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April 14, 2005
Sheraton San Diego Hotel & Marina – West Tower
7:30 a.m. – 6:00 p.m.

April 14, 2005

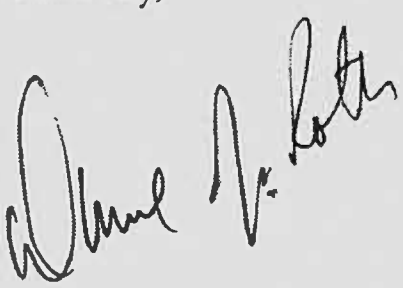
Welcome CONNECT Supporters and Friends:

On behalf of CONNECT, I am pleased to welcome you to the 2005 Life Sciences & High-Tech Financial Forum. We're proud to celebrate 21 years of this program's success in helping entrepreneurs raise venture funding by connecting them with the venture capital and investment communities. Today we'll showcase two dozen life science and high-tech companies that represent San Diego's diverse landscape of technology including biotechnology, medical device, pharmaceuticals, agricultural technology, software, telecommunications and mobile imaging.

The companies selected to present today passed a rigorous screening process conducted by the Financial Forum Advisory Committee. This committee, comprised of over 50 San Diego business leaders, spent countless hours reviewing applications and business plans as well as coaching the presenting companies in preparation for today. The time and expertise of these individuals is crucial to the success of the Financial Forum program and CONNECT thanks these individuals for generously donating their time.

CONNECT would like to offer a special thanks to our program sponsors, including our Lead Sponsor Morrison & Foerster LLP and Corporate Sponsors IBM, Merck Research Laboratories and Roth Capital Partners, for supporting our efforts to bridge the gap between San Diego entrepreneurs and the investment community. I hope you enjoy today's program and look forward to your participation in future CONNECT events.

Sincerely,



Duane Roth

Executive Director, CONNECT

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Agenda

7:00 a.m. Registration Opens

8:00 a.m. Welcome and Introduction:
Bel Aire Ballroom North - Life Sciences: Duane Roth, Executive Director of CONNECT
Bel Aire Ballroom South - High-Tech: Martha Dennis, Venture Partner of Windward Ventures

8:05 a.m. Opening Remarks

8:15 a.m. Inventors' Breakfast Presentations

Bel Aire Ballroom North	*Bel Aire Ballroom South*
Dr. Judith L. Swain	Prof. Larry Smarr

9:20 a.m. Company Presentations

Bel Aire Ballroom North	*Bel Aire Ballroom South*
Advanced Brain Monitoring, Inc.	U.S. Techlab, Inc.
Somaxon Pharmaceuticals	Dial4snax Wireless Solutions
Astral Therapeutics	Streamload
Orphagen Pharmaceuticals	Rhevision Technology
AndroScience Corporation	

10:40 a.m. Morning Break

11:00 a.m. Company Presentations

Bel Aire Ballroom North	*Bel Aire Ballroom South*
iDiverse, Inc.	Sicommnet
NovaCardia, Inc.	Zoom Systems
ACEA Biosciences	Sicommnet
RegeneMed, Inc.	FinanCenter, Inc.
TheraPei Pharmaceuticals	Incisix Inc.
	CineForm, Inc.

12:20 p.m. Lunch and Keynote Address – Fairbanks Ballroom

1:10 p.m. ***Fairbanks Ballroom (during lunch)***
Keynote Speaker – Dr. Paul S. Kedrosky, William J. von Liebig Center at the Jacobs School of Engineering, UCSD.

2:20 p.m. Company Presentations

Bel Aire Ballroom North	*Bel Aire Ballroom South*
Allylix, Inc.	
Tissue Repair Company	
Proveri Inc.	
PhiloMetron	
Molecular Profiling Institute	

3:50 p.m. Close of Presentations

4:00 p.m. Exhibit Hall Reception

6:00 p.m. Close of Exhibit Hall Reception

Keynote Speaker

Dr. Paul S. Kedrosky,
Academic Director, William J. von Liebig Center, Jacobs School of Engineering, UCSD

Dr. Paul Kedrosky is an award-winning academic, lecturer, and columnist. He is currently the Academic Director of the William J. von Liebig Center at University of California, San Diego, which commercializes Jacobs School of Engineering technologies with $10-million in private seed capital. He is also the host of "Profiles in Innovation", a television program seen across California on UC-TV, as well as on the Dish Network worldwide.

Dr. Kedrosky has appeared on many media outlets, including CNN, CNBC, PBS Newshour, ABC Nightline, and the New York Times. He writes a weekly column for the National Post in Canada, and his columns have also appeared in the Economist, the Wall Street Journal, the Brookings Institute, and Forbes.

Dr. Kedrosky founded the technology equity research practice at HSBC James Capel (Canada), one of the world's largest investment banks. Transactions with which he was involved created in excess of ten billion dollars in public market value.

Dr. Kedrosky is also a venture partner with Ventures West, Canada's largest institutional venture capital firm. Ventures West has more than a $700-million of capital under management, and recently closed its eighth fund at $250-million. He also consults regularly for other venture capital firms and pension funds in the U.S. and Europe.

Dr. Kedrosky divides his time between San Diego, California, and Vancouver, British Columbia.

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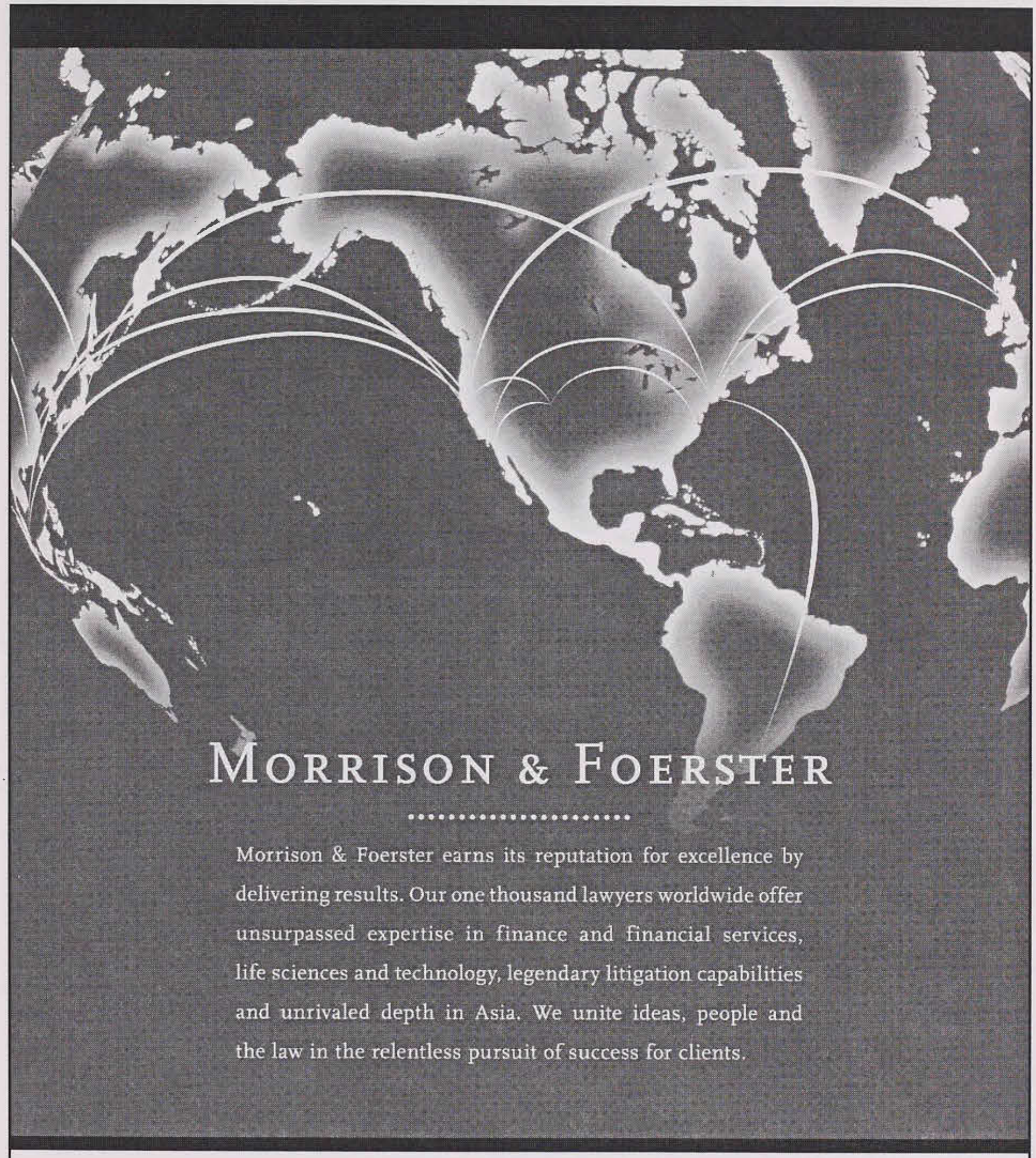

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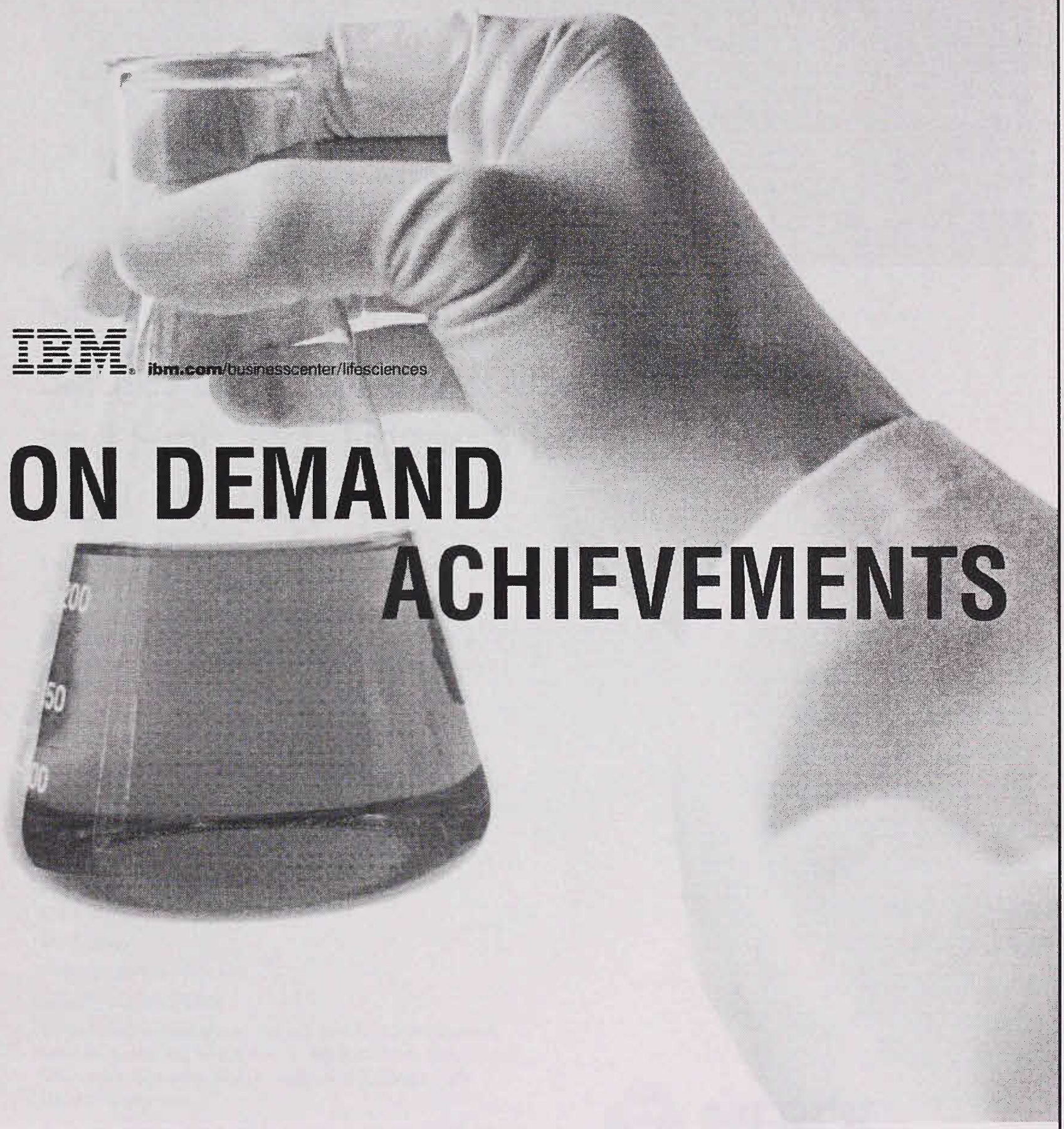

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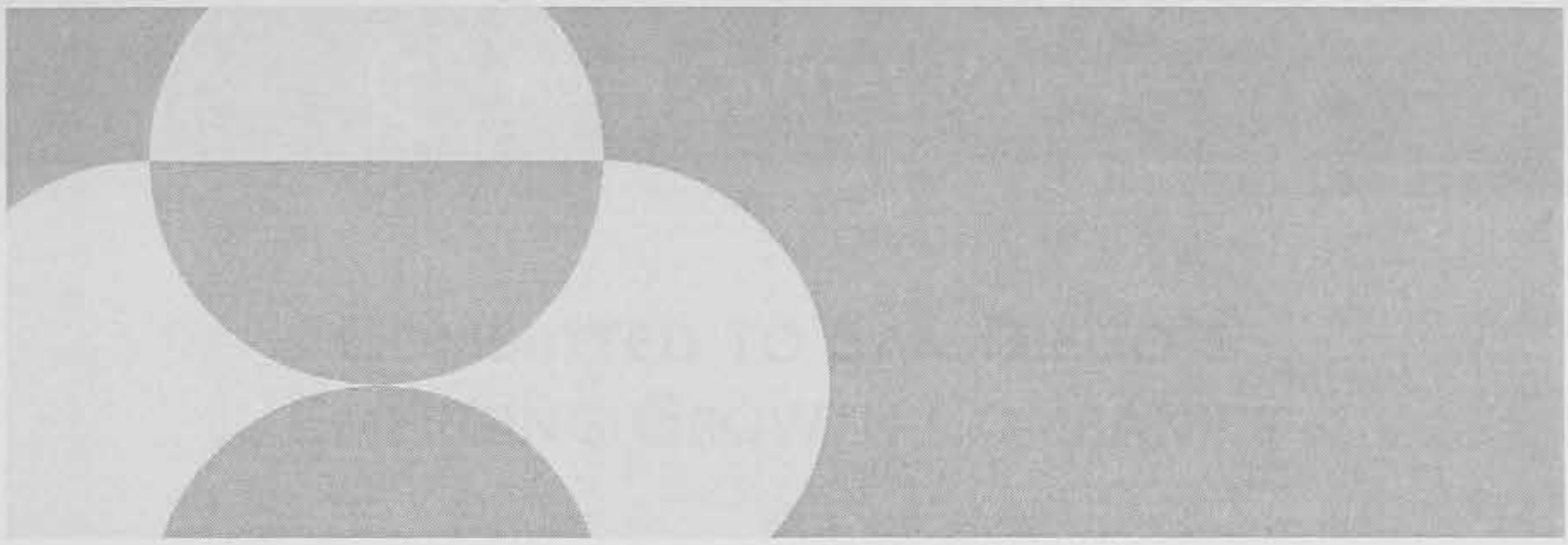

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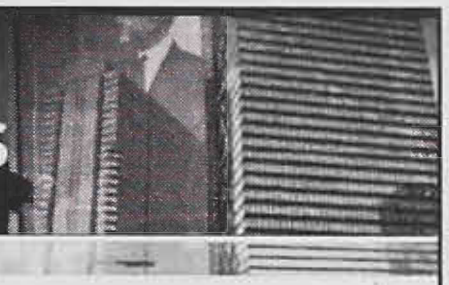

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$10,050,000 Sorrento PIPE January 2004	$14,000,000 ntn REGISTERED DIRECT January 2004	$6,356,000 Sorrento PIPE December 2003	$69,751,500 provide-commerce IPO CO-MANAGER December 2003	$40,250,000 Kintera IPO CO-MANAGER December 2003
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Vice President, Communications
San Diego Tech Coast Angels
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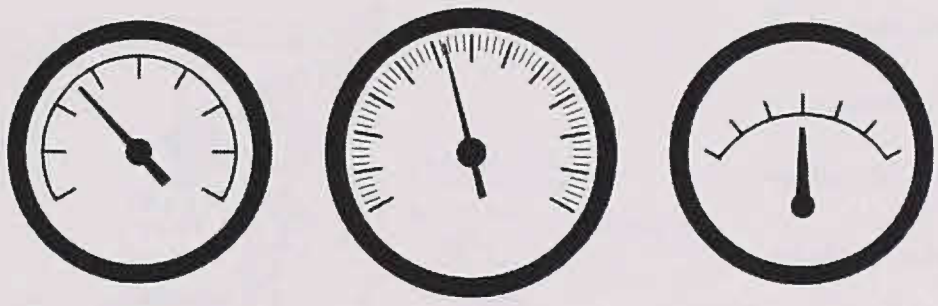

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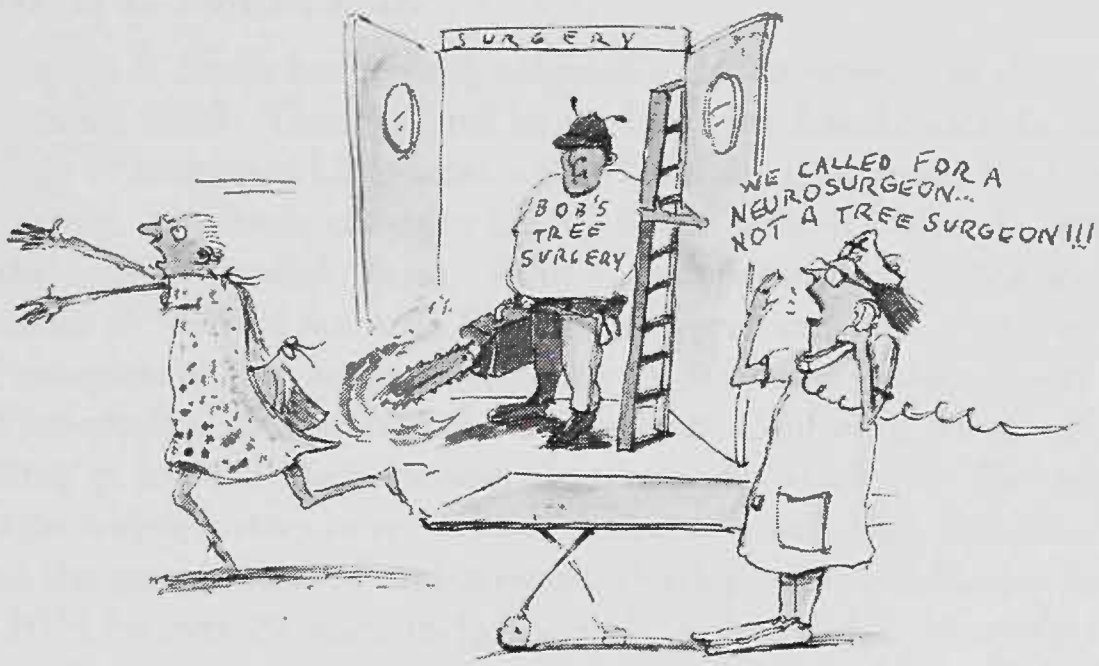

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Inventors' Breakfast Speaker Profiles

JUDITH L. SWAIN, M.D.

Dr. Judith L. Swain has recently accepted a faculty position at the University of California, San Diego beginning September, 2005. There she will be the Dean for Translational Research and the Founding Director of the College of Integrated Life Sciences (COILS). She is currently the George E. Becker Professor at Stanford University. Dr. Swain comes to UCSD from Stanford University after serving as Chair of the Department of Medicine there for eight years. Prior to her appointment to Stanford in 1997, she was the Herbert C. Rorer Professor of Medical Sciences, Professor of Genetics, and Director of Cardiovascular Medicine at the University of Pennsylvania. Dr. Swain received her undergraduate education at the University of California, Los Angeles, and her medical education at the University of California, San Diego, before moving to Duke University for training in Internal Medicine and Cardiovascular Medicine. She then joined the faculty at Duke where she became widely known in the field of molecular cardiology, and pioneered the use of transgenic animals to understand the genetic basis of cardiovascular development and disease. She held continuous research funding from the NIH for over 20 years, including an NIH M.E.R.I.T Award for her work on the developmental biology of the cardiovascular system. Her current research interests are centered on the regulation of vascular growth, and on assessing and enhancing human performance. She is currently Co-Director of the NASA National Center for Space Biological Technologies.

Dr. Swain has served in a number of national leadership roles, including president of the American Society for Clinical Investigation and Director of the US/Russia Cardiovascular Biology Program at the NIH. She has served on the NIH Director's Standing Committee on Clinical Research, the NIH National Advisory Research Resources Council; the strategic planning committees for the National Heart, Lung, and Blood Institute and the National Research Resources Council; and the NRC Commission to evaluate the organization of the National Institutes of Health.

