years. Med ProFile is a client server application that runs under Windows NT 4.0 at the server and Windows 95/Windows NT at the workstation. Med Pro File is scalable. It uses Access 7.0 in small offices, and MS SQL Server for larger installations utilizing RDO Technology.

The cost of the system is configuration dependent and ranges from \$10,000 to \$100,000. CareMed supplies not only Med ProFile software, but also the required client server hardware, accessories, networking and other software. The services provided by CareMed include installation, integration, interfacing, training, and support.

STRATEGY

CareMed Corp. with its core product, Med ProFile, has emerged as a leading product supplier in a very short time. When displayed along with the nations top twenty EMR products, Med ProFile has received overwhelming responses from the physicians as the most comprehensive and user friendly system. In order to provide an attractive system for physicians who are intimidated by the computers, Med ProFile was developed with an intuitive, elegant user interface.

Care Med is currently negotiating with two well-known national companies that are already providing services (including information solutions) to numerous physician practices. These distribution channels coupled with a unique design will provide us with the market leverage to become the nation's foremost medical information systems provided.

MANAGEMENT

Venu Prabaker M.D., President and CEO (Practicing Primary Care Physicians and Clinical Assistant Professor at Stanford University).
Brian Hanlon, Director of Marketing and Sales
Steve Giles, Director of Product Development
Charlie Zhang, Senior Programmer

FUNDING SOUGHT

\$5 million dollars to develop a dynamic management team and to intensify the national marketing effort.

CFY BIOMEDICALS INCORPORATED

Address: 7155 Calabria Ct., Suite B
San Diego, CA 92122

Phone: (619) 452-0344

Fax: (619) 452-0344

E-mail: MangYu@aol.com

Sector: Biomedical

MISSION

Our mission is to create a truly product-oriented biotechnology company. Our motto is: "simple is beautiful". We are here to provide "simple" solutions for major health problems.

COMPANY

CFY Biomedicals Inc. is a market-driven biomedical company incorporated in California on Dec. 23, 1997.

BUSINESS

Our current business is to develop, manufacture and market products which can prevent and cure colds caused by viral infection, with emphasis on preventing ear infection in children. We have targeted the common cold, because it is the most frequently occurring human disease with enormous social and economic impact. Common cold is especially prevalent among children and often leads to serious complications such as acute and chronic ear infections.

PRODUCT

The prime product in CFY's products pipeline is a nasal spray (trade name ColdSol™) which distinguishes itself from all the other cold remedies by directly targeting to the cold virus. ColdSol™ contains several patented recombinant proteins which specifically prevent cold viruses from infecting the nasal epithelial cells. This product needs minimal research and can be taken directly to development, clinical trial which typically lasts only one month to demonstrate the efficacy of a cold remedy.

THE MARKET

Common cold associated economic loss is more than \$95 billion each year in the United States alone. Initial specific market segments for ColdSol™ are: long distance air travelers and children in day-care centers. Ear infection is the most frequent diagnosis made by pediatricians. The cost of treating ear infections exceeds 3.5 billion dollars in United States alone each year. Children are also the major source to spread cold virus to their parents and then to other adults.

COMPETITION

For preventing colds, there is no competition with ColdSol™ in today's market place. To assure our strong competitive position, we have secured a world-wide exclusive right for ColdSol™. In addition, we have already started a contract service on the development of ColdSol™.

MANAGEMENT TEAM

The management team of CFY consists of a complimentary blend of scientific and entrepreneurial talents with successful track records. The key personnel include the following: Dr. Many Yu, CEO, was the scientific co-founder of Immusol. His managerial experiences can be highlighted by being responsible for a 50-million dollar drug research and development program in Immusol. James Hawkins, Chairman, was the founder, Chairman & CEO for two biotech companies. Dr. Charles Shen, VP, has more than 10 years experience in biomedical product development & manufacturing.

CAPITAL REQUIREMENTS

CFY Biomedicals Inc. is looking to raise \$4M for the first round financing. We seek a minimum of \$1.5M from each investor with no more than a total of 2 investors. The proceeds will be used for the following: i) purchase of equipment for a small but sufficient molecular biology laboratory and product development facility; ii) development of ColdSol™ nasal spray; and iii) daily operation of the Company.

CHATSPACE LLC

Address: 2131 Palomar Airport Road, Suite 300
Carlsbad, CA 92009
Phone: (760) 431-5184
Fax: (760) 603-0938
E-mail: colinger@chatspace.com

Sector: Internet Software
Management: Eric Olinger, CEO; Steve Niles, CTO;
Allan Edwin, Investor Relations;
Chris Reardon, Marketing

COMPANY OVERVIEW

ChatSpace LLC is a software company delivering products for creating and managing Internet chat communities. In the Internet chat market since June 1996, ChatSpace's technology is recognized today as the most widely used chat system for the Windows market. ChatSpace is now positioned to gain a significant position in the rapidly developing Internet chat marketplace. Building on its installed base, ChatSpace intends to launch a complete chat destination for the 150 million entry-level users that will join the Internet in the next three years. This will create significant new revenue streams from memberships, advertising and commerce. It will also build a pipeline of chat communities into which additional software and services will be sold.

MARKET

The chat market is estimated to reach \$1.5 billion US dollars by the year 2000. "Clearly, the chat market has legs because of user interest alone," said Bill Gurley, a partner at Hummer, Winblad Venture Partners in San Francisco. 1998 will be a significant growth year for ChatSpace as it takes a leadership role in the development of true on-line communities for recreation, commerce and business. ChatSpace is positioned to capture about 14% of all online users as members of its service. As a leading provider of technology for the creation of chat communities on the Internet the Company expects to capture 40% of estimated one million chat communities predicted for the year 2000.

The chat market is becoming increasingly competitive. ChatSpace has a proven product and a forward looking strategy to position itself as the branded leader in solutions for new chat users and startup chat communities. This position, combined with new marketing talent currently being recruited, will insure that ChatSpace maintains a competitive position in virtual communities and social computing, as those impact the consumer and business markets over the next decade.

TECHNOLOGY

ChatSpace has developed proprietary software technology for creating and managing chat. ChatSpace's product features ease of use, and is the only solution that scales from a desktop personal chat system to a large multi-user system (10,000+ users). A unique chat directory system enables chat sites all over the Internet to be merged into a single, easy to use, system that is targeted at attracting new chat users.

