



CONNECT[®]

The UCSD Program in
Technology and Entrepreneurship



Tuesday, August 11, 1998 - 11:00 am - 1:30 pm

Sheraton Grande Torrey Pines

SPRINGBOARD SPONSORS

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Agenda

- | | |
|------------|--|
| 11:00 a.m. | Registration and
Presenter Technology Demonstrations |
| 12:00 p.m. | Welcome Remarks and 1998 Springboard Review
Bill Otterson
Director, UCSD CONNECT

Abigail Barrow
Director, Programs, UCSD CONNECT |
| 12:10 pm | LUNCH |
| 12:30 p.m. | Springboard Presentations

Prohold Technologies, Inc.
Kimberly Knox , CEO

Inovie Software, Inc.
Evan Knuttila , VP of Marketing

CFY Biomedicals
Mang Yu , CEO & President

Conceptual Dimensions, Inc.
Brian Bartell , President

Internet Products, Inc.
Farley Stewart , CEO & President |
| 1:10 p.m. | Presentations Conclude
Technology Demonstrations Continue |

Launching Technology Through Entrepreneurship

THE SPRINGBOARD PROGRAM

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

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

The goals of the two hour Springboard meeting are to provide the entrepreneur with candid recommendations for the development of his/her business plan or concept and to help define the desired outcome of his or her efforts.

Prospective Springboard presenters include UCSD faculty interested in commercializing their discoveries; large company employees who want help thinking through an idea before presenting it as an internal project; or anyone interested in starting, or who has recently started, a high-tech or biotech company in the San Diego region.

SPRINGBOARD

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

Aegis Medical Tech.	Digital Media SD, Inc.	LearnStar	Rajya Corporation
Aircology	Disabled Opportunity Centers	Logical Designs, Inc.	R & D Technologies
AQUAM International	ElectriCiti	LuminOre, Inc.	Roy Laboratories
Applied Hydrogel	ElekTruk	Metallic Powers, Inc.	Semaphore Multimedia
Automotive Resources, Inc.	Ergonomic Interface Keyboard	MicroForest	Space Electronics
Axiom Biotechnologies	Fast Call Cellular, Inc.	MicroTailor	SpiraMed Corporation
Bacton Assay	Femcap, Inc.	MSAT, Inc.	StarBuilder Systems
Big Ideas Media	Financial Profiles, Inc.	Ndao, Inc.	Summit Design
BioPraxis	First Opinion	Nemox Co.	Synchrony Applied Healthsciences
Blair Vascular Research	Golden Hour	Nexin Pharmaceuticals	Team ASA
Bright Technologies	Glycobiology Institute	Obex Applications	TomoTherapeutics, Inc.
Bungee Group	Health & Performance Engineering	ObjectMedia	TradeNet International
Cafesoft	High Text Publications	OKbridge, Inc.	Trauma Products
CareMed, Inc.	In/Form Software, Inc.	OIC Productions	Video Memories, Inc.
Catsi Corporation	Interactive Simulations	Pacific Biomedical	Virage, Inc.
CellTherapy, Inc.	Interactive Telesis, Inc.	Panther Communications	VMI
Ceilidh	ISOS	PharmaQuest Technologies	Waterlink
CompliMed	Joseph Kraut, Ph.D.	PlayNation	Women's Media
CST Images	JV&A Design Group	PrimaCis	World Envirotech
DepositTech, Inc.	Kreiss Johnson	PRISA Network	Wright Strategies
Deskercise International	Laurite Corp.	PURACYP	Zalkin Technologies

Nurturing the San Diego Business Community

UCSD CONNECT

A program in the Division of Extended Studies and Public Programs at the University of California, San Diego

Founded in 1985 at the urging of the local business community, UCSD CONNECT was created to contribute to the economic development of San Diego by nurturing high-tech entrepreneurship, facilitating interaction between the University and the business community and further developing San Diego's infrastructure.

CONNECT has accomplished this through educational and networking programs, practical business seminars and technology transfer demonstrations, and international strategic and financing forums. Practical rather than theoretical, CONNECT's programs have been credited with giving company executives a "mental picture" of what they can achieve, while providing access to the resources which help accomplish these goals.

CONNECT's programs also serve business service providers — attorneys, accountants, and marketing specialists — by providing them with knowledge about emerging technologies and access to new business opportunities. The program functions as a catalyst for growth, providing a forum for the exchange of ideas and the opportunity to network with peers, and facilitates the ripple effect that the success of various high-tech industries has on the community which supports them.

CONNECT also provides an opportunity for the biotech and high-tech communities to learn about research taking place at the University, and for the University community to learn about research taking place in industry.

SanMEC

The San Diego Manufacturing Extension Center (SanMEC) is a private not-for-profit corporation funded through the National Institute of Standards and Technology (NIST) and the California Trade and Commerce Agency. SanMEC is the local affiliate of the Manufacturing Extension Partnership, a national network of more than 78 similar centers dedicated to providing professional consulting services to manufacturers on a fee for service basis. SanMEC provides services in three general categories: manufacturing modernization, strategic business planning and workforce development. Our goal is to make San Diego manufacturers more profitable and more globally competitive.

UCSD CONNECT also wishes to thank the University of California, Office of the President for providing funding for audiovisual and recording equipment for the Springboard program.

Presenters

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CFY BIOMEDICALS, INC.

Address: 7155 Calabria Ct., Suite B, San Diego, CA 92122
Phone: (619)-452-0344
Fax: (619)-452-0344
E-mail: MangYu@aol.com

Chief Executive: Mang Yu, Ph.D.
Presenter: Mang Yu, Ph.D.
Other Attendees: Fang Fang, M.D., Ph.D.

COMPANY PROFILE

Legal Form: California Corporation
Date Established: December 23, 1997
Number of Employees: 1

Stage of Development: Early
Funding Sought: \$5 million
General Counsel: Jacob C. Reinbolt, Esq, Partner, Procopio, Cory, Hargreaves & Savitch (San Diego)

COMPANY OVERVIEW

CFY is dedicated to becoming one of the world's leading developers and providers of recombinant protein based drugs by developing and commercializing drugs which are quick to market and represent simple solutions to major health problems.

