

CONNECT Springboard Program Quarterly Report

October 2009 – December 2009

THE
LEGLER BENBOUGH
FOUNDATION



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CONNECT Springboard Program Investor Members and Education Contributors



CONNECT Springboard Quarterly Report

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Overview

The last quarter of 2009 saw a major increase in activity on all fronts. A number of our graduates were honored in prestigious competitions. The pace of intake, marketing, dry run and graduation panel activity increased significantly. In addition with the help of our law firm sponsors we launched our new due diligence review process to ensure graduates are investment ready. Five Springboard companies completed due-diligence reviews prior to presenting to our Deal Network where scrubbed companies present in a private home to high net worth investors. We saw participation from all the major technology clusters in San Diego within the Springboard pipeline in the last half of the year. Our Entrepreneurs-in-Residence (EIR) program became a standalone program now supporting Springboard, MIP, VRT, SEI Capital Forum, UCSD's Entrepreneur Challenge and CommNexus' EvoNexus incubator. The group has expanded to 193 EIRs and 250 Domain Experts. In addition the EIRs are now available to act as Expert Witnesses for sponsoring law firms.

Graduate News

ecoATM, Inc. wins Most Innovative Product Awards (MIP) and San Diego Venture Group Pitchfest, and is runner-up at San Diego Tech Coast Angels Quick Pitch.

ecoATM, Inc. is an eCycling Station that automates trade-in and recycling programs for consumer electronics and mobile phone retailers by automatically inspecting and evaluating the condition of used electronics, and enabling the immediate buy back directly from consumers.

The company's most recent achievements include:

- ecoATM installed at Go Wireless **Verizon** in San Diego.
<http://www.sandiego6.com/news/local/story/ATM-Helps-You-Recycle-E-Waste/der44a1-ykGmYmWfChmTgw.csp>
- ecoATM wins slot in **EvoNexus** incubator.
<http://www3.signonsandiego.com/news/2009/nov/23/training-wheels-for-start-ups/>
- ecoATM wins **\$10k** and **CoinStar's** "Next Big Idea Contest".
<http://kioskmarketplace.com/article.php?id=23261&na=1>
- ecoATM hires **Tom Tullie** as **CEO**.
<http://www.prnewswire.com/news-releases/ecoatm-introduces-tom-tullie-as-new-ceo-70457742.html>
- ecoATM wins **\$20K** from **San Diego Venture Group** as winner of Pitchfest 2009.
<http://newsblaze.com/story/2009120712540200001.pnw/topstory.html>
- ecoATM wins "**Most Innovative Product**" in cleantech category from CONNECT.
<http://topics.treehugger.com/article/02XccPY0bwgqW>
- ecoATM featured in **Inc. Magazine**.
<http://www.inc.com/magazine/20091201/a-start-up-recycles-mobile-phones.html>
- ecoATM identified by **ABI Research** as ideal solution.
<http://www.worldmarketmedia.com/856/section.aspx/?ChannelID=3191&GUID=11033536&Page=MediaViewer>

Pixon Imaging, Ridge Diagnostics and V-Enable named as MIP finalists and Pixon moves into EvoNexus incubator.

Pixon Imaging has developed a collection of proprietary image-processing algorithms and digital-signal-processing hardware platforms that mitigate the effects of blurring, haze, fog, smoke, water turbidity, atmospheric warping, and sensor noise, and that can provide a 5X to 10X improvement in compression compared to current methods. **Pixon Imaging** won a slot in CommNexus' incubator **EvoNexus**.

Graduate News *(cont'd.)*

Ridge Diagnostics is a neurodiagnostic company with a first-in-class, proprietary blood test for Major Depressive Disorder (MDD). This breakthrough diagnostic is the first blood-based test to aid in the diagnosis, management and monitoring of any neuropsychiatric disease. In December 2008, Ridge Diagnostics established a CLIA-certified laboratory in Research Triangle Park, NC where testing services were initiated. Ridge is largely funded by grants to date. Through the company's Clinical Experience Program (CEP), psychiatrists are ordering MDDScore, the laboratory is reporting results to the psychiatrists, and Ridge is processing claims to insurers. Ridge is targeting a national launch in mid-2010. Ridge Diagnostics presented to VCs at CONNECT's 2009 Life Science Venture Roundtable program and Deal Network, and was a finalist at MIP.