MANAGEMENT

Eric Olinger and Steve Niles, the founders of ChatSpace, have the technical knowledge and marketing experience necessary to produce successful commercial software products. Previous to this endeavor, the two founders worked together at one of San Diego's earliest successful software companies. With over 20 years of collective experience in commercial software they have led the development of, and participated in the marketing of, several successful product lines which have produced millions of dollars in revenues.

FUNDING

The company is seeking to raise \$800,000 US dollars in a first round of financing. The funds are to be used to launch the new ChatSpace Directory and further the marketing and development of the current software products. The Company expects to run at a small loss for 1998 and reach profitability in 1999 with a projected pretax profit of \$4 million in 2000 on sales of \$28 million.

CONCEPTUAL DIMENSIONS, INC.

Address: 5226 Caminito Vista Lujo
San Diego, CA 92130
Phone: (619) 794-8416
Fax: (619) 794-8416
E-mail: bbartell@cdimensions.com

Sector: Knowledge Management

Founder/Owner: Brian Bartell, Ph.D.

CORPORATE OVERVIEW

Conceptual Dimensions is a start-up company focused on the problem of information overload in document based knowledge retrieval. Conceptual Dimensions builds and licenses ConceptWare, a patented visualization software. ConceptWare helps users to efficiently find the information they are looking for, by organizing and graphically enlivening the typically overwhelming results of text search.

THE MARKET

The Company has identified and will exploit a niche in the high-growth Knowledge Management (KM) market. Knowledge Retrieval, a KM sub-market with \$500 Million annual revenue and 20% annual growth, has created an opportunity for Fortune 1000 companies. Although these companies are equipped with the essential text filtering software infrastructure, they lack the tools to use this infrastructure to create competitive advantage. ConceptWare fills this niche. Conceptual Dimensions estimates the revenue opportunity at year 3 to be \$5 Million.

PRODUCT AND TECHNOLOGY OVERVIEW

ConceptWare is a suite of products

The **Concept Map** is a patented graphical interface that organizes the hundreds, or thousands, of documents frequently found in text searches. Users interact with a concise, ergonomic, and visually -engaging alternative to the traditional textual lists.

Concept Tags uses codified knowledge to automatically categorize documents based on their conceptual content. Concept Tags products are focused on individual vertical markets, and are built around branded, industry standard category hierarchies (for example, the SIC business hierarchy or the MeSH Medical Subject Headings). Using Concept Tags classification, users can rapidly focus on the few documents of importance in a search result list of thousands of documents.

Strategy

The Company will deliver ConceptWare through reseller partnerships with text retrieval and knowledge management companies. Conceptual Dimensions is in the process of negotiating strategic partnerships with Verity Inc. and Excalibur Technologies. These companies are targeted because they are leaders in the complementary text filtering market, have already established direct sales and OEM channels in Conceptual Dimensions target Corporate 1000 market, and because they distribute enabling, non-competitive technology.

MANAGEMENT

A marketing manager will be recruited.

FUNDS REQUESTED

\$600,000 of seed financing is sought. Investment will be used to develop reseller partnerships and to deliver release 1.0 of Concept Map and a single vertical market Concept Tags product targeted at the pharmaceutical industry.

CYBER MERCHANTS EXCHANGE

Address:	320 S. Garfield Ave. #318 Alhambra, CA 91801	Sector:	Internet Service for wholesalers to sell products to retailers and, for retailers to source merchandise over the Internet.
Phone:	(626) 588.3660	Contact:	Frank S. Yuan, President/C.E.O.
Fax:	(626) 588.3655	Management:	Alan Chang, VP/General Counsel, James Zheng, CTO
E-mail:	frank@c-me.com		
URL:	http://www.c-me.com		

COMPANY OVERVIEW

The Company was founded in July 1996 to find a practical way of bringing electronic commerce over the Internet to the wholesale trade. To that end, the Company has developed the following three-pronged approach towards developing a virtual business-to-business marketplace for the wholesale trade to connect, access product information, and conduct business electronically:

- 1) On-Line Trade Show;
- 2) Internet Sourcing Network; and
- 3) Internet EDI.

THE MARKET

Currently, wholesale trade depends primarily on attendance at trade shows to conduct business. However, trade shows are costly, time consuming, and provide limited support for the ongoing needs of retailers. The other traditional wholesaling approach — making sales calls to personally meet with buyers and show samples, provides limited access. This is especially true for many small and medium-sized manufacturers. Based on U. S. Census Bureau statistics, sales from U.S. apparel wholesale sector totaled \$71.9 billions with approximately 20,000 manufacturers, wholesalers and importers. For the U.S. wholesale sector, the total is approximately \$2.3 trillion in sales with 900,000 manufacturers, wholesalers and importers. We estimate that there are at least 2 million manufacturers and exporters in the Pacific Rim. All of these wholesale trade companies are our target customers.

TECHNOLOGY OVERVIEW

Product-Driven Search Engine - Our database was designed with standard industry categories. As a result, buyers that visit our web site will easily find products by simply pointing and clicking their computer mouse.

FOCASTING (Focused Broadcasting) - Similar to "Push" technology, the FOCASTING software enables retail buyers to create individual web pages filled with only those products/categories that fall within their buying areas.

D.E.P.S. (Dynamic End-user Profile System) - Allows the buyers to independently manipulate (delete, restore, file, . . . , etc.) their own database of products. Also provides independent notification whenever there are new products or close-outs items in their database and allows user to send multiple messages to multiple suppliers. The supplier (content provider) would be able to remotely change, upload and delete any product information they posted.

PRODUCTS

On-Line Trade Show - Located at www.c-me.com, this virtual trade show enables wholesalers and manufacturers to showcase their products. This web site also includes a real time, product-driven search engine that allows buyers to access product information by simply pointing and clicking.

Internet Sourcing Network (ISN) - Company's strategy is to build a private Internet Sourcing Network for major retailers by using its innovative FOCASTING and D.E.P.S. software.

Internet EDI - Incorporating Internet EDI (Electronic Data Interchange) capabilities into the ISN.