CFY is in the business of developing products to prevent and treat the common cold and its serious complications, such as ear infections, sinusitis and bronchitis. We have targeted the common cold because: (i) it is the most frequently occurring human disease with enormous economic impact, (ii) in spite of a great deal of effort over many years, there has been no effective solution for this problem and (iii), the common cold is especially prevalent among children and often leads to serious complications such as acute and chronic ear infections.

CFY is seeking \$5 M for its first round financing. The proceeds will be used to: i) purchase equipment for a small but sufficient molecular biology laboratory and product development facility; ii) complete the development of ColdSol™ nasal spray; and iii) maintain day-to-day Company operation. This funding will bring the product to the point of clinical studies, at which point the Company intends to raise additional funding to finish clinical trials, and to enable the manufacturing and marketing of ColdSol™ and developing other products in the pipeline. By the end of the 4th operational year, the Company plans an IPO.

PRODUCT OVERVIEW

CFY's flagship product is a nasal spray, ColdSol™—Solution for Cold. In the pipeline, the Company is also going to develop products for allergies based on a proprietary platform technology - TCLT (Target Complementary Library Technology). ColdSol™ contains two patent protected recombinant proteins which specifically prevent cold viruses from infecting the nasal epithelial cells. ColdSol™ distinguishes itself from all the other cold remedies by two salient features: first, it directly targets the cause of the common cold rather than merely managing the cold symptoms; second, it can be used to prevent the common cold in addition to treating it, therefore it can be used to prevent ear infections in children, since 95% of ear infections are triggered by the common cold.

ColdSol™ has evolved from years of painstaking research carried out by many scientists in pursuit of the common cold prevention. It is created by combining the concept tested in earlier animal and clinical studies with the recent breakthrough in protein engineering technology. Since the principles of this product have been well proven, it will be taken directly to the stages of development and clinical studies. Clinical trials are facilitated by relatively short duration as well as low costs. Therefore the development process can be completed in an expeditious and cost-effective manner. Recombinant proteins can now be economically manufactured in large amounts and as a result, a significant profit margin can be achieved.

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MARKET OVERVIEW

Every human being is a potential customer of ColdSol™. An average person will have 150 to 200 episodes of the common cold in his/her life time, which equals to 6 years in colds. The common cold accounts for more than 23 million missed work days and at least 26 million missed school days annually in the United States, resulting in annual domestic economic loss greater than \$95 billion. Although the effectiveness of the current cold remedies is limited, Americans still spend more than \$2 billion annually on over-the-counter medications to relieve cold symptoms.

Initial specific market sectors for ColdSol™ are long distance air travelers and children in day-care centers and their families. Long distance air travelers are prone to catching colds since they are exposed to new strains of cold viruses and their immune systems are weakened by fatigue and stress associated with traveling. The total annual US air passenger enplanements are 585 million. Likewise, children in day-care centers are particularly vulnerable to colds and their complications - especially ear infections. Ear infection is the most frequent diagnosis made by pediatricians. The cost of treating ear infections exceeds \$3.5 billion each year in the United States alone. Children are also the major source for the spread of the cold virus to their parents and day care center workers who then spread it to other adults. There are a total of 11.5 M children in child care in the US from approximately 8 M families and there are 3 M day care center workers.

Our initial market penetration strategy is to work with physicians by prescribing ColdSol™. To reach the general public, our ultimate goal is to sell ColdSol™ over-the-counter through large reputable distributors, since ColdSol™ should be safe enough to be used topically and locally without prescriptions. A conservative market analysis shows the total size of the relevant market in the United States alone is \$3.4 billion.

COMPETITION ANALYSIS

For preventing colds, there is no competition with ColdSol™ in today's marketplace. Vaccines for the common cold prevention are considered impossible since there are more than 150 types of cold viruses. Although many cold medicines exist in today's market, none of them addresses the cold virus. Rather they all seek to manage cold symptoms. Table 1 summarizes the strengths and the weaknesses of current cold remedies and those being developed (BD) for treating colds:

Table 1. COMPETITIONS

COMPETITORS	STRENGTH	WEAKNESS
Antihistamines	Customer loyalty	Side effects, prolong duration
Zinc lozenges	New	Uncertain efficacy
Pleconaril (BD)	Against the virus	Uncertain safety
BIRR-4 protein (BD)	Target the cause	Short effect

ColdSol™ is the invention of CFY's scientific co-founder, Dr. Fang Fang, M.D. & Ph. D., and a patent has been filed for its protection. Dr. Fang will be CFY's Scientific & Medical Director.

MANAGEMENT BIOGRAPHIES

Mang Yu, Ph.D., President, founder of CFY. Dr. Yu was the scientific co-founder of Immusol Inc., which is now a medium-sized biotech company. While at Immusol, he was responsible for the \$50 M drug research and development program.

James Hawkins, Ph.D., Acting Chairman of Board of Directors. Dr. Hawkins was the founder, Chairman & CEO for two biotech companies. He is the President of Hawkins & Associates, a consulting firm specializing in biotechnology and biopharmaceuticals.

A Candidate for CFO/Sr. VP of Corporate Development has also been identified.

SCIENTIFIC, REGULATORY AND CLINICAL ADVISORS

Richard Lerner, M.D., President of The Scripps Research Institute, and member of National Academy of Science since 1991.

James Taylor, Ph.D., President of Taylor Associates, three decades of product development and FDA regulatory experience.

Carlos Barbas, Ph.D., A world renowned expert on recombinant antibodies, an Associate Professor with tenure at the Scripps Research Institute.

Joseph Li, Ph.D., Professor and Associate Director, Biotechnology Center, Utah State University, Honorary Professor of Institute of Virology and Preventive Medicine, Chinese Academy of Sciences.

Lisa Loegering, M.D., Pediatrician, Scripps Clinic at La Jolla, California, Chairman of Quality of Care in Pediatrics at Scripps Clinic emphasizing preventive measurements to improve children's health.