V-Enable is the leading provider of local search solutions powered by proprietary search and advertising technologies, built from the ground up, specifically designed for local search and available as an end-to-end turnkey solution for mobile devices or as an extendible service to any digital environment. Since completing the Springboard program in 2001 V-Enable has successfully raised three rounds of additional financing.

ElliptiGO launches the ElliptiGO 8S, the world's first elliptical bicycle. Media coverage: [NBC News in San Diego](#), [North County Times](#), [San Diego Magazine](#) and [San Diego Metropolitan Magazine](#).

StayClassy.org is selected as one of 30 startups across the US to showcase at MIT's prestigious [Venture Capital Conference](#).

OnePitch, Inc. secures a partnership agreement with Lazer Ventures Inc. to franchise a baseball hitting system based on the [OnePitch technology](#).



OnePitch News -
12-9-09.pdf

Designed by aerospace engineers and professional pitchers, the OnePitch system uses optical lasers to capture speed, break, trajectory and deceleration of pitches at a level of accuracy that vastly exceeds existing radar-based systems. Coupled with a high-speed, high-definition video feed, the system is able to instantaneously link pitcher mechanics with pitch movement to enable diagnostic capabilities never before realized

Panel Activity/Diligence Reviews

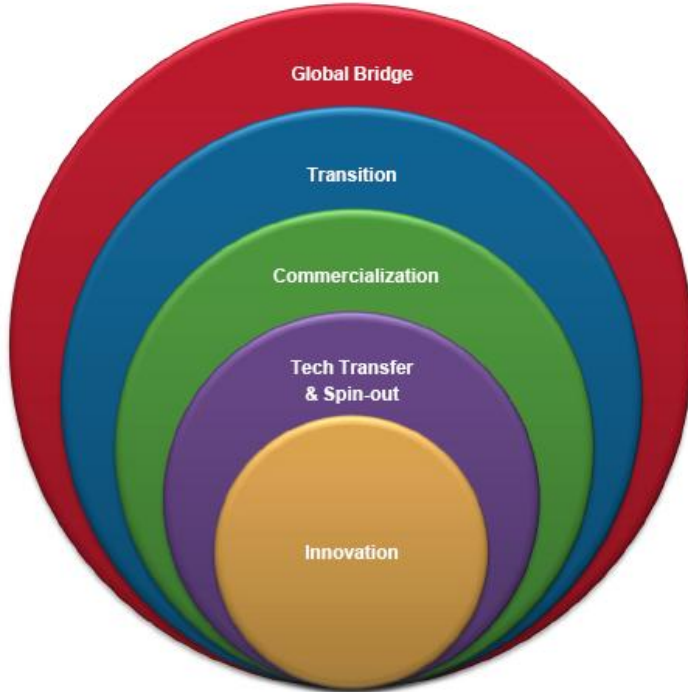
Springboard Stages

Overall intakes, marketing panels, dry runs, graduations and due diligence assessments of graduates were up nearly 25% in the last three months of 2009 with 16 company panels/reviews. All stages of the Springboard program showed activity.

The Springboard program offers free mentoring and assistance to innovators and companies at five stages: Global Bridge (helping international companies access the US market via San Diego), Transition (helping companies deal with major change such as the launch of their second product line, move into a new market or spin-out of a technology), Commercialization, Tech Transfer and Innovation Assessment (evaluation of commercialization potential in the research institution).

The program now wraps up with a due diligence assessment by one of our sponsoring law firms to ensure the company has its legal structure, IP, and other critical corporate documents in order and is investment-ready.

Panel Activity/Diligence Reviews (cont'd.)

