

**MINUTES OF THE 139TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, AR
JULY 17, 2009**

CALL TO ORDER

The meeting was called to order by Mr. Paul Mastro, Chairman of the Board, in the Authority's conference room, located at 423 Main Street in Little Rock.

A quorum of Board members was present and included: Mr. Gary Campbell, Dr. Cesar Compadre, Dr. Collis Geren, Mr. Robert Hall, Mr. Joel Harrison (via phone), Dr. Glen Jones (via phone), Dr. Beverly Lyn-Cook (via phone), Dr. Stanley Williams, Mr. Heartsill Ragon, Dr. Stephen Seidman and Mr. George Williams.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Dr. Gail McClure, Ms. Becky Hart, Dr. Blake Perry, Ms. Kim Rush, Dr. Steve Stanley, Ms. Stephanie Johnson, Ms. Cathy Bailey and Mr. Dan Curtis, Ms. Jill Howard.

APPROVAL OF MINUTES

Mr. Mastro presented for approval the minutes from the May 15, 2009 Board meeting. Mr. Campbell made a motion for the approval of the minutes. Dr. Seidman seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen introduced Jill Howard, an intern working for the Authority. Miss Howard is a student at the University of Arkansas at Pine Bluff.

Dr. Seidman announced that he would be submitting to the Governor his resignation from the Board of Directors. He has accepted a position as the Dean of the College of Science at Texas State University. He expressed his appreciation for the opportunity to serve the state.

INDUSTRY COMMITTEE REPORT

Mr. Robert Hall presented the Industry Committee report.

Stone Ward Contract

Mr. Hall stated that the staff had requested bids for AMS' public relations contract. After reviewing the submitted bids, Stone Ward was chosen. The contract is for one year and totals \$24,900. Stone Ward will provide marketing and communications services for AMS.

Mr. Hall made a motion to approve the professional services contract with Stone Ward. Dr. Geren seconded the motion; the Board gave its unanimous approval.

Program Update

AMS is working with Dextera to conduct an assessment of AMS organizational skills and the potential for approaching next generation sales and marketing.

AMS is working with Questline, an online resource for manufacturers. The resource center will be branded as a program of AMS and will be used to generate an e-newsletter.

AMS is planning a series of Manufacturing Matters conferences in different regions of the state. The first conference is planned for late October.

INVESTMENT COMMITTEE REPORT

Mr. Heartsill Ragon presented the Investment Committee Report.

Draft Resolution 10-01

Draft Resolution 10-01 would provide Technology Funds for the following project:

Application No. 09-TDP-08, "Low Methoxyl Pectin Production from Soy Hulls,"
by Soy Pectin, Inc., in an amount not to exceed \$50,000.

Soy Pectin, Inc. has developed and patented a process to produce low methoxyl pectin from soybean hulls at prices that are 20 to 40 percent lower than that of citrus-based low methoxyl pectin.

If approved, Soy Pectin will use the investment for facilities and labor.

Mr. Ragon, on behalf of the Investment Committee, moved approval of Draft Resolution 10-01. Dr. Geren and Dr. Compadre abstained. The motion passed.

Draft Resolution 10-02

Draft Resolution 10-02 would provide seed capital funds for Xegis Computer Services, Inc. (d/b/a UnityWare) for an investment not to exceed \$44,000.

UnityWare has developed a solution for integrating a firm's existing software systems together faster and more efficiently than is presently possible. This software would be especially useful in the healthcare industry. Unityware estimates that medium to large hospitals have over 15 major information systems and over 100 groups of systems, often by different vendors. Many of these systems need to be connected.

UnityWare's technology automates the process of finding & supplying information by interpreting what information is being requested by users and then finding and supplying that information regardless of where it resides in the individual applications.

If seed capital funds are awarded, the company plans to use part of the funding to complete its next product, the Virtual Logic Server. This is a server based version of the UnityWare technology that is more portable.

Mr. Ragon stated that UnityWare is currently working to secure a contract with Saline County Memorial Hospital.

The Investment Committee tentatively approved recommending a \$44,000 investment in the company, based on interviews conducted by committee member Gary Campbell and the company securing the contract with Saline County Memorial Hospital.

Mr. Campbell stated that he reviewed the company's technology and was impressed with how the company was approaching their work.

Board members asked about the company's ability to compete in the field, which is a big business and could be done by companies like Microsoft. Mr. Campbell stated that he felt comfortable with what the company was planning. The company estimates that 100 jobs will be created.

After further discussion, Board members agreed that a condition of funding should be the contract with Saline County Memorial Hospital being finalized and the specs for the contract being met.

Mr. Ragon, on behalf of the Investment Committee, moved approval of Draft Resolution 10-02. The motion passed.

RESEARCH COMMITTEE REPORT

Dr. Collis Geren presented the Research Committee Report.

Draft Resolution 10-03

Draft Resolution 10-03 would provide funding for the following project:

A Faculty/Student Exchange Program award (10-EPSCoR-0001) in the amount of \$18,000 shall be awarded to Dr. Vijay Varadan, University of Arkansas, Fayetteville, and researchers of the ASSET Initiative WiNS Center, for hosting the WiNS Center Nanotechnology and Healthcare Education and Training Program. This award is effective July 17, 2009 through October 31, 2009.

Dr. Geren stated that this resolution was presented because of a request to change the scope of the budget so that the funds could be used to host the WiNS Center Nanotechnology and Healthcare Education and Training Program. NSF approved the change of scope in the budget.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-03. Dr. Geren abstained. The motion passed.

Draft Resolution 10-04

Draft Resolution 10-04 would provide funding for the following project:

10-STEM Teacher Empowerment-01 “The Position of the Educational Outreach Coordinator and Professional Development Supervisor”, submitted by University of Arkansas at Little Rock, in the amount not to exceed \$77,650.93. This award is effective July 17, 2009 through June 30, 2010.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-04. The motion passed.

EPSCoR Advisory Committee Nominations

Dr. Geren presented for Board approval two nominations to the EPSCoR Advisory Committee. Ms. Cynthia Moten from the Department of Higher Education will serve, replacing Dr. Karen Wheeler who will now serve as the alternate. Dr. Steven Runge from the University of Central Arkansas will serve as an alternate for Dr. Stephen R. Addison.

Dr. Geren, on behalf of the Research Committee, moved approval of the nominees. Dr. Seidman abstained. The motion passed.

NEW BUSINESS

Draft Resolution 10-05

Dr. Ahlen presented Draft Resolution 10-05 for consideration. Dr. Ahlen explained that the Governor released \$750,000 in June for the Risk Capital Matching Fund. The funds will be moved to the Arkansas Development Finance Authority for the Venture Capital Investment Trust to be used for commercializing nanotechnology.

Dr. Seidman made a motion to approve Draft Resolution 10-05. Mr. Hall seconded the motion; the Board gave its unanimous approval.

Arkansas Research Alliance Report

Dr. Ahlen distributed copies of the Arkansas Research Alliance report. The report was shared with the Governor. The report shows that strategic focus areas and nanotechnology was mentioned as the greatest strategic focus area.

Next Board Meeting

Mr. Mastro reminded Board members that the next Board meeting was scheduled for September 18, 2009.

Dr. Ahlen reported that the senior staff held a two day strategic planning retreat and the results from that retreat will be shared with the Board in September.

ADJOURN

There being no further business to conduct, the meeting was adjourned.

Respectfully submitted,

Heartsill Ragon, III
Secretary
Board of Directors

Approved by the Board of Directors
on this 18th day of September, 2009.

Heartsill Ragon, III
Secretary
Board of Directors