Conceptual Dimensions, Inc.

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

Chief Executive: Dr. Brian Bartell
Presenter: Dr. Brian Bartell

COMPANY PROFILE

Legal Form: California Corporation
Date Established: June 30, 1997
Number of Employees: 1

Funding Sought: \$1 million
Stage of Development: Seed

COMPANY OVERVIEW

Conceptual Dimensions ("CDI") is a start-up focused on the problem of information overload in document-based Knowledge Retrieval. CDI builds and licenses ConceptWare – both patented software and "active" codified knowledge – that enables end-users to quickly locate business-critical information from within an otherwise overwhelming expanse of unstructured documents. CDI has achieved early success with the development of the ConceptWare Concept Map, a Java-based end-user visualization tool, that is currently being showcased to Fortune 1000 companies by Verity, Inc., the market leader in embedded text search products. CDI is now seeking \$1 million in order to further market the Concept Map and to develop two complementary ConceptWare products for the biotech/pharmaceutical market.

THE MARKET

CDI is prepared to exploit a niche in the high-growth Knowledge Management (KM) market. Knowledge Retrieval, a KM sub-market with \$500 Million annual revenue and 20% annual growth, has created an opportunity in which the Fortune 1000 are wired with the essential text filtering infrastructure but lack the tools to use the infrastructure to competitive advantage. ConceptWare fills this niche. The revenue opportunity at year 3 is estimated to be \$5 Million.

CDI has further identified the biotech/pharmaceutical market as a rich vertical that recognizes the potential for significant cost savings through the effective use of Knowledge Management and information mining. CDI is poised to meet this need with a combination of existing proprietary CDI technology and additional technology to be developed in partnership (now in contract negotiation) with AxyS Pharmaceuticals, a leader in drug discovery.

PRODUCT AND TECHNOLOGY

ConceptWare is a suite of products:

1. The **Concept Map** is the next generation of search interfaces. Utilizing patented algorithms, the Map graphically organizes the hundreds, or thousands, of documents generally found when searching a document database. Users interact with the Map's concise, ergonomic, and visually-engaging alternative to traditional textual lists of documents. The Concept Map is now in beta test.
2. **Concept Tags** are codified knowledge that automatically categorize documents based on their conceptual content. Concept Tags products are focused on individual vertical markets, and are built around branded, industry standard category hierarchies (for example, the SIC business hierarchy or the MeSH Medical Subject Headings). Via Concept Tags classification, users can rapidly focus on business-critical information. Prototype Concept Tags have been developed.
3. The vertical market **PubMed Plus** is a web-based literature search and management tool for biotech/pharma end-users. PubMed Plus mines online literature sources, including National Institutes of Health databases and IBM's patent database, and utilizes autonomous information agents. PubMed Plus is also a platform for the licensing of Concept Tags. PubMed Plus has been fully designed and is awaiting a finalized partnership agreement with AxyS Pharmaceuticals for development.

MARKET STRATEGY

CDI will deliver horizontal-market ConceptWare products through reseller partnerships with text retrieval and knowledge management companies. A licensing agreement is currently under negotiation with Verity Inc., the text retrieval market leader. Verity is targeted because of its well established direct sales and OEM channels in our target Corporate 1000 market, and because it distributes enabling and non-competitive technology. In text visualization, CDI has beaten its competition by becoming the only visualization software selected by Verity to showcase its next generation software to Fortune 1000 companies.

CDI will deliver PubMed Plus through reseller partnerships with bioinformatics companies. Companies like Molecular Applications Group and Molecular Simulations, Inc., license high-end bioinformatics systems to our target market. These companies recognize the need for PubMed Plus-enabled literature services, but lack the necessary expertise. CDI's PubMed Plus fills this niche. An agreement under negotiation with AxyS Pharmaceuticals includes their resale to large pharmaceutical companies, including Parke-Davis soon after release.

MANAGEMENT

Brian Bartell, PhD, is the founder and President of CDI. Dr. Bartell is an expert in automated text search, classification, and visualization. Dr. Bartell received his PhD in Computer Science from UC San Diego, developing a neural network-based self-optimizing text retrieval system. Prior to forming CDI, Dr. Bartell was co-founder and chief technologist of GeneCraft, a molecular biology software company, and created a product applying artificial intelligence to allow researchers to optimize the process of gene cloning. Dr. Bartell is also co-author and co-owner of the patent underlying the Concept Map technology.

Inovie Software, Inc. The Team Management Company™

Address: 4112 Randolph St., San Diego, CA 92103
Phone: (619) 294-2649 (general) - (619) 558-6918 (sales)
(619) 582-7179 (support)
Fax: (619) 294-9190
Email: smcmull@inovie.com - press-inovie@inovie.com - info-inovie@inovie.com

Presenter: Evan Knuttila, VP of Marketing
Other Attendees: Dave Meagher, VP of Engineering

COMPANY PROFILE

Legal Form: California Corporation
Date Established: January 6, 1997
Number of Employees: 3

Funding Sought: \$3 Million
General Counsel: Paul Kreutz, Gray Cary Ware & Freidenrich

THE COMPANY

Inovie Software, Inc. was founded in 1997 to become a leading provider of team-focused collaborative software that fully exploits distributed Internet technology. The company's products allow organizations to get their projects under control and provide their teams with a centralized shared resource that keeps everyone productive and working together, *regardless of member location*. Inovie is targeting project teams in and across high-technology and service oriented companies in the communications, computers, and entertainment industry segments. Team-focused collaboration software is a fast-evolving and important new groupware segment. According to the International Data Corporation¹, this emerging "Teamware" market is projected to reach \$400 million in revenues by the year 2001. Much of this growth can be attributed to the emergence of an Intranet infrastructure within corporations worldwide and the explosive growth and maturity of the public Internet/Web. In fact, the Web Browser has emerged as the new universal client, whose world-wide reach and standard interface is helping fuel the TeamWare market's growth.

