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**MINUTES OF THE 154th MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
JANUARY 20, 2012**

CALL TO ORDER

The meeting was called to order by Dr. Beverly Dawkins Lyn-Cook, Chairman of the Board, in the Bessie Moore Board Room, located in the 900 West Capitol Building in Little Rock, AR.

A quorum of Board members was presented and included: Mr. Bradford Caldwell, Mr. Gary Campbell (via phone), Dr. Cesar Compadre, Dr. Carl Frederickson, Dr. Collis Geren, Mr. Joel Harrison, Dr. Glen Jones, Mr. Paul Mastro, Mr. Michael Nauman, Mr. Heartsill Ragon, Dr. Robert Sproles Mr. Rod Sweetman and Mr. George Williams.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Ms. Cathleen Bailey, Ms. Marta Collier, Mr. Dan Curtis, Mr. James Downs, Ms. Stephanie Johnson, Ms. Annetta Massanelli, Dr. Gail McClure, Dr. Blake Perry, Mr. Chris Snider and Dr. Steve Stanley.

APPROVAL OF MINUTES

Dr. Lyn-Cook presented for approval the minutes for the November 18, 2011 Board meeting. Mr. Mastro made a motion for the approval of the minutes. Mr. Ragon seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Blake Perry presented the President's Report.

FY2012 Operating Report

Dr. Perry presented the FY2012 Operating Report. Dr. Frederickson moved acceptance of the report as presented. Dr. Geren seconded the motion; the Board gave its unanimous approval.

FY2012 Investment Update

Dr. Perry presented the FY2012 Investment Update. In response to the Board's request, Mr. Downs provided a map outlining the areas of the state that have been impacted by Authority programs. Dr. Perry indicated that the Authority would begin providing this type of information at future meetings.

Dr. Jones moved acceptance of the report as presented. Mr. Mastro seconded the motion; the Board gave its unanimous approval.

Authority Board Strategies Session

Mr. James Downs was recognized to report on the Board Strategies Session.

Mr. Downs stated that based on the Board's suggestions, the staff was working on three areas of interest, which he outlined for the Board.

The Authority's web page has been updated to include a "Success Stories" section on the front page. The success stories section will be kept up to date with relevant and new stories.

A link to the Authority's Facebook and YouTube pages was added to the website. There are already several videos on the YouTube page and more are being developed.

Mr. Downs also reviewed recent Authority articles published in Arkansas Business. He stated that the staff will continue to coordinate its message through Arkansas Business, the Arkansas Democrat-Gazette, the Arkansas Broadcaster's Association and other organizations.

INDUSTRY COMMITTEE REPORT

Mr. Paul Mastro presented the Industry Committee Report.

The FY2012 Appropriations bill was signed into law. The bill included \$128.4 million for MEP.

AMS currently has one vacancy at SAU Tech in Camden. The position was advertised and the agency received over 15 resumes. However, because of a slow demand for services it didn't seem prudent to fill the position at this time. AMS will re-evaluate in the spring and make a decision whether they want to re-advertise. Mr. Curtis assured the Board that the part of the state covered by SAU Tech is being taken care of by other field staff.

The Innovation Engineering Leadership Institute was held on November 29th-December 1st, 2011. There were 65 attendees, which was a lower attendance than last year. Several companies brought multiple attendees. One company has engaged AMS with a six month Innovation Engineering management system to develop intellectual property for new products.

The Pennsylvania MEP will begin an assessment of AMS in late January. They will be reviewing strategy and capability to deliver growth, technology acceleration and innovation services.

RESEARCH & COMMERCIALIZATION COMMITTEE REPORT

Mr. Heartsill Ragon presented the Research & Commercialization Committee report.

Draft Resolution 12-17

Draft Resolution 12-17 would provide certification of the UAMS BioVentures as a qualified technology incubator. The Authority has received a letter of confirmation from the University of Arkansas for Medical Sciences confirming that the incubator is operating in cooperation with the University and the mission of the incubator is to foster the growth of technology based enterprises.

Draft Resolution 12-17 was moved and seconded by the committee. Dr. Compadre abstained. The motion passed.