She has served as a member of the NRC Committee on Space Biology and Medicine of the Space Studies Board, and the Technology Summer Study Panel of the Defense Science Board. She currently serves as a member of the Defense Science Research Council of the Defense Advanced Research Project Agency (DARPA), and the Board of Army Science and Technology of the National Research Council. Dr. Swain has also served on international advisory committees including the International Advisory Committees of the Wellcome Trust, British Heart Association, and UK Medical Research Council. She currently serves on the International Advisory Panel for Graduate Education of the Singapore Agency for Science, Technology and Research, and as a Director of the American Board of Internal Medicine (ABIM). She serves or has served in leadership roles in organizations including the American Heart Association, the American College of Cardiology, and the Donald W. Reynolds Foundation, the Burroughs Wellcome Fund, the Doris Duke Charitable Foundation and the Pasarow Foundation. She has also served as a director or member of the scientific advisory boards for a number of companies, and is co-founder of Synecor, LLC a medical device incubator company.

Dr. Swain has been elected to a number of honorary societies including the Association of American Physicians, the American Society for Clinical Investigation, the Association of University Cardiologists, the American Clinical and Climatological Society, and the Institute of Medicine.

LARRY SMARR

Larry Smarr is director of the California Institute for Telecommunications and Information Technology and the Harry E. Gruber professor in the Jacobs School's Department of Computer Science and Engineering at UCSD. Smarr is Principal Investigator on the NSF OptIPuter LambdaGrid project and is Co-PI on the NSF LOOKING ocean observatory prototype. As founding director of the National Center for Supercomputing Applications and the National Computational Science Alliance, Smarr has driven major contributions to development of the national high-performance computing infrastructure, the Internet, the Web, the emerging Grid, and scientific visualization. His views have been quoted in the New York Times, Wall Street Journal, Time, Newsweek, Fortune, and Business Week, and he gives frequent keynote addresses at professional conferences and to popular audiences. He was a member of the President's Information Technology Advisory Committee and serves on the Advisory Committee to the Director of the National Institutes of Health and the NASA Advisory Council. He serves as chair of NASA's Earth System Science and Applications Advisory Committee and will become the first chair of the newly formed NASA Science Advisory Council.

Presenting Companies
(In Order of Presentation)

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Life Science Presenting Companies

Advanced Brain Monitoring, Inc.

Company Overview:

Advanced Brain Monitoring, Inc. is the first company to address sleep apnea, memory dysfunction, and alertness monitoring with instrument systems that combine laboratory level accuracy with the portability, ease of use, and low cost of consumer electronics. Patients with conditions targeted by the Company's products total over 110 million people in the U.S. alone, and the vast majority have not been assisted diagnostically. Advanced Brain Monitoring systems make widespread use by physicians, dentists, industrial/transportation companies, and consumers possible. The Company's products offer solutions to the problems of workplace, fatigue, diagnosis of sleep and neurological disorders, and evaluation of pharmaceuticals. Advanced Brain Monitoring's enabling technologies can be integrated into numerous products with multiple applications and markets.

Product/Technology Description:

The patented Apnea Risk Evaluation System (ARESTM) is an accurate, inexpensive and easy to-administer in-home diagnostic procedure for obstructive sleep apnea. The ARES incorporates measurement of blood oxygen levels, pulse rate, head movement and position, nasal airflow, snoring, and disease risks (via questionnaire), and then uses expert, proprietary software for analysis. All physiological data is acquired during sleep by the ARES Unicorder, a small, lightweight, wireless unit, applied by simply securing it to the forehead with an elastic headband. Production lots of the system have already been manufactured, and a multi-site clinical trial of over 280 patients established ARES as an accurate and reliable alternative to laboratory sleep studies. The ARES received FDA 510k clearance in October 2004 and its CE Mark in February 2005.

Advanced Brain Monitoring's second product, the AMP (Alertness and Memory Profiler), features a patented wireless EEG monitoring system that enables portable, user-friendly assessment of the brain's electrical activity. The AMP simultaneously acquires data on brain function and performance during vigilance, attention and memory tests to quantify impairment and to measure fitness for duty at work. It is easily administered in a clinic, home, or a workplace using portable hardware and software technologies. A study of 200 obstructive sleep apnea patients, evaluated pre-treatment and 2, 4, 8 and/or 12 weeks post-treatment, established the AMP as a convenient method for assessing the effectiveness of CPAP therapy in ameliorating the alertness and memory deficits associated with obstructive sleep apnea.

Alternatively, the EEG systems allow for continuous real-time monitoring of alertness and workload while users are engaged in normal activities. This provides the capability of monitoring a person in real time to ensure safety and effectiveness in military operations or other high-risk occupations. When combined with intelligent feedback and computer interfaces, these technologies can significantly improve safety and increase productivity in the workplace. Advanced Brain Monitoring obtained the CE Mark for the EEG system in February 2005 and anticipates filing for FDA clearance in March 2005.

Company Profile:

Address:
2850 Pio Pico Dr. Suite A

Forum Participants:
Chris Berka
Caitlin Ramsey

Phone:
(760) 720-0099

Fax:
(760) 720-0094

Sector:
Medical Device; Healthcare

Homepage:
www.b-alert.com

Legal Form:
California C Corp

Amount of Capital Raised:
$7 million Government Grants, $500,000 Angel Investment

Date Established:
1997

Funding Sought:
Up to $8 million Series A

Number of Employees:
18

Current Investors:
Angel Investors, Friends & Family

Stage of Development:
Initial Commercialization

Industry Overview:

Advanced Brain Monitoring is focusing on Obstructive Sleep Apnea (OSA), a condition that causes repetitive episodes of obstructed breathing during sleep, fragmenting sleep and resulting in daytime drowsiness, memory loss, decreased productivity and impaired quality of life. About 40% of the adult population snores, putting them at risk for OSA, and an estimated quarter of those have significant OSA. OSA increases risk of heart attacks, stroke, diabetes and hypertension, and undiagnosed apnea patients spend twice as much on healthcare, adding $2,000/patient/year to employer healthcare costs. Studies conducted worldwide have consistently shown that undiagnosed OSA patients are 3-5 times more likely to be involved in accidents at work, at home, and on the road at an estimated cost of $16 billion a year in the U.S. Fortunately, OSA is treatable with multiple proven technologies. In addition, new device and drug interventions currently in development should increase the number patients willing to be diagnosed for OSA.

The potential market for diagnosing OSA is significant. Despite the consequences and high prevalence of OSA, an estimated 90% of patients remain undiagnosed and untreated. The National Sleep Foundation estimates that there are 18 million undiagnosed sleep apnea patients in the U.S. alone. One of the reasons for the failure to diagnose is that the "gold standard" laboratory sleep studies are cumbersome, expensive, time consuming and uncomfortable. The in-home systems that have been introduced are difficult to apply and remain costly. Although primary care physicians have many patients whose main complaint is fatigue that could be related to OSA, they are often reluctant to refer patients for expensive sleep studies. Even when the referrals are made, individuals are often unwilling or unable to go to the sleep lab.

Advanced Brain Monitoring is introducing a suite of products that identify the presence and severity of OSA and quantify the daytime consequences of OSA including drowsiness and memory loss. The information can be used to select the optimal treatment and to evaluate the effectiveness of treatment. Advanced Brain Monitoring chose the highly prevalent, underdiagnosed OSA as the first targeted disease state, but its systems have applications to a wide range of diseases including Alzheimer's, head trauma, stroke, and other sleep and neurological disorders.

Competition:

Competition for the ARES consists of traditional sleep study laboratories and in-home devices. The sleep laboratories are constrained by capacity limits of trained personnel and beds, and are priced at 5 times the ARES. The in-home suppliers are focusing on increased scope of service, demand building, and market penetration, rather than trying to alter the capability/value characteristics of their products. Consequently, management believes that they are vulnerable to the ARES combination of superior ease of use and lower cost.

The investigators are unaware of any other systems that integrate simultaneous EEG and neurocognitive assessment with automated analysis similar to the AMP. The Multiple Sleep Latency Test (MSLT), the current "gold standard" for physiological assessment of alertness, must be conducted in a sleep laboratory and is expensive, time-consuming, and technically complex. Lab-based EEG systems cost $50,000 to $100,000, require skilled technicians to operate, and are A/C powered and immobile. Several companies sell portable EEG units but do not offer easily applied sensor headsets or software to decontaminate artifacts or to classify alertness and workload, limiting utility. The AMP is easily administered in a clinic, home or workplace using portable hardware and software technologies. These innovations support delivery to widespread geographic settings and facilitate testing of large populations. The costs of implementing the AMP are 3 to 7 times less than the costs of equipment and labor required for conventional neuropsychological and laboratory EEG tests. AMP reports quantify alertness and memory in comparison to a normative database. The database can provide trends, statistics and demographics of the studied populations.

Distribution/Marketing Plans:

The Company plans to use a combination of selected distribution partners, licensees, and direct sales to reach target market.

Fifth Year Revenue & Earning Projections:

Management projects revenues in excess of $80 million in five years from the sale of hardware, disposables, software, and report services. With gross margins projected at greater than 80%, the Company expects to be cash flow positive in less than three years. It expects to do this on an annualized revenue base of $12 million. At that point it will be able to self-fund the base level of revenue expansion. Thus, most product development risk and expense in this investment opportunity has been by-passed, and the company is in a position to generate revenue rapidly.

5-year projected revenue, EBIDA, capital requirements and number of employees.

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue ($000)	842	12,324	37,957	57,382	81,961
EBIDA ($000)	(3,736)	(753)	6,141	6,432	9,788
Capital Requirement ($000)		4,000	4,000		
# Employees (US & Intl)	65	146	262	372	497

Management Team:

Chris Berka, Chief Executive Officer and Co-founder. Prior to founding the Company, Ms. Berka built a business at Psychemedics Corporation, which developed and introduced a patented forensic test to liquefy hair in order to identify the usage of illegal drugs. Ms. Berka served as Vice President of Sales and Marketing and grew the company to over $17 million in annual revenues. Chris also has 10 years experience as a Research Scientist and Laboratory Supervisor and has published scientific papers on the analysis of physiological signals, including EEG recordings in epileptic patients and hyperactive children. She received her B.A. with distinction in Psychology/Biology at Ohio State University. In her postgraduate work, she was a Regents fellow and National Institute of Mental Health fellow at the UCSD and a Clinical Research fellow at UCLA.

Daniel J. Levendowski, President and Co-founder. Mr. Levendowski has over 18 years of experience at three successful start-ups prior to founding the Company. Mr. Levendowski was Vice President and a member of the Board of Directors at Myo Diagnostics from 1991 through 1995. He assisted in raising over $2.5 million in private placements and co-invented a patented technology to detect back muscle dysfunction. From 1987 through 1990 he was a member of the management team at Psychemedics Corporation, serving as the Chief Operating and Financial Officer. Mr. Levendowski graduated Cum Laude from the University of the Pacific and holds an M.B.A in Entrepreneurial Studies and Operations from the Anderson School at UCLA.

Philip R. Westbrook, M.D., Vice President, Medical Director. From 1995 to 2001 Dr. Westbrook was the President of Pacific Sleep Medicine, a network of sleep specialists in Southern California providing diagnosis and treatment of sleep disorders. He was a clinical fellow and Associate Professor of Medicine at Mayo Medical School in Rochester, MN and founding Director of the Sleep Disorder Centers at the Mayo Clinic from 1980 through 1989 and at Cedars-Sinai Medical Center, Los Angeles, CA from 1989 through 1995. Dr. Westbrook formerly served as President of the American Sleep Disorder Association (ASDA), as Editor-in-Chief of the Sleep Medicine Review, an editor for Sleep, a guest reviewer for Chest and an Ad Hoc reviewer for The New England Journal of Medicine. Dr. Westbrook received his medical degree from Stanford University in 1960.

Donald L. Carper, Vice President, Compliance and Corporate Secretary. Mr. Carper has been a professor at the California State University, Sacramento College of Business since 1986. He has been a neutral arbitrator and mediator serving on the American Arbitration Association Commercial Panel and served on the Northern California Advisory Committee for the American Arbitration Association for several years. Mr. Carper earned a J.D. from McGeorge School of Law and a Masters in Public Administration from the University of Southern California, and a B.S. from California State University, Chico. He is licensed to practice law in the State of California.

Milenko Cvetinovic, Ph.D., Vice President, Hardware Development. Dr. Cvetinovic has over 25 years experience in the design of microprocessor systems, digital electronics, computer hardware, and systems architecture. He has been a faculty member in Electrical Engineering at the University of Belgrade, Yugoslavia since 1974 and completed numerous projects in both the private and public sectors. He has designed hardware and software for Bosch-Blaupunkt in Germany, BMW, the Republic of Serbia, NT+, Pupin, Telekom, the Serbian National Science Foundation, the New York Veterans Administration Hospital, and the Geomagnetic Institute in Yugoslavia. Dr. Cvetinovic received his Ph.D. and M.Sc. in Electrical Engineering from the University of Belgrade, Yugoslavia.

Scientific Advisory Board:

The scientific advisors include leaders in sleep medicine, healthcare, engineering, occupational medicine, and biostatistics.

Ron Grunstein, M.D. Ph.D., Associate Professor of Medicine at the University of Sydney, Australia and Head of the Sleep Investigaton Unit at the Royal Prince Alfred Hospital in Camperdown.

Lee A. Hartman, M.D., MBA, Medical Director for Appeals and Grievances at Blue Shield of California.

Benjamin Hoffman, M.D., M.P.H., Corporate Medical Director for Waste Management, Inc.

Meir Kryger, M.D., Professor of Medicine and Director of the Sleep Disorders Center, University of Manitoba, Winnipeg, Canada. Former President of the American Sleep Disorder Association (ASDA) and President of the Canadian Sleep Society.

Sam Manoli, Ph.D., President and founder of Multi-BioSensors, Inc., a physiological electrode manufacturer. Serves as a Professor of Electrical Engineering at the University of Texas, El Paso.

Rchard Olmstead, Ph.D., Assistant Researcher for Department of Psychiatry and Behavioral Sciences at UCLA. Research Health Science Specialist in the Psychopharmacology Unit and Nicotine Dependence Unit at the VA Medical Center in Los Angeles.

Miodrag Popovic, Ph.D., Professor of Electrical Engineering at the University of Belgrade.

Adrian Williams, M.D., Director of the Sleep Disorders Center at St. Thomas' Hospital in London, England.

Somaxon Pharmaceuticals

Company Overview:

Somaxon Pharmaceuticals is a specialty pharmaceutical company focused on the acquisition, development and commercialization of prescription products in the field of psychiatry and neurology.

Product/Technology Description:

The evaluation of low-dose doxepin for the treatment of insomnia.

The use of oral nalmefene for the treatment of pathological gambling, an Impulse Control Disorder which also includes pyromania, kleptomania, and intermittent explosive disorder.

Product development work on the compound acamprosate, a GABA-A agonist and NMDA antagonist, for the treatment of movement disorders and other conditions.

Industry Overview:

Competition: Ambien, which is marketed by Sanofi, is the market leader in the insomnia segment. Other approved products include Sonata, Restoril and Lunesta (not yet launched). The remainder of the market is comprised of older benzodiazepine compounds that have generic equivalents, as well as antidepressants, such as trazodone, which are used off label.

There are no approved drugs for the treatment of pathological gambling or other Impulse Control Disorders.

In clinical practice, two potential treatments for TD are clozapine and tetrabenazine – a monoamine-depleting and dopamine-blocking agent. Tetrabenazine is not yet approved in the US. Both of these treatments have use limiting side effects.

Distribution/Marketing Plans: Somaxon intends to establish a commercial infrastructure and focus selling efforts on psychiatrists and neurologists. The Company intends to establish partnerships with large pharmaceutical companies to reach primary care physicians.

Fifth Year Revenue & Earning Projections: $800 M +

Management Team:

Ken Cohen, Co-Founder, President & CEO

Susan Dube, Co-Founder, Sr VP Business Development

Jeff Raser, Co-Founder, Sr VP Sales & Marketing

Meg McGilley, Co-Founder, CFO

Tim Hsu, MD, VP Clinical Development

Company Profile:

Address:
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Forum Participant:
Ken Cohen

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(858) 509-3670

Fax:
(858) 509-1589

Sector:
Pharmaceuticals

Homepage:
www.somaxon.com

Legal Form:
Incorporated

Amount of Capital Raised:
$25.3 million

Date Established:
8/03

Funding Sought:
$35 million in Series C

Number of Employees:
13

Current Investors:
Domain Associates, BA Venture Partners, Montreux Equity Partners, CDIB Bioscience Ventures, Fog City Funds, Windamere Ventures and other individuals

Stage of Development:
Two Phase III product candidates

Astral Therapeutics

Company Overview:

Therapeutic products based on broad technology platform with patent protection. We are in the area of immunotherapy for autoimmune diseases such as type1 diabetes and multiple sclerosis as well as cancer and infectious diseases. Our type 1 diabetes product is one year from clinic.

Product/Technology Description:

Our lead product is a Type I diabetes drug that specifically suppresses the T cells that cause the autoimmune destruction of islet cells. The technology is based on delivery of tolergenic peptides within IgG like molecules that significantly prolongs half life and targeting of peptides.

Industry Overview:

Competition from companies trying peptide delivery or DNA vaccines. Our advantage is built on tremendous efficacy in therapeutic venues as well as preventive modalities.

Competition:

Astral has the product platform that suppresses or activates the immune system against specific antigens over current therapies that activate or suppress the entire immune system. General immune suppression is not feasible for type 1 diabetes.

Distribution/Marketing Plans:

Need to Establish Partnerships with pharmaceuticals.

Fifth Year Revenue & Earning Projections:

Negative revenues

Management Team:

Stephen Chang, CEO

Company Profile:

Address:
4660 La Jolla Village Drive
#825

Forum Participants:
Stephen Chang

Phone:
(619) 743-3806

Fax:
(858) 673-0352

Sector:
Biotechnology

Homepage:
smchang55@cox.net

Legal Form:
Subsidary/Spin out

Amount of Capital Raised:
$10M plus

Date Established:
1/2004

Funding Sought:
$6M

Number of Employees:
3

Current Investors:
Alliance Pharmaceuticals and Stephen Chang

Stage of Development:
Series A

Orphagen Pharmaceuticals

Company Overview:

Orphagen discovers new drugs to potential drug targets from the human genome. The target for a drug determines its therapeutic action, and new drug targets are the source of entirely new kinds of therapy. Orphagen is developing drugs for the treatment of atherosclerosis, AIDS, Crohn's disease, sleep disorders, and prostate cancer. The Company's expertise centers on the so-called nuclear receptors, a family of drug targets that has already been the source of groundbreaking therapies. Nuclear receptor-based drugs already generate more than $12 billion in U.S. sales annually and have been the basis of major partnerships between the biotechnology and pharmaceutical industry. Orphagen focuses on several so-called orphan nuclear receptors that hold significant promise for novel therapeutics but have not been exploited by the pharmaceutical industry to date.

Orphagen has five employees and leases laboratory space from a non-profit institute in San Diego. The Company has an exclusive license to patent-pending screening technology from U. C. San Francisco (UCSF). Orphagen has raised $1.3 million in non-dilutive grant funding since March, 2003 in the areas of heart disease, HIV/AIDS, and prostate cancer. The funding comes primarily from the National Institutes of Health (NIH) as Phase I Small Business Innovative Research (SBIR) grants for proof of principle studies. The Company expects to raise an additional $3 million in grant funding in 2005 based on its ongoing success in target screening.

Product/Technology Description:

Orphagen captures intellectual property by identifying small molecule leads to orphan nuclear receptors and by demonstrating lead activity in animal models of disease. A major obstacle to lead generation for orphan nuclear receptors has been the high rate of false positives from any single screening method. The failure to discard false positives has crippled several orphan nuclear receptor drug discovery programs. Orphagen overcomes the false positive problem early in receptor screening by implementing orthogonal, optimized assays that measure receptor activation by distinct methods and accelerate confirmation of hits. With confirmed hits, Orphagen is able to move rapidly into lead generation and animal proof-of-principle studies.

Industry Overview:

Potential competitors, such as GlaxoSmithKline, Eli Lilly, Ligand, Karo-Bio and Tularik, historically have had strong track records in orphan nuclear receptor R&D. However, they are now primarily focused on the so-called "former" orphan nuclear receptors that have demonstrated potential for type 2 diabetes, hypercholesterolemia, and other major indications. Orphagen is strategically positioned to avoid this crowded field of former orphan receptors and to become a leader in several of the orphan nuclear receptors that are not yet part of the drug discovery pipeline.

Company Profile:

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Forum Participants:
Scott Thacher
Bob Shopes

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(858) 225-0390

Sector:
Biotechnology

Homepage:
www.orphagen.com

Legal Form:
California "C" Corporation

Amount of Capital Raised:
$215,000

Date Established:
October, 2000

Funding Sought:
$1,000,000

Grant Support:
$1,300,000

Number of Employees:
5

Current Investors:
Friends & Family

Stage of Development:
Early

Competition:

Drug companies avoid the unexplored orphan nuclear receptors for three main reasons: (i) the absence of proven hits or leads; (ii) the lack of tested and optimized assays for these targets; and (iii) the absence of pharmacological activity in animals to confirm a therapeutic hypothesis. Orphagen captures value by overcoming all of these obstacles. The Company has chosen targets that are likely to be embraced by industry in the coming years. These targets have been strongly endorsed by scientific peer review in the course of Orphagen's uniquely successful pursuit of SBIR grants.