Following more than a year and a half of intensive software development, Inovie's initial application entry in this promising TeamWare market is a 100% Pure Java™ application called TeamCenter[®]. Key to TeamCenter's success is its capability to be deployed both traditionally as a desktop application and dynamically as a browser-based application, with full support for industry standard Web Browsers. TeamCenter is currently in beta test at sites including Sun Microsystems, QUALCOMM, and Deutsche Bank, and is available as a public preview release from the company's web site. Inovie expects to ship TeamCenter to customers beginning in August 1998.

Inovie Software, Inc. has been funded to date with initial capital invested by the founders. The company is now seeking an equity investment of \$3 million. This capital will fund the company's aggressive growth plans.

PRODUCT AND TECHNOLOGY

TeamCenter helps companies address a complex problem – automating the processes of distributed teams working together to deliver products and/or services. Today's distributed teams face an increasing number of productivity problems. Whether in the office next door, in a satellite office in the next state, or sprinkled across the globe, team members need to coordinate their activities and plan projects in ways that are no longer served by traditional phone, email, or web coordination. These geographically dispersed project teams require a complete, out-of-the-box solution which provides network-centric *team* management, not simply project management or generic groupware. TeamCenter is a complete Collaborative Team Management system, which integrates project management, collaboration, and reporting tools into a real-time shared resource that dramatically improves team performance, regardless of member location.

TeamCenter will change the way distributed teams plan, track, refine, and complete projects. Inovie has developed a proprietary distributed object architecture using 100% Pure Java. The company calls this architecture JDOT™ (standing for **Java Distributed Object Technology**), and has heavily leveraged this foundation in creating TeamCenter. TeamCenter provides users a true distributed environment where all team members are not only kept up-to-date in real-time, but they can actually manipulate the entire system *simultaneously*. Members are not “locked out” by others who “got there first” — they share a real-time application space where each user is confident of manipulating the very latest team information. Concurrent, real-time data access has become a fundamental requirement in fully distributed applications, and represents a paradigm shift in software design.

This initial version of TeamCenter will:

- Allow collaborating teams to consolidate tasks, ideas, schedules, and reports in one place, regardless of physical location or computer platform, all in real-time.
- Empower team members to work more effectively by assisting them to manage their own work within the larger team context.
- Eliminate client deployment costs by providing automatic web-based installation and upgrade. TeamCenter works identically when installed as a desktop application or when downloaded and run “within” a Web Browser, such as Microsoft’s Internet Explorer or Netscape’s Navigator.
- Allow the team to easily automate status reporting chores, including report generation, collection, and consolidation, building a project knowledge base.
- Allow team leaders to automate team member performance and the goal review process.
- Leverage customers’ existing investment in infrastructure, including operating systems, SQL databases, e-mail systems, and web servers to significantly lower TCO (Total Cost of Ownership.)

MANAGEMENT TEAM

Scott McMullan, CEO and CTO

The Company was founded by Scott McMullan. Mr. McMullan received both his bachelors and masters degrees in Computer Science from the University of California, San Diego. He has over 6 years of software industry experience, as well as two years experience as a Ph.D. candidate in the Computer Systems Laboratory at UC San Diego. While at the Computer Systems Laboratory, he conducted cutting edge research in the fields of high-speed networking and collaborative technologies. Prior to founding Inovie, Mr. McMullan was with Peregrine Systems, Inc., where he was instrumental in creating advanced network management software used in their flagship product known as ServiceCenter. Prior to Peregrine, Mr. McMullan worked for NCR Corporation, where he maintained and enhanced their Unix kernel TCP/IP operating system services. Later, at AT&T/NCR, he was a senior developer on a Unix middleware and database transaction product.

Late in 1995, when Java was still a beta release, Mr. McMullan began development of a prototype network management client in Java in his spare time. Realizing the cross-platform benefits afforded by Java and seeing its applicability to Internet collaborative software, he resigned his development position at Peregrine in December 1996 to start Inovie Software. Since then, he has devoted himself to building Inovie and its flagship TeamCenter product.

Evan Knuttila, VP of Marketing

Evan Knuttila is a Co-Founder and Full-time employee of Inovie Software. Mr. Knuttila is a 15-year veteran of the software industry, having held numerous management positions in marketing and engineering. He has extensive experience in Internet, Collaborative, and Networking technologies. Prior to joining Inovie, he served as Director of Marketing for Motiva Software Corporation, a successful Workflow and Document Management start-up. While at Motiva, he directed multiple product launches, the first of which resulted in receipt of a multi-million dollar strategic investment from Autodesk, Inc. Mr. Knuttila had overall management responsibility for Channel Marketing, Marketing Communications, and Product Management. Prior to Motiva, he was Director of Product Management for NetManage, Inc., a leading developer of Internet applications software, with overall responsibility for messaging and collaborative product lines. Early in his career, Mr. Knuttila spent eight years at NCR Corporation, where he originally worked with Mr. McMullan. Mr. Knuttila had overall engineering responsibility for TCP/IP networking products at both NCR and AT&T GIS (following the NCR acquisition), and played a significant role in helping to grow product line revenues from \$2M to \$18M over 2 years. He has also held Product Management positions at AGE Logic, Inc. and Systech Corporation. Mr. Knuttila holds an MBA from the University of Redlands and an undergraduate degree in Computer Science from the University of California at San Diego.

Dave Meagher, VP of Engineering

Dave Meagher is a Co-Founder and Full-time employee of Inovie Software. Mr. Meagher has over 8 years of software engineering experience with Internet programming technologies, OOP, and Windows software development. Before Co-Founding Inovie Software, Mr. Meagher pioneered the use of Java technology at DTAI, Inc. a startup in San Diego, CA. Through collaboration with Netscape's AppFoundry program, DTAI successfully launched the Interactive OrgChart. When released, the Interactive OrgChart represented one of the first Java based corporate Intranet products available to the marketplace. Before joining DTAI, Mr. Meagher spent 5 years with Systems Engineering Associates (SEA). While at SEA, Mr. Meagher served as technical project lead on several Windows based multimedia and information systems projects. His duties included system design and implementation, managing junior engineers, overseeing QA programs, and directing graphic artists. Mr. Meagher received a BS in Applied Mathematics with a minor in Physics from San Diego State University.