Draft Resolution 12-18

Draft Resolution 12-18 certifies one "In House Research by a Targeted Business" Tax Credits for the following project:

"Tax Credit for In House Research and Development," submitted for tax year 2010 by Superior Industries International, Inc in the amount of \$4,140,755.00 in expenses eligible for \$828,151.00 in tax credits (AEDC Project No. 11495).

Draft Resolution 12-18 was moved and seconded by the committee. The Board gave its unanimous approval.

Integral Wave Abatement

The Authority entered into an investment and royalty agreement on April 5, 2001 with Integral Wave Technologies. The Authority provided \$500,000 in funding and Integral Wave Technologies agreed to pay royalties to the Authority in an amount equal to two and one-half percent (2 ½%) of the company's net sales within thirty (30) days after the end of the fiscal quarter. To date, Integral Wave has made royalty payments totaling \$29,508.70. This has left a balance of \$470,491.30 in unpaid royalties owed to the Authority.

On November 11, 2010, the Authority received a Notice of Dissolution from the President of Integral Wave.

Dr. Stanley and Amanda Gibson with the Arkansas Attorney General's Office reported that the remaining unpaid principal is uncollectible.

The request for abatement was moved and seconded by the committee. The Board gave its unanimous approval.

Mr. Ragon stated that the committee has adopted additional guarantees for future investments, including personal guarantees and obtaining a security interest in investments.

SPONSORED PROJECTS COMMITTEE REPORT

Dr. Collis Geren presented the Sponsored Projects Committee report.

Draft Resolution 12-19

Draft Resolution 12-19 would provide funding for the following contract:

Minnick EPSCoR Project (Project No. 12-EPS2-0011) in support of evaluating the impact of EPSCoR and STEM educational outreach, in an amount not to exceed \$71,870. The contract will be effective January 20, 2012 through January 31, 2013.

Draft Resolution 12-19 was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 12-20

Draft Resolution 12-20 would provide funding for the following proposal:

12-EPS2-0010, "NSF EPSCoR Communication Internship Award", submitted by University of Central Arkansas, in an amount not to exceed \$15,600 for the period of February 1, 2012 through January 31, 2013.

Draft Resolution 12-20 was moved and seconded by the committee. Dr. Frederickson abstained. The motion passed.

ASSET II UAFS GREEN PROJECT

The GREEN project plans to set up instructional laboratories at the University of Arkansas at Fort Smith (UAFS) to provide basic training and laboratory instrumentation needed in solar power systems and other renewable energy systems.

The objectives of the UAFS Green Project will be to: Develop a laboratory and course curriculum to train engineering student in the understanding, implementation and maintenance of photovoltaic and other renewable energy systems; develop a professional certification program so that students can get certified to install and maintain solar power systems; the laboratory instrumentation acquired will be portable to other Arkansas institutions when not being used at UAFS; and the courses will be amenable for distance education and implementation at other schools.

The budget for the project totals \$67,730. The project has been reviewed and recommended by Dr. Vasu Varadan, GREEN Center Director.

The proposal was moved and seconded by the committee. The Board gave its unanimous approval.

OLD BUSINESS

SURF Awards

Board members were provided with a list of the ASSET I and ASSET II SURF Fellowship Awards for Fiscal Years 2011-2012.

Transition Update

Dr. Ahlen provided the Board with an update on the transition activities.

NEW BUSINESS

Conflict of Interest

Board members were reminded to review the Authority's conflict of interest policy.

Board Attendance Policy

Board members were reminded to review the attendance policy.

Expense Reimbursement

Dr. Lyn-Cook reviewed the Expense Reimbursement Authorization for Board members. The Board must at the beginning of each calendar year authorize expense reimbursement for Board members.

Mr. Ragon made a motion to approve the expense reimbursement for Board members. Mr. Caldwell seconded the motion; the Board gave its unanimous approval.

Statement of Financial Interest

Board members were reminded that their Statement of Financial Interest forms were due to the Secretary of State's office by January 31.

Next Meeting Date

Members were reminded that the next Board meeting was scheduled for March 16, 2012.

ADJOURNMENT

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

Respectfully submitted,



Cesar Compadre, Ph.D.
Secretary
Board of Directors

Approved by the Board of Directors
on this 16th day of March, 2012.



Cesar Compadre, Ph.D.
Secretary
Board of Directors