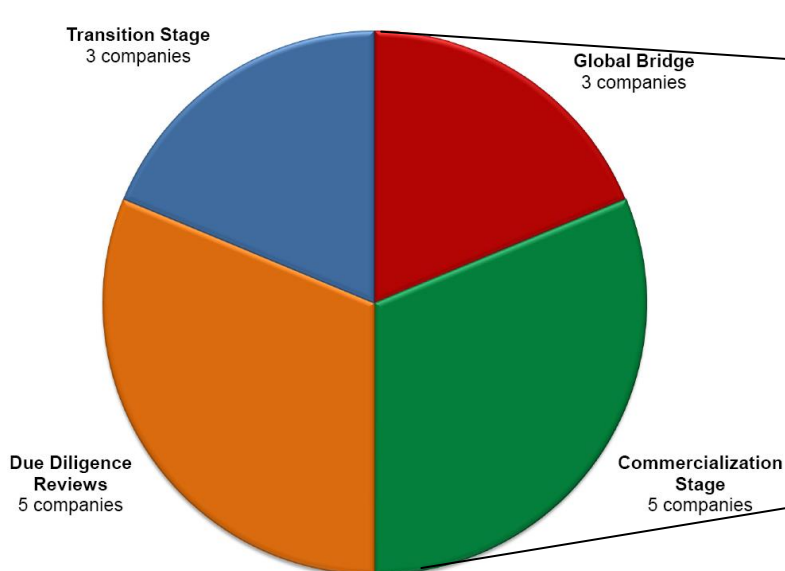


Panel Activity

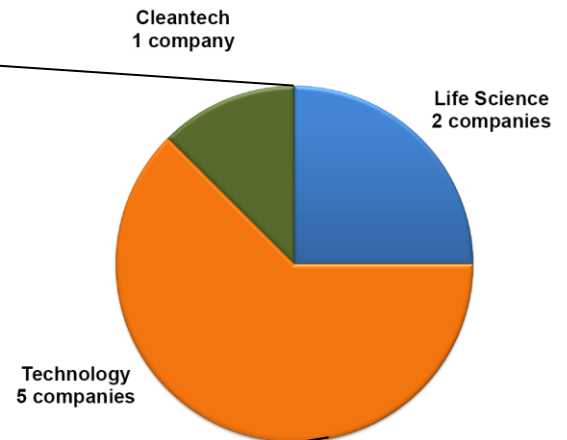
Three Global Bridge program companies, three Transition stage, and five Commercialization stage companies completed the Springboard program in the final quarter of 2009. These included five technology companies, two life science companies, and one cleantech company. In addition, five Springboard companies completed due diligence reviews prior to presenting at CONNECT's Deal Network in December 2009. The due diligence process was established to provide complete and transparent information to potential investors who attend CONNECT's Deal Network events. The Deal Network is a confidential list of high net worth investors who periodically review best-in-class companies that have succeeded in CONNECT's Springboard, Venture Roundtable or Most Innovative Product Awards programs. The events are held at the private residence of an investor and are attended by 25 or more investors.

The process begins once a company is accepted into the Springboard program. They receive a due diligence checklist, provided courtesy of [Express Ventures](#), which includes a list of documents investors typically use to perform a due-diligence analysis. The process concludes with a pro-bono review of the company's due diligence book by one of the law firms sponsoring the Springboard program.

**Total Springboard
Panel/Diligence Review Activity
October – December 2009**



**Springboard Commercialization/Global
Bridge Stage Panel Activity
October – December 2009**



Global Bridge Panels

Company: **IAdea, Inc.**
Sponsor: **Jones Day P.C.**
Presenter: **Rex Chen**
EIR/Domain Experts: **Rick Maiero, Ken Liu, Jerry Yen**



IAdea has created a technology for use in the digital signage industry. This technology allows businesses to distribute multimedia information to a target audience through reliable, scalable and cost-effective video playback systems that can be managed by most major management software products.

IAdea has completed two major product development milestones to deliver a Standard Definition (DVD quality) media player and a High Definition (Blu-ray quality) media player. Both products have been well received by the industry with leading brands, like Mitsubishi and Advantech, providing IAdea products through their existing sales channels. IAdea is currently in the third phase of the product development, developing a small digital signage system with a display panel.

Company: **Lite-Med, Inc.**
Panel Date: **November 24, 2009**
Sponsor: **Mintz Levin Cohn Ferris Glovsky and Popeo P.C.**
Presenter: **Walt Hsu, Lee Chang**
EIR/Domain Experts: **James Pantera, Ron Courtois, Michael Saracen, Don Dickerson**



Lite-Med Inc. has developed a high-tech medical device for the treatment of patients with kidney stones. This pioneer development was approved to enter the Taiwanese market in 2005.