¹ See IDC Bulletin# 14400, Date: September 1997, Group versus Enterprise Collaboration: The Emergence of Team-Focused Groupware

Internet Products, Inc.

Address: 8947-A Complex Drive, San Diego, CA 92123
Phone: (619) 576-4100
Fax: (619) 576-4111
Web site: www.internetproducts.com

Chief Executive Officer: Farley K. Stewart, farley@ipinc.com
President: Arthur S. Budman, art@ipinc.com
Chief Technical Officer: Robert M. Crowe, bob@ipinc.com

COMPANY PROFILE

Legal Form: C Corporation
Year Established: 1993
Number of Employees: 24
Stage of Development: Currently distributing product

Funding Sought: \$5 million
General Counsel: Jacob C. Reinbolt, Partner, Procopio, Cory, Hargreaves and Savitch

COMPANY OVERVIEW

Internet Products, Inc. (the "Company or Internet Products") develops, markets and supports a family of award winning standards-based integrated solutions that provide comprehensive management and administration of an organization's Internet and intranet connection. The Company's InterGate Internet server and Web content filtering service are turnkey Internet solutions that enable an organization to access and control its Internet and intranet connection in a point-and-click environment. The Company's integrated solutions provide the core Internet services that an organization requires, including electronic mail server, world wide web server, firewall security, and web site cache, among others. The Company's product features interact seamlessly, are easy-to-use and are supported by a GUI (graphical user interface) interface that enables a network administrator to direct a geographically dispersed organizational network from a single location. Internet Products' turnkey solutions are designed to enable organizations to manage a comprehensive set of robust Internet services in an efficient manner, thereby lowering the total cost-of-ownership.

INDUSTRY BACKGROUND

According to International Data Corporation (IDC), there were 50 million Internet users at the end of 1997 and that number is expected to increase to 175 million by 2001. Furthermore, according to IDC, customers around the world spent \$19 billion in IT products and services enabling them to exploit the Internet or intranets in 1996. By 2000, IDC predicts this spending will reach almost \$100 billion.

IDC anticipates a 75% compound annual growth rate in the Web filtering market. This growth is being driven by a number of trends, including: 1) continued increase in the growth of Internet users, especially in the education segment, in both the domestic and international markets; 2) movement from stand-alone units to a subscription sales model, insuring up-to-date content to users as well as a recurring revenue stream to vendors; and 3) expansion into corporate sites, helping curb employee "surfing" during work hours. According to industry sources, up to 50% of the time that employees are on the Web is unproductive.

Despite the growing interest in the commercial uses of the Internet, a significant barrier to the growth in commercial use by small to medium size organizations (50 – 500 workstations) is the cost of implementing and administering effective solutions. The implementations of these solutions often involve extensive use of professional consulting services, which ultimately increase costs to the customer. And furthermore, additional personnel are often needed for the ongoing administration and maintenance of the system.

PRODUCTS

The following table sets forth information regarding certain of the Company's current and anticipated product offerings.

Product Category	Description
InterGate (Turnkey Internet Server)	<ul style="list-style-type: none">• Award winning product that includes twelve essential integrated Internet services including Email Server, Web Server, Firewall security, Web cache, File Transfer Protocol (FTP), Domain Name Service (DNS), etc, bundled into a single turnkey Internet device;• Intuitive Web-based interface to remotely and effortlessly manage each Internet service;• InterGate upgrade system automatically downloads and applies product enhancements;• Direct and immediate expert support;• Easy to configure and fully operational on day one;• Includes templates to manage up to 10,000 users;• Receive comprehensive support for all Internet services from a single vendor;• Obtain Web page access at lightening speeds with Web caching;• Complete interoperability with all computing platforms;• Backed by our 100% satisfaction guarantee.
Web Filtering	<ul style="list-style-type: none">• Efficiently blocks Internet users from accessing inappropriate Web sites;• Empowers a single administrator to control Web site access from a central location on an organization's network;• Comprehensive database developed from efficient robot search mechanisms coupled with the accuracy of human site raters;• Includes automated nightly updates;• Choose from any of 22 different rating categories;• Bundled into a single scalable turnkey Internet device;• Complete interoperability with all computing platforms;• Backed by our 100% satisfaction guarantee.

In addition to the above products, the Company is also developing an entry level turnkey Internet Server solution. This product will have similar features as our flagship turnkey Internet server, but will incorporate entry level pricing. The product will complement our solution set by: 1) allowing organizations to increase bandwidth by deploying multiple servers; and 2) providing an entry level scalable solution for smaller organizations.

Furthermore, the Company is investigating the addition of several integrated modules in order to help provide a complete solution set for target vertical markets.

COMPETITION

While there are a number of direct and indirect competitors with either one or both of the Company's product sets, there is currently no market leader. According to IDC, "customer mind share and market share are there for the taking." IDC research shows that around the world nearly 60% of customers are unable to identify a single IT vendor they would consider their key Internet supplier. The leading named supplier, Microsoft, was cited by only 11%.

The Company believes that the principal competitive factors affecting its market include effectiveness, scope of product offerings, technical features, ease of use, reliability, customer service and support, distribution channels and price. The Company also believes that its products compete favorably with respect to such factors. In addition, the Company relies on trademark, copyright and trade secret laws to protect and extend its competitive advantage.

MANAGEMENT BIOGRAPHIES

Farley K. Stewart, CEO. Mr. Stewart has over 15 years of broad-based business experience, which includes software development, engineering, international marketing and project management. He has extensive experience with the Internet and is a frequent invited speaker on the Internet and related topics.

Arthur S. Budman, President. Mr. Budman has over 13 years of experience working with fast growing technology companies. He has extensive experience in raising capital (private, venture and public offerings), mergers and acquisitions, international expansion, and strategic planning. Mr. Budman is co-founder of the San Diego Software Industry Council.

Robert M. Crowe, CTO. Mr. Crowe has over 15 years of software development experience. He is an expert in operating system development, protocol design and numerous programming languages. Mr. Crowe's expertise in object oriented and structured design methodologies has contributed to many award-winning products.