Market Potential:

Several of Orphagen's selected targets hold promise to generate blockbuster drugs (sales of > $1 billion/year). On a per target basis, nuclear receptors have one of the best records for small molecule drug development in the industry. Recent nuclear receptor blockbusters, including Evista™, Avandia™, Actos™, and Inspra™, suggest broad potential for novel drug classes based on this target group.

Drugs to two Orphagen targets are predicted to treat atherosclerosis, a >$20 billion/year market, by activating reverse cholesterol transport or reducing vascular inflammation, two critical pathways not addressed by current therapeutics. A third target will provide an oral drug that improves on and substitutes for an injectable treatment for early stage hormone-dependent metastatic prostate cancer (sales of > $1 billion/year in the U.S. alone). A fourth target regulates immunity with applications in recovery of the immune system in HIV/AIDS and in controlling autoimmune conditions such as Crohn's disease (with markets in the range of $0.25 to 1 billion/year). A fifth target regulates circadian rhythm for treatment of sleep disorders common in shift work, and in aging and mental disorders, currently a $2.5 billion market.

Fifth Year Revenue & Earning Projections:

Orphagen seeks to raise a seed preferred round of $1 million in 2005 to accelerate lead validation in animal models of disease, to capture intellectual property (e.g., cover patent costs not reimbursed by federal grants), and to acquire additional grant funding faster. Orphagen expects to raise $5 to $8 million in grant funding in the next three years. This funding round will also create partnership potential and position the company for rapid and competitive growth through venture financing. Subsequent goals are to establish broad-based drug discovery for two of its targets and to move aggressively towards human clinical trials in the next three years. Orphagen plans to raise an additional $30 million in two or more subsequent investment rounds to accomplish these goals.

Management Team:

Officers and Board Members

Scott Thacher, Ph.D., founder and CEO, has 25 years of experience in life sciences research and pharmaceutical R&D. He directed programs in acne, psoriasis, hyperlipidemia, and diabetes at Allergan and served on management teams for strategic collaborations with Cytochroma and Warner-Lambert/Parke-Davis. He earned his Ph.D. at Harvard in biophysics.

Bob Shopes, Ph.D., director, was founder and first CEO of Favrille, a cancer vaccine company, raising $23 million in its first two rounds of funding.

Tim Scott, J.D., director and acting COO, is co-founder and President of Pharmatek. He is also a co-founder of Diakron and served on the senior management team of Active.com while it raised $53 million.

Marvin Rosenthale, Ph.D., director, was CEO of Allergan-Ligand Retinoid Therapeutics and previously Vice President Drug Discovery Worldwide at the R.W. Johnson Pharmaceutical Institute.

William S. Craig, Ph.D., director, is Senior Vice President at Cadence Pharmaceuticals.

Key Employees

Dr. Robert Babine, Ph.D. (Brown), Director of Chemistry, has a background in structure-based design and nuclear receptor pharmacology. Previous employers include Eli Lilly and Agouron.

Dr. Xiaolin Li, Ph.D. (Duke University), Scientist, has extensive experience in nuclear receptor biology and drug discovery. He left X-Ceptor (now part of Exelexis) to join Orphagen in August, 2004.

Scientific Advisory Board

Dr. Holly Ingraham, Professor of Physiology at UCSF, is an authority on orphan nuclear receptor biology and chair of Orphagen's SAB.

Dr. R. Kip Guy, Assistant Professor of Molecular Pharmacology at UCSF, studies nuclear receptor biology and ligand design. He is Director of the Bay Area Screening Center at UCSF.

Dr. Robert Fletterick, Professor of Biochemistry & Biophysics at UCSF, is internationally recognized for his work on protein structure, including the nuclear receptors.

Dr. Murray Korc, M.D., a distinguished physician/scientist and cancer biologist, is chair of the Department of Medicine at Dartmouth Medical School.

AndroScience Corporation

Company Overview:

AndroScience uses its expertise in natural product chemistry to discover proprietary compounds that target the androgen activation pathway which may be important in acne, alopecia, benign prostatic hyperplasia, prostate cancer, and wound healing. Lead compounds are small molecules that possess a novel functional mechanism, i.e., enhances androgen receptor degradation, and are potent androgen activity modulators.

Product/Technology Description:

AndroScience has recently discovered and patented a family of compounds derived from natural products that enhance the degradation of the androgen receptor (i.e., ARD Enhancer). These compounds selectively enhance androgen receptor degradation and do not affect endogenous testosterone or dihydrotestosterone (DHT). To our knowledge, this is a novel and unique mechanism of action. These compounds appear efficacious both topically and systemically and could be good candidates for acne, alopecia, prostate cancer, benign prostatic hyperplasia (BPH), and other androgen related diseases.

Potency of ASC lead compounds has been validated in animal models for the treatment of acne, alopecia and prostate cancer. Currently, AndroScience is conducting GLP toxicology and other preclinical studies in order to file an IND and proceed to Phase I and II clinical studies.

Competition:

To our knowledge, there are no other companies that have compounds with a similar mechanism of action. Competitive products would be Accutane & Retin A for acne, Propecia & Rogaine for alopecia, Proscar for BPH and Flutamide & Bicalutamide for Prostate cancer.

Distribution/Marketing Plans:

To demonstrate safety and efficacy in Phase II and to partner for Phase III and Commercialization

Management Team:

Charles Shih PhD, CEO - PharMingen; Med. College Wisconsin

Andrew Loh PhD, COO - Hybritech, Eli Lilly, Baxter

Company Profile:

Address:
11175 Flintkote Ave, Suite F,
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Forum Participants:
Charles Shih, Andrew Loh

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Sector:
Life Sciences

Homepage:
www.androscience.com

Legal Form:
Corporation

Amount of Capital Raised:
$7 MM

Date Established:
1999

Funding Sought:
$7 MM

Number of Employees:
9

Current Investors:
President Life Sciences,
Lamey Corp.

Stage of Development:
Preclinical

iDiverse, Inc.

Novel Agricultural Technologies

Company Overview:

iDiverse is a technology company developing transgenic plants that simultaneously resist a broad spectrum of diseases and environmental stresses – all with the addition of only one proprietary gene.

Our plants are resistant to a wide range of fungi and viruses. They fend off cold, drought, heat, and salt. They require less pesticides, fertilizers, and water to achieve comparable or better yields. They can be grown on less than optimal land under adverse conditions. They are less costly to grow, provide higher yields, and are friendlier to the environment.

We intend to extend the field testing of wheat and turfgrass and advance other commercially significant plant species into field trials so as to enhance their value to prospective partners. In addition, iDiverse will retain rights to certain crop species for development and commercialization by the Company to maximize the return on investment.

Product/Technology Description:

We have made 9 commercially relevant transgenic plants: banana, corn, oats, rice, soybeans, tobacco, tomato, turfgrass, and wheat.

Transgenic tobacco, tomato, turfgrass and wheat show dramatic resistance to a wide variety of diseases and environmental stresses in the laboratory and greenhouse.

Our transgenic turfgrass and wheat have been approved by the USDA for field testing. In these controlled trials, our turfgrass demonstrated drought resistance and our wheat showed resistance to Fusarium Head Blight fungus, a significant pathogen that destroys over $1.5B of cereal crops annually in North America.

Industry Overview:

The worldwide market for transgenic crops is currently over $44B per year and is growing at double digit rates. In the United States, 81% of soybeans, 73% of cotton, 73% of canola, and 40% of corn is transgenic. An additional 57 transgenic crops are being developed in 50 other countries. Farmers are turning to transgenic crops to improve yields, to provide better crops at less cost, and to compete more effectively.

iDiverse's share of this market will depend on the demonstrated benefits its technology will provide to farmers. Using Monsanto as an example, there are approximately 120M acres of crops containing Monsanto's Bt gene, which provides protection from the European corn borer. From this, Monsanto generates $15-20/acre in licensing fees, providing $1.8B – $2.4B in revenues per year. We think crops containing our gene will provide at least this level of benefit and are capable of generating these levels of revenues.

Company Profile:

Address:
13072 Via Latina
Del Mar, CA 92014

Forum Participants:
John Burr, President and CEO
Dan Chambers, General Counsel
John Serbin, CBO

Phone:
(858) 755-2820

Fax:
(858) 755-4140

Sector:
Life Sciences

Homepage:

Legal Form:
iDiverse, Inc.

Amount of Capital Raised:
<$1M

Date Established:
June 2004

Funding Sought:
$5M

Number of Employees:
3

Current Investors:
Management

Stage of Development:
2 crop species in field testing

Competition:

Most major agricultural companies are developing and testing transgenic plants, as are several small agricultural biotech companies. Their plants are engineered to exhibit one, or at most, a few specific traits using a "one gene for one trait" paradigm. The leading traits are herbicide and insect tolerance, modified ingredients, and resistance to specific pathogens, each of which is provided by a separate gene.

iDiverse's technology offers a truly unique advantage to seed companies and farmers. One genetic modification provides protection against multiple relevant diseases and environmental stresses. Crops developed using our technology will be able to fend off a variety of pathogens, be grown in sub-optimal conditions, and provide superior yields – all at the same time – all with the addition of only one proprietary gene.

No competitive transgenic crop under development provides this broad spectrum protection against multiple diseases and stresses.

Distribution/Marketing Plans:

We will license our technology on a geographic and crop-by-crop basis in return for upfront payments, R&D support, milestones, and royalties.

To maximize investment returns, we will also retain rights to selective crops and/or territories for development and commercialization by iDiverse.

Fifth Year Revenue & Earning Projections:

It is anticipated that the majority of revenues generated through this period will come from licensing revenues and other business development related activities.

Management Team:

John Burr, President and CEO
John has over thirty years of direct experience in the agriculture sector in both large multinationals and in pre-IPO companies. He has been President and CEO of Innovase, a joint venture formed by Dow and Diversa to commercialize innovative products for the industrial enzyme market and where John launched the company's first product. John was President and CEO of Resource21, where he secured over $250M in strategic partner investments from The Boeing Company, British Aerospace and Farmland Industries to provide satellite remote sensing of crop health and yield to farmers. He has been Chairman and CEO of Precision Farming Enterprises and attracted angel and venture backed funding, enabling the company to develop its information technology that helps farmers improve yields and reduce production costs. In addition, he was VP of Worldwide Sales and Marketing at Genencor where he grew sales from $40M to $300M and tripled the productivity of sales personnel. John has also held sales and management positions in the agricultural divisions of Novo Laboratories and Ciba-Geigy. John earned his BS degree in Agricultural Business Management from the California State Polytechnic University and completed the Executive Program in Business Administration from the Columbia University Graduate School of Business.

Dan Chambers, General Counsel
Dan has over fifteen years of legal experience as both a patent attorney and general counsel in pre-IPO and major biotech companies and also in private law firms. He was General Counsel of GeneFormatics, where he was responsible for all corporate legal matters and where he developed and implemented a unique and comprehensive patent and trade secret strategy to protect more than 15,000 independently patentable protein structures and functions. At Viagene, Dan was Assistant General Counsel of Intellectual Property and was responsible for prosecuting all patents, enhancing the IP portfolio with new patent applications, and all legal transactions regarding licensing. Dan has also been Corporate Counsel at Amgen, where he was responsible for all legal matters relating to Amgen's KGF product and patent application preparation and prosecution of new applications for novel genes and proteins, new uses for known cytokines, and pharmaceutical formulations. In addition, Dan has worked in private law firms, including the Biotechnology Law Group; Brobeck, Phleger & Harrison; Lyon & Lyon; and Wilson Sonsini Goodrich & Rosati. He has also spent several years as a Research Associate in molecular biology. He had positions at Amgen, the Department of Botany at Duke University, and the Department of Plant Physiology at UCLA. Dan earned his BS degree in Biology from UCLA and his JD from Southwestern University. He is admitted to the bar in California and is registered to practice before the U.S. Patent and Trademark Office.

John Serbin, PhD, Chief Business Officer
John has over thirty years of experience in commercializing innovate technologies from early-stage companies and major multinationals. At Idun Pharmaceuticals, John closed a $48M joint venture with Elan for the treatment of stroke while VP of Corporate Development. He also reduced patent prosecution costs by 50% and increased the number of issued patents from 42 to 119. He was VP of Marketing and Corporate Development at POINT Biomedical and closed a $9M Series B financing after repositioning the company's vision and business strategy. As Director of Business Development at Chiron, John at all times managed a 30-40 deal portfolio and closed a major acquisition and collaboration with Baxter for the treatment of graft vs. host disease. At Viagene, he was Director of Business Development and helped close a $37M deal with Chiron that provided an anchor for Viagene's IPO and its eventual acquisition by Chiron for $140M. John earned his BA degree in Biology from Monmouth College, his MS and PhD degrees in Human Physiology from the University of Illinois, and his MBA in Marketing and General Management also from the University of Illinois.

NovaCardia, Inc.

Company Overview:

NovaCardia is a product-focused pharmaceutical company with significant capabilities and experience in cardiovascular drug development. Our mission is to vastly improve the quality of care for patients with cardiovascular disease by developing and marketing a portfolio of novel small molecule drugs.

NovaCardia's senior management team is comprised of veteran pharmaceutical executives who collectively have led over 40 NCEs and line extensions from development through commercialization. These professionals are particularly well versed in drug formulation and manufacturing, clinical trial design and execution, and regulatory affairs.

Our product strategy is focused on cardiovascular indications that are underserved by currently available treatments and for which there exists a clearly defined clinical and regulatory pathway. We intend to grow our drug portfolio through acquisition of clinical-stage, small molecule candidates.

We are developing KW-3902, a proprietary small molecule, as a potential treatment for patients undergoing diuresis for Congestive Heart Failure (CHF). The current cost of pharmaceuticals to treat CHF exceeds $1.5 billion worldwide, with approximately $1 billion expended annually in the United States alone. This market is expected to grow to $3 billion by 2010.

In August 2003, we completed a $22 million institutional round of financing to advance our lead drug. Our headquarters are located in San Diego, California.

Product/Technology Description:

In-licensed from Kyowa Hakko in August 2003, KW-3902 is in development by NovaCardia for the treatment of CHF patients undergoing diuresis. In mid 2004, NovaCardia successfully filed an IND and commenced two multicenter Phase II clinical trials for an intravenous formulation of this proprietary small molecule. An oral formulation of KW-3902 is also in development for patients with chronic CHF.

KW-3902 acts as an adenosine A1 receptor antagonist. Adenosine A1 receptors mediate a variety of physiologic functions, including regulation of renal fluid balance. Overstimulation of the adenosine A1 receptor during standard diuretic therapy in CHF patients may contribute to worsening kidney function. Thus, adenosine A1 receptor antagonists are thought to protect against a decline in renal function seen with diuretic therapy while augmenting diuresis and sparing potassium.

KW-3902 has the potential to significantly improve the management of CHF, particularly in patients with some degree of renal dysfunction. NovaCardia has designed clinical trials to test KW-3902 in both severe and moderate forms of CHF. For the severe indication, KW-3902 will be administered in combination with other diuretics for the treatment of fluid overload in adults with CHF in whom the standard of care, which includes maximum doses of diuretics, is ineffective. For the moderate indication, KW-3902 will be administered in combination with other diuretics for treatment of fluid overload in renally impaired adult CHF patients.

Company Profile:

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Forum Participants:
Randall E. Woods

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Sector:
Life Sciences

Homepage:
www.novacardia.com

Legal Form:
NovaCardia, Inc.

Amount of Capital Raised:
$22M through Series A

Date Established:
2003

Funding Sought:
$45M Series B

Number of Employees:
10

Current Investors:
Domain Partners
Versant Ventures
Forward Ventures
Montreaux Equity Partners

Stage of Development:
Phase II

Industry Overview:

CHF results from an imbalance in the pump function in any of the four heart chambers such that the heart fails to maintain adequate circulation of blood. A loss or diminishing of pump on the left side of the heart causes a back-up in the lungs, resulting in a dangerous condition known as pulmony edema. Loss or diminishing of pump function on the right side of the heart causes a back-up in the body's veins, resulting in retention of fluid and swelling in the legs and ankles. CHF almost always is a chronic, long-term condition, although it can sometimes develop or be exacerbated suddenly.

Annual expenditures for CHF are estimated to be $25.8 billion, including $13.6 billion for hospital care. The pharmaceutical market for CHF drugs is expected to grow to more than $3 billion by 2010.

There is no cure for CHF but there are numerous pharmacological treatments, surgical procedures and lifestyle changes that may improve symptoms of the disease and, thus, increase quality of life.

Hospitalization is often required for acute CHF, and treatment generally begins with the administration of oxygen and intravenous diuretics. In many instances, therapy also may include vasodilators (e.g. nitrates) and inotropic agents. Diuretics reduce fluid accumulation, vasodilators increase blood flow, and inotropic agents can enhance the heart muscle contraction.

While current medications for acute CHF can significantly improve symptoms of the disease, there are numerous limitations and side effects associated with the available treatments. For example, patients may not respond to diuretic therapy and/or the patient's kidney function may be severely compromised as a result of treatment.

Competition:

Current therapies for acute CHF include IV diuretics, vasodilators such as nitroglycerin and Natrecor, and inotropes such as dopamine and dobutamine. Refractory CFH patients may also require hemodialysis. Drugs currently in development include Tolvaptan, a vasopressin antagonist, and Levosimendan, an inotrope being developed by Abbott.

Distribution/Marketing Plans:

NovaCardia intends to commercialize acute care hospital-based products while partnering our chronic care, oral formulations.

Fifth Year Revenue & Earning Projections: $350M

CHF is the only major cardiovascular disease with increasing incidence, prevalence, and mortality. According to the American Heart Association, about 5 million people are living with this disease and 550,000 new cases are reported each year. Annual expenditures for heart failure are estimated to be $25.8 billion, including $13.6 billion for in-patient care.

Current treatments for CHF have substantial limitations and NovaCardia believes that significant opportunities exist for improved therapies. The CHF drug program for which NovaCardia has retained commercial rights addresses a $1.5 billion market worldwide, expected to double by 2010.

Management Team:

Randall E. Woods - President & CEO

Randall Woods has more than 30 years of experience in the biotech/pharmaceutical arena. Mr. Woods served nine years as the Chief Executive Officer of Corvas International, Inc., a publicly traded biopharmaceutical company focused on cancer and cardiovascular disease. Prior to Corvas, Mr. Woods was President of Boehringer Mannheim's U.S. Pharmaceutical operations. Under his leadership recombinant thrombolytic product (r-PA) and an alpha-beta blocker (carvedilol) for CHF were registered, and DEMADEX®, a novel loop diurectic, was successfully launched. Mr. Woods spent over 20 years at Eli Lilly & Company in sales and marketing positions, which included responsibility for the marketing of $650 million in hospital products and the preparation for the launch of Lilly's anti-thrombolytic, ReoPro®. Mr. Woods currently serves on the Advisory Board for The University of California San Diego's Cardiovascular Center.

Michael Tansey, MD - Chief Medial Officer
Dr. Tansey is a cardiologist with more than 20 years of pharmaceutical industry experience spanning both line management and strategic development functions. Over this period he has worked in a wide range of therapeutic areas with greatest emphasis on the cardiovascular and CNS disciplines. Dr. Tansey comes to NovaCardia from Pharmacia Corporation where he was the Chief Medical Officer and Senior Vice President of Medical Development. During his 7 years at Pharmacia, his group filed over 40 NDA's and most recently gained regulatory approval for Eplerenone, a novel anti-hypertensive with newly published (March 2003) results on its use in heart failure. Prior to joining Pharmacia, Dr. Tansey held industry positions with Rhone Poulenc Rorer, Glaxo, and Hoechst AG and spent 7 years in academic and private practice medicine.

Howard C. Dittrich, MD - Senior Vice President of Clinical & Regulatory Affairs
Dr. Dittrich is a cardiologist with 18 years of academic and commercial experience. Prior to NovaCardia, Dr. Dittrich was Vice President and Chief Medical Officer for Alliance Pharmaceuticals and Molecular Biosystems Inc. During his time with these companies, Dr. Dittrich obtained FDA approval for two cardiovascular imaging agents and completed the re-start of Phase III trials on a third drug. Dr. Dittrich maintains his academic appointment as Professor of Medicine at the UCSD School of Medicine where he has a small clinical practice.

Lauren Otsuki - Founder and Senior Vice President of Operations
Ms. Otsuki was a founder and the Chief Operating Officer of DexCom, Inc., a leading developer of implantable sensors for continuous glucose monitoring in diabetes patients. Prior to DexCom, Ms. Otsuki was Vice President of International Business and Vice President of Operations at Quidel Corporation, a developer and marketer of in vitro diagnostic tests.