The dual-module localization Extracorporeal ShockWave Lithotripter (ESWL), LM-9200 ELMA, consists of a high efficiency and painless shockwave generator that does not require anesthesia, a dual-module auto stone localization system, and a ultrasound stone tracking & locking system. Utilizing these special functions, the ESWL Lite can not only reduce side effects such as hematuria, reduced renal function and radiation damage, but it can also increase the efficiency and patient safety of this treatment, and improve the stone treatment quality.

Lite-Med has also developed the Extracorporeal Shock Wave Therapy (ESWT) unit, named Bonstar. The ESWT uses the same shockwave technology and was approved for use in Taiwan in 2006. With the ease of operation, simple localization, friendly user interface, and high mobility, Bonstar can effectively treat frozen shoulder, tennis elbow, plantar fasciitis, and other bone, tendon, ligament related diseases. In the future, Lite-Med hopes to apply this shockwave technology to the treatment of additional diseases and fields such as vascular obstruction, cancer therapy, cosmetic surgery, and diseases of the central nervous system.

Company: **Maki Solar Technologies, Inc.**
Panel Date: **November 24, 2009**
Sponsor: **Foley & Lardner LLP**
Presenter: **Minson Lu**
EIRs/Domain Experts: **Stefan Scheinert, Brant Cooper, Sushma Rao, Jeanne Talbot**




Maki Solar Technologies Inc. has developed commercial use architectural-grade, solar-powered LED paver and ground lights. Maki Solar's solar-powered LED paver and ground lights not only answer the need for energy efficient lighting, but also provide great value to the construction industry. The self-contained design can save over 70% in installation costs compared with conventional electric lights, and the lights consume no energy from the power grid, which means no utility charge for future owners.

Under the brand name "Meteor Solar LED Lighting", Maki Solar has acquired 30 lighting sales agencies, which serve construction communities in 35 states. Since the first quarter of 2009, Meteor Products have been shipped throughout the US. Maki was chosen to be the only lighting sponsor of the bi-annual Solar Decathlon event, and installed over 200 light fixtures on the National Mall in Washington D.C. as part of the event.

Transition Panels

Mobile Trac has developed technology to track a car history via SMS (mobile Carfax). The company's CEO was advised on his fund raising strategy by Springboard EIRs Steve Scott, Keith McCrone and Alex Robertson.

bluedominoes creates safe, lead-free art supplies with which children enjoy playing and parents approve. bluedominoes' Activity Dough is the first art supply product to receive approval from the Celiac Sprue and acceptance by the Feingold Association. The product is gluten free, artificial color free, bromine free and heavy metal free. The company founders received specific advice on their market launch. The transition panel was sponsored by Procopio and panelists included Bill Eigner (Procopio), Tim Orlando (Tech Coast Angels), Micha Mikailian (eBoost Marketing), Eric Weber (formerly Mattel), Punit Gyanendra (Global Product Resources, Inc.) and Mark Demos (Demos Watches). 

PrecisionMed, Inc.: founders were advised on market viability and positioning for a device that restricts food intake and thereby reduces weight. The Springboard EIRs on this panel included Mike Krupp, Ann Siemens, Bruce Mackler, Jack DeFranco and Killu Sanborn.

Commercialization Stage Panels

Company: **Tong Labs**
Sponsor: **Knobbe Martens Olson & Bear**
Presenter: **William Tong**
EIRs/Domain Experts: **Brad Wallace, Jeff Draa, Milt Lohr, Mike Krupp**



Tong Labs is a defense company that has developed portable isotope detectors for dirty bombs and improvised nuclear devices. This detection system provides compact, standoff-capable, high-resolution detectors that offer excellent detection sensitivity levels and isotope-specific chemical information. Using sub-Doppler nonlinear wave-mixing laser methods, this technology offers parts-per-quadrillion-level sensitivity for detection of stable and radioactive isotopes in convenient atomizers including graphite furnaces, dc discharges and inductively coupled plasmas.

Using this technology, the high-resolution hyperfine fingerprint profiles of different isotopes can be collected and isotope-ratios calculated by matching measured hyperfine profiles to calculated hyperfine profiles based on the nonlinear optical coherence theory. Since no two hyperfine structures are identical, these portable detectors offer "unambiguous" isotope and chemical measurements. This technology offers better specificity and sensitivity levels than those of expensive commercially available isotope-capable detectors and other conventional radiation detectors based on Geiger counters. In addition, these detectors have standoff detection capability with minimum false positive and negative results, and use a dependence concentration, allowing for more dramatic monitoring of small changes in chemical and nuclear properties.