Prohold Technologies, Inc.

Address: 1444 Pioneer Way, Suite 12, El Cajon, CA 92020
Phone: (619) 588-5578
Fax: (619) 588-0576
Email: HYPERLINK mailto:knox@ucsd.edu knox@ucsd.edu
(web site not currently available)

Chief Executive: Kimberly Knox
Presenter: Kimberly Knox
Other Attendees: Charles W. Kerber, M.D.
Robert E. Krall, Ph.D.

COMPANY PROFILE:

Legal Form: Subchapter S

Date Established: 1995

Number of Employees: 7

Stage of Development: Preclinical

Funding Sought: First round: 3.7 million

Corporate Counsel: M. Wainwright Fishburn Jr., Partner,
Cooley Godward, LLP.

Consulting Firm: Cole Owen, Principal, Owen & Associates

Patent Counsel: Vidas, Arrett, & Steinkraus

Accounting: Robert Shanley, Engagement Partner

COMPANY OVERVIEW

Prohold Technologies, Inc. (PTI) has developed a platform technology based on the cyanoacrylate molecule. This core technology has many significant, market-ready applications in medicine with large patient populations.

Neuracryl M: Intravascular Occlusive Device for the Treatment of Arteriovenous Malformations (AVMs)

Neuracryl M is an intravascular occlusive device designed for the treatment of brain Arteriovenous Malformations (AVMs), a tangle of abnormal blood vessels that are neither arteries nor veins. An AVM is a lethal, congenital disease. The device is delivered through a catheter, generally introduced through the femoral artery (in the groin) and advanced to the diseased area which can then be treated. There is currently no reliable or satisfactory treatment for AVMs.

AVMs provide a tight niche market with a patient population of over 100,000 patients per year, although once FDA approval is gained for AVMs PTI will seek to expand this approval to apply to the general vasculature, thereby significantly broadening the market to include tumors and other vascular fed lesions. PTI has been granted Institutional Review Board (IRB) approval at five of its study sites.

Neuracryl A: Intravascular Device for Filling and Protecting Berry Aneurysms

PTI's second device is a treatment for aneurysms, another disease lacking a reliable or satisfactory method of treatment. Aneurysms are a degenerative and lethal disease of blood vessels wherein the vessel wall is distended by bad blood flow dynamics and poor collagen repair. Neuracryl A will be delivered through a catheter into the aneurysm where the device is injected, filling the sac and protecting it from rupture.

Sufficient barriers have been constructed to protect these new technologies. PTI has filed a pre patent disclosure and a trademark. Both devices are strategically positioned to well-defined niche markets that currently lack adequate methods of treatment.

DISTRIBUTION/CORPORATE ALLIANCE

PTI is considering an alliance with a large Device Manufacturer who currently controls 65% of the world wide market share. The nature of this agreement may take the form of a distribution discount for up-front monies, funding of the clinical trial and additional funding for future developments.

MANUFACTURING PLANT EXPANSION

The business plan calls for an extremely rapid production ramp-up. In anticipation of the global demand, PTI has secured space adjoining its current facility in order to be able to expand the company's manufacturing capabilities.

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FINAL PLANT EXPANSION

Also in the planning stages is the production facility that will be needed to handle the market demand for Neuracryl M and Neuracryl A once both devices are approved.

There are substantial markets that can benefit from modifications of this platform technology. These include the development of a burn therapy, plastic and reconstructive surgical treatments, spinal lesions, primary and secondary wound treatments to include surgical and military applications, adhesions, and ulcer treatment.

FINANCIAL NEEDS: TIMELINE

Start-up funds came from a combination of founders' (nearly 1 million) and an outside angel investment of \$500,000.

PTI will require an additional 3.7 million in the first year to fund the manufacturing expansion, the clinical trial for the AVM device, Neuracryl M, and development of the aneurysm device, Neuracryl A. In the second year, an additional 10 million will be required for the final plant expansion, clinical trials for the general vascular approval of Neuracryl M; Neuracryl A; and the testing and development of other devices. The rapid revenue growth is justified by the tremendous number of people with vascular diseases. It has been estimated that 0.02% of the entire world population have aneurysms, and there is no current method of cure that doesn't also carry significant risk of complication. AVMs have a similar story. Whatever the numbers actually are, they are enormous.

MANAGEMENT BIOGRAPHIES:

Kimberly Knox has worked as co-investigator and consultant at UCSD with Dr. Kerber since 1984, and was honored with the ASNR National Science Award in 1995. Ms. Knox has been a general partner in 5 business ventures, and continues to operate an atelier and fine art gallery in San Diego's Gaslamp Quarter. She was the COO and Director of Regulatory Affairs at Biodyne, Inc., and at PTI serves as the start-up CEO.

Charles W. Kerber, M.D. Physician, scientist, professor, and a biomedical device pioneer since the early 1970s, Dr. Kerber has taken three Class III devices through FDA approval and into international distribution. He was the first physician ever to implant cyanoacrylate in a human brain in 1972. Dr. Kerber was honored with the ASNR Summa Cum Laude National Science Award for a novel study of the flow dynamics in human aneurysms in 1995, and is a two-time winner of the Dyke Science award. Dr. Kerber is PTI's Chief Technical Officer.

Robert E. Krall, Ph.D. has led the development of the cyanoacrylates since the 1960s, Dr. Krall founded four major life science companies including Closure Medical (North Carolina), and has worked for industry giants Johnson & Johnson, Smith Kline, and Medtronic. He was a lecturer at Harvard University and Cal Tech, and holds over 20 patents. Dr. Krall is PTI's Chief Operating Officer.