Mark Mugerditchian - Vice President of Manufacturing and Process Development
Mr. Mugerditchian has 24 years of pharmaceutical management experience in Manufacturing, Project Management, and Product Development. Most recently, he held senior management positions at Gensia Sicor where he was responsible for NDA Product Development and Contract Manufacturing, and Dura Pharmaceuticals where he started the Project Management function and was accountable for the company's inhaled insulin program and pharmaceutical manufacturing. He also held various manufacturing management positions at Abbott Laboratories, Key Pharmaceuticals and Fujisawa USA. He holds a Bachelor of Science in Chemical Engineering from the University of Illinois.

ACEA Biosciences

Company overview:

Founded in 2001, ACEA Biosciences develops and manufactures proprietary microplate-based biosensor systems for use in a wide variety of cell-based assays, increasingly used in pharmaceutical and basic research.

Product/technology description:

Microelectronic Biosensors and associated equipment for conducting real-time, label free cellular assays.

Industry overview:

Pharmaceutical research market large and growing. Cell-based assay market currently estimated at greater than $ 750 million, growing rapidly.

Competition:

Largely "kit" manufacturers who employ labor intensive labeled reagents in their assays, often on expensive optical platforms.

Distribution/Marketing plans:

Direct sales (current sales force of 3 FTEs); eventual distribution partnership with larger company. Japanese distributor is WAKO.

Fifth year Revenue Projections:

Estimated $50 million revenue

Management Team:

James P. O'Connell, Ph.D, CEO; Xiao Xu, Ph.D, President, COO, Xiaobo Wang, Ph.D, VP and CTO.

Company Profile:

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Forum Participants:
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CEO

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Sector:
Life Sciences

Homepage:
www.aceabio.com

Legal Form:
Delaware Corporation

Amount of Capital Raised:
$4 million

Date Established:
December, 2001

Funding Sought:
$4.5 million

Number of Employees:
40

Current Investors:
NJI, Inc.

Stage of Development:
Early-to-mid-stage research and manufacturing company; currently has Product for sale. FY 2004 revenue ~ $800,000

RegeneMed, Inc.

Company Overview:

RegeneMed, Inc. is a new venture founded on technology, personnel and intellectual property spun out of Advanced Tissue Sciences, Inc. (ATS) with the express purpose of becoming the market leader in tissue-based solutions for drug discovery and development, and having additional applications as extra-corporeal and implantable medical devices. RegeneMed's technology is predicated upon growth of three-dimensional (3-D) co-cultures of primary human liver stromal and parenchymal cells that function in vitro and in vivo as human liver tissue. These tissues will first be incorporated into variable throughput systems used to evaluate drug metabolism and hepatotoxicity. The absence of such model systems today represents a critical problem plaguing the pharmaceutical industry. RegeneMed tissue technologies are scalable, reproducible and specific and designed to provide normal, diseased and polymorphic tissues. This approach enables ADME/Tox (absorption, distribution, metabolism, excretion and toxicity) studies to be performed earlier in the drug discovery process when costs are lower.

RegeneMed tissue technologies are also protected by 35 U.S. and extensive E.U. patents. Hepatic and other tissue product lines will evolve in a staged manner to eventually serve as tools for lead optimization, drug discovery, and medical devices. Strategic partners have been identified to facilitate development and validation and speed time to commercialization. A total of $8M in NIH small business grants fund collaborations with The Genomics Institute of the Novartis Research Foundation, Chiron Corporation, Kalypsys, Inc. and the former Q3DM, Inc. to develop ADME/Tox and Hepatitis C drug discovery tools. RegeneMed expects multiple sources of recurring revenue through direct sales, funded research, and technology licensing agreements. Revenues by third year of sales are forecast to exceed $18M, and $70M by year four with gross margins above 80%.

RegeneMed is seeking a pre-series A investment of $1.25M to complement the grant funds to complete the toxicity studies and begin small scale manufacture of sufficient product to solicit a first-right-of-access pharmaceutical partnership and launch a limited contract testing service. RegeneMed requires a total $7M investment in addition to the grants to reach full scale manufacture of one-million liver multi-well ADME/Tox test kits annually and to establish full contract testing services and customized platforms for pharma, biotech, CRO and R&D which have a combined total annual market exceeding $4B. An exit strategy is to sell the business to a current provider of cell-based assay and utilize the patents to pursue therapeutics and preventative medicine applications.

Company Profile:

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Forum Participants:
Dawn R. Applegate, Ph.D.,
President & CEO
Brian A. Naughton, Ph.D.,
CSO

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Sector:
Biotechnology / Tissue Engineering

Homepage:
www.RegeneMed.com

Legal Form:
California S Corp.

Amount of Capital Raised:
$150K + $8M NIH SBIR's

Date Established:
August 21, 2003

Funding Sought:
$7M Series A

Number of Employees:
4

Current Investors:
Angels, Friends & Family

Stage of Development:
Early

Product/Technology Description:

RegeneMed, Inc. will accelerate the development of safer, more effective drugs by providing integrated high throughput platforms incorporating engineered human tissue-based assays as opposed to less predictive cell-based assays. RegeneMed will leverage 16 years of tissue engineering technology, 35 US patents, the co-founder and inventor of the technology and the lead scaleup engineer from ATS to manufacture human organs in mass quantity in the lab, including liver, GI tract, bone marrow and blood-brain barrier. These tissue-based in vitro model systems will accelerate drug development, the first and critical application to debottleneck ADME/Tox evaluation, the leading cause of drug failures facing the pharmaceutical industry. Subsequent applications include drug discovery platforms (cancer and antivirals), medical devices (extra-corporeal devices), diagnostics, biosensors (chem/biowarfare) and tissue implants.

RegeneMed's approach has been validated through receipt of $8M in government grants to execute a plan, devised in collaboration with 6 major pharmaceutical companies, to compare engineered human liver tissues versus current model systems for their ability to predict the toxicity of 25 proprietary drugs that have failed clinical trials or been pulled from the market due to liver toxicity. The function of these engineered liver tissue has been proven by previous research at Advanced Tissue Sciences via growth of the tissues in extracorporeal devices and implantation of the tissues into animals, with demonstrated liver regeneration as well as correction of single gene defects for over 7 years. Business expansion will include production of other tissues important to drug discovery, and to leverage genomic and proteomic profiling of normal and diseased tissues into preventative medicine applications, to enable detection, treatment and prevention of organ disease through development of the appropriate therapy, be it a biosensor, diagnostic, pharmaceutic, biologic, extracorporeal device or tissue replacement.

Industry Overview:

The cost to bring one new drugs to market has increased dramatically to over $800M, with $150M of this spent investigating the number one contributor to drug failures, which is poor liver metabolism and toxicity. Liver toxicity is responsible for three-quarters of drugs failures in clinical trials, a third of drug withdrawals from the market and more than half of all warning labels on approved drugs. While the pharmaceutical industry spends over $3B annually and growing at greater than 15% per annum, on liver metabolism and toxicity testing systems, including animals and human cells, none are fully predictive of human function. RegeneMed's products should enable pharma to recoup approximately half of the $1M per day lost opportunity cost associated with drug clinical failures, as well as to salvage drugs that have been pulled from the market, such as Rezulin for diabetes, which represent as much as an $11M daily lost opportunity cost.

Competition:

In vitro models that exhibit full hepatic function and maintain that function over time have not been successfully achieved. The current "gold standard" for ADME/Tox screening is human hepatocytes, which are limited by short-term function, variability, expense, non-scaleability, short-supply, and partial prediction of human function. RegeneMed tissues maintain long-term human tissue-specific function enabling high throughput, reproducible, available, affordable in vitro systems predictive of human ADME/Tox profiles that can become an industry standard. One of the NIH grants aims to develop the engineered tissues as an FDA-approved animal testing alternative. Unlike hepatocytes, the long-term function of RegeneMed tissues enables chronic drug exposure characteristic of in vivo toxicity as well as drug-drug interaction studies.

Distribution/Marketing Plans:

RegeneMed will provide tissues, customized platforms and contract testing servicing two-thirds of the $3B ADME/Tox market. These products and services will subsequently be leveraged, starting with liver, into drug discovery (for liver alone a $1B hepatitis, cirrhosis and cancer market; 25,000 annual deaths, 4 million afflicted), medical devices ($1B extra-corporeal liver assist device and transplant market; 18,500 patients, 373,00 hospitalization), diagnostics (such as Roche cytochrome P450 diagnostic), biosensors (including chemical/biological warfare agent detection), and tissue implants (liver, pancreas, bone marrow, etc.).

Pharma/biotech partners will have first rights of access to the lead products, multi-well plates of engineered tissues for ADME/Tox assessment, through direct purchase and a contract testing service until large-scale manufacturing is available in year 3. While RegeneMed possesses the customer connections and expertise to market and distribute the first products, discussions are in progress with corporations currently selling cell-based assays regarding product marketing and distribution partnerships.

Fifth Year Revenue & Earnings Projections:

A Bass Model and representative manufacturing costs from ATS were used to forecast product adoption rates, tissue procurement requirements, revenue and net income. RegeneMed expects multiple sources of recurring revenue through direct sales, funded research, and technology licensing agreements for its engineered tissue-based ADME/Tox, hepatitis and drug discovery platforms. Tissue procurement rates are not limiting through year 6, after which alternative cell sourcing will be available. Revenues by third year of sales are forecast to exceed $18M, and $70M by year four with gross margins above 80%; income primarily from the first liver product.

Management Team:

Dawn R. Applegate – President and CEO. Dr. Applegate obtained her Ph.D. from MIT in Chemical Engineering in 1992. For the past 10 years she has lead the development of first-of-a-kind, FDA-approved cGMP tissue engineered manufacturing systems at Advanced Tissue Sciences for which she holds two patents, and participated in regulatory submissions, clinical trials and marketing efforts related to these systems. In her last role as Director of Technology Development at Advanced Tissue Sciences, she conceived, developed and attracted $6M in venture funding to the RegeneMed business.

Brian Naughton – Chief Scientific Officer. Dr. Naughton obtained his Ph.D. in Experimental Hematology from New York University in 1978. He was Principal Investigator of NYHRC Grants at NY University from 1979-1981. From 1982-1994, Dr. Naughton was Professor of Hematology at Hunter College. In 1986, he founded Marrow Tech (later to become Advanced Tissue Sciences) and served as Senior Principal Scientist from 1990-1996. Dr. Naughton has over 100 publications and more than 30 U.S. patents covering his innovative technology.

Scientific Advisory Board

RegeneMed is a technology company with emphasis on development of specialized products. Proposed members of the scientific advisory board are being selected from end user industries:

- Pharma/Biotech – Dale Johnson, Chiron Corporation
- Clinical Research Organizations (CROs) – Chris Atterwill, Ph.D., Huntingdon Life Sciences
- University - Fred Levine, MD, PhD, Associate Professor of Pediatrics & Cancer UCSD
- Genomics/Proteomics; Medical Devices - tbd based on R&D partner

TheraPei Pharmaceuticals

Company Overview:

Founded in 2004, TheraPei is a "spinout" of the Drug Discovery Unit of Sequenom, a discovery genetics company. Sequenom has assisted TheraPei with the transfer of equipment, rent-free space and seed funding. TheraPei is seeking to become a leader in the design of curative pharmaceuticals for Type 2 Diabetes and the associated Metabolic Syndrome (obesity and cardiovascular diseases). This is in contrast to current therapeutics which address symptoms, rather than causes.

Product/Technology Description:

Type 2 Diabetes has become a rapidly advancing pandemic and there are no therapeutics that block progression of the disease. TheraPei has identified three exceptionally attractive and unaddressed therapeutic targets, two of which address underlying causes for Type 2 Diabetes. The first two targets already have preclinical compounds designed and in final proof of concept demonstration prior to entry into preclinical safety studies. The third target is ready for structure-based drug design and already has yielded hits from high throughput proprietary screen.

TheraPei has filed broad patents with claims on composition of matter for preclinical development candidates and for method of treatment for two therapeutic targets in type 2 diabetes: a.) potentiated glucose-dependent insulin secretion, b.) blockade of insulin resistance and programmed death of pancreatic beta cells. A patent application for a third target for the accelerated burning of fat is in development.

Industry Overview:

Most of the major pharmaceutical companies are working on therapeutics for Type 2 Diabetes, but the focus largely is on modulation of blood glucose levels. However a paradigm shift has taken place in our understanding of this disease and opinion leaders now recognize that the actual cause of disease in most patients is related to obesity and the toxic effects of fat. The current therapeutics therefore address symptoms and research toward cures is only at an early stage.

Competition:

TheraPei's Product A has biological effects similar to those of Exenatide (potentiated glucose-dependent insulin secretion; 2x daily administration) but acts through a different receptor and is designed for 1x daily administration. Product B will be a small molecule enzyme inhibitor that addresses a novel target which produces a signal for programmed cell death in the insulin secreting cells of the pancreas. Product C will be a small molecule inhibitor of an enzyme that blocks the burning of fat. Work is beginning on this target in other companies, but is at an early preclinical stage. TheraPei has a novel high throughput assay and models to allow structure-based drug design for the relevant enzymes.

Company Profile:

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Sector:
Biopharmaceutical

Homepage:
www.therapei.com

Legal Form:
Delaware Corp

Amount of Capital Raised:
ca. $0.1M

Date Established:
August 9, 2004

Funding Sought:
$0.8M

Number of Employees:
Working through CROs

Current Investors:
Sequenom, Inc.
WS Investment Co.

Stage of Development:
Preclinical Products

Distribution/Marketing Plans:

Initial products will be commercialized by major pharmaceutical partners. Product C is projected to be carried to New Drug Application, with co-marketing rights retained by TheraPei.

Fifth Year Revenue & Earning Projections:

Partnering Product B after demonstration of Proof of Efficacy in man at Phase Ib is projected to result in a major upfront payment in 2007. Planning for IPO or acquisition will begin in year three.

Projected, $M	2005	2006	2007
Cash inflow*	3.1	9.1	64.4
Expenses	1.9	7.3	14.4
Year-end Cash	1.2	3.0	53.0

* Venture capital, grants and corporate revenues

Management Team:

John J. Nestor – Founder, President & CEO: >25 years of drug design and scientific management experience, largely at the VP level in major Pharma (Syntex, Roche); former EVP, Drug Discovery of Sequenom; lead inventor on 3 currently marketed pharmaceuticals.

Eddine Saiah – Director of Medicinal Chemistry: >10 years of drug design experience; former Director, Lead Optimization of Sequenom. Coinventor on 4 clinical development candidates.

Allylix, Inc.

Company Overview:

Allylix has developed technology that allows it to cost effectively develop and produce a wide range of known and novel terpene products. Terpenes are natural chemicals that are produced in plants in minute quantities. Because of their functions as flavors, fragrances, pesticides, anti-infectives, and anti-tumors, terpenes are of significant commercial interest to flavor and fragrance, ag-chemical, and pharmaceutical markets. Despite this commercial interest, terpenes have been historically under exploited because they are generally too costly to produce. Allylix's proprietary technology allows it to produce terpenes at a low cost and thus exploit their commercial potential. Allylix's technology is protected by a broad set of intellectual property including six issued US patents and multiple US and foreign patent applications. During 2004, Allylix successfully achieved all of its proof of principle milestones and has begun development of commercial products. Over the next four years, it intends to develop 3-5 proprietary and partnered products for the flavor and fragrance and ag-chemical markets. Over the long term, it plans to also exploit value in the pharmaceutical market.

Product/Technology Description:

Allylix has developed technology that allows it to cost effectively develop and produce a wide range of known and novel terpene products. Terpenes are natural chemicals that are produced in plants in minute quantities. They are a large class of diverse chemicals - about 25,000 different terpenes have been identified to date and it is estimated that this is about a tenth of what exists in nature. Terpenes serve many different functions in plants, some are flavors and fragrances, while others are anti-fungal, anti-viral, and anti-tumor agents and still others are insect repellents, insect attractants, and insecticides. Because of these natural functions, terpenes are of significant commercial interest to the flavor & fragrance, ag-chemical, industrial and pharmaceutical industries. However, despite their commercial potential, terpenes have been underexploited because they are generally too costly to produce through traditional extraction, chemical synthesis and fermentation processes.

Allylix's proprietary technology platform (Morphazyme Technologiestm) allows it to produce low cost terpenes using yeast based fermentation. Its platform is based upon technology developed through a 10 year collaboration between its two Scientific Founders; Dr. Joseph Chappell of the University of Kentucky and Dr. Joseph Noel of The Salk Institute and is protected by six issued US patents and multiple US and foreign patent applications. The technology platform uses a structural biology approach to developing new terpenes. By understanding the structure of the enzymes that produce terpenes, Allylix's scientists create synthetic genes to produce known and novel terpenes and then produce those terpenes using a proprietary yeast strain engineered to cost effectively produce large volumes of these compounds. The terpenes are then either sold directly or used as a scaffold to create targeted chemical libraries using further chemical synthesis.

Company Profile:

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Forum Participants:
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Tom Jurgensen, J.D. Chairman

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Sector:
Fine and Specialty Chemicals

Homepage:
www.allylix.com

Legal Form:
Delaware C Corporation

Amount of Capital Raised:
$1.3 million to date

Date Established:
2004

Funding Sought:
$2 million

Number of Employees:
3

Current Investors:
Angel investors
Kentucky Natural Products Fund

Stage of Development:
Seed Round

Over the next 4 years, Allylix plans to develop 3-5 proprietary and partnered products for the flavor and fragrance and ag-chemical markets. In the flavor and fragrance market, Allylix plans to develop novel fragrances and lower cost versions of existing terpene flavor and fragrances. In the ag-chemical market, Allylix's terpene derivatives are particularly well suited for fungicides, insecticides, and insect repellents. Over the long term, it plans to exploit value in the pharmaceutical market.

Industry Overview:

The aroma chemical market is a $1.8 billion market with terpenes making up the largest segment at $650 million. The terpene aroma chemical has two segments, simple monoterpene aroma chemicals that can be synthesized and are typically priced in the $10-30/kg range and more complex terpene aroma chemicals that are extracted from natural materials that are typically priced in the $100-$10,000/kg range. Allylix plans to initially focus upon the latter segment. The global ag-chemical market is a $25 billion market with insecticides and fungicides making up $6 and $5 billion of the market, respectively. While many terpenes show insecticidal and fungicidal activity, only a few have been commercialized because they are too costly to extract from natural materials.

Competition:

The few complex terpene products currently on the market are extracted from natural materials. Aromor, an Israeli company, produces fragrances by extracting them from plant essential oils. Eden Research, an early stage agricultural chemical company, is focused upon the development of fungicides and insecticides from terpene extracts. Amyris Biotechnology is the only other company developing terpene products using microbial fermentation. It is focused upon the development of an anti-malarial product for the third world.

Distribution/Marketing Plans:

Over the next four years, Allylix intends to develop and commercialize 3-5 proprietary and partnered products for the flavor and fragrance and ag-chemical markets. The Company's approach to distribution and marketing will vary depending on the product. In the highly consolidated flavor and fragrance market, it can market and distribute its terpene aroma chemicals directly to its customers. In the ag-chemical market, it plans to market its products through strategic partners.

Management Team:

Carolyn Fritz, President/CEO
Carolyn Fritz, President/CEO has extensive experience building successful biotechnology businesses. Over the past 12 years, Ms. Fritz built three biotech businesses for large companies. First, she built a specialty oil business for Cargill, Inc. from an early stage company to a profitable $130 million business in six years. She then built a biopharmaceutical manufacturing and a biomaterials business for Dow Chemical. She has her MBA from the Wharton School of the University of Pennsylvania, MS from George Washington University, and BSME from Iowa State University.

Alex Nadzan, Ph.D., Acting CSO
Alex Nadzan, Acting CSO, is an experienced senior executive in the biotechnology and pharmaceutical industry with broad-based expertise in drug discovery, research strategy and R&D management. Dr. Nadzan's experience includes being the Sr. VP, Research at Chugai Pharma USA, the US subsidiary of Chugai Pharmaceuticals, Ltd., Japan, Senior Director of Medicinal Chemistry at Ligand Pharmaceuticals, Sr. Project Leader at Abbott Laboratories. He has discovered and developed several novel compounds for the treatment of cardiovascular, cancer, neurological and metabolic diseases. Dr. Nadzan received his Ph.D. in Organic Chemistry from the University of Illinois, Urbana-Champaign and completed a Postdoctoral Fellowship at Massachusetts Institute of Technology.

Thomas Jurgensen, J.D., Founder
Tom Jurgensen, Chairman, has more that 17 years experience in biotechnology, biomedical and pharmaceutical law and business. He is currently the Founder and Principal of Catalyst Law Group. His past experience includes serving as General Counsel at the Salk Institute, Secretary and General Counsel of Molecular Biosystems and Associate General Counsel for Ligand Pharmaceuticals. Mr. Jurgensen obtained his J.D. from the University of Oregon, his MS from Iowa State University and B.S. in Biology, from the University of Wisconsin.

Joseph Chappell, Ph.D., Founder and Acting Chief Scientific Officer
Dr. Chappell, Scientific Founder, has been on the faculty at the University of Kentucky since April 1985. His research focuses upon the mechanisms plants use to defend themselves against microbial pathogens and especially the biosynthesis of anti-microbial terpene-type compounds. Dr. Chappell earned his B.A. degree in Biology from UCSD, his Ph.D. in Biology in 1981 from UC Santa Cruz, and pursued postdoctoral studies at the University of Freiburg and Max Planck Institute.