Company: **Meyers Builder Data**
Sponsor: **Mintz Levin Cohn Ferris Glovsky and Popeo**
Presenter: **Jeff Meyers**
EIR/Domain Experts: **Bob Nascenzi, Dan Engel**



Meyers Builder Data (MBD) has partnered with Builder Homesite Incorporated (BHI), a consortium of the nation's largest homebuilders, to develop a market intelligence product designed to offer the Internet's most comprehensive and up to date information for homebuilders and developers. Meyers Builder Data expects to achieve high levels of customer satisfaction given its more accurate and timely data collection process and unique market intelligence platform that will be designed specifically for builders.

Commercialization Stage Panels (cont'd.)

Company: **Mobile Captions Company**
Sponsor: **Procopio, Cory, Hargraves & Savith**
Presenter: **Jonathan Masters, Sue Decker, and Jan Dehesh**
EIRs/Domain Experts: **Scott Buchanan, Steve Scott**



MCC is a mobile service provider that will provide a caption service to individuals who are hard of hearing. This service will allow those with hearing loss to speak to other parties and hear and read what is being said to them over the phone. The application also allows for scrolling and the adjustment of text size, and saves the sessions.

The MCC service is seen as a breakthrough for this growing audience. According to the 2006 National Health Survey, there were 37 million adults in the U.S. with hearing loss. Many of these are “late deafened adults” a group that is growing quickly as 78 million baby boomers reach retirement age. In order to provide for the hearing impaired, the Americans with Disabilities Act addressed this issue by allowing for subsidies for Telecommunications Relay Services (TRS). The TRS fund was set up in 1993 to bring communications services to the hearing and speech impaired, and is funded by the carriers and administered by the FCC. MCC plans to take advantage of this fund in order to provide a subsidized service.

Company: **Medipacs**
Panel Date: **December 1, 2009**
Sponsor: **Morrison & Foerster LLP**
Presenter: **Mark McWilliams**
EIRs/Domain Experts: **Mike Krupp, Killu Sanborn**



Medipacs is a wireless health medical device company with a platform technology to develop and commercialize programmable, disposable drug infusion pumps. The first product, the Medipacs Mini-Infuser™, has a polymer based pumping technology that enables small volume parenteral drug administration, suitable for both in-patient and out-patient applications. To date, Medipacs has completed bench test prototypes, filed intellectual property applications, solidified its regulatory pathway, and begun product design with plans to commercialize in 2011.

Medipacs initially plans to target the manual injection pain market with a Nurse Controlled Analgesia (“NCA”) pump. Manual injection is the current standard of care in pain management because nurses assess the patient’s pain needs prior to each dose administration. Later, Medipacs hopes to target the PCA and Fentanyl patch pain market segments.

Due Diligence Reviews

Malama Composites due diligence check performed by **Wilson Sonsini Goodrich & Rosati**

Malama Composites LLC is a leading innovator and producer of rigid polyurethane foam made from clean, renewable hydrocarbon sources. The company’s renewable foam is cost competitive with conventional, non-renewable petrochemical foam.



Extrabux due diligence check performed by **Mintz Levin**

Extrabux is a comparison shopping website that combines discounts from coupons and cash back to give shoppers the lowest price for any product. The site integrates online coupons, cash-back rebates, and tax and shipping costs to show the lowest possible prices on over 30 million products from over 1,500 top online retailers.



Freedom Meditech, Inc. due diligence check performed by **Mintz Levin**

Freedom Meditech is a medical device company focused on the commercialization of non-invasive, ophthalmic medical devices for diabetes screening and daily glucose monitoring.

U-P Laboratories due diligence check performed by **Procopio**

U-P Laboratories is a raw material producer and product supplier to cosmetics and cosmeceutical corporations world-wide. U-P Laboratories’ proprietary synthetic, purified peptides behave similarly to and display comparable efficacy with botulinum neurotoxin (trade name BoTox® by Allergan) in disrupting the capacity of facial muscles to contract and thereby “erase” wrinkles. An additional area of application is the treatment of hyperhidrosis.



Due Diligence Reviews (cont'd.)