STRATEGY/COMPETITION

The Company's strategy is to aggressively develop collaborative partnerships with as many major retailers as possible, by establishing individualized ISN's in return for the retailer's joint cooperation in marketing the ISN. To date, we have successfully signed contracts with Burlington Coat Factory [NYSE:BCF] and General Textiles/FBC Stores (a San Diego based 300 stores retail chain). Burlington Coat Factory has a vendor base of approximately 15,000 vendors and General Textiles has approximately 4,000 vendors. Cyber Merchants Exchange intends to open 8 regional offices in the Pacific Rim to attract the foreign manufacturers who need an affordable way to gain access to these U.S. based retailers. By being the first company to enter into this business, establish strategic partnerships, obtain co-marketing efforts, and open offices abroad, the Company hopes to create an impenetrable barrier to entry.

FUNDS REQUESTED

\$10,000,000. The proceeds will be used to locate foreign strategic partners, setup foreign offices, update computer infrastructure, and Research and Development.

EQUIDYNE SYSTEMS, INC

Address: 11696 Sorrento Valley Road, Suite J
San Diego, CA. 92121

Sector: Medical Devices

Phone: (619) 350-8096

Fax: (619) 350-9726

E-mail: Larry44@worldnet.att.net

COMPANY

A Medical Device Company , 4 years old, privately held.

STATUS

The company has completed the R&D phase, has received FDA 510(k) clearance to market the product in U.S., has two patents approved, is commencing sales at this time, and large Pharmaceutical companies want this product.

MANAGEMENT

The company has a highly experienced team of professional managers and prominent medical doctors. They are experienced with making small high-tech companies profitable and successful.

MARKET SIZE

\$2.2 Billion dollars per year.

CAPITAL NEEDS

Currently need \$2,500,000 to make high capacity molds for disposable medication cartridges and the injector pen, plus marketing and additional engineering costs.

PRODUCT OVERVIEW

Equidyne has developed a "needle-free" medication injector pen that allows for the injection of medicines (shots) without the use of a needle. The injections are painless and offer many advantages to both the patient as well as the caregiver. The use of needles is a hazard due to the potential cross contamination from patient to caregiver. More than one million accidental needle stick incidents are reported every year.

Equidyne Systems' INJEX injector is composed of three components:

- a 4" long by 5/8" diameter injector containing the spring which propels the drug through the ampule
- a small plastic ampule where the drug is loaded and which fits onto the injector
- a separate box which is an injector carrying case and also is the mechanism that cocks the injector spring

In use, the ampule is attached to an adapter (which sits atop the drug bottle) by a twist. The drug bottle is inverted and a plunger inside the ampule is drawn down, bringing the desired volume of drug into the ampule. Next the ampule is removed from the adapter and twisted into the injector. Then the injector safety is released, the ampule tip placed, perpendicularly, against the skin, and the injector trigger depressed. The spring forces the drug through a minute orifice in the ampule tip. The resulting high pressure drug flow penetrates the skin and holds the skin open very briefly until the entire dose is delivered.

An FDA 510(k) pre-market clearance has been received on the INJEX system and two US patents are issued.

For More Information: Contact Equidyne at 1-(619) 350-8096, Larry Petersen or Mr. Richard Battelle.

HOLOMETRICS, INC.

Address: 344 State Place
Escondido, CA 92029
Phone: (760) 743-2747
Fax: (760) 743-3310
E-Mail: johnny-berg@worldnet.att.net

Sector: 3-D Vision Systems
Founder/Owner: Johnny L. Berg
Management: Johnny L. Berg; Richard DuBrule;
Robert Coppola

COMPANY OVERVIEW

Holometrics, Inc. is a start-up company involved in the R&D, design, manufacture and marketing of a state-of-the-art product line of 3-D Vision Systems and electro-optical systems. Holometrics is in the initial production stage of a 3-D Vision System for materials handling applications. We are now testing prototype sensors for measuring the height of liquids in large storage tanks (e.g.- petroleum) or ocean going tankers. In addition, Holometrics has a revolutionary design for a vision substitute for blind or visually impaired persons. We have applied for a patent on our unique 3-D Vision System.

THE MARKET

The Materials Handling market is estimated at 10's of Billion dollars per year. The company's initial target market is the Air Cargo Industry. Our system will allow these air carriers to increase revenues by as much as 25% which is equivalent to \$50M per year for larger carriers. Our five year air cargo sales potential is \$134M given a market share capture of about 35%. Our sales volume is expected to grow by 30% to 50% per year through expansion to foreign carriers as well as markets for robot pick & place, robot guidance and obstacle avoidance, and applications in the nuclear power and automated warehousing industries. The market for liquid level sensors or vision substitute sensors are being , researched, however, both are large.

PRODUCT AND TECHNOLOGY

Laser Radar is the core technology used in our products. We have developed unique optical and electronic designs which allow us to automatically and precisely measure the length, width, height and geometric features of objects within the scan field-of-view. The accuracy's achieved with our system are well beyond those of any competitor. Our unique software allows for automated operations within the materials handling arena. Our software for automatic object identification has demonstrated high performance levels even against partially observable objects.

COMPETITION AND STRATEGY

The Company has a strong, patented, competitive technical advantage in a miniaturized system design which is desensitized to scene reflection variations. We have a 3 year lead on competition. We will continue to implement cost reduction designs in our products which will also improve system reliability and reduce warranty costs. The purchase pay back period is approximately 3-weeks. Our sales tactics will include building five sensor units and placing them with customers for demonstration period of one month - long enough for the system to pay for itself prior to purchase. We are implementing ISO 9001 standards which will improve company operations as well as enhance and support foreign sales.

MANAGEMENT

A COO, marketing/sales Director, and Production Manager will be recruited.

FUNDS REQUESTED

We are seeking \$600K U.S. The proceeds will be used for expanding production, increasing marketing and sales, product up-grades, and operating expenses.

INTERNET PRODUCTS INC.

Address:	8947-A Complex Drive San Diego, California 92123	Sector:	Internet
Phone:	(619) 576-4100	Date Founded:	1991
Fax:	(619) 576-4111	Development Stage:	Established Product Line
URL:	www.InternetProducts.com	Number of Employees:	21

COMPANY OVERVIEW

Internet Products, Inc. is an established San Diego developer and manufacturer of "plug-and-play" Internet servers. Through its flagship product, InterGate®, the Company offers innovative solutions to the education market that dramatically reduce the time and expense required to establish, manage and support Internet access. The result is a combination of compelling technology and diligent customer service that recently earned Internet Products recognition as one of "San Diego's Cool 25 High Tech Companies for 1997" from the San Diego Union-Tribune's ComputerLink.