Joseph Noel, Ph.D., Founder
Dr. Noel is currently a Professor in the Structural Biology Laboratory at the Salk Institute for Biological Studies. Dr. Noel's laboratory is utilizing a combination of mechanistic enzymology, molecular biology, plant biology, and tools in structural biology including protein x-ray crystallography and NMR to decipher the structure, function, and evolutionary history of enzymes in plant cells and microorganisms that produce biologically active natural products including terpenes, polyketides, and alkaloids. Dr. Noel obtained a BS Chemistry from the University of Pittsburgh at Johnstown, his Ph.D. at Ohio State University, and postdoctoral training at Yale.

Ann Ryder Randolph, Director
Ms. Randolph is a biotech consultant in financing and strategic alliances, and former managing director and board member of BIOCOM in San Diego. She also serves on the boards of MultiCell Technologies, Inc. (audit chair); Corporate Directors' Forum; and University of California, San Diego Librarians Advisory Board.

Tissue Repair Company

Company Overview:

Tissue Repair Company (TRC) is a biopharmaceutical company with a clinical-stage focus on products that promote tissue repair. The Company operates its business with minimal infrastructure, outsourcing most activities. This practical strategy reduces financial risk in the clinical trial period.

Product/Technology Description:

The Company's technology provides a series of powerful product opportunities in several areas of clinical medicine: (1) dermal ulcers and surgical wound healing; (2) therapeutic angiogenesis (cardiovascular and peripheral vascular disease); and (3) orthopedic products (spine fusion, fracture and cartilage repair). TRC's lead product candidate, EXCELLARATE, is a topically administered, matrix-associated PDGF gene formulation for the treatment of diabetic foot ulcers. EXCELLARATE has completed safety testing in diabetic foot ulcers in a Phase I clinical study where it was shown to be safe and well tolerated. In addition, accelerated wound healing was observed in all patients, at all dose levels and treatment regimens, with over 80% of patients showing complete wound closure by 14 weeks. The patient sample included wounds that had persisted for multiple years and were not responsive to other treatments. A Phase II efficacy study will begin in Q3' 05.

Industry Overview:

Important applications for tissue repair and regeneration include the treatment of skin ulcers and skin injuries including burns and trauma, treatment of various forms of cardiovascular diseases and orthopedic therapy. The projected target patient population in 2010 for tissue repair and regenerative products is 21.9 million up from 14.3 million in 1999. Cardiovascular, orthopedic and dermal ulcers represent the three largest categories of patients within the tissue repair and regenerative arena at 24%, 23% and 16% respectively.

Competition:

There is an enormous need for more effective wound healing products. Currently, the wound healing market is extremely large. More than $5 billion is spent annually for the treatment of chronic wounds. Wound healing agents currently on the market or in development are diverse and can be classified into four areas: advanced moist dressings including natural and biosynthetic dressings, wound cleaners and debridement agents, skin substitutes and growth factor based products.

Numerous advanced technology dressings are available for use. One therapeutic, Regranex™ has been approved for use on one type of dermal wound, diabetic ulcers. Skins substitutes, Dermagraft™ and Apligraf® have been approved for diabetic ulcers and diabetic and venous stasis ulcers respectively. Dressings containing extracellular matrices and in some cases allogeneic cells are used for some types of ulcers as well. In general, these products are expensive and offer only incremental benefits in wound healing outcomes.

Company Profile:

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Sector:
Lifesciences/Therapeutics

Homepage:
www.t-r-co.com

Legal Form:
Delaware Corp.

Amount of Capital Raised:
Seed

Date Established:
Dec. 2004

Funding Sought:
$10 Million

Number of Employees:
2

Current Investors:
Individual Investors

Stage of Development:
Clinical Development

The Company's objective is to develop biological-based products that will help healthcare professionals treat their patients more effectively resulting in patients getting back to their lives faster. The Company anticipates that with use of EXCELLARATE, patients should see improved mobility (accelerated healing), have an easier time managing their medical conditions and see an improved quality of life.

Distribution/Marketing Plans:

The Company's goal is to work with qualified partners to develop distribution and marketing plans for their initial products.

Fifth Year Revenue & Earning Projections:

The Company projects its fifth year revenue and earnings to be $50 - $100 Million.

Management Team:

Barbara K. Sosnowski, Ph.D. President and CEO
Barbara joined Tissue Repair Company in January 2005. Barbara has more than 18 years in the health care industry. From June 2001 to December 2004 she served as Vice President Research and Development of Selective Genetics Inc. a tissue repair company that developed wound repair, orthopedic and cardiovascular products. At Selective Genetics, she co-invented and helped develop the targeted gene therapy program, both viral and non-viral. Prior to Selective Genetics she was employed by Prizm Pharmaceuticals from October 1992. Prior to joining Prizm, Barbara was at Ligand Pharmaceuticals. She received her B.A. degree in Biology from the University of California, Berkeley, and her Ph.D. from Johns Hopkins University and was a post doctoral-fellow at the Salk Institute for Biological Studies. Barbara is also a registered patent agent.

Mark A. McCutchen, M.B.A. Vice President and CFO
Mark has over 15 years of financial and business management experience in the life sciences industry. Mark joined Selective Genetics (formerly "Prizm Pharmaceuticals) in 1993 and has been Vice President and CFO since 1994. Heading up Selective Genetics' financial activities he has overseen 7 rounds of venture and private financings totaling more than $60 million. Mark also managed the spinning out of non-core technology to form a new venture backed company as well as the merger forming Selective Genetics. Other areas of responsibilities have included human resources, accounting, information systems, negotiating loan agreements and developing business and strategic plans. Prior to joining Selective Genetics, Mark held various finance positions, the most recent of which was with Viagene, Inc., one of the first gene therapy biotechnology companies acquired by Chiron Corporation. Mark started his finance career in the investment banking industry where he was engaged in equity and debt transactions for high technology and life science companies. He has an M.B.A. from the University of Washington, with a concentration in finance.

Proveri Inc.

Company Overview:

Proveri is a start up company that focuses on the prognosis of prostate cancer outcome. Proveri is in a unique position to rapidly develop prognostic tests that distinguishe aggressive from indolent prostate cancer. The Company's technology, licensed from the University of California at San Diego, utilizes biomarkers indicative of aggressive prostate cancer that had been identified in a large clinical trial funded by a $4.7 million grant by the National Institutes of Health, which was spearheaded by the founders of Proveri.

The Prostate Cancer Problem: Nearly all newly diagnosed prostate cancer cases raise the question of whether the patient requires immediate radical treatment or whether "watchful waiting" is appropriate. Because radical treatment encompasses the above-mentioned serious side effects, an accurate prognostic test is urgently needed to allow the treating oncologist to distinguish between benign and cancerous disease.

The Solution: Proveri's proprietary technology allows the development of prognostic clinical test for aggressive prostate cancer. The test will be applied to routinely available biopsy tissues and fluids of newly diagnosed prostate cancer patients to reliably advise them whether their tumor is amenable to a responsible watchful waiting program or whether they require aggressive treatment such as radical prostatectomy.

The Company devised an aggressive development plan that calls for a retrospective clinical trial to validate the identified biomarkers. Initially, prognostic testing will be carried out on a reference lab basis while the Company seeks FDA approval for prognostic testing kits, leading to early revenues 24 months post funding.

Product/Technology Description:

Proveri principals, together with scientists at four academic institutions in the San Diego/La Jolla area, have surveyed over 14,500 human genes and devised analytical methods to identify genes specifically expressed by the major cell types within prostate cancer cells. Clinical trial standards were followed in order to collect and analyze optimal human samples for analysis. A network of 49 participating urologists and pathologists working with the investigators has recruited over 750 patients over a 4.5-year period. These patients have provided tissue that was collected from participating institutions' surgical operating rooms and freshly frozen at the time of operation thereby providing control of data quality. Clinical outcome including serial PSA values and all major parameters such as grade, stage, Gleason Score, recurrence, etc. were maintained in an electronic data base for analytical studies. Expression analysis of the 14,500 genes has been completed on over 200 cases. The results have been resolved to gene expression by four major cell types of the prostate gland: tumor cells, epithelial cells of benign hyperplasia and dilated glands and stromal cells. The assignment of genes expressed by which cell type, is achieved by applying a mathematical linear combination model and multiple regression analysis, to yield percent cell composition estimates of the four cell types. The percent composition esti-

Company Profile:

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Forum Participants:
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Dan Mercola, President;
Michael McClelland, VP Research

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Sector:
Biotechnology/Prostate Cancer Diagnostics/Prognostics

Homepage:

Legal Form:
Delaware Corporation

Amount of Capital Raised:
$50,000

Date Established:
9/15/2004

Funding Sought:
$3-5MM

Number of Employees:
3

Current Investors:
Founders

Stage of Development:
Start up

mates in turn were made by a team of four pathologists who examined histological serial sections taken from all samples used for expression analysis. The results of this study have been described in the prestigious journal Proceedings of the National Academy of Sciences (Stuart et al, 2004). The method has been extended to identify over 1,100 genes specifically associated with aggressive prostate cancer. Currently, the genes are being studied further to identify those that are the most indicative and thus promising with regard to the development of a variety of prognostic clinical tests.

The Product: The Company will employ a qPCR and array platform to analyze prostate cancer biopsies on a reference lab basis while seeking FDA approval for a test kit. A second generation test will be a blood test for routine retesting.

Industry Overview:

The large number of PSA tests (3.3 million per annum in the US alone, sold by major diagnostic companies) and prostate biopsies (1.5 million per annum in the US) exemplify an immense health problem in North America and Europe where one in five men will be diagnosed with prostate cancer at some time during their life. Yet life-threatening aggressive cancer only develops in a minority of the over 234,000 new cases diagnosed in the U.S. alone every year. It is estimated that more than two-thirds of those diagnosed through screening likely do not need treatment because of the indolent nature of their disease, i.e. full blown cancer does not develop. However, the current standard of care relies on radical prostatectomy or other procedures suitable for aggressive disease to all patients because a diagnostic test that would distinguish indolent from aggressive disease is currently not available. Radical prostatectomy causes substantial side effects, including the mental anguish of a cancer diagnosis, possible incontinence, impotence and even death. There is, therefore, an enormous need, and a corresponding large potential market, for tests that can distinguish indolent from aggressive disease.

Competition:

While several companies are developing single marker diagnostic tests as improvements to the diagnostic PSA test (Genprobe, San Diego, CA; PCA3 test, Procyon, Dorval, Canada; PSP94 test), and other companies are beginning to develop multi marker diagnostic tests, there is no test for the reliable determination of indolent versus aggressive disease on the market today.

Distribution/Marketing Plans:

Marketing plans are currently being established.

Fifth Year Revenue & Earning Projections:

Fifth year sales projection: $100 million; fifth year earnings projections: $75 million.

Start Up Management Team:

Dan Mercola, M.D., Ph.D., President, is a professor at the Sidney Kimmel Cancer. Dr. Mercola received M.S. and Ph.D. degrees in Biophysics from University of California at Los Angeles in 1969. He trained with Nobel laureate Dorothy Hodgkin in Oxford and solved the structure of Four-Zinc (UltralenteTM) Insulin as a post-doctoral Associate in 1974. He was appointed Member of the Faculty of Agricultural and Biological Sciences, Oxford University to continue his own research and was awarded an M.A. degree for appointment to faculty. After attending Southampton University for 3 years to gain a medical degree as an accelerated student, Dr. Mercola returned to California to complete an internship at The Memorial Hospital of Long Beach followed by Pathology Residency at the University of California at San Diego where he qualified as a Fellow of the American College of Pathologists. He then pursued research full-time from 1986, first at UCSD Veterans Hospital and then in 1992 at Sidney Kimmel Cancer Center. His research has been largely on transcription factors, Fos, Egr1 and Jun, with special interest in the activator Jun Kinase and their role in cancer especially human glioblastoma and prostate cancer. Another special interest is the use of antisense oligonucleotides to investigate gene function and he has several patents issued or pending on this Technology. Dr. Mercola has served on a number of government grant review panels including four years on the Veterans Affairs Oncology Review panels and seven NIH study sections and site visits. Dr. Mercola

is a member of the editorial boards of four scientific journals including Cancer Gene Therapy of the Nature Publishing group. Dr. Mercola has published over 100 peer-reviewed original papers, numerous chapters and reviews including a SCI "science citation classic". He was recently acknowledged with the "San Diego Padres Medical All-star" award for excellence in prostate cancer research.

Waldemar Lernhardt, Ph.D., Chief Executive Officer, Dr. Lernhardt obtained his Ph.D. from The University of Heidelberg, Germany. His thesis work was performed at the Basel Institute for Immunology in Base, Switzerland. Postdoctoral research was performed at the Molecular Biology Institute of the University of California at Los Angeles. Following an assistant professorship at the Burnham Institute in La Jolla, CA Dr. Lernhardt held the position of Research Program Director at a not-for-profit affiliate of Stratagene Cloning System. He then spent 5 years in assay development, kit production and marketing at Stratagene Cloning Systems. Dr. Lernhardt has 7 years of experience in managing MAXIA Pharmaceuticals, Inc. from the start-up stage to the acquisition by Incyte Corporation. He is a proven leader of an R&D stage organization with demonstrated leadership skills and expertise in all aspects of running a biotech start-up, from strategic direction to financing and acquisition. He has a track record of bringing products to market, of advancing drug candidates to the partnering stage and acquisition of a development-stage company by larger biotech firm. He has assay development, small molecule drug discovery, development and clinical research experience. Dr. Lernhardt will be responsible for the overall strategic direction of the Company and management of the daily business.

Michael McClelland, Ph.D., Vice President, Research, is a Professor at the Sidney Kimmel Cancer Center. Michael McClelland obtained his Ph.D. in Genetics from the University of Georgia in 1983 and was a postdoctoral fellow at UC Berkeley and Columbia University, NY. He was an Assistant Professor at the University of Chicago, in Biochemistry, and then became Scientific Director at a not-for-profit affiliate of Stratagene in 1989. He joined the Sidney Kimmel Cancer Center in 1995 as a full Professor, where he is also Director of the Genomics and Bioinformatics Cores. Dr. McClelland has consulted for many companies including Diversa, Stratagene, Boehringer Mannheim, GenStar (now Corautus), as well as acting as a scientific advisor to venture capital companies. He is an editor of Nucleic Acids Research. Dr. McClelland has served on over 30 grant review panels for NIH, NSF, and USDA. He has 160 peer-reviewed scientific publications. Dr. McClelland's research has been supported by multiple simultaneous government grants for the past 17 years.

PhiloMetron Inc.

Company Overview:

PhiloMetron is an early stage medical device venture developing proprietary chronic disease therapies based around the highly novel "Smart Band Aid"* platform. The initial applications of this platform as a Therapy Management System will be in the Congestive Heart Failure (CHF) Market. This application alone is projected to generate more than $1B in revenue with only 300K of the 5.1M patients under care. The Company projects revenues in excess of $100M by the third year of sales, and will begin sales in three years.

Product/Technology Description:

PhiloMetron's team is developing a revolutionary CHF Therapy Management System (TMS) that addresses the markets clinical need of reduced hospitalizations for pulmonary edema and lower mortality. In context, PhiloMetron's TMS will be a glucose meter for CHF patients, providing highly sensitive measurements enabling the patient and clinician to adjust the current therapies and lifestyles to prevent costly hospitalizations and lower their mortality. The TMS achieves this clinical need by providing a clinically demonstrated 10x improved detection of the onset and/or progression of CHF symptoms over current post discharge therapies. The TMS system will provide this dramatic sensitivity improvement by noninvasively continuously monitoring physiological changes that are highly correlated to the onset and/or progression the CHF symptoms. The improved sensitivity will result in earlier detection enabling the patient and clinician valuable time to modify the patient's therapy at home and prevent the disease symptom onset/progression and ultimate hospitalization. PhiloMetron projects a cost savings of more than 40% over current post discharge therapies and a reduction in mortality rates of more than 50%. The future product development road map includes several billion dollar applications in the dehydration and wound care markets.

Industry Overview:

CHF patient care consumes more than 43% (~$40B/2002) of all Medicare expenditures, but only represents about 14% of the beneficiaries. This dramatic imbalance is primarily driven by ineffective post discharge therapies which cause disease progression and ultimately costly repetitive hospitalizations. Current post discharge therapies are unable to detect the progression of CHF symptoms early enough to enable low cost home based therapy and/or life style adjustments that would prevent these recurring hospitalizations. It is projected by industry experts that an average CHF patient has a 50% likelihood to be re-hospitalized within 90 days of their discharge due to ineffective post discharge therapies.

Company Profile:

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Forum Participants:
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President/CEO
Carl Edman –
Chief Scientific Officer

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Sector:
Life Science/Medical Device

Homepage:
www.philometron.com

Legal Form:
Delaware Corporation

Amount of Capital Raised:
$150,000

Date Established:
11/2001

Funding Sought:
$6,500,000

Number of Employees:
3

Current Investors:
Founders/Advisors

Stage of Development:
Development

Competition:

The primary competitors in the CHF market are call centers that sometimes include a weight scale. Companies such as Alere Medical, Qmed, LifeMasters and Philips Medical offer such call center and weight scale services. These services typically cost $350 to $500 per month per patient, and require a full year subscription. These call center / weight scale type services have been clinically demonstrated, in the Alere Medical randomized multi-center WHARF trial, not to reduce hospitalization. However they did show a 50% reduction in mortality.

PhiloMetron projects the cost of care will be reduced by more than 45% in the initial product deployment of a 25 week post discharge monitoring period.

Distribution/Marketing Plans:

PhiloMetron's initial application will initially focus on the 1M patients who have been recently discharged from the hospital for CHF symptoms. These patients have a 50% chance of being readmitted within 90 days of discharge and are typically in the later stages of the disease and/or frequently hospitalized due to therapy non-compliance or physiological instability. PhiloMetron will directly distribute the baseline CHF TMS application into the U.S. market, then into additional incremental markets or regions, or derivative applications directly or through strategic distribution partners.

Fifth Year Revenue & Earning Projections:

The projected revenue for this initial application will result in more than $100M sales by the third year of sales, with only 95K patients under care, and with margins of greater than 74%.

The fifth year revenue projections are $87M, with an EBITDA of $19.7M.

Management Team:

The founders of PhiloMetron have more than 30 years of medical device development experience and have obtained FDA clearance on more than 20 medical devices and include:.

Darrel Drinan, Founder and President / CEO

- Former Director Gillette/Braun – Responsible for building $1B medical device category.

Carl Edman, PhD, Founder – Chief Scientific Officer

- Former Manager of Nanogen – Advanced Technology Division

Robert Lackey, MSEE, Vice President Research and Development

- Co-founder, Vice President of R&D Thermoscan – Ear Thermometers

Michael Malone, JD, CPA, Chief Financial Officer (50%)

General Counsel – J. Casey McGlynn – Wilson Sonsini Goodrich & Rosati

Patent Counsel – Tom Arno – Knobbe Martens Olsen & Bears

In addition to the noted personnel, PhiloMetron has identified seasoned core management and development team members' necessary to complete the baseline and derivative applications development and FDA clearance activities.

*Band Aid is a registered trademark of Johnson and Johnson Corporation and the use herein is for descriptive purposes only.

Molecular Profiling Institute, Inc. (MPI)

Company Overview:

The Molecular Profiling Institute, Inc. ("MPI") is a CLIA certified specialty reference laboratory that helps cancer patients worldwide by applying the discoveries of the Human Genome Project to personalized medicine. MPI provides cutting-edge testing facilities, products, and resources for genomic and proteomic profiling and treatment of cancers. By identifying the individual molecular profile of a person's cancer, MPI assists oncologists and pathologists to provide better customized therapeutic options for their patients. MPI's analysis is integrated with standard methods of cancer treatment to provide physicians with a comprehensive evaluation of their patients' tumors. This allows a large number of patients to have their cancers more accurately classified for origin or type, severity, prognosis, response to therapy and, most importantly, treatment targets.

Product/Technology Description:

MPI has three principal divisions with the following products/services:

Patient Services:

- TargetNow® - end stage cancer profiling, averages $2,500 per patient utilizing established CPT codes. Potential to reach 500,000 patients per year.
- MammaPrint® - exclusive US rights for Agendia's MammaPrint®. A 70 gene prognostic test. NEJM, Nature, and international validation. Potential market includes the 70% of the 250,000 breast cancer patients a year that are lymph node negative. MammaPrint profiles the tumor and determines which of the 1/3 of patients currently untreated will have distant metastasis and need treatment. Also helps physicians determine the 30% of women who's tumor will recur from the 93% that are currently subject to follow on chemo and other treatment to avoid unnecessary treatment. Charge is $3,200 per test utilizing established CPT codes.
- Colon cancer and undisclosed blood diagnostics – in development

Pharmaceutical Services:

- Tissue Banking and Analysis Center (TBAC) – contracts with US Oncology to help profile and narrow applicable patient populations for clinical trials. Additional contracts in negotiation with San Diego diagnostic and pharmaceutical companies and RFP's pending with major cancer centers.