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Arthur Andersen LLP

Address: 701 B Street, Suite 1600, San Diego, CA 92101
Phone: 619 699-6600
Fax: 619 235-6020
Website: <http://www.arthurandersen.com/>

Held: Partnership
Category: Accounting Firm

OFFICERS

Richard C. Bigelow, Managing Partner
Robert S. Shanley, Partner
Wesley E. Barrow, Partner

Michael W. Samson, Partner
William P. Malone, Partner
James A. LoPresti, Director of Business Development

COMPANY DESCRIPTION

Arthur Andersen, a multidisciplinary professional services firm, provides information and applies knowledge to help clients improve business performance and achieve competitive advantage. It offers its clients creative insights and innovative problem-solving capabilities to improve decision-making, increase profitability and productivity, lower the cost of capital and decrease business risk.

Its more than 58,000 personnel of member firms in 363 locations in 78 countries are committed to exceeding clients' expectations continuously by delivering services with a strong industry focus, superb technical competence, and a commitment to the professional values of integrity and objectivity.

We have built our San Diego practice by serving a wide variety of diverse markets, from Technology to Hospitality to Wholesale/Distribution and assisting emerging companies in achieving their business objectives.

Our people understand the business, accounting, tax and international taxation issues that impact emerging companies and provide proactive, creative solutions. We pride ourselves on being like the clients we serve - entrepreneurial, hands-on, highly motivated and accessible. Our team spends the majority of its time working with rapidly growing, emerging businesses.

This team has worked with clients from start-up to the initial public offering and beyond. Each team member has significant experience serving companies in acquisitions, due diligence, foreign operations and various financings. We have built our practice on quality and responsive service.

Brobeck, Phleger & Harrison LLP

Address: 550 West C Street, Suite 1200
San Diego, CA 92101

Phone: 619-234-1966

Fax: 619-234-3848

Website: <http://www.brobeck.com>

Held : Privately

Category: Law Firm

OFFICERS

Craig S. Andrews, Partner, Business and Technology (candrews@brobeck.com)

John A. Denniston, Partner, Business and Technology (jdenniston@brobeck.com)

Todd J. Anson, Managing Partner, Real Estate (tanson@brobeck.com)

Richard L. Kintz, Partner, Business and Technology (rkintz@brobeck.com)

Daniel G. Lamb, Partner, Litigation (dlamb@brobeck.com)

Richard L. Parker, Partner, Business and Taxation (rparker@brobeck.com)

Faye H. Russell, Business and Technology (frussell@brobeck.com)

William F. Sullivan, Firmwide Managing Partner, Litigation (wsullivan@brobeck.com)

Hayden J. Trubitt, Partner, Business and Technology (htrubitt@brobeck.com)

Mary L. Walker, Partner, Environmental (mwalker@brobeck.com)

COMPANY DESCRIPTION

Brobeck, Phleger & Harrison LLP is a national leader in the representation of emerging growth companies. Brobeck is a full service law firm with over 460 attorneys in a high-tech network with offices in San Francisco, Palo Alto, San Diego, Los Angeles, Orange County, Austin, Denver, and New York, and a joint venture office in London. The Firm represents many of San Diego's most prominent emerging growth companies and venture capital firms. We have particular expertise in the representation of companies in such fields as life sciences, software, internet, medical device, and telecommunications.

In 1997 Brobeck completed over 100 venture capital financings totaling more than \$750 million. Representative venture fund clients include Enterprise Partners and Kleiner Perkins Caufield & Byers. Brobeck is also a leader in the area of initial and secondary public offerings. In 1997 alone, Brobeck attorneys served as counsel for more than 68 public offerings, ranking us in the top four law firms nationally and the top two in California. Brobeck is experienced in all forms of corporate partnering, licensing and research collaboration arrangements, as well as mergers and acquisitions.

Visit the Brobeck Web Page at www.brobeck.com

City National Bank

Address: 4275 Executive Square, Suite 750
La Jolla, CA 92037

Phone: 619-642-4950

Fax: 619-642-4952

Web site(s): <http://www.cityntl.com>

Held: Publicly

Stock Symbol: CYN

OFFICERS

Fred Baranowski, Senior Vice President - fbaranow@cityntl.com

Beth Kinsey, Senior Vice President Manager Technology Division - bkkinsey@cityntl.com

Bernadette Bach, Senior Vice President - bbach@cityntl.com

Susan Ten Eyck, Senior Vice President - steneyck@cityntl.com

COMPANY DESCRIPTION

When it comes to banking, your business needs the best financial expertise - it needs City National Bank. For more than 43 years, City National has dedicated itself to being the premier, relationship-oriented financial institution for all of Southern California. With \$4.6 billion in assets, the federally chartered commercial bank offers 33 convenient locations in Los Angeles, Orange, Venture, Riverside and San Diego counties. And, whether you're seeking financing to expand your business, or finance a purchase, City National has a variety of products and services to meet today's complex financial needs including a focus on emerging and venture capital backed growth companies within the software, high-tech and biotechnology industries. The Bank offers a full complement of cash management, investment and international services including foreign exchange, EXIM Bank and CEFO guarantees and letters of credit. At City National, when it comes to finances we realize you have a choice, that's why we pride ourselves on being "People you can really do business with".

Cooley Godward LLP

Address: 4365 Executive Drive, Suite 1100, San Diego, CA 92121
Phone: (619) 550-6000
Fax: (619) 453-3555
Website: <http://www.cooley.com>

BUSINESS PARTNERS

Barbara L. Borden - bordenbl@cooley.com
Lance W. Bridges - bridgeslw@cooley.com
Mike G. Rhodes - rhodesmg@cooley.com
L. Kay Chandler - chandlerlk@cooley.com
Tom A. Coll - collta@cooley.com
M. Wainwright Fishburn, Jr. - fishburnmw@cooley.com
Jeremy D. Glaser - glaserjd@cooley.com
Fred T. Muto - mutoft@cooley.com
D. Brad Peck - peckdb@cooley.com

LITIGATION PARTNERS

Mike R. Adele - adelemr@cooley.com
Sue P. Bushor - bushorsp@cooley.com
J. Chris Jaczko - jaczkojc@cooley.com
Mike G. Rhodes - rhodesmg@cooley.com
Tony M. Stiegler - stiegleram@cooley.com
Steve P. Swinton - swintonsp@cooley.com

COMPANY OVERVIEW

Cooley Godward is a leader in the representation of entrepreneurial, emerging growth and high-growth companies. Our clients include leading entrepreneurs, venture capitalists, financial service organizations, noted research institutions, and private and public companies in all major fields.