TECHNOLOGY

The InterGate solution integrates 12 essential Internet services and a point-and-click management interface into a single "plug-and-play" device that simplifies how administrators service and manage their Internet connections. InterGate connects to an organization's local area network and provides services for Electronic Mail, World Wide Web, Domain Name Service, IP Address Management, News, Proxy, Web Caching, Web Site Filtering, Dial-Up, Firewall Security and more. System management is effortless with InterGate's intuitive Web-based interface that lets a single administrator service up to 10,000 users remotely through a Web browser.

PROPRIETARY TECHNOLOGY

Since 1993 Internet Products has applied visionary insight and innovative software development to provide the key technologies that the Internet market requires. The result has been a continuous stream of proprietary software that is copyrighted and held as a trade secret. Some specific examples include our Web-based management interface and the InterGate Upgrade System (IUS), which automatically downloads and applies product enhancements via the Internet. Additionally, Internet Products has developed a filtering technology on InterGate and an extensive Web site database. This technology enables educators to block objectionable Web sites (i.e. pornography, violence, drugs, etc.). Web filtering is supplied through an annual subscription service that provides automatic nightly updates of inappropriate sites directly to customers.

MARKET SIZE

InterGate is targeted at the rapidly growing K-12 and community college segments of the Internet market. Over the next five years public schools will spend \$30 billion on educational technologies. In addition, many grant programs are available specifically for implementing Internet infrastructure, including \$2.25 billion per year from the 1996 Telecommunications Act. The demand to rapidly deploy Internet infrastructure burdens understaffed schools. With approximately 100,000 schools and district offices, the market is wide open for an innovative, turnkey Internet server solution that is easy to install and manage. InterGate was designed specifically to fill this need.

CUSTOMERS

InterGate is marketed primarily in California. Currently, 35% of the County Offices of Education, 13% of the Community Colleges and 6.5% of the School Districts in California use InterGate. Market share will continue to grow as additional schools go on-line.

MANAGEMENT

President and CEO - Farley Stewart holds a Bachelor of Science in Electrical Engineering from the University of California, San Diego and has completed the Fast Trac II executive management course in entrepreneurial leadership. He has over 15 years of broad-based business experience, which includes software development, engineering, international marketing and project management.

Vice President and CTO - Robert Crowe is an expert in operating system development, protocol design and numerous programming languages. He has led software development teams in database, simulation, imaging, speech recognition and advanced TCP/IP network design. His expertise in object oriented and structured design methodologies have resulted in many award-winning products.

USE OF FUNDS

Internet Products is seeking a \$1 million investment to expand sales and marketing efforts to reach primary and secondary schools as well as community colleges across the U.S. Several states with strong growth potential, defined technology plans and established funding have been identified. Investment funds will be spent on a full spectrum sales and marketing program, including public relations, direct mail, trade shows and increased sales staff. Additionally, some funds will be used to accelerate efforts for new products. InterGate is a registered trademark of Internet Products, Inc.

IRVINE BIOMEDICAL, INC.

Address:	2146A Michelson Drive Irvine, California 92612	Sector:	Medical Products
Phone:	(714) 851-3053; Toll Free (888) IBI-9876		
Fax:	(714) 851-3062		
URL:	http://www.ibiep.com/		

COMPANY OVERVIEW

Irvine Biomedical, Inc. (IBI) is founded on the mission to provide the best medical products for improving the quality of life. IBI is located in Irvine, California, one of the world's premier centers of medical device technology. Thus, it has access to many of the top research & development, manufacturing, and marketing & sales organizations here as well as around the world.

PRODUCTS

IBI is concentrating its efforts on catheter related products for cardiovascular applications. The company's major focus is electrophysiology, one of the fastest growing segments of the cardiovascular field. Due to the high potential for new products in this market, IBI's product portfolio will be expanding rapidly.

IBI currently offers the following products:

- Electrophysiology Mapping Catheters
- Electrophysiology Ablation Catheters
- Electrophysiology Radio Frequency Generators

New products are being developed for advanced diagnostic and therapeutic applications in electrophysiology and other cardiology areas.

In addition to our own products, we also offer OEM products in cardiovascular and related fields.

MANAGEMENT

IBI was founded by Peter Chen, Ph.D., Raymond Chia, Ph.D., and Roger Tu, Ph.D. It is a privately held American corporation based in Irvine, California.

Peter Chen has 21 years of experience in medical industry with 8 of those years involved with the development of a wide range of products for electrophysiology. Prior to his involvement in IBI, Raymond Chia had 5 years experience in the cardiovascular products industry and over 16 years of experience in engineering design, project engineering, research as well as directing applied research. For more than 5 years Roger worked for Baxter in various capacities. He has extensive experience with vascular grafts and heart valves. Roger holds a total of 28 U.S. Patents and has authored over 190 medical and biomedical publications.

FUNDING SOUGHT

\$3-5 million

USE OF FUNDS

Expansion of US sales staff, support of ongoing US clinical trial, support of ongoing R&D projects and to launch global marketing programs.

ISOTAG L.L.C.

Address: P.O. Box 670387
Houston, Texas 77267-0387

Sector: Security

Phone: (281) 931-4411

Fax: (281) 931-5454

URL: <http://www.isotag.com>

COMPANY PROFILE

Legal Form: Limited Liability Corporation
Stage of Development: Growth Date
Formed: February, 1995
Funding Sought: \$1-5 Million

COMPANY OVERVIEW

Isotag sells technology to combat product counterfeiting, brand substitution, and theft. Our competitive edge we are able to covertly mark products for authentication with invisible tags or markers that are virtually impossible for counterfeiters to identify or copy.

Existing anti-counterfeiting products such as holograms, color change inks, specialty dyes, etc. are "visible" technologies. Sophisticated counterfeiters can easily copy and add these technologies to their own counterfeit products. The Isotag technologies eliminate this problem.

THE MARKET

Counterfeiting, the creation of exact or near-exact duplicates of currency, passports, works of art, designer perfumes, compact disks, pharmaceuticals, cigarettes, distilled spirits, and virtually an product of value - is an insidious and lucrative worldwide enterprise, robbing manufacturers, governments and national economies of billions of dollars every year. Counterfeit products and piracy is estimated to cost the U.S. economy alone between \$40-60 billion dollars per year. Fortune 500 companies spend an average of \$24 million annually to combat counterfeiting.