Software:

- Alliance Agreement with IBM to accelerate the development of MPI's Personalized Medicine Expert System ("PerMedEx") - enhanced disease reporting integrated with relevant literature and identifying new therapeutics.
- Tissue tracking software – preliminary sales and co-development with major cancer centers. Continuing to make product more off the shelf. Developed internally to track TBAC samples and integrate with patient data and clinical trials.

Company Profile:

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Forum Participants:
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David Mallery, Exec VP

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Sector:
Biotech

Homepage:
www.molecularprofiling.com

Legal Form:
Delaware C-corporation

Amount of Capital Raised:
$2,550,000

Date Established:
July 2004

Funding Sought:
$8,000,000

Number of Employees:
14

Current Investors:
AmeriPath, Edgewood, EA Management, Flinn Foundation, IGC, Scottsdale Healthcare TGen

Stage of Development:
Early to mid - stage

MPI has an exclusive IP arrangement with TGen (www.tgen.org) for new molecular diagnostics. A recent acquisition of a product company should help lower microarray costs and enhance performance.

Industry Overview:

Molecular diagnostic market targeting cancer expected to be a multi-billion dollar market by 2010.

Competition:

While the molecular diagnostic field is very competitive, it is an emerging field that is highly fragmented. MPI's exclusive research base, cutting edge diagnostics, and access to patients provides a unique advantage over its competition. While several competitors exist, no other diagnostic company has integrated the depth of scientific and clinical expertise to conduct advance genomic testing in the same manner as MPI or has the access to such extensive tissue samples and patient base. Principal competitors include: Genomic Health (Redwood City, CA), Impath / Genzyme (Cambridge, MA), Quest Diagnostics (Teterboro, NJ) and Myriad Genetics (Salt Lake City, UT).

Distribution/Marketing Plans:

MPI has a formal strategic partnership with AmeriPath. MPI is AmeriPath's exclusive advanced reference lab and AmeriPath is assisting with co-marketing and sales. AmeriPath is a leading provider of cancer diagnostics, genomics, and related information services and is comprised of more than 400 pathologists in over twenty states across the country, representing greater than 13 percent of the nation's surgical specimens. MPI also has strong ties with US Oncology and their practice sites. US Oncology is the nation's largest health care network dedicated exclusively to cancer treatment and research, serving more than 15 percent of all new U.S. cancer patients. The combined patient base of AmeriPath and US Oncology is estimated at 25 percent of the nation's oncology patients. This population of patients is expected to provide consistent volume to drive MPI cash flows from patient and pharmaceutical services.

Fifth Year Revenue & Earning Projections:

MPI expects to reach break-even by the end of 2006 through its current patient billing on a fee-for-service basis for the professional and technical charges incurred on their behalf in addition to pharmaceutical services and software contract revenue. Revenues by year five are estimated to reach approximately $165 million, with $83 million in profit before taxes.

Management Team:

Dr. Robert Penny, President, CEO, & Director
- Established AmeriPath's two centers for advanced diagnosis (first one acquired by AmeriPath)
- Co-founder and Chief Medical Officer, International Genomics Consortium

David Mallery, JD, MBA, Executive Vice President & Director
- Private equity fund management and biotech finance and co-founder IGC

Richard Love, Director with executive roles
- Former CEO of ILEX Oncology (sold to Genzyme for $1.4bil)

Dr. Ed Suh, Chief Information Officer
- NIH, Division of Computational Bioscience

Dr. Russell Richerson, VP Operations
- Senior research and operations at: Abbot, Ventana, Prometheus

Ann Hornby, PhD, MBA, Director of Tissue Banking

Dave Hanak, Director of Sales and Marketing
- Breast cancer diagnostic sales for Dianon (sold to LabCorp)

Scientific Advisory Board:

Dr. Jeffrey Trent, Co-Chairman
- Pres., TGen, former Chief, Cancer Genetics Branch, NIH

Dr. Von Hoff, Co-Chairman
- Co-founder and Director ILEX Oncology
- Chief Medical Officer, US Oncology

Dr. Mike Bittner, Scientific Advisory Board
- Chairs MPI's Science and Technology Committee

Dr. Jeffrey Mossler
- Chief Medical Officer and Board Member, AmeriPath

Dr. Joyce O'Shaughnessey
- US Oncology – top breast cancer specialist

High-tech Presenting Companies

U.S. Techlab, Inc.

Company Overview:

U.S. Techlab, Inc. is a Delaware corporation established to develop, produce and market the company's hardware and software products. The technology was developed by V.S.O.P. Computers, Inc. (VSOP), a Nevada corporation that has a 20-year track record of successfully developing innovative data management technologies. Its earliest projects were for the gaming industry and it later developed a variety of technologies for other industries. The owners of VSOP, Alistair Crighton and Robert Verhagen, are founders and principal shareholders of U.S. Techlab.

Product/Technology Description:

The U.S. Techlab system is the first mobile, wireless point-of-care solution for managing electronic medical records that is designed for the physicians and other caregivers. It combines a comprehensive, easy-to-use software interface tailored to the caregivers' needs with a convenient, powerful handheld platform that will allow electronic collection and management of all patient information without slowing the physician down. It provides: (a) workflow customized to the way physicians and nurses currently work to minimize training time and for ease of use; and (b) integration with any system creating system interoperability between existing back-end systems.

Although the solution runs on any Windows XP platform, the company provides a function specific handheld unit delivers capabilities needed by doctors and nurses that are not available in commercial devices without carrying a lot of extra equipment (barcode system, biometric ID-Fingerprint, Voice over IP, power of a laptop that fits into a lab coat pocket, 4x the screen size of a PDA, etc). This really captures the attention of physicians and nurses when they see how much more convenient and easy to use it is than conventional devices.

Industry Overview:

The healthcare industry is far behind most industries in the U.S. in adopting recent advances in information technology (IT). Hospitals and physicians are facing critical challenges that can be mitigated by improved IT systems.

Medical Mistakes and Malpractice Claims: Medical mistakes and malpractice claims continue to plague hospitals and physicians. It is estimated that 98,000 people in hospitals die each year because of inappropriate medical treatment and drug reactions, according to a report by the Institute of Medicine of the National Academy of Sciences. Many of these deaths could have been prevented with modern information management systems that check medications against electronic medical records. In addition, there are over 1 million serious medication errors each year that can be prevented with point-of-care EMR systems.

Lost Revenues: Physicians and hospitals are also losing millions of dollars annually due to incorrect or incomplete reporting of medical treatment and billing. Denied claims for reimbursement from insurance providers can be as high as 25% of billing due to incomplete and inadequate records.

Company Profile:

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Sector:
Healthcare IT

Homepage:
www.ustechlab.com

Legal Form:
Delaware Corporation

Amount of Capital Raised:
$750,000

Date Established:
Jan 2, 2002

Funding Sought:
$3 million

Number of Employees:
13

Current Investors:

Stage of Development:
Early Stage

Physicians and hospitals also lose tremendous amounts from "lost" charges that never make it into the billing system. With paper-based records, it becomes too easy to make mistakes, miss charges or fail to transfer the data to the billing system, especially when physicians my be unable to complete the documentation until several hours after treatment. An effective EMR system can provide complete, detailed records for accurate charge capture to ensure that providers receive the reimbursement to which they are entitled.

HIPAA Compliance: On July 21, 2004, the Department of Health and Human Services (HHS) released a 178-page plan to develop interoperable electronic medical records over the next 10 years. This follows up the move under the Health Insurance Portability and Accountability Act (HIPAA) to make all patient medical records fully electronic. HIPAA is working to establish a single, unifying form of electronic interchange for the health care industry based on proven standards and capable of changing as needs change. HIPAA rules also set standards for protecting the security and confidentiality of patient-specific health information with civil and criminal penalties for violations.

Decision Support: Today, physicians have little in the way of point-of-care decision support that can provide a check-list of diagnosis and treatment protocols. An electronic system can provide decision support as well as documentation that all protocols have been complied with at the point-of-care. This process provides a complete audit trail of each transaction for reimbursement and utilization review.

If the health care industry is to successfully address these problems, patient information and diagnosis and treatment regimens need to be electronic at all points in the treatment process to provide the caregiver complete, up-to-date information at all times.

The U.S. Techlab point-of-care EMR solution makes the creation and management of electronic patient information easy and convenient at all points-of-care for physicians, nurses and patients.

Competition:

U.S. Techlab faces competition from a variety of companies providing both software and hardware solutions for the healthcare industry. The medical information technology industry is highly fragmented. There are numerous software providers to the healthcare industry with systems designed to manage everything from hospital chains to the single physician office. Many software suppliers provide software designed to handle specific functions ranging from disease management to financial systems.

The companies that could be viewed as competitive are those producing software designed to handle computer-based patient records. The major providers of these clinical information systems include the following:

McKesson HBOC
Eclipsys Corp
Siemens
3M Health Information Systems
Science Applications International Corp. (SAIC)
IDX Systems Corp.
CSC Healthcare Group
Epic Systems Corporation
Cerner Corp.
Medical Manager Corp.
Medical Information Technology (MEDITECH)
NextGen

Interestingly, the major system providers have made little progress toward a handheld solution for point-of-care data collection and management. Most of these systems were never designed to be used directly by the doctor. In addition, much of the programming in these systems uses older code which is not easily modified to add the comprehensiveness, speed and flexibility that physicians need in a point-of-care solution.

In addition, the solutions that they are working on are designed specifically for their software and do not appear to address the issues related to multiple systems within the hospital environment that may not communicate with one another. In some cases, these major systems suppliers are connected with outside develop-

ers of handheld technology. For example, IDX uses the Allscripts handheld solution on a PDA to allow physicians to view patient information from the IDX system.

The company's strategy is not to compete with these large hospital management systems. Because the company's system has the ability to synchronize with multiple back-end systems, it can become an essential enhancement to any existing system, making it much more efficient and effective. Many of these companies may become prospective strategic partners for the company.

There are numerous competitors who develop practice management systems for physician offices. Many of these systems still do not incorporate point-of-care data collection and management. Physicians who have existing practice management systems can use the USTL system for data collection and portability without doing away with their existing management systems. However, the system can also serve as the physician's complete patient record management system if the physician so desires and will be seen as a competitor to existing practice management software that provides computer-based medical records.

Distribution/Marketing Plans:

The sales cycle in selling to hospitals and the healthcare industry in general tend to be lengthy ranging anywhere from six to 18 months, particularly when the technology is part of mission critical information such as the patient medical record. The positive side is that, once successfully implemented, customer retention is high and there are numerous opportunities for increased business with existing customers and health systems.

The initial sales of the USTL system are being developed by the executive team in conjunction with other individuals who are working with the company in and advisory or consulting capacity. These individuals have extensive backgrounds in healthcare management and administration. As the initial installations are completed, the hospitals will serve as reference clients and it is expected that they will provide introductions to other area hospitals.

After the initial installations, the company will develop an in-house sale team to sell directly to hospitals, physician groups and other potential users. The company will recruit the first sales executives within the first quarter after funding. Additional sales representatives will be added as the company's systems are established in the market. The company will seek sales representatives with experience in the market and will structure compensation to attract top performers.

U.S. Techlab will use direct marketing initially with limited advertising in key industry publications. The company will also attend major medical trade shows with special emphasis on those focused on hospital systems and IT such as the annual HIMSS show. The company will engage a marketing firm experienced in IT marketing to the health care industry.

As the company's technology gains market acceptance and an established installed based, the company expects to develop strategic partners to expand its distribution system as outlined below.

Strategic Partners

Strategic partners will play a prominent role both in the development of the USTL's markets and in the manufacturing of its products. These relationships can enhance the ability of the company to gain wide spread acceptance of its point-of-care solution. In addition, these partners can be extremely valuable in developing sales prospects. USTL is seeking partnership-type relationships in three key areas:

- **Clinical information systems providers:** The company's technology provides the ideal point-of-care interface for existing clinical information systems. The company will seek opportunities to partner with these vendors to develop market opportunities for the USTL system.
- **System integrators:** The company will perform the initial integration of the systems using its engineering team. However, it will be important to have an established integration partner that is well established in the health care systems markets working with the company. As sales increase, one or more system integrators will perform installation, integration, training and customer support. The company has begun talking with companies with the capability to be the integration partner.

Fifth Year Revenue & Earning Projections:

Revenues will be derived from the sale or licensing of the U.S. Techlab software and the sale or lease of the handheld computer. Recurring revenue will be generated from annual maintenance and support fees under the terms of the software license. The license pricing options can be a site license or a license per device. Repeat sales of the handheld computer will be generated from the sale of improved versions of the device and hardware lease renewals.

The following is a summary of projected revenues and net income for the company.

Pro-forma Revenue (millions)

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$1.3	$6.7	$16.7	$27.8	$47.7
Gross Profit	(.6)	2.9	9.7	17.7	32.1
Net Income	(1.0)	.9	2.9	5.4	11.4

Management Team:

Michael McCann – President/CEO - 15 years as CEO of companies in private equity investment, publishing and software with start-up as well as Fortune 500 company experience

Alistair Crighton – Founder/CTO - 20 year history of technology development for mobile, wireless data management including "PharmaScan" for AARP for preventing prescription drug interaction

Robert Verhagen – Founder/VP Engineering 23 years in developing hardware and software solutions with Northrop, IBM and Control Data

Advisory Board Members

Gene Barduson – CEO of Alteer, former president if EDiX (sold to IDX) and VP of Western Operations and National Health Services at Shared Medical Systems, Inc. (SMS).

Lawrence S. Jordan – First VP of Sales for FileNet and former CEO of Touchstone software.

Jon A Wampler – Former CEO of PacifiCare, Director of Chromavision

Dial4snax Wireless Solutions

Company Overview:

Capitalizing on the convergence of wireless and internet, dial4snax inc. provides state-of-the-art remote ordering systems and wireless applications that connect consumers to local service providers at stadiums, arenas, airports, hotels and other large public venues. Our proprietary and patented systems automate the ordering and payment process for food, beverage and other deliverables, for the owners of cellphones, WEB enabled PDA's, 2-way pagers, etc.

We enable consumers to get what they want when they want it, wherever they are in a public venue. This service addresses a real need and solves an important problem faced in many markets, such as stadiums, airports and hotels.

For example, at stadiums, arenas and concert halls spectators and fans currently have to miss the event they paid to watch to stand in long concession lines each time they want have that food or drink. After the long wait, they have to fight their way through the crowded isles back to their seats, spilling the drinks or the ketchup on themselves and their neighbors and, disturbing all in their row and section. dial4snax saves them the aggravation.

In a similar fashion, dial4snax ordering and payment applications address the need of exhibitors at trade shows that can not leave their booth to get a drink or food, guests at hotels with no room service or restaurants, and travelers at airports, etc.

To service providers in these markets, our remote ordering system presents an opportunity to capture lost sales caused by the abovementioned problems, enhance customer service, and increase operational profits and efficiency through other features of our system described further below.

dial4snax remote ordering systems is currently implemented at 5 US and Canadian stadiums and arenas where spectators use our applications to order, pay and receive their desired food, drinks and souvenirs.

With our new national alliance contract with a major broadband service provider for hotel and lodging industry, starting June of this year, our system will be available at many hotels in California and Nevada where guests can order get food and drinks from select local participating restaurants for delivery to their rooms.

Product/Technology Description:

Our remote ordering system is built on a device-neutral platform where on the front-end, devises from analog cellphones (through Interactive Voice Response or IVR), digital cellphones (though WAP, J2me or Brew), Web-enabled PDA's, 2-way Pagers, PC's and laptops and interactive cable TV's (through the WEB) can access and interact with our remote ordering systems.

Using any of these devices, consumers can identify their location, receive a specific menu from the participating service providers for that location, and select and approve a payment method.

Company Profile:

Address:
12655 Intermezzo Way
San Diego, CA 92130

Forum Participants:
Bob Showghi, Founder/CEO
Bruce Merati, CFO
Carmen Torzon, VP Sales

Phone:
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(858) 794-4822

Sector:
Wireless Applications

Homepage:
www.dial4snax.com

Legal Form:
Corporation

Amount of Capital Raised:
$830K

Date Established:
July 2000

Funding Sought:
$1,500,000

Number of Employees:
11

Current Investors:
Private Investors

Stage of Development:
Early to Mid Stage; Fully developed & deployed products; Developing customer base; Clear roadmap to profitability.

On the backend, our system processes the financial transactions within seconds, sends a printout of the order through the internet to the nearest processing center to that consumer for preparation and delivery.

The Management Interface feature of our platform, which is securely accessible through the Internet, provides many enabling features for the service providers to optimize their operations. For example, the order delivery process could be optimized by sorting delivery orders by area for efficient multiple order delivery with each run.

Operating on the same platform, our remote ordering system and applications fall into three product groups.

dial4snax®:

For self-ordering, using handheld wireless devices

Wireless Waiter®:

Waiter-based ordering through Web-enabled PDA's equipped with a credit card swipe. These turnkey systems are furnished by dial4snax inc. and operated by the service providers.

Web Ordering:

For self-ordering, via PCs, wireless laptops or Web-TVs, from menus of participating service providers, for delivery at a particular time and location (e.g., pre-ordering at stadiums, ordering from hotel room and offices.)

Intellectual Property:

dial4snax inc. has been granted 3 US patents and an Australian patent for its mobile commerce system. We also have pending patents at 25 other countries including the EU, Japan and Korea.

The real value of these patents can be better surmised from a $70K exclusive contract with Manitoba Telecomm/Allstream (Q3/04) for MTS Centre in Manitoba; from expression of interest from Fujitsu of Japan for a global Licensing; and from ongoing discussions with Nextel for licensing our technology and deployment of our wireless application at 45 stadiums and arenas they currently sponsor.

Industry Overview:

In the sports venues, last year spectators and fans spent nearly $3 billion for food, beverages and souvenirs in the US. Most of these spectators had no choice but to miss part of the event they paid to watch by standing in long concession stand lines. Worldwide, nearly $7 billion is spent annually by one billion spectators who are faced with the same frustration to get their desired food, drinks and souvenirs.

In the Hotel and Logging industry, nearly $12 billion is attributed to the food and drinks sales in the US and $70 billion worldwide.

At the airports, faced with the mentioned limitations for being able to purchase and carry desired food and drink to their gates, travelers last year still spent more than $1 billion for those items. The sales of food and drinks at the airports worldwide is estimated to be above $4 billion annually.

In the emerging wireless and connected world, consumer enabling systems and applications such as ours could conservatively generate 10%-15% more in new sales in each of these markets. That makes the total available US market for our system and application to be around $1.6 billion and worldwide over $8 billion.

Key Players:

In the Sports and Airport markets, within a venue, all concessions are generally managed by a single concessionaire. Most stadium, arena and airports concessions throughout the US are contracted to one of a few major concessionaires such as CenterPlate, ARAMARK, Sodexho, Host, DNC and Compass. In general these companies are not early adopters of new technologies but, are astute in adapting to the needs and demands of their customers. Especially, the venue operators, team owners and airport authorities with their ever-increasing demands for higher customer service at their facilities.

In the Hotels and Lodging industry, where consumers have many choices, new consumer-enabling technologies are more easily embraced and adopted.

Competition:

Beside standing in line, waiting for the roaming hawkers and going and getting it yourself, our products face the following competitors in the market place:

For dial4snax, self-ordering via wireless devices: There are two Canadian companies Verrus and Cellbucks that have used a loophole in our first patent to provide an almost similar (but inferior) service. Both of these companies have now been informed of our new patents that block that loophole. Verrus and dial4snax are currently negotiating a cross licensing and joint marketing effort for our wireless applications, our dial4snax and their Wireless Parking. Cell Bucks is in preliminary discussions for patent licensing.

For Wireless Waiter- Waiter-based system: There are several companies that provide this type of product, Micros, POSitouch, Ameranth, etc.: These systems are all more costly to implement and operate (at least twice as much); Need local servers to maintain and, have no Internet remote access to management screens.

For our Web Ordering & Delivery: In the Hotel and Lodging market, the main competition is the national and local restaurant chains with their national web site and delivery service. Our key advantage over them is that we have a focused consumer exposure through our alliance partners (the broadband service providers) and offer the hotel guests a larger variety of restaurants and food to choose from.

Distribution/Marketing Plans:

Our primary marketing strategy for the sports venue market is to create formal strategic alliances with master concessionaires, national sports leagues, and stadium owners. Partnership with these groups will lead to acceptance and demand for our technology at additional venues. Consumer familiarization with the convenience of the dial4snax service, along with increased sales (15%-20%), its cost savings and substantial management control benefits for the concessionaire will drive its expansion and adoption.

Our primary strategy for consumer penetration and utilization in the sports market involves sponsorship and co-branded direct marketing to spectators through collateral material given with the physical ticket, advertising and signage within the venue, wireless carrier (e.g. Nextel/ Sprint PCS), billing stuffers and co-promotions, and downloadable online ads to the cell phones or wireless devices directly. In-venue advertising via SMS will also be very effective because of the captive audience, all of whom are prospects (they're either hungry or thirsty or both.)

Being first to market, executing a rapid deployment, enjoying layered IP protection, and creating a well-focused sponsorship and co-branding strategy with Fortune 100 companies will pose serious barriers to entry for potential future competitors. Our mission is to be the best-known, easiest to use, and the most ubiquitous system of our kind available.

