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**MINUTES OF THE 106<sup>th</sup> MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
423 MAIN STREET, LITTLE ROCK, AR  
March 21, 2003**

**CALL TO ORDER**

The meeting was called to order by Dr. Harry Ward, Chairman of the Board, at 1:30 p.m., in the Third Floor Conference Room at 423 Main Street in Little Rock, Arkansas.

A quorum of Board members was present: Dr. Merlin Augustine, Dr. Mary Good, Mr. J. Wylie Harris, Dr. Charles Hathaway, Mr. D. W. May, Ms. Sue McGowan, Ms. Cynthia Moten, Mr. Ron Roberts, Ms. Melinda Saunders, and Dr. John White.

Staff members present included: Dr. John Ahlen, Ms. Tovia Chan, Mr. Leslie Lane, Ms. Cathy Ma, Dr. Herbert Monoson, Mr. Chuck Myers, Mr. Brad Sims, Mr. James Watkins and Ms. Rebecca Wright.

**APPROVAL OF MINUTES**

Dr. Ward presented for approval the minutes from the January 17, 2003 Board meeting and the February 21, 2003 Executive Committee meeting. Discussion followed.

Dr. John White made a motion for the approval of the minutes. Dr. Charles Hathaway seconded the motion. The motion passed unanimously.

**PRESIDENT'S REPORT**

Dr. John Ahlen presented the President's Report. He stated that the Authority's FY04 appropriation bill was passed and signed by the Governor. It is the same level of appropriation as FY03. Dr. Ahlen explained that line items could change in FY04.

Dr. Ahlen stated that the Action Plan had been updated in the Operating Plan to include legislative bills that involved the Authority. Discussion followed.

Dr. Ahlen stated that the Winthrop Rockefeller Foundation awarded the Authority \$443,750 to support a two-year project on entrepreneurship in Arkansas. The Task Force Report recommendations that have not been implemented in this General Assembly and the recommendations of the Rockefeller Foundation report "Entrepreneurial Arkansas" will be included.

#### UPDATE ON ARKANSAS VENTURE CAPITAL FORUM

Mr. Les Lane stated that the second Arkansas Venture Capital Forum was held on March 3-4, 2003. Eight Arkansas companies made presentations; two of the companies came from universities. He stated that although attendance was down, the quality of attendees was high. Missouri and Texas investment representatives also attended the forum.

#### INDUSTRY COMMITTEE REPORT

Mr. Ron Roberts presented the Industry Committee Report.

Mr. Roberts stated that there are no matching funds available from the state for the Network. A bill has been introduced to address this issue. Senate Bill 575 is an appropriation bill that would provide matching funds for the Network. To date, the bill has not been acted on.

Amended Resolution 02-05 was presented to the Board for consideration. Mr. Roberts outlined the proposed changes to the resolution. A partnership agreement with a budget of \$5000 was added for Arkansas Quality Award, Inc. The budget for the University of Arkansas at Little Rock was increased by \$5000 to provide for sponsorship of the Arkansas Executive Summit. A reference to the Network's appropriation for Other Grants and Aid was added so that additional partner payments could be made from this budget line, if appropriate.

Mr. Roberts made a motion for approval of Amended Resolution 02-05. Dr. White seconded the motion. The motion passed unanimously.

Mr. Roberts stated that the Committee would present a report on the Network's worst-case budget for next fiscal year and alternatives at the next Board meeting.

#### INVESTMENT COMMITTEE

Ms. Sue McGowan presented the Investment Committee Report.

Ms. McGowan stated that a new status column had been added to the Seed Capital portfolio form. The new form was accepted by the Committee.

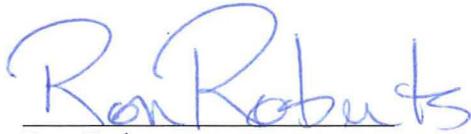
Ms. McGowan reported that MedEvolve requested a lower interest rate on their loan that was equivalent to current rates. The Committee approved the request and lowered the rate to 7%.

Ms. McGowan reported that Space Photonics had not heard about its funding request status from federal agencies. She stated that Seed Capital funds would not be released until the company received the matching funds.

**ADJOURNMENT**

There being no further business to conduct, the meeting was adjourned at 2:30 p.m.

Respectfully submitted,



Ron Roberts  
Secretary  
Board of Directors

**APPROVED** by the Board of Directors  
on this 16<sup>th</sup> day of May, 2003



Ron Roberts  
Secretary  
Board of Directors