PRODUCTS AND TECHNOLOGY

Isotag has two "invisible" technologies to mark and authenticate valuable products. Scientists from Los Alamos National Labs developed both technologies. The first technology employs invisible inks that can be identified exclusively by use of the company's proprietary laser system. The second technology employs extremely low level additions (ppb) of the company's patented "heavy molecular twin markers" directly into valuable liquid and gas products. Isotag can then identify product authenticity by locating the presence of the proprietary tags with sophisticated GC/MS analyses.

Isotag has proven the "molecular twin" technology and added several key customers in 1997 including Sunoco, Shell, Chevron, Baker Inteq, and National Starch. Isotag's laser technology will be tested in early 1998 in distilled spirits and cigarette applications to verify the size of selected customers' counterfeiting problems.

BUSINESS STRATEGY

1. Isotag will continue to key on its "invisible and covert" technologies to become the preeminent source for anti-counterfeit protection in a vast array of markets.
2. The company's pricing strategy is to price on value, not on cost.
3. Direct sales efforts will concentrate on proving the value of selected markets.
4. Joint ventures and marketing agreements, where applicable, will be utilized to more quickly penetrate the vast array of opportunities. For instance, the company currently has a marketing joint venture in pesticides.

The company is expected to reach a break-even cash flow position in early 1998 and current intentions are to take the company public within 2-5 years. Additional funds will be used to expedite marketing efforts in an effort to accelerate growth.

M²NET CORPORATION

Address: 12730 High Bluff Drive, Suite 100
San Diego, CA 92130-2076

Phone: (619) 793-8695
Fax: (619) 793-8691

Sector: Multimedia Communications

Management: D. J. Hill, President and CEO;
M. G. Bunney, COO; J. S. Polentz, CFO;
B. J. Tyler, CTO

COMPANY OVERVIEW

M²Net Corporation is a multimedia network company whose mission is to automate service sector businesses by providing advanced technological tools for decision making assistance. The Company's initial focus is to automate the residential real estate industry through the introduction of M²Net's first product, The DreamVision[®] System, a tool which will revolutionize the residential sales process for buyers, sellers, agents and brokers.

THE MARKET

Multimedia automation, utilizing high speed digital communication tools, computer hardware, software and associated technology, is applicable to multiple service businesses, including personnel relocation, vacation travel, yacht sales, auto sales, antique sales, aircraft sales, commercial property sales and rentals and adoption services. The residential real estate market involves more than 4.2 million existing single family home sale transactions per year, facilitated by approximately 600,000 agents and brokers in 285,000 offices in the continental United States. San Diego County, the Company's first of forty targeted markets to be developed in the next four years, accounts for over 28,000 residential property transactions annually (\$4.6 billion sales volume). M²Net expects to reach \$13.9 million in revenues (conservative Plan projection) within the first four years of operation.

PRODUCT AND TECHNOLOGY

The DreamVision[®] System delivers interactive, full screen, digital video through viewing centers located in subscribing real estate offices connected through a high-speed data transmission network. Each viewing center consists of a television monitor, VCR, color printer and high speed/capacity computer capable of storing up to 2,000 two minute videos and floor plans of "for sale" and "sold" residential properties in the geographic area serviced by the participating realtor. M²Net's first customers - buyers, sellers, agents and brokers - can immediately access the videos using an easy point and click interface. Endless hours driving from property to property are replaced by the comfort of an office enabling a visual "walk through" of homes responsive to a buyers or sellers individual criteria. The result: a dramatically altered process, faster sales, more sales, informed buyers, higher income potential- a more rewarding experience for all. M²Net owns and installs all equipment, implements the communication network, produces all videos, measures the homes, maintains the systems. These services are available to subscribing realtors for a small monthly charge and without any capital investment.

COMPETITION AND STRATEGY

Exhaustive research has identified no comparable on-line, interactive video communication product serving the above identified markets. The nearest "competitor" in M²Net's first targeted market might be identified as the on-line and Internet based Multiple Listing Services and other comparable products. At the present time, Internet technology has not advanced to a point enabling rapid transmission of full screen, full motion video; however, the DreamVision[®] System has been designed to be "Internet ready" providing for immediate implementation upon technology breakthrough. M²Net's proprietary technology, private intranet communication channels, video inventory, capital intensity and first-to-market strategy will limit near-term competition.

MANAGEMENT

A highly experienced management team, including the CEO, COO, CFO and CTO, is now managing all Company affairs. Technical and administrative personnel have been identified and/or are now working for M²Net Corporation.

FUNDS REQUESTED

Six million US dollars. Proceeds will be used for capital equipment and operating expenses to launch the Company's Rancho Bernardo Premier site, complete San Diego County and open the first regional market.

PARADIGM IMAGING GROUP

Address: 3 Corporate Park Drive, Suite 130
Irvine, CA 92606

Phone: (714) 251-1225

Fax: (714) 251-9410

URL: www.paradigmimaging.com

Sector: Engineering Document Management

COMPANY OVERVIEW

Paradigm Imaging Group is an engineering document solutions company whose expertise extends from scanning and conversion services to imaging systems integration and software development. Located in Irvine, CA, Paradigm counts among its clients, companies in architecture, engineering, construction and manufacturing, as well as numerous public agencies at all levels of government. Over the last eight years, Paradigm has grown from 2 to 15 full-time employees and provides services overseas as well as across the US. Company Revenues for 1997 were \$1.2 million dollars and we are on a \$1.5 dollar pace for 1998.

THE MARKET

Engineering Document Management (EDM) is a \$370 million software industry growing at a rate of 30% per year (billion dollar market by year 2001). Advanced Manufacturing Research (AMR) reports that current EDM systems have achieved less than 10% penetration into the potential markets. AMR came to the conclusion the low market penetration is due largely to the high cost of implementation, expensive licensing fees, and products that are difficult to use. Clearly, today's EDM products fail to realize the full potential of this large market and the opportunity is presented for the introduction of a new approach.

PRODUCT AND TECHNOLOGY

Paradigm Imaging Group's flagship product VisualBASE EDM™ is a Windows based engineering document management solution that provides an easy to use, secure environment to store, locate, and manage the vital corporate knowledge contained in engineering documents. VisualBASE EDM™ is a break-through product based on Microsoft's distributed component object model (DCOM). This architecture uses an Object Request Broker (ORB) to organize and associate documents with business objects. VisualBASE EDM™ is designed to be an enterprise wide EDM solution that integrates seamlessly with manufacturing and office applications.