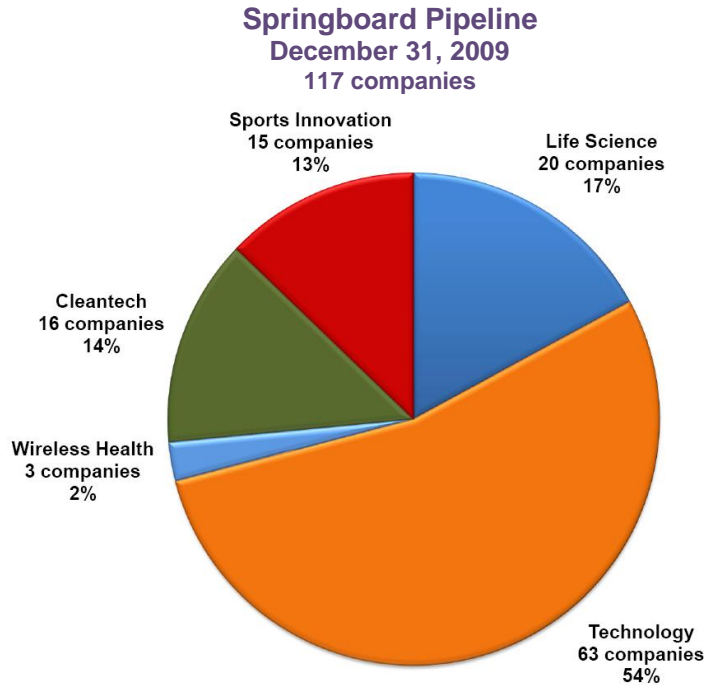
Medipacs due diligence check performed by [Cooley Godward Kronish](#)

Medipacs is a wireless health medical device company with a platform technology to develop and commercialize programmable, disposable drug infusion pumps. The first product, the Medipacs Mini-Infuser™, has a polymer-based pumping technology that enables small volume parenteral drug administration, suitable for both in-patient and out-patient applications.



Springboard Pipeline

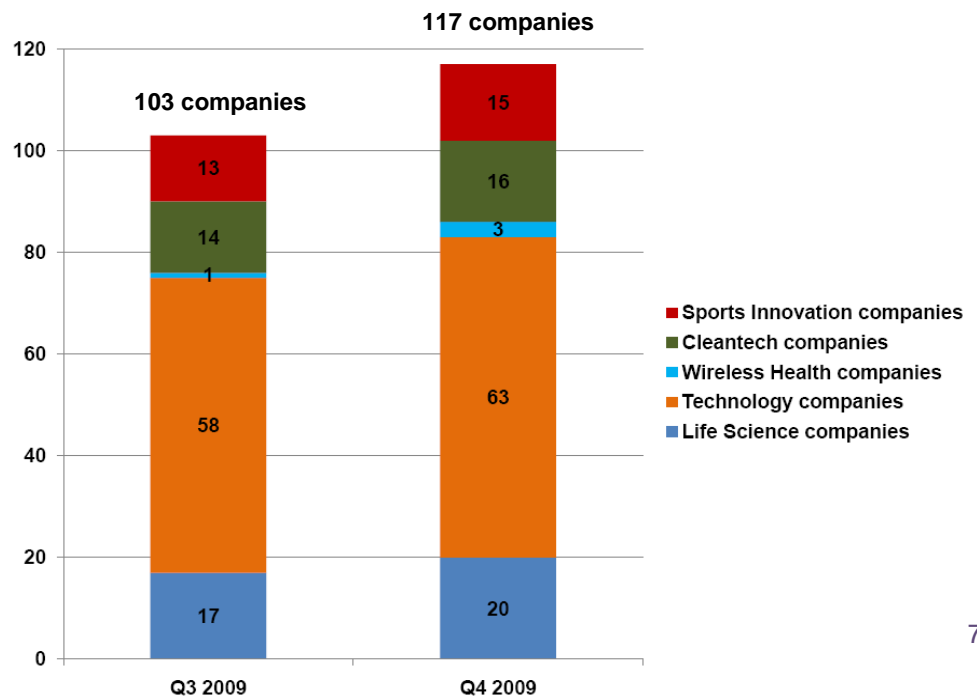
The Springboard pipeline continues to be robust with 117 companies participating in the program – up nearly 14% from the 103 companies in the pipeline at the end of September 2009. There are 20 life sciences, 63 technology, 16 cleantech, 3 wireless health, and 15 sport innovation companies in the program at the end of 2009.