A global licensing to a company like Fujitsu, Japan will obviously fundamentally change these strategies.

For the Airport Market, we intend to relay on the alliance partners like Sprint, Nextel or, Host and DNC to take a lead in promoting the use of our applications and service.

For the Hotel and Logging industry, our marketing will be done through our key alliance partners in the wired and wireless broadband and Web TV service providers.

Fifth Year Revenue & Earning Projections:

	2005	2006	2007	2008	2009	2010	2011
Net Profits	($0)	$1	$2	$3	$5	$8	$12
Total Revenues	$1	$2	$5	$9	$15	$24	$34

Management Team:

Robert Showghi: President, CEO and Founder. Robert has over 20 years of experience in manufacturing and operations management at fortune 500 companies such as ELDEC/Crane and Eaton Corporation. He has served as the co-chair of the Wireless Applications at the San Diego Telecom council. He has an Industrial Engineering degree from the University of Houston and an MBA degree from Seattle University.

Scott Juds: Vice-President of Business Development, Co-founder. Scott has been VP of Advanced Engineering for the Everett, WA division of Eaton Corporation, and Co-founder and VP of Engineering for IDX, Inc. of El Dorado, AR. He holds an MSEE from Stanford University, holds 35 US and foreign patents, and is a registered Professional Engineer.

Carmen Torzon: VP Operations. Carmen has broad executive experience in the field of food and beverage concessions at sports venues and airports. His professional experience include: VP of Operations, at CenterPlate (2nd largest concessionaire in the US), VP of Operation at Volume Services, VP of Sales and Marketing at Canteen Corp. Carmen is a dynamic leader and has twice been elected by his peers to the board of National Association of Concessionaries.

Bruce Merati: CFO, Bruce has been the CFO and Controller at several public and private companies over the past 20 years. For the past 6 years Bruce was the CFO/President of Virtgames inc., a local wireless gaming application provider.

Mathew Tasooji: Director of Wireless Operations: Matthew has an MSEE from Stanford and PhD from USC. With extensive knowledge and experience in Wireless technology. Matthew is the co-founder of CDMA Academy Inc. and has held management positions at Wireless companies such as Qualcomm and Ericsson.

Streamload, Inc.

Company Overview:

Streamload is the leading Internet service for transfer and storage of personal digital entertainment. Its Internet service allows users to easily and securely send, receive, store and access their digital files, like video, music, and photos. Its technology provides users the freedom to move their media across all their devices as well as store and deliver their collections to others without regard to file size or storage limitations.

For the first time, people can use their digital media whenever, wherever and however they choose to use it. Streamload is unique since it is the only service on the market that offers unlimited storage, has massive 2GB file-size limits, allows access everywhere users want their digital content, does not limit file transfer speeds, and allows users to optimize and convert media files with the click of a button. Streamload has been in business for 6 years, grown 300 percent in the last 3 years, manages more than 450 terabytes of data, and has over 20,000 paid subscribers. Streamload is freedom for today's digital lifestyle.

Product/Technology Description:

Product:

Streamload's personal media server technology allow for Gigabyte-size media files ("Megafiles™") to be transferred securely and seamlessly between people and their digital devices, and remote access to files everywhere there is an Internet connection. Streamload is the only company to offer unlimited, long-term storage convenience via any Internet-connected device, without consumers ever having to delete their files again.

1) Streamload's version 3.0 (now on version 4.5), introduced January 2004, greatly enhanced its innovative storage platform to manage, send and receive large files more efficiently and break beyond the previous limitations of any other centrally-managed network storage system in existence. As a result of the efficiency gains, it is able to leverage the technology to manage huge amounts of data at a very low cost.
2) Subscription plans range in price from $5 – 40 per month and include unlimited free storage and much larger download allowances than competitors, between 1 – 60 GB per month. Streamload users do not pay for storage capacity. Rather, there are nominal charges for access to the stored files (bandwidth usage.)
3) In contrast to 10 MB file sending limits of popular online email services like Yahoo! Mail and other online email providers, Streamload's xStreamMail users have file attachment limitations of 2 GB of data per file and up to 25,000 files per email – that's a theoretical file size limitation of 50 terabytes of file attachments per email or nearly 5 million times the limits of a standard Yahoo mail email. Streamload doesn't limit file transfer speeds, which is ideal for uploading, sending and receiving large entertainment files. Users can also stream videos and music back from Streamload's servers via any standard Internet browser and media player.

Company Profile:

Address:
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Forum Participants:
Steve Iverson,
President and CEO

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(619) 374-7469

Sector:
Consumer Technology Services

Homepage:
www.streamload.com

Legal Form:
C Corp

Amount of Capital Raised:
$2.5 MM

Date Established:
June 1998

Funding Sought:
$10 MM

Number of Employees:
16

Current Investors:
Private investors,
Windward Ventures

Stage of Development:
Profitable

Technology:

Streamload's innovative storage platform allows users to manage, send and receive large files more efficiently and break beyond the previous limitations of any other storage system in existence. As a result of the efficiency gains, it is able to leverage the technology to manage huge amounts of data at a very low cost.

Streamload currently hosts more than 450 terabytes of data and is capable of storing scaling to hundreds of petabytes. Currently Streamload is adding one terabyte of unique user data every day. However, the company's cost for this storage is about 1/20th the cost of traditional network storage systems while maintaining equal or better performance.

Streamload's other distinctive technology solutions include its cataloging feature with its metadata capability, one-click file and bit-rate conversion to optimize music files for fast transfer, optimizing the database allowing it to handle significantly more files stored, and offering a centrally managed file system for all devices.

Industry Overview:

The accelerating need for new, high-capacity storage and file transfer technologies is being driven by several factors, including the growing popularity of digital imaging, digital video, on-demand entertainment and web-based content and the growth in high-definition television.

Today's applications and file sizes are growing at an exponential rate, but access and transfer methods are not keeping pace.

- Email attachments have size restrictions. Even new services like Google's Gmail are not able to send large file attachments.
- FTP is slow and cumbersome and is not easy-to-use.
- CDs and DVDs have size limitations, can be damaged and must be sent through slow, offline delivery services.
- Storage devices don't allow you to access all your files from anywhere.
- P2P (peer to peer) and file-swapping allows anyone to access your computer and forces you to be the service versus using the services.

Streamload saw the need for a better solution and pioneered a new method for centrally storing and managing data specifically for the needs of consumers to securely store any size media and digital files, with the ability to easily send, receive, access and stream them from any location.

Today, the market for digital media continues to grow. In fact:

* Over 30% of U.S. households use digital music (source: Electronic Living at Home - Parks Associates 2003)

* Over 50% of U.S. households with digital music have over 50 songs stored. (source: Electronic Living at Home - Parks Associates 2003)

* Over 44 million Americans age 12 and older download music online (source: Forrester Research, The Digital Music Consumer: 2003)

* Currently 29% of all U.S. households have multiple PCs, another 23 million are broadband households, over 22 million have digital cable (42% report weekly downloads of music and 31% report weekly downloads of videos), and over 13 million households with data networks in the U.S. (source: The Home Network Market: Data and Multimedia Connectivity - Parks Associates 2003)

* Currently 31% of broadband households download video content at least once a week.

* Cable and satellite vendors will add 2.5 million DVR customers in the U.S. in 2004 and more than six million by the end of 2008, with more than 25 million DVR customers between them.

* The total cumulative addressable market for home connectivity within data and multimedia applications is expected to grow to nearly 140 million shipments of mobile and fixed digital multimedia consumer electronics in 2008 from 66 million in 2004. (source: The Home Network Market: Data and Multimedia Connectivity - Parks Associates 2003)

Management Team:

Steve Iverson, President and CEO
Steve Iverson developed his passion for technology and innovation while growing up in a house full of electronics and personal computers. Iverson's interest carried him to Pomona College of California, where he was awarded two research grants to study digital data compression, and eventually developed a new and innovative technology for his undergraduate thesis while studying adaptive data compression algorithms.

This new technology built the foundation for Streamload and has since evolved into a service that allows users to send, receive, and access their data files online, including entire video and music collections. Under Iverson's leadership, Streamload, which has 10 employees in its downtown San Diego headquarters, is starting to make sense and cents to more and more people. The company, which has been profitable since June of 2001, recently closed its first round of institutional financing from San Diego's Windward Ventures. Iverson was a 2004 Ernst & Young Entrepreneur Of The Year finalist.

David Dudas, Vice President of Engineering
David Dudas is a seasoned technology executive with 14+ years experience in managing, designing, and developing enterprise software solutions. Prior to joining Streamload, Mr. Dudas served as Vice President ofTechnology at SIPphone, a San Diego based VoIP startup. Under his leadership, the company developed it's core infrastructure and positioned itself to compete in the highly competitive international Voice-over-IP market.

Prior to SIPphone, Mr. Dudas was Director of Engineering at MP3.com, where he was instrumental in developing the technology that sparked the online music revolution. Earlier in his career, Mr. Dudas served as a consultant in the field of supply chain management technology.

Charlie Jackson, Chairman
Charlie Jackson is a successful entrepreneur from the software industry. Mr. Jackson has founded and been CEO of two major software-publishing companies that were successfully sold and merged into larger companies. One of Mr. Jackson's companies developed and shipped the first version of Flash, which was, at the time, called FutureSplash Animator, until Macromedia acquired the company at the very end of 1996. Mr. Jackson has also been a seed investor in numerous high-tech startups including Wired Ventures, Outpost.com, and Pacific Coast Software. Mr. Jackson was an owner of Beach Volleyball America, the premier professional tour in the USA for beach volleyball. Mr. Jackson sits on the board of directors for USA Volleyball team and was a team manager for the Sydney 2000 USA Olympic Beach Volleyball team.

John Belden, Director
John Belden has been actively involved with San Diego's technology organizations for more than three decades. He was a founding member of San Diego Software Industry Council (SDSIC), and has held various positions with the American Electronics Association, UCSD Connect and the San Diego Regional Technology Alliance. Belden is also the former chairman of Echolink Interactive. Since 1990, Belden has served as president and CEO of Octus Inc. (OTC: OCTU.OB), a San Diego-based publicly traded company. In 1970, Belden co-founded Montron Corp., and served as president until 1977 when the company was sold to Fisher-Price Toys. In recognition of his many years of service to the software industry, Belden was awarded SDSIC's Chairman's Award in 2003.

David Titus, Director
Prior to founding Windward Ventures, David Titus was a General Partner and Managing Director of Corporate Finance for Technology Funding, a $250 million venture capital firm, where he was responsible for directing all new investment activity from 1988 through 1992. Mr. Titus was also a co-founder and Senior Vice President of Silicon Valley Bank, a highly successful bank with headquarters in Santa Clara, California. He is currently a director of several private companies. Mr. Titus has a BA from University of California, Santa Barbara.

Anonymizer, Inc.

Company Overview:

Anonymizer, the most trusted name in privacy, defends consumers, businesses and government agencies with comprehensive online identity protection solutions ensuring their privacy while using the Internet. Anonymizer identity protection solutions have secured millions of users since 1995 without a single security breach, while providing information assurance and control over their online identities.

Product/Technology Description:

Anonymizer's core Internet privacy and security platform uses proxy servers armed with proprietary encryption technology to rewrite requested Web pages for its end-users, filtering potential threats like cookies, Web bugs and mobile code while shielding the user from identification and online tracking.

Industry Overview:

Rapidly growing markets including: Internet privacy at $100 million, anti-spyware at $308 million, anti-phishing at $500 million, and identity management at $100 million.

Competition:

With eight years of experience, the Anonymizer brand name is considered as the "Kleenex" of the Internet privacy market. Our flagship privacy service has over one million unique monthly users and over four billion Web page views have been protected since 1996.

Distribution/Marketing Plans:

Anonymizer has a hybrid subscription model, for services and one-time pay model, for software. Our enterprise products are marketed to the US government and large corporations. We also market though direct marketing channels, such as retail, radio advertising, and strategic partnerships.

Fifth Year Revenue & Earning Projections:

$70 Million

Management Team:

Bill Unrue (CEO) – Previously president of Newpoint, Inc., director of Sunbeam's Healthcare Division, and executive at Thermos. Recruited by Anonymizer in 2000.

Lance Cottrell (President)– Internationally recognized expert in cryptography and online privacy and security issues. Founded Anonymizer in 1995, and holds a Masters degree in Astrophysics.

Brian Kay (Director of Finance) – Certified Public Accountant previously with Proflowers, Inc., recruited by Anonymizer in 2004.

Company Profile:

Address:
6305 Lusk Blvd.
San Diego, CA 92075

Forum Participants:
Bill Unrue

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Sector:
Privacy & Security Software

Homepage:
www.anonymizer.com

Legal Form:
C Corp

Amount of Capital Raised:
$1.8 Million

Date Established:
1996

Funding Sought:
$3.0 - $5.0 Million

Number of Employees:
31

Current Investors:
Private Investors

Stage of Development:
Series C/ 1st Institutional Round

Rhevision Technology

Company Overview:

Rhevision Technology was founded by faculty and scientists from UCSD on December 15, 2004 to commercialize its revolutionary technologies on smart optics for mobile and miniature imaging. The company has received exclusive license from UCSD. The company is seeking its seed funding and is working with strategic partners and potential customers to develop its product.

Product/Technology Description:

Rhevision Technology has developed a disruptive tunable optic technology, namely zoom-lens-on-a-chip, holding the promise of revolutionizing the mobile and miniature imaging industry. The technology can be incorporated into multiple product platforms including cellphones, PDAs, surveillance cameras, etc..to enable new functionality that is unachievable and unconceivable before.

Industry Overview:

It is projected that mobile image will create the same magnitude of impact on communication as e-mails had on document communication in the '90s. About 90% of the cellphone handsets sold in 2009, or about 860 million units, will contain cameras; and a compound annual growth rate of more than 40% is expected over the next 5 years. Although megapixel CMOS and CCD imagers will be the standard for camera phones in the coming future, the optics of cellphone cameras falls far behind both in performance and functionality, compared to its counterpart in digital still cameras. Rhevision's new technology breakthrough offers the best solution to this "optical bottleneck" for any miniature imagers, and hence produces a multi-billion dollar market opportunity.

Competition:

Competitions came from two main areas, Varioptic's fluidic lens using the effect of electrowetting and the approach of combining optics with software for image correction. Other competing technologies include optical MEMS and liquid crystal optics. Rhevision's technology leads its competitions with a large margin in performance and functionality.

Distribution/Marketing Plans:

Rhevision will use contract manufacturers to make its products and will market its products through forming partnership with lens module makers, camera module makers, and handset OEMs. Rhevision might sell products in its own brand or co-brand its products with its business partners.

Company Profile:

Address:
10866 Cloverhurst Way,
San Diego, CA 92130

Forum Participants:
Yuhwa Lo

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Sector:
Communication/imaging

Homepage:

Legal Form:
Wilson Sonsini

Amount of Capital Raised:
$0

Date Established:
12-15-04

Funding Sought:
$1.25M

Number of Employees:
1

Current Investors:
n/a

Stage of Development:
Seed

Fifth Year Revenue & Earning Projections:

$0.2 M (2006), $2.2M (2007), $17.6M (2008), $35M (2009), $80M (2010)

Management Team:

Yu-Hwa Lo: CTO and interim CEO
Product development, IP development, customer/partner development.
(Co-founder of Nova Crystals)

Deying Zhang: Principal engineer.
Technology development and product design and engineering. (Former employee of Nova Crystals)

Tim Rueth: Founding Board of Director and advisor.
Business development. (Helped founding several start-ups and ex-VP of Qualcomm)

Sing Lee: consultant/Principal scientist, UCSD professor. Optical system design.
(Founder of NIPI, MOEM, GST Technologies)

Ming Wu: Principal technical advisor, UC Berkeley professor. Critical advising in technology and product design. (Co-founder of OMM)

Sicommnet

Secure Internet Commerce Network

Company Overview:

Sicommnet developed and markets an internet based enterprise level e-procurement solution for public sector agencies and corporate businesses

Historically procurement has been a paper and pencil driven process, slow, labor intensive and subject to the vagaries of manual systems everywhere. Sicommnet has developed and is selling the world's first Internet-based application service (software engine) for automating the competitive procurement and secure information exchange process. It is the first company to market a B2G and B2B e-procurement system as a service rather than a deliverable. It is also the first and only company to provide the ability for vendors who do business with public agencies or private enterprise firms to accomplish Business-to-Business (B2B) with each other.

Buyers create a competitively bid solicitation on-line, send it on-line, receive their responses on-line, and issue the award on-line. Buyers access 30,000 registered vendors. Sellers receive respondable electronic notification of business opportunities from the other businesses and the public agencies using Sicommnet's solutions.

Sicommnet business model makes its solution available at no charge to both the public agencies and the vendors. Revenue is generated by charging the vendor who wins the purchase award a transaction fee equal to a percentage of the purchase award. Current contracted customers have an annual spend of $2.5 billion. A fully implemented 1% transaction fee yields $25M annual revenue. Agency prospects in the sales cycle have a $50 billion annual spend.

Product/Technology Description:

The e-procurement solution is hosted by Sicommnet as the Applications Service Provider. Sicommnet's servers are housed at LEVEL 3. Sicommnet is the developer and owner of the 3 million lines of code. The system is built on an Oracle database running on Sun servers, and has been in production for over 3 years. Over $1B in purchase awards have been made on this system

Industry Overview:

The B2G spend is projected to grow to over $2 trillion. The Federal Government has mandated e-procurement as the process of choice for government acquisitions. There are in excess of 100,000 public agencies. most of which are experiencing significant financial pressures to cut costs in staffing, business processes and costs of goods secured. The Sicommnet solution meets these needs and financial constraints.

Competition:

Sicommnet currently services 3 of the 10 states that have deployed e-procurement. The competition in the other 7 states includes SAIC, Accenture, AMS, and KPMG. Sicommnet's competition has strong marketing and lobbyist resources that are able to influence these political decisions. Additionally, our competition has high overhead and are not able to offer the system to the agencies without substantial start up costs.

Company Profile:

Address:
2918 Fifth Avenue, Suite 210
San Diego, CA 29103

Forum Participants:
Michael Elliott -
Chairman/CEO
Paul McEneany -
VP Mktg./Sales

Phone:
(619) 294-9191

Fax:
(619) 296-8697

Sector:
High Tech

Homepage:
www.sicomm.net

Legal Form:
S Corporation

Amount of Capital Raised:
$4.5M

Date Established:
3/5/98

Funding Sought:
$3M

Number of Employees:
14

Current Investors:
Management-$1.0M
Founder/Family-$.5M
Mktg. Partner-$1.8M
Angles-$1.2M

Stage of Development:
2nd Round

Distribution/Marketing Plans:

Sicommnet markets its solution directly and through partners. Sicommnet recently signed a Marketing alliance with SAIC, State and Local Government Business Unit to market Sicommnets into large state agencies. Additionally Sicommnet has several partners are regionally based and sell to the public agencies in their region.

Third Year Revenue Projection:

2005 $8M revenue, 2006 $24M Revenue, 2007 $35M Revenue.

Management Team:

Michael Elliott, CEO; Larry Dober, James Beran, Paul McEneany, Board of Directors: / Michael Elliott, Chairman / Lee A. Grissom/ Dr. Charles Shockley/ Richard Slansky / Scott McClendon

Zoom Systems

Company Overview:

- Zoom is creating a market in Automated Retail, a multi-billion dollar channel for unattended credit-card purchases of items ranging from amenities to multi-hundred dollar branded consumer electronics like iPods.
- Just like ATMs revolutionized banking, Zoom can displace tens of thousands of manned storefronts, kiosks and gift shops: anywhere staffing exists to process transactions and prevent theft, Zoom will be cheaper, more convenient, provide better product intelligence and service, and be open for business around the clock.
- Zoom supplements retail stores. ATMs "attached themselves" to banks and retail stores; Zoom can also go into tens of thousands of retail locations. Retailers gain channel expansion (think DVDs in Safeways), shrinkage reduction, 24x7 service.
- Zoom has a clear plan to build a billion dollar market cap company with 2,750 robot shops by the end of 2007. The machines work, customers buy, cashflow per machine is solid – all that's left is to scale this up.

Product/Technology Description:

- Zoom is first to market. We know of no other systems manufacturer that can handle credit-card purchased, high-value consumer items in this manner.
- This is a complex problem, involving several man-years of custom development. It requires a central server application to manage a network of automated stores and an integrated POS combining secure delivery, secure payment, store management and CRM applications.
- Zoom's hardware, software and firmware IP comprises 37 patent filings of which 9 are granted.
- Zoom has an exclusive agreement with Sanyo to commercialize the world leading robotic delivery system, which is now entering volume production here in the USA.
- The company is building a competitor barrier with long-term location contracts in hotels, airports, malls, and grocery and with agreements with iconic brand leaders.

Industry Overview:

Zoom is creating a new retail channel and has already proven economic viability for automated stores at 400,000 locations and anticipates a monthly average of $4,000 per store creating a $19 Billion per year channel.