COMPETITION AND STRATEGY

The general strategy for VisualBASE EDM™ is to occupy market spaces left unaddressed by current (EDM) software products:

- Products that eliminate the need for high third-party system integration implementation fees;
- Product Licensing designed to optimize price and performance (buy only the functionality needed);
- Products whose "visual object style" search interface is intuitive enough to be used by personnel with limited computer skills.

MANAGEMENT TEAM

Our seasoned management team has over 75 years of cumulative experience in managing emerging growth technology companies, including such well known successes as Wonderware and Triconex.

Randy Geesman, President and Co-Founder; Cecil Hollingsworth, V.P. Dev. & Co-Founder; Charles Baecker, V.P. of Sales & Marketing; Robert Gill, Chief Financial Officer; Peter Pitsker, Director; Jenny Lee - Development Lead

FUNDS REQUESTED

Paradigm has budgeted the requirements to produce the next version of VisualBASE EDM™, and have determined that we will require \$2.5 million for initial product release. At that time additional funding would be sought for further product development and marketing. Our plan calls for us to become profitable in 2000 and complete an IPO in 2001 with a market capitalization of more than \$150 million.

PENTAMER PHARMACEUTICALS, INC.

Address: 11230 Sorrento Valley Road, Suite 105
San Diego, CA 92121

Phone: (619) 625-8450

Fax: (619) 625-8453

E-mail: info@pentamer.com

URL: <http://www.pentamer.com>

Sector: Biotech

COMPANY OVERVIEW

Pentamer Pharmaceuticals, Inc. is an emerging biopharmaceutical company discovering novel prophylactic and therapeutic vaccines, and gene delivery systems using its enabling technology, NT3, a virus-like particle. The Company's NT3 system is a highly flexible and effective technology that will enable Pentamer to establish itself as a leader in the development of vaccines and gene delivery systems. Initially, Pentamer will focus its technology on the development of a prophylactic vaccine for respiratory syncytial virus, and a therapeutic vaccine and separate gene delivery system for chronic hepatitis B.

TECHNOLOGY OVERVIEW

The enabling technology applied to vaccine development. Pentamer's enabling technology, NT3, is very well suited for the development of prophylactic and therapeutic vaccines. The Company has developed proprietary technologies that display B cell epitopes on the surface of the vector in the proper conformation to generate a humoral response, while presenting T cell epitopes in the proper manner to induce a cell-mediated response. The ability to clear virus by inducing B-T cell cooperation and a strong CTL response with such a system could have profound significance for the prevention and treatment of viral infection. Pentamer will create vaccines that result in long-lasting immunity by inducing antibody and cellular (T lymphocyte) responses as well as mucosal immunity, while remaining non-infectious and completely safe.

MARKET

Pentamer has initiated two vaccine projects, a respiratory syncytial virus prophylactic vaccine and a Hepatitis B therapeutic vaccine. The company is using its gene delivery technology to deliver therapies directly to liver cells in an effort to address chronic Hepatitis B infections.

Pentamer conservatively estimates the worldwide market for a prophylactic vaccine for respiratory syncytial virus to be \$1.84 billion and Pentamer's share of that market to be \$200 million. It is expected that Pentamer's share of the market would grow to \$500 million within five years.

Conservative estimates put the worldwide market for a treatment for chronic hepatitis B to be \$95.05 billion and Pentamer's share of that market to be \$960 million.

Other potential projects include parainfluenza virus, other hepatitis viruses, rotavirus, HIV, cancer, arthritis, multiple sclerosis and diabetes.

MANAGEMENT

Stephen G. Hall, Ph.D., President and Chief Scientific Officer (Ph.D., Purdue University); Paulo Rangel, Interim CEO, VP of Business Development and Finance (M.B.A., Duke University); Georg Widera, Ph.D., Director of Immunotherapy (Ph.D., University of Braunschweig, Germany); Marc Nasoff, Ph.D., Director of Molecular Biology (Ph.D., University of Maryland)

PHOTOSPIN

Address:	29916 South Hawthorne Blvd. Rolling Hills Estates, CA 90274	Sector:	Royalty Free Digital Images
Phone:	(310)265-1313	Management:	Stephanie Robey, Pres./Mkg.; Val Gelineau, CEO/Content; David Robey, Director , Technology; Sales & CFO to be recruited
Fax:	(310)265-1314	Founders:	Stephanie; Val Gelineau; David Robey
E-mail:	val@photospin.com		
URL:	www.photospin.com		

COMPANY OVERVIEW

PhotoSpin is a California Corporation focused on becoming the leading Royalty Free Digital Image (RFDI) provider by the year 2001. Founded in 1994, the company has developed products for MetaCreations, under its MetaPhotos' and KPT Power Photos' brand names. PhotoSpin has a proven record of success, industry knowledge and technical expertise in this area. Currently, PhotoSpin has distribution in 25 countries and is scheduled to launch 16 new products under the PhotoSpin label in March, 1998. The company will have 63 products by year end.

THE MARKET

The traditional stock photo market has historically been the dominant portion of the image market. Eighty percent of this business is for such applications as brochures, magazines, catalogs, newsletters and the like. The RFDI market was estimated at only 7.5% of that market in 1996, but traditional stock companies have stated that they are seeing a major shift towards royalty free digital images occurring in this core segment of their business. PhotoSpin's products are built for the end-user. Each image meets or exceeds the current technical standards specified by the market. We believe that the increased ease of use and the time saving features in images offered by the PhotoSpin products will likely set a new standard in the market without even considering the improvements in quality. The Company's long term objective is to build a family of image products that will establish it as an industry leader. These products are expected to generate revenues that exceed \$60 million annually, within five years and make the company solidly profitable in two years. Management believes that to achieve this, it needs to aggressively pursue a two medium delivery strategy. It must become a leader in the CD-ROM market, which is the dominant current delivery mechanism for RFDI and have a fully functional Web site that will allow the ordering of CDs or the downloading of images from an on-line catalog. This Web site will also be instrumental in building a community of RFDI artists which will establish the PhotoSpin brand.