Springboard Pipeline Q3 2009 and Q4 2009

The distribution of companies in the pipeline across the industry clusters in the latter half of 2009 was as follows:

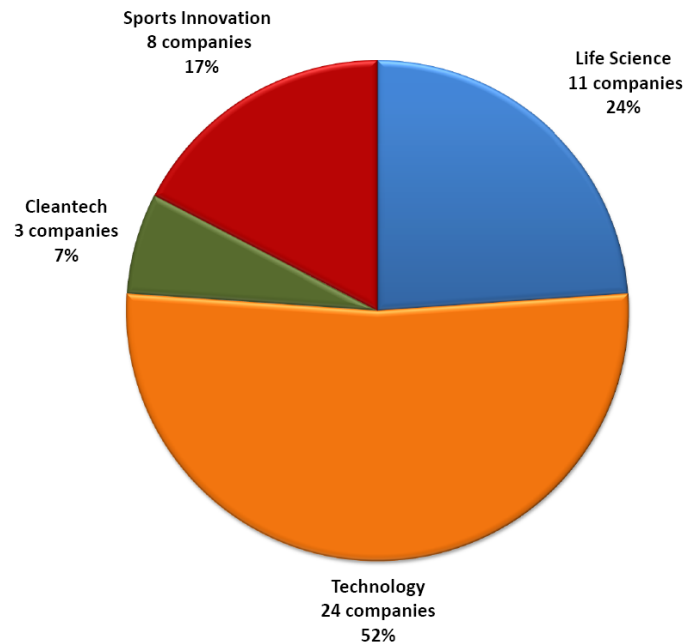
Life Science	17%
Technology	54%
Wireless Health	2%
Cleantech	14%
Sports Innovation	13%



Springboard Pipeline (cont'd.)

Forty-six applications were received between the beginning of October 2009 and the end of December 2009. This includes 24 technology, 11 life science, three cleantech, and eight sports innovation companies. The number of life science company applications more than doubled in the final quarter of the year compared to the previous quarter.

Springboard Applications Received October – December 2009 46 applications

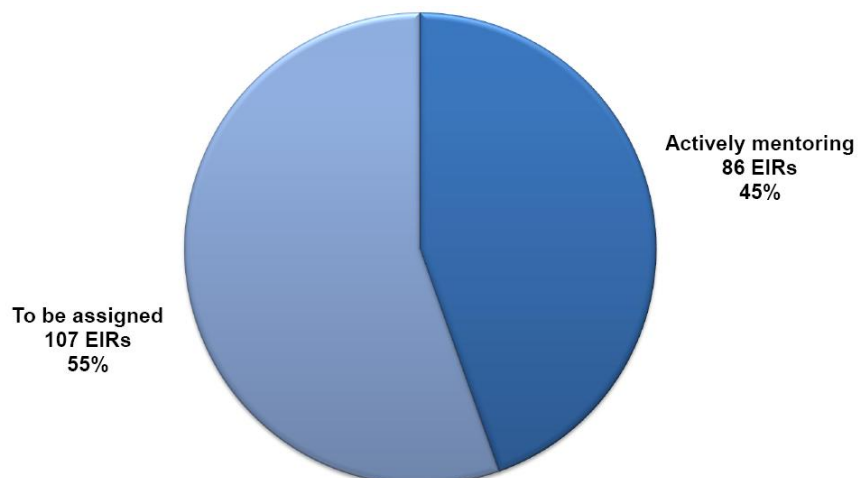


Entrepreneurs-in-Residence Program

Entrepreneurs-in-Residence

Our Entrepreneurs-in-Residence (EIR) program became a standalone program now supporting Springboard, MIP, VRT, SEI Capital Forum, UCSD's Entrepreneur Challenge and CommNexus' EvoNexus incubator. The group has expanded to 193 EIRs and 250 Domain Experts. Eighty-six EIRs were actively mentoring while 107 remained available for new assignments. In addition the EIRs are now available to act as Expert Witnesses for sponsoring law firms.