Cooley Godward is specifically focused to meet the specialized needs of technology companies. We have extensive experience in venture-backed financings, public and private securities offerings, mergers and acquisitions, strategic alliances, corporate partnering transactions, and intellectual property counseling.

Having worked with many of San Diego's most successful companies from start-up through public offerings, we also take great pride in our ability to help our clients grow their businesses - whether it's by strategizing on financing options, targeting key market opportunities, or by making meaningful introductions.

In the last year alone, the San Diego office completed more than 20 venture capital financings - for companies like Continuous Software, Copper Mountain, Motiva, IPNet Solutions, Pentamar Pharmaceuticals, RajaBiotics, and XLNT Designs. Additionally, in the past two years, the San Diego office of Cooley Godward completed more than 30 public offerings, raising more than a billion dollars for San Diego companies.

Cooley Godward is a full-service law firm with more than 375 attorneys in San Diego, San Francisco, Palo Alto, Menlo Park, Denver and Boulder. For more information, visit our website at www.cooley.com.

Gray Cary Ware & Freidenrich LLP

Address: 4365 Executive Drive
Suite 1600
San Diego, CA 92121

Phone: 619 677-1400

Fax: 619-677-1477

Address: 401 B Street
Suite 1700
San Diego, CA 92101

Phone: 619 699-2700

Fax: 619-236-1048

COMPANY PROFILE

Employees : 700

Held : Privately

Other Offices: Palo Alto, San Francisco, Austin, Imperial Valley, Tijuana, Mexico City.

OFFICERS

Knox Bell, Corporate and Licensing, 677-1426 (kbell@gcwf.com)

Elisabeth Eisner, Intellectual Property and Technology Transactions, 677-1484 (eeisner@gcwf.com)

David Geerdes, Employment Law, 677-1448 (dgeerdes@gcwf.com)

William Grauer, Technology Litigation, 677-1440 (wgrauer@gcwf.com)

Paul Kreutz, Corporate and Securities, 677-1406 (pkreutz@gcwf.com)

Cameron Jay Rains, Corporate and Securities, 677-1476 (jrains@gcwf.com)

Doug Rein, Corporate and Securities, 677-1443 (drein@gcwf.com)

Stephen Reiter, Patents and Intellectual Property, 677-1409 (sreiter@gcwf.com)

Rebecca Schmitt, Corporate and Securities, 677-1446 (rschmitt@gcwf.com)

Shirli Fabbri Weiss, Securities Litigation, 699-3650 (sweiss@gcwf.com)

Karl ZoBell, Intellectual Property and Technology Transactions, 456-3036 (kzobell@gcwf.com)

COMPANY DESCRIPTION:

Gray Cary Ware & Freidenrich is one of the leading technology law firms in San Diego and Silicon Valley. Our Golden Triangle office places us in the geographical heart of the technology, venture capital, biotechnology, and emerging growth industries. Our clients include public and private companies at all stages of growth, from start-up to Fortune 500 corporations. As a full-service law firm with thirty years of experience in Silicon Valley and over 70 years of leadership in San Diego, we provide corporate, securities, litigation, commercial, intellectual property, patent, employment, real estate, land use, environmental, tax, trusts, and estate planning services to clients representing a broad spectrum of California's industries. Our Corporate and Securities Group provides a depth of experience, strategic advice, and value to high-growth entrepreneurial and technology companies, as well as to venture capital, investment banking, and financial institutions. From January 1997 to August 1998, we represented clients and underwriters in numerous public offerings and in 100 mergers and acquisitions, reinforcing our ability to work effectively and efficiently with clients in high-profile transactions. Please visit our web site at 'gcwf.com'. Other offices: Palo Alto, San Francisco, Austin, Imperial Valley, Tijuana, Mexico City.

PricewaterhouseCoopers LLP

Address: 750 B Street, Suite 2400, San Diego, CA 92101
Phone: 619-231-1200
Fax: 619-231-8055
E-Mail: thomas.h.insley@us.pwcglobal.com

No. of Employees: 146
Held: Privately

Web Site: www.pwcglobal.com

CONTACTS

Thomas H. Insley, Managing Partner
Walter D. Alexander, Tax Partner
William H. Allen, Tax Partner
Bruce G. Blakley, Audit Partner
Samuel Bornstein, Audit Partner

J. Scott Di Valerio, Audit Partner
Jim Ingraham, Audit Partner
Eric G. Juline, Audit Partner
Michael J. McLaughlin, Audit Partner
Thomas A. Merritt, Tax Partner

COMPANY PROFILE

PricewaterhouseCoopers (www.pwcglobal.com), the world's largest professional services organization, helps its clients build value, manage risk and improve their performance.

Drawing on the talents of more than 140,000 people in 152 countries, PricewaterhouseCoopers provides a full range of business advisory services to leading global, national and local companies and to public institutions. These services include audit, accounting and tax advice; management, information technology and human resource consulting; financial advisory services including mergers & acquisitions, business recovery, project finance and litigation support; business process outsourcing services; and legal services through a global network of affiliated law firms.

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SanMEC

Address: 9663 Tierra Grande St., Ste. 204, San Diego, CA 92126-1570
Phone: 619-530-4890
Fax: 619-530-4898
Email: sanmec@sanmec.org
Website: //www.sanmec.org

No. of Employees: 14
Held: Privately
Contact: David Dinerman, VP of Marketing

CORPORATION OVERVIEW

The San Diego Manufacturing Extension Center (SanMEC) is a private not-for-profit corporation funded through the National Institute of Standards and Technology (NIST) and the California Trade and Commerce Agency. SanMEC is the local affiliate of the Manufacturing Extension Partnership, a national network of more than 78 similar centers dedicated to providing professional consulting services to manufacturers on a fee for service basis. SanMEC provides services in three general categories: manufacturing modernization, strategic business planning and workforce development. Our goal is to make San Diego manufacturers more profitable and more globally competitive.



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