PRODUCTS AND TECHNOLOGY

The company will launch its first series of 15 titles, its Portfolio catalog and its Web site on March 16th, 1998, at Seybold, in New York. This announcement was made along with the launch of the Digital Imaging Group: a consortium of over thirty companies who have announced active support for the FlashPix format and will promote its broad acceptance, including, Microsoft, Kodak, IBM, Hewlett-Packard, Epson, Adobe and Live Picture. With this announcement, PhotoSpin became the first company to launch royalty free digital images in the new format. PhotoSpin will continue to release 15 new titles ever 4 or 5 months based upon major trade show dates. At this rate of growth, PhotoSpin will achieve the stated objective of market leadership by 2001.

COMPETITION AND STRATEGY

PhotoSpin was founded to fulfill the increasing need for convenient, quality, digital images that have built in time saving features and don't require negotiating a usage fee. The company will reach its stated goals by using current technology that their competitors are unable to adapt due to the restrictions of JPEG compression.

DISTINCT PHOTOSPIN ADVANTAGES

- **Alpha Channels** and clipping paths make object images easy to use. The tedious task of removing the background has already been done.
- **Transflectance™** channels and clipping paths. These features significantly increase the usability of our products over other products on the market today;
- **FlashPix** is a revolutionary new file format that makes working with digital images faster and while requiring significantly less in system resources, such as memory, hard drive space and processing power.
- **Time, money and exclusivity** are the factors the professionals consider when determining where to get their images. RFDI products grant the purchaser an almost unlimited right to use an image without the cost or hassle of negotiating future use and payment.

FUNDS REQUESTED

PhotoSpin anticipates that total second round equity funding of \$1.5 million will be required to achieve its objectives. These funds will be used to (1) hire quality people and continue to build the infrastructure for development and growth; (2) develop and release 60 additional titles during 1998; (3) build inventory and launch effective advertising and public relations campaigns; and finally (4) repay a \$100,000 short term loan from an equity seed capital investor, who will maintain their initial equity stake.

POINT LOMA INDUSTRIES, INC.

Address:	3252 Holiday Ct., Suite 221 La Jolla, CA 92037	Sector:	Healthcare Information Systems (HIS)
Phone:	(619) 554-1225	Founder/Owner:	Leonard F. Buchanan, Ph.D.
Fax:	(619) 554-1230	Management:	L. F. Buchanan, Pres. & CEO; J.L. Christensen, Dir. of Engineering; Wm. L. May, Dir. Admin. and Finance
E-mail:	Pli@inreach.com	Advisory Board:	Larry Baraff, M.D.; Dan Masys, M.D.; Pat Wahl, Ph.D., Janet Rogers, Ph.D.

COMPANY OVERVIEW

Point Loma Industries, Inc. (PLI), has developed a unique Real-Time Expert Clinical Decision Support System that emulates physician and nurse: The system has been successfully Beta-tested at both a Military Medical Facility and at ScrippsHealth. PLI is now ready to commence an aggressive Marketing Program.

THE MARKET

The Primary Market includes the 6,4000+ Commercial and Government Hospitals, 122,500 Physician Clinics, and 12,6000 Skilled Nursing Facilities/Nurse-Run Clinics in the United States. The International Market will be addressed after first establishing PLI in the U. S. Market.

PRODUCT AND TECHNOLOGY

We have developed a Real-Time Expert Decision Support System that:

- *Emulates the physician and nurse* by providing protocols and standards of care at the point of care in real time. *This is our "unfair competitive advantage."*
- Deals with *specific data about each patient at each and every encounter* (all other known systems under development deal with averages — average success ratios, etc.).
- Deals with *co-morbidities in an analogous manner to healthcare providers* (competitive systems deal with a single morbidity care plan).
- Provides a *paperless office that gives the doctor an extra 1 to 2 hours per day* to spend with patients rather than paperwork (Pay back in less than 6 months).
- Dramatically *reduces malpractice liability* since Standards of Care are presented to caregiver each and every time and documentation is complete.

COMPETITION/STRATEGY

PLI believes that no other company has a Real-Time Expert Clinical Decision Support under development that will provide the *unique* features described above. It is expected, however, that other Real-Time Clinical Decision Support Systems (systems that deal in "averages" and "single morbidities") will be available from a very few integrated HIS system manufacturers and niche suppliers within the next one to three years.

The Company plans to market their product directly to the Physician Clinics and Skilled Nursing Facilities/Nurse-Run Clinics, and to the Hospital/Acute Care Centers through partnership with one or more HIS or Physician Practice Management (PPMG) groups. We have \$5 million (\$2M past, \$3M future) from the government to develop a system that applies expert system technology to healthcare, and we expect to supply a Real-Time Expert Decision Support subsystem to government HIS updates for their 200+ hospitals in 1999 and beyond. We own all intellectual property.

MANAGEMENT

CEO and Director of Engineering are in place. Upon closing of funding a "deal-closer" with major Healthcare experience will be hired as Vice President, Sales and Marketing.

FUNDS REQUESTED

Three and one-quarter million (\$3,250,000). The proceeds will be used for Sales and Marketing, Engineering, Knowledge Base Development, Working Capital, and a possible Acquisition.

PROJECTED SALES AND PROFIT MARGIN

We project revenue growth over the next three years from \$3.7 million to \$20.9 million with a profit margin of 34% in the third year.

VIRTUALLY MUSIC

Address:	2445 Fifth Avenue Suite 401 San Diego, CA 92101	Sector:	Internet
Phone:	(619) 232-0062	President/CEO:	Martin Walfisz
Fax:	(619) 232-0069		
E-mail:	info@v-music.com		
URL:	www.v-music.com		

COMPANY AND BUSINESS OVERVIEW

Virtually Music ("VCC") is an internet media company founded in 1994 and based in San Diego, California. Virtually Music seeks to capitalize on the growing need for local music by assisting local artists to promote their music via the internet.

VCC's main revenue streams are: **1)** Regionally based city music guides supported by advertising revenue, promotion, and product sales. **2)** Internet and Intranet Website Development and **3)** Real Audio digitizing and hosting.

WHAT TYPE OF INVESTOR IS VMUSIC LOOKING FOR?

Based on experience and research in the music industry, Vmusic believes that businesses or individuals from the music and entertainment industry are a most appropriate fit for our business model. Because Vmusic promotes and nurtures local music, Vmusic sees a partnership with a national record label as most synergistic. Such a record label would most benefit from the large database of local artists and local music that Vmusic possesses by using Vmusic as both a farm program and an outlet to promote their artists.