Springboard EIRs as of December 31, 2009

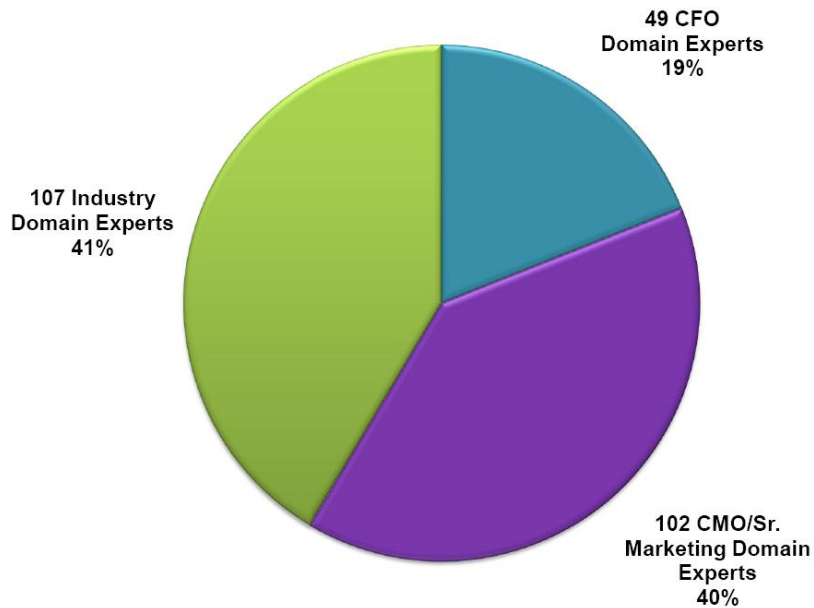


Entrepreneurs-in-Residence Program (cont'd)

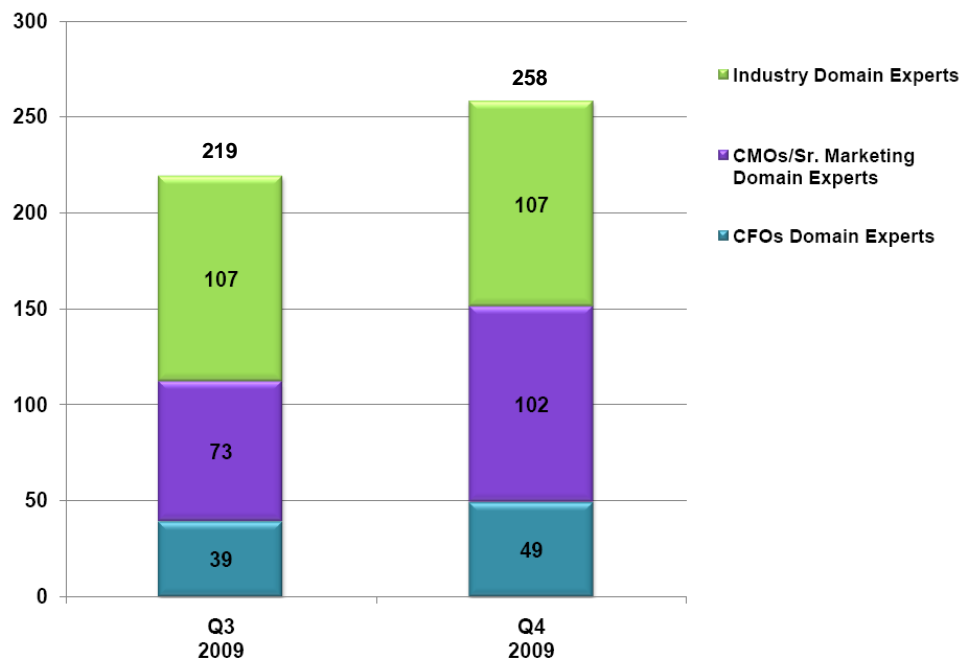
Domain Experts/Panelists

Supporting the EIRs were more than 250 domain experts, who served as panelists in marketing, finance as well as dry-run panels and mentored clients in their areas of expertise. These included 49 CFOs, 102 senior marketing executives and 107 industry experts with experience in product development, supply chain management, etc. The number of Springboard Domain Experts has increased 18% from 219 at the end of September 2009.

**Springboard Domain Experts
December 31, 2009**



**Springboard Domain Experts
End Q3 2009 vs. End Q4 2009**



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