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**MINUTES OF THE 112TH MEETING OF THE  
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY  
BOARD OF DIRECTORS  
MARCH 19, 2004  
LITTLE ROCK, ARKANSAS**

**CALL TO ORDER**

The meeting was called to order at 1:45 p.m. by Mr. J. Wiley Harris, Chairman of the Board, in the Authority's conference room at 423 Main Street in Little Rock, Arkansas.

A quorum was present and included: Dr. Merlin Augustine, Mr. David Eberdt, Mr. J. Wylie Harris, Mr. Gordon Knetzer, Mr. Bum Lee, Mr. Buzz May, Ms. Sue McGowan, Dr. Steve Floyd, Dr. Neil Rutger, Dr. Harry Ward, Dr. John White, and Mr. Rickey Williams.

Staff members present: Dr. John Ahlen, Ms. Tovia Chan, Mr. Les Lane, Ms. Cathy Ma, Dr. Herb Monoson, Mr. Chuck Myers, Ms. Kim Reynolds, Mr. Scott Snider, and Mr. J.J. Watkins.

Visitors included: Mr. Randy Wilcox from the Governor's Office.

**APPROVAL OF MINUTES**

Mr. Harris presented for approval the minutes from the January 16, 2004 Board meeting and the February 2, 2004 Board meeting.

Dr. Rutger requested that a semicolon be removed from University of Arkansas for Medical Science Arkansas Bioventures on page three of the January 16 minutes.

Dr. White made a motion for the approval of the minutes, with the necessary corrections. Dr. Augustine seconded the motion. The Board gave its unanimous approval.

**PRESIDENT'S REPORT**

**Operating Report**

Dr. Ahlen reviewed the Operating Report.

Dr. Ahlen reported that Ms. Lydia Carson is reviewing the NIST budget approval in Congress and there has been no change. He stated that the Network will initiate its name change to Arkansas Manufacturing Solutions next month.

Mr. May asked why the Network was changing its name. Dr. Ahlen responded that the name change was at the suggestion of Laine Communications.

Dr. Ahlen pointed out updates made to the TTAGs Funded list and the changes in terminology on the Seed Capital Investment Fund Quarterly Report.

Dr. Ahlen reported that Safe Foods Corporation received FDA approval for a new product called Cecure. Cecure is sprayed on chicken carcasses to eliminate most food-borne illnesses. The Authority supported the development of this product through three programs: Applied Research Grant, Technology Transfer, and Technology Development.

Mr. Knetzer asked who makes the decisions to defer a company. Mr. Lane replied that the Authority's legal counsel recommends a deferral and the staff brings the recommendation to the investment committee.

Mr. Knetzer asked if a judgment on a foreclosure is worth the time and money involved. Mr. Lane replied that because the Authority is funded by the state, it must try to get whatever it can. Dr. Ahlen responded that the Authority budgets \$5,000 for that purpose.

Mr. May made a motion for the approval of the Operating Report. Mr. Knetzer seconded the motion. The Board gave its unanimous approval.

## **INVESTMENT COMMITTEE REPORT**

Ms. Sue McGowan presented the Investment Committee Report.

### **Technology Development Program**

Ms. McGowan presented Draft Resolution 04-06, which would certify a Technology Development Program for Arkansas Power Electronics International, Inc (APEI). APEI develops silicon-carbide power electronics modules that are able to withstand higher temperatures and voltages. Mr. Lane stated that the modules will be used for motors in oil drills.

Mr. Knetzer asked what the Authority will receive as compensation. Mr. Lane replied that the Authority will receive 5% of product sales in the oil business.

Mr. Knetzer asked where the research for the project was being done. Mr. Lane replied that Genesis Technologies at the University of Arkansas, Fayetteville was performing the research.

Mr. Knetzer asked what was covered under the general and administrative costs in the budget. Mr. Lane replied the costs included rent, phone lines, and utilities.

Ms. McGowan made a motion to approve Draft Resolution 04-06. Dr. Ward seconded the motion. The Board gave its unanimous approval.

### **Seed Capital Investment Portfolio**

Ms. McGowan presented the Seed Capital Investment Portfolio.

### **OLD BUSINESS**

#### **Discussion of Goals**

Dr. Ahlen opened the discussion on goals. The goals and objects discussed are included.

### **NEW BUSINESS**

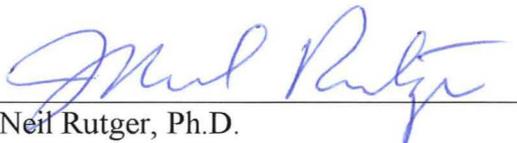
#### **Location of Next Board Meeting**

Dr. Augustine and Dr. White invited the Board to meet in Fayetteville. Ms. McGowan invited the Board to meet in Jonesboro. Dr. Ahlen responded that the staff will find out when the technology incubators will be open and determine where the best place will be to have the meeting.

### **ADJOURNMENT**

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

Respectfully submitted,



J. Neil Rutger, Ph.D.  
Secretary  
Board of Directors

**APPROVED** by the Board of Directors  
on this 21<sup>st</sup> day of May, 2004.



J. Neil Rutger, Ph.D.  
Secretary  
Board of Directors