Intellectual Property. Vmusic owns a license for the use of the registered trademark "Virtually" on the internet and future versions of the electronic commerce in three trademark classes. (serial number: 2,023,138). Vmusic also owns the internet domain name: <http://www.v-music.com>. All three Vmusic revenue streams are protected by the trademark.

PRODUCT AND TECHNOLOGY

VCC utilizes available internet programming technologies such as HTML, C++, PERL, CGI, and JAVA to produce the Virtually® guides. The same technologies are used when constructing internet or intranet products for our clientele. Virtually Music San Diego has been in existence for 3 years and draws over 25,000 viewers per month. Virtually Music's guides can be accessed by anyone with an internet connection via an internet service provider or online service.

THE MARKET

The primary market consists of two groups. 1) Internet users interested in local music and 2) Businesses and corporations desiring to advertise to the entertainment market and conduct business online. There are currently between 50 million users worldwide on the internet. In 1996, \$300 million USD were spent on advertising and product sales on the internet. This number is expected to grow to \$5-7 billion USD by the year 2002, a **twentyfold** market size increase over the next five years. The number of internet users is expected to grow to over 100 million users by the year 2000. (Source: Jupiter Communications)

STRATEGIC DIRECTION

Vmusic plans to expand the Vmusic product line nationwide by 1999 in order to become one of the premier regional guides on the internet. Virtually plans to expand using a combination of these three strategies or a combination of the establishment of Local affiliates in each region Virtually plans to represent, partnership with a nationwide/international record label or entertainment oriented corporation to fund the nationwide rollout, and a second venture round of \$8-10 million to fund the larger rollout.

MANAGEMENT TEAM

Neil Greer, President and CEO, M.S., Management and International Business, SDSU; Michael Breen, CTO, BSEE, University of California at San Diego, 15 years Systems Administration, Programming experience; Sean Simpson, BS Computer Science, New Mexico State University and University of California at San Diego, Artificial Intelligence, Neural Networks, Database Programming.

FUNDING SOUGHT

Vmusic is seeking up to \$ 1,000,000 in seed capital in order to become one of the premier region based guides on the internet and to prepare for a larger round of \$8- 10 million USD.

VITAGENIX

Address:	2417 Sagebrush Court La Jolla, CA 92037	Sector:	Biotechnology
Phone:	(619) 551-0050	Founder/Owner:	Wilfried Seifert, Ph.D.
Fax:	(619) 551-0050	Management:	Wilfried Seifert, Ph.D.

COMPANY OVERVIEW

Vitagenix is a start-up company focusing on gene-specific drugs known as oligonucleotide therapeutics or antisense drugs in major new areas of application. We have a strong platform of inventions and filed patents in this field and will apply our innovative technology to new areas of application with huge market potential.

Vitagenix intends to focus on three markets. First, our company will develop oligotherapeutics for neurological diseases, with Alzheimer's Disease as major indication. The second area for our oligotherapeutics will be bacterial diseases, with an emphasis on antibiotic resistant bacteria which are becoming a major problem for several diseases worldwide. We believe that Oligo Antibiotics™ will be the new antibiotics of the 21st century. The third area for our oligonucleotide technology is the stimulation of hair growth by the inhibition of a specific protein involved in the pattern of male balding.

THE MARKET

An estimated 20 million people suffer from Alzheimer's Disease worldwide. More than \$600 billion are spent per year. The market for bacterial diseases is in the billion dollar range. The hair growth/baldness market is of similar size.

PRODUCTS AND TECHNOLOGY

Oligotherapeutics represent a revolutionary new type of rational drug design, based on our increasing knowledge of gene sequence information and the involvement of specific genes in disease processes. Our new core technology involves, for example, chemical modifications of oligonucleotides for improved delivery and uptake. Vitagenix is targeting new areas of applications for gene-specific oligotherapeutics.

COMPETITION

The company will be a leader in the field of oligotherapeutics for neurological diseases, for bacterial diseases (Oligo Antibiotics™), and for stimulation of hair growth (Oligo Cosmetics™). Vitagenix is inventing new technology with improved chemistry which will give the company a strong competitive advantage.

MANAGEMENT

A research team has been identified; additional personnel will be recruited as needed.

FUNDS REQUESTED

Two million US dollars (\$2,000,000) for the first two years (1998/1999):

- \$0.5 million for the Alzheimer Project
- \$1 million for development of Oligo Antibiotics™ (bacterial diseases projects)
- \$0.5 million for Oligo Cosmetics™ (hair growth project)

The proceeds will be used for research and development, rent of office plus lab space, salaries and operational plus legal costs. Total projected costs for five years is \$20 million. Vitagenix expects to enter licensing deals or strategic partnerships with pharmaceutical companies for some projects after two years and plans to go public later.

CONNECT CALENDAR OF EVENTS

1998

UCSD CONNECT Technology Financial Forum CONNECT Calendar of Events

Nurturing the San Diego Business Community

- April 6-27 *Course: How To Market a High-Tech Company*
UCSD, four meetings, one evening per week
- May 27 *Evolving Markets & Marketplaces in Telecommunications*
Co-sponsored with the San Diego Venture Group
Sheraton Grande Torrey Pines
- June *Going Public in the IPO Market of the 1990s*

For further information about any of these programs, please contact CONNECT at (619) 534-6114; fax (619) 552-0649; or see our website at:

<http://www.connect.org/connect>

CONNECT produces a **weekly newsletter** which provides up-to-date information about our members and sponsors, as well as policies and issues affecting the high-tech and biotech industries. If you would like to receive this newsletter, please send your email address to tmhahn@ucsd.edu. This newsletter can also be viewed on a weekly basis on our website.

CALENDAR OF EVENTS

- August *Springboard Luncheon*
- Nov. 17-19 *UCSD CONNECT Biotechnology/Biomedical
Corporate Partnership Forum*
Sheraton Grande Torrey Pines
- December 16 *1998 Most Innovative New Products Awards Luncheon*
Hyatt Regency La Jolla



CONNECT[®]

The UCSD Program in Technology and Entrepreneurship

UCSD CONNECT
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LA JOLLA, CA 92093-0176
PHONE: (619) 534-6114
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WEBSITE: <http://www.connect.org/connect>