Company Profile:

Address:
350 Brannan Street
San Francisco, CA
94107

Forum Participants:
Gower Smith, CEO

Phone:
(415) 321-2021

Fax:
(415) 321-2038

Sector:
Automated Retail

Homepage:
Zoomsystems.com

Legal Form:
Corporation

Amount of Capital Raised:
$6.3 Million

Date Established:
November 13, 2001

Funding Sought:
$12 Million

Number of Employees:
20

Current Investors:
Sierra Ventures
Starfish Ventures
Gower Smith, CEO
Bruce Quinnell, Chairman
Mike Gill, Director
Gary Cino
Edward Hughes

Stage of Development:
High-growth

Competition:

Currently, no competitor has Zoom's user interface or network management software, or robotic hardware capabilities, however other companies are beginning to enter the automated retail space with limited offerings including Compushop, Shop 2000 and USA Technologies. In addition, future competition is anticipated from equipment manufacturers like Crane National Vendors and Royal Vendors.

Distribution/Marketing Plans:

Zoom's near-term focus is high traffic hotels, airports, grocery and malls.

Deployment Plan:

2004:	67 stores (done)	610K
2005:	317 stores	4.1M
2006:	1300 stores	40.5M
2007:	2750 stores	119.2M

- **Hotels:** Zoom is already installed at most major hotel brands: Hilton, Doubletree, Hyatt, Marriott and Sheraton. Zoom has long-term location contracts signed with Hilton (4 yrs).
- **Airports:** Under contract with Atlanta Hartsfield (3 locations for 5 years), the busiest airport in the world, and SFO airport (15 locations for 7-years).
- **Malls:** Under contract with Sony's Metreon
- **Grocery:** Zoom is negotiating an LOI, for 28 Safeway installations. Additional grocery retailers in the pipeline, including expansion through the 23,000 Safeway & affiliate locations nationwide.
- **Brands:** Zoom is in discussions with global iconic brands such as Sony, HP, Virgin Mobile and Apple to create branded automated stores for volume deployment in Zoom channels.

Fifth Year Revenue & Earning Projections:

Year 5 Revenue $487 Million

Management Team:

Zoom has an experienced executive team:

- **Gower Smith, Founder & CEO:** built shareholder value in 6 Australian/Far Eastern technology businesses including 4 start-ups and the turnaround of a publicly listed business.
- **Rick Cusick, EVP Merchandising:** 22 years in retail including LVMH as SVP Merchandising for DFS and SVP Merchandising Starboard
- **Mark Mullins, EVP Sales:** built 2 successful businesses which negotiated long-term exclusive distribution contracts; the last was sold to Meredith Corporation.
- **Thomas Tomasevic, VP Product & Engineering:** MBA, BS ID, CS was a Senior Product Director at Compaq and joined Zoom in 2001

FinanCenter, Inc.

Company Overview:

FinanCenter is a privately-held, self-funded software company serving the online financial services industry. Founded in 1995 as a personal finance Web site, the company became profitable in its first year of operation by selling sales leads to premier financial institutions, including Chase, First Union, and Household Finance. Today, the company provides interactive content and automated marketing solutions to over 270 customers on an ASP basis. FinanCenter's blue-chip client base includes eight of the top 10 U.S. banks, two of the top three insurance companies, and the top two Internet portals. The company has 40 employees with an office in Tucson, AZ; sales offices in Phoenix, AZ; Atlanta, GA; and Detroit, MI; and a newly-opened headquarters in San Diego, CA.

Product/Technology Description:

Up to 50% of FinanCenter's annual revenue is derived from renewals of legacy product: Web-based calculators which answer small business and consumer questions about a financial product or life event and offer next steps for immediate action. The majority of new business revenue is derived from the sale of LeadFusion, an automated online marketing system which uses calculators to profile visitors and dynamically provide offers or personalized service, thereby capturing highly-convertible leads. The next product scheduled for release in 2005 is tightly integrated with existing LeadFusion products but can be used as a separate solution: an e-mail product which provides the ability to cultivate leads, furthering relationships through e-mail dialogue in a manner described by Gartner Research as the "future direction of e-mail." Additional products will be incorporated into the J2EE LeadFusion platform and will deliver on the company's tag line to "Capture, Cultivate, and Convert Online Leads".

Industry Overview:

The IT spend within the financial services industry is $375B per year with an annual growth rate of 7% to 4%, depending upon company size*. Of financial services companies surveyed in December of 2004, 42% indicated they will spend more in 2005 on Internet and eCommerce strategies; 54% indicated they will spend the same amount in 2005**.

Competition:

LeadFusion combines the key elements of several vertical solutions into a business process solution for the financial services industry (or other lead-driven, multi-channel businesses which have a significant online channel). Subsets of the LeadFusion solution are available from enterprise solutions providers, email campaign management providers, and lead management providers. No vendor directly competes by providing the financial services industry both interactive tools to attract and profile qualified leads and lead generation and management to further cultivate and convert those leads. LeadFusion's exclusive competitive advantages are its existing client relationships, its currently installed Web calculators which capture customer-initiated leads, and its ability to be a one-source supplier for complete online lead pipeline creation and management that is tailor-made for financial services.

Company Profile:

Address:
12707 High Bluff Dr.
Suite 115
San Diego, Ca 92130

Forum Participants:
Sherri Neasham, CEO

Phone:
(858) 259-2100

Fax:
(858) 792-9003

Sector:
Business Software

Homepage:
www.Leadfusion.com

Legal Form:
S Corp

Amount of Capital Raised:
Self-Funded

Date Established:
1995

Funding Sought:
None presently

Number of Employees:
40

Current Investors:
Private Investors

Stage of Development:
Established firm launching new strategy

Distribution/Marketing Plans:

The company employs a direct selling model, using both outside and inside sales staff. Channel distribution is minimally used by the company and is focused primarily on entry-level, low-revenue accounts. The company intends to continue with the direct sales model while exploring possible joint selling opportunities with complimentary solution providers.

Historically, the company's investments in marketing have been focused on demand/lead generation and product collateral. Going forward, the company will increase focus on product marketing, PR and branding, with an emphasis on thought leadership, industry best practices, and case studies based on data aggregated from hosted calculators and marketing solutions. Additionally, the company will be engaging in a re-branding exercise, changing the company name from FinanCenter to LeadFusion to better position itself as a solution provider for online lead capture, cultivation, and conversion.

Fifth Year Revenue & Earning Projections:

Sales: $16MM (30% Annual Growth)

EBITDA: $2.4MM (15% of Gross Revenues)

Management Team:

FinanCenter's executive management team consists of Sherri Neasham, Founder and CEO, and Christopher Cunningham, President and COO. Ms. Neasham is a successful entrepreneur and a financial marketing expert. Prior to establishing FinanCenter, she founded a real estate brokerage firm, a commercial loan portfolio brokerage firm, a financial software firm, and a profitable personal finance Web site. Ms. Neasham has also consulted national and international financial institutions regarding affinity marketing, cross-selling, and asset liquidation strategies. She is a published author and international speaker regarding industry trends and best practices in online lead generation and online marketing of financial services.

Mr. Cunningham is a seasoned executive and successful entrepreneur. Prior to joining FinanCenter, Mr. Cunningham was a founding officer of RedEnvelope, first as CIO, and later assuming the role of COO. He has served in a variety of executive positions in private and public technology companies ranging from start-ups to large diversified firms. Mr. Cunningham's previous roles include CIO for the Titan Corporation, CIO for VisiCom, Group Vice President for Alsys, and CEO of the Internet Advertising Corporation. Mr. Cunningham has extensive experience in e-business and retail business, online marketing, software product development and professional services.

*MetaGroup, December, 2004

**Forrester Research "Industry IT Spending Profile: Financial Services", December, 2004.

Incisix, Inc.

Company Overview:

San Diego-based Incisix creates innovative products that store and manage data with unlimited flexibility, delivering unprecedented data access to businesses. Built on the patent-pending DataFlexer™ platform, these products help organizations instantly launch projects, recognize extraordinary cost reductions and gain access to new competitive advantages via true business intelligence.

Incisix currently offers TrialsReporter, an enterprise software application targeted at the $500 million non-clinical and clinical trials reporting market. Soon to be released is the Incisix PipelineManager enterprise solution, which allows small-to-medium-sized businesses manage their sales pipelines.

TrialsReporter and the Incisix PipelineManager are based on the company's comprehensive Semantic Web solutions framework, DataFlexer, which is licensed to an increasingly wide range of enterprise solutions providers.

Product/Technology Description:

DataFlexer from Incisix provides instant access to the information businesses need to make effective decisions anytime, anywhere. Based on the World Wide Web Consortium's Semantic Web standards (Resource Description Framework and Ontology Web Language), the DataFlexer development platform allows enterprise solutions providers (e.g. IBM Global Services and Documentum) to build the RDF-enabled enterprise applications that deliver this unprecedented access to data.

Industry Overview:

Today, access to information requires technical experts and long delays. Enterprise customers are clamoring for the ability to quickly combine both internal and external information to create a unified view of their business and to more quickly and easily apply sophisticated analytics to accumulated data. Market size for clinical trials alone is $500 million.

Competition:

BEA, Siebel and Documentum are not in the same space, but sit adjacent to it and have tried to solve the problem. Other RDF providers include OpenRDF.org and Semagix.

Distribution/Marketing Plans:

The DataFlexer development platform is licensed to solutions providers (e.g. IBM Global Services, BEA Systems, Documentum). These solutions providers then use DataFlexer to build and deliver enterprise software solutions to their customers. Incisix has already used DataFlexer to commercialize two enterprise applications themselves (one each focused on the Life Sciences and CRM spaces). Incisix is using their success in these two vertical markets to create "pull" with solutions providers.

Fifth Year Revenue & Earning Projections: Projected revenues of $22 million in 2008

Company Profile:

Address:
9845 Erma Road, Suite 20
San Diego, CA 92131

Forum Participants:
Stuart Heilsberg, Founding President & CEO

Phone:
(858) 860-0630

Fax:
(858) 860-0639

Sector:
Data management/analysis

Homepage:
www.incisix.com

Legal Form:
Sheppard Mullin Richter & Hampton LLP

Amount of Capital Raised:
$1.5 million

Date Established:
July 2002

Funding Sought:
$5-8 million

Number of Employees:
10

Current Investors:
Bob Packer (Cofounder, Packeteer), Steve Campbell (Founding President of Stratcom) and Bryan Watson (Former General Manager, Microsoft)

Stage of Development:

Management Team:

Stuart Heilsberg – Founding President & CEO – Stuart Heilsberg was appointed Chief Executive Officer and to the board of Incisix in July of 2003. He is responsible for evolving and executing the Incisix company vision, to drive the adoption of DataFlexer™, and to ensure the financial growth of Incisix. Mr. Heilsberg has more than 12 years experience in General Management, Product Marketing, Business Development and Engineering. He has a proven track record of growing businesses in the Software, Enterprise IT Hardware and Telecom Industries.

Before joining Incisix, Mr. Heilsberg was Director of Product Management for Intuit's $400 million TurboTax product line. Mr. Heilsberg also held key management positions at Motorola, where he was responsible for multiple product lines with sales in excess of $500 million, and Overland Data where he oversaw enterprise level datastore product lines.

Mr. Heilsberg holds a Bachelor of Science degree in Mechanical Engineering from Massachusetts Institute of Technology and a Master of Management degree from J.L. Kellogg Graduate School of Management.

Kevin Irlen – Chief Technology Officer, Chairman of the Board & Co-Founder – Kevin Irlen has served as Chief Technology Officer and Chairman of the Board of Incisix since he co-founded the company in July 2002.

In his role as Chief Technology Officer he is responsible for the overall technical vision and direction for DataFlexer™. Mr. Irlen has over 14 years experience in software architecture, design and development. His technical knowledge and expertise spans both commercial software development and management information systems.

Prior to Incisix, Mr. Irlen spent four years at Intuit as a Senior Software Engineer. He served as Technical Lead for the team that develops the cross-platform engine underlying both the desktop and Web versions of the highly successful TurboTax product line. Mr. Irlen was involved in all stages of the product lifecycle from product planning through requirements definition, design, development, deployment, and performance tuning.

Mr. Irlen has worked as a freelance developer in both commercial and institutional settings, including Vivid Image Technology, Media 100, Artel Software, and the United Way of Massachusetts. He also spent three years with the Development Tools Group at Symantec, working on their C++ development tools as well as some of the first integrated Java development tools.

Mr. Irlen attended Massachusetts Institute of Technology and holds a Bachelor of Arts degree in Mathematics from the University of Chicago.

CineForm, Inc.

Company Overview:

CineForm, Inc. develops software technologies and products for use by professionals in rapidly-emerging high-resolution film/video acquisition and post-production applications. Its patent-pending video software products offer an increase in performance/price of up to 10X compared to competitive solutions that rely on hardware implementations. Through selective technology license agreements with Adobe and Sony, CineForm technologies have become the acknowledged industry leader, with 85% PC penetration expected for the emerging HDV format. CineForm technologies are now being adopted inside video cameras and film-scanning equipment for native high-resolution acquisition. CineForm has been generating increasing product revenue since 2003, and sells its products to end users through its reseller channel and from its website; CineForm also licenses portions of its technologies to other video hardware and software manufacturers.

Industry Overview:

Sales of video hardware and software products to the film/video post-production industry totals about $2B annually, of which established players include Avid, Discreet, Pinnacle Systems, Quantel, and Leitch. CineForm participates in the software portion of this industry which the Company estimates is about half ($1B) of total equipment sales. An overwhelming percentage (CineForm estimates 80%) of business today is for standard-definition products, but the industry is rapidly migrating towards a high definition workflow throughout post production. The Company anticipates that annual industry expenditures will increase over historic levels and HD products will represent an increasing percentage of the total market.

Hardware has previously been required because HD post production increases the data throughput and arithmetic processing demands by up to 6X compared to standard-definition. This has driven prices for hardware-based equipment substantially higher – up to $150,000 per seat for Professional HD equipment versus $15,000 for standard definition equipment. The industry challenge, for HD to successfully replace standard definition across all market segments, is to reduce costs to levels comparable to existing standard definition equipment. With its respected CineForm Intermediate technologies, CineForm is leading the technology trend to replace expensive specialized hardware with software that runs on desktop PC workstations. This continuing trend will allow rapid and seamless migration to HD within all aspects of post production.

The industry is organized into three segments, each with its own feature requirements and price sensitivities: "Professional" high-end film/television work, "Independent and Event" for those who demand professional features but who operate on a budget, and "Consumers" for the hobbyist market. CineForm addresses the top two markets directly, and will address the Consumer market through licensing arrangements with companies already set up to serve this segment.

Company Profile:

Address:
2035 Corte del Nogal,
Suite 105
Carlsbad, CA 92009

Forum Participants:
David Taylor (Founder-CEO)
David Newman (Founder-CTO)

Phone:
(760) 804-5905 x301

Fax:
(760) 804-5764

Sector:
Software

Homepage:
www.cineform.com

Legal Form:

Amount of Capital Raised:
$2.6M

Date Established:
August 2001

Funding Sought:
$3M

Number of Employees:
8

Current Investors:
2M Invest Microsoft

Stage of Development:
Growth – generating revenue

Product/Technology Description:

Initially targeting film/video post-production editing, CineForm has developed patent-pending software video compression and processing technology called "CineForm Intermediate" that literally outperforms specialized hardware while simultaneously reducing system costs down to 10% of some hardware-based solutions. Incorporating CineForm Intermediate, the Company's products provide the video compression and processing technologies that work with industry-leading video editing applications such as Adobe Premiere Pro and Sony Vegas to enable a comprehensive HD editing environment that runs on inexpensive PC workstations. The resulting price-performance efficiency achieved by CineForm products has catapulted the Company to a leadership position in both the Professional and the Independent/Event market segments.

CineForm has products in production that separately serve both the higher-end Professional segment ("Prospect HD") and the larger but more price-sensitive Independent/Event segment ("Aspect HD"/"Connect HD"). The Professional segment requires additional feature demands such as 10-bit (versus 8-bit) I/O precision, plus support for expensive film/television cameras. CineForm sells these products directly to end-users through its channels. In addition, CineForm has entered into selective licensing arrangements with both Sony and Adobe, who ship portions of CineForm Intermediate with their products. These arrangements assure that CineForm technologies will be used on about 85% of the PCs being used for editing HD material in the Independent/Event market segment. Further, these licensing arrangements also provide a distribution vehicle for CineForm technologies that CineForm can access for sales, marketing, and product initiatives.

Competition:

Competitive companies in the film/video post-production segment are usually much larger than CineForm, and include Avid, Discreet, Pinnacle Systems, Quantel, and Leitch. Until the present, with only minor exception, all of these companies have focused on hardware-based post-production solutions that demand system pricing up to 10X higher than system pricing enabled by CineForm products. CineForm's focus on the underlying technology has allowed the Company to fly "under the radar" and establish a leadership position in post-production editing. And through licensing arrangements with Adobe and Sony, CineForm's technology is now the acknowledged leader for HDV editing.

To extend its reach, CineForm is now expanding its technologies into Professional acquisition applications, including HD cameras and film scanning, which is void of any large competitive threat today. But importantly, success in acquisition applications reinforces the value of CineForm products in the post-production editing portion of the market.

CineForm benefits from, and will continue to thrive because of its i) advantageous price/performance from products enabled by CineForm Intermediate, ii) favorable licensing arrangements with Adobe and Sony, iii) a pending patent that will protect its workflow model, and iv) technology that allows a broader evolving product mix than peer companies can achieve. But as a young company among larger peers, CineForm must continue to aggressively seek out and exploit competitive advantages in its technology and product development.

Distribution/Marketing Plans:

CineForm sells its products 1) directly to end users from its website, 2) through an expanding network of specialized video resellers, and 3) through system integrators who combine CineForm software with PC workstations to sell turnkey solutions to customers. At present about 2/3 of CineForm's revenue results from website sales of its software. CineForm will continue to exploit all three sales channels.

Additionally, CineForm has established licensing arrangements with Adobe and Sony that allow these companies to ship portions of CineForm's technology within their products. Care was taken in the structure of the licenses to ensure they are supportive of CineForm's own future product initiatives and revenue generation. For instance, CineForm has an "upgrade" link within Premiere Pro that drives potential customers directly to a custom CineForm webpage that encourages users to purchase Aspect HD because of its substantial performance and feature benefits. Revenue generated from referred product sales belongs exclusively to CineForm. A similar arrangement exists with Sony to encourage sales of CineForm's Connect HD.

Considering these licenses together, CineForm's compressed DI format will be used by about 85% of PC users for HDV editing. These licenses assure the long-term success of our compressed format, create an established "revenue platform" for further outbound sales and marketing initiatives, and create a "technology platform" to be taken advantage of by future CineForm products.

To increase user familiarity with its products, CineForm allows users to download fully-functional 15-day trial versions prior to buying. CineForm has been averaging nearly 1400 downloads per month since the beginning of this year.

Finally, in conjunction with partners, CineForm has been an active participant at industry tradeshows including NAB (National Association of Broadcasters) in Las Vegas, IBC (International Broadcasters Convention) in Amsterdam, and InterBee in Japan. At NAB in April 2005, CineForm will participate in the following booths with seven industry partners: Microsoft, Adobe, JVC, Sony, AMD, Nvidia, and Blackmagic Design.

Fifth Year Revenue & Earning Projections:

The Company began generating product revenue in 2003, and has created sustainable month-over month and year-over-year revenue growth. CineForm's revenues consist of (i) product sales to end users through distributors and system integrators, (ii) royalty income from licensing activities including third-party product and technology development work, and (iii) services revenue beginning later in 2005 for its forecasted work in film scanning and high-resolution cameras, and which is anticipated to become a material part of the revenue stream by 2007. In 2004, revenue was $688,000, of which 60% was from licensing and development activities. The company anticipates around $2M in 2005 revenue, of which licensing and development activities should decline to less than 25% of revenue. By 2008 the Company anticipates over $50M in revenue while sustaining an 80%+ gross margin model consistent with peer software companies such as Adobe Systems.

Management Team:

CineForm's management and founding team has broad experience in a variety of software and hardware digital video specialties, including application and architecture design, performance optimization, and market creation. Team members average over 15 years direct industry domain experience, and each has been successful in previous early-stage video-related companies. Principal team members include:

David Taylor, Co-Founder/CEO: In the early 90s, David previously developed the broadcast market for C-Cube Microsystems, the company that led the standardization effort for MPEG and developed the compression technology for DirecTV. Afterwards, David was the founding CEO of Dazzle Multimedia, which led the market for consumers digital video products, and which is now owned by Pinnacle Systems. David has focused his efforts on the successful strategic relationships CineForm enjoys with with industry partners, plus marketing, sales, and technology initiatives.

David Newman, Co-Founder/CTO: In the 90s David was co-founder and CTO of Applied Magic and creator of "Screenplay". David holds three pending or granted patents in digital video-related areas, including CineForm's key patent related to CineForm Intermediate. David is the key visionary and architect behind CineForm Intermediate technologies and resulting products.

Brian Schunck, Co-Founder/Principal Engineer: Previously Director of Machine Vision at Adept Technology, co-founder of the University Michigan Artificial Intelligence Laboratory, research scientist in machine vision and image processing, doctorate in electrical engineering and computer science from MIT. Brian has focused on the architecture and performance implementation of CineForm's respected HD codec.

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