

**MINUTES OF THE 140TH MEETING OF THE
ARKANSAS SCIENCE & TECHNOLOGY AUTHORITY
BOARD OF DIRECTORS
LITTLE ROCK, AR
SEPTEMBER 18, 2009**

CALL TO ORDER

The meeting was called to order by Mr. George Williams, Vice 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 (via phone), Dr. Cesar Compadre, Dr. Collis Geren, Mr. Robert Hall, Mr. Joel Harrison, Dr. Glen Jones, Dr. Beverly Lyn-Cook and Dr. Jim Purcell.

Staff members present included: Ms. Melissa Adams, Dr. John Ahlen, Ms. Cathy Bailey, Ms. Tovia Chan, Ms. Becky Hart, Ms. Neysa Henson, Ms. Stephanie Johnson, Dr. Gail McClure, Mr. Chuck Myers, Dr. Blake Perry, Mr. Chris Snider, and Dr. Steve Stanley.

APPROVAL OF MINUTES

Mr. Williams presented for approval the minutes from the July 1, 2009 Board meeting. Dr. Geren made a motion for the approval of the minutes. Dr. Jones seconded the motion; the Board gave its unanimous approval.

PRESIDENT'S REPORT

Dr. Ahlen informed the Board that Board member, Wayne Hartsfield passed away recently after a short illness. Dr. Ahlen asked Board member Joel Harrison to say a few words. He stated that Mr. Hartsfield's passing was not expected and happened rather quickly. Mr. Harrison stated that he was a well respected member of the community and would be missed.

Dr. Ahlen introduced new intern, Jeremy Lusk. Dr. Ahlen indicated that Mr. Lusk was a student at the University of Central Arkansas studying Physics. He plans to be a high school teacher after graduation.

Operating Report

Dr. Ahlen presented the Operating Report, the final report for fiscal year 2009. Dr. Ahlen reported that this report reflects the best year the Authority has had as an organization.

Dr. Compadre moved for the acceptance of the Operating Report as presented. Mr. Harrison seconded the motion; the Board gave its unanimous approval.

Dr. Ahlen reported that he toured the Authority's new office space, which will be located at 900 West Capitol Avenue. The Authority will be located on the third floor along with the Arkansas Development Finance Authority. The Arkansas Economic Development Commission will be located on the fourth floor. The Arkansas State Library, which will be located on the first and second floor, will have a large conference room that will be shared by all the agencies and will be the meeting location for Authority Board meetings. The tentative move in date is mid-February of 2010.

INDUSTRY COMMITTEE REPORT

Mr. Robert Hall presented the Industry Committee Report.

The FY2010 sub-agreement with the University of Arkansas has been signed and returned to AMS.

The AMS Panel review document has been submitted to the MEP. The formal review is scheduled for October 7.

AMS has added a new strategic thrust to its existing strategy. The focuses are innovation and commercialization within the framework of the USA Innovation Marketplace and Arkansas Innovation Marketplace.

AMS has had one staff change: Joe McCoy is no longer employed with AMS. There are now two vacancies within AMS. AMS is working with Dextera to develop strategic criteria for filling the vacancies.

A Northeast Arkansas Manufacturing Regional Matters conference is scheduled for October 29th in Jonesboro. The conference will focus on Green Industry, Workforce Training, Marketing/Innovation and Industry Assistance through government programs.

Work is being done to attach the AMS brand to development in Green and Sustainability. AMS has been featured in media spots on KARN, KATV and Arkansas Business.

AMS Director Dan Curtis, Advisory Board member Jennifer Fairchild and Mr. Hall participated in a KUAR radio segment called "Manufacturing: Yesterday, Today and Tomorrow". The spot is available on the radio's website.

The first e-newsletter for AMS was sent on August 17. AMS has received positive feedback about the newsletter.

AMS Advisory Committee Nomination

Mr. Hall presented for approval the nomination of Leroy Yancey to serve on the Advisory Committee. Mr. Yancey is with Kraft Planters in Fort Smith. Dr. Jones made a motion for the approval of the nomination. Mr. Harrison seconded the nomination; the Board gave its unanimous approval.

INVESTMENT COMMITTEE REPORT

Dr. Steve Stanley presented the Investment Committee report.

TTAG Activity Report

Dr. Stanley presented the TTAG Quarterly Activity Report for April 1, 2009 through June 30, 2009. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Seed Capital Investment Quarterly Report

Dr. Stanley presented the Seed Capital Investment Quarterly Report. The report was moved and seconded by the committee. The Board gave its unanimous approval.

Draft Resolution 10-06

Draft Resolution 10-06 would provide funds for a technology development investment in the following project: Application 10-TDP-01, "Commercial Scale Fabrication of Carbon Nanopipettes" by Vegrandis in an amount not to exceed \$50,000.

Vegrandis has obtained exclusive rights to intellectual property developed at the University of Pennsylvania for the manufacture of Carbon Nanopipettes that overcomes some of the nagging problems with existing glass pipettes and previous attempts to use nanotechnology for this application. Vegrandis has an exclusive license on the product.

The company asked for \$50,000 to help scale up production to see if they can make the tubes inexpensively and will in turn make a profit.

Draft Resolution 10-06 was moved and seconded by the committee. Dr. Geren abstained. The Board voted to approve Draft Resolution 10-06.

Draft Resolution 10-07

Draft Resolution 10-07 would provide funds for a seed capital investment in the company BlueInGreen.

BlueInGree makes products for concentrating evolved gases in water. The company requested \$300,000 to help scale up its national and international sales. The committee felt that the product had good commercial potential and they liked the investment team. The committee decided to fund \$150,000 conditional upon the company coming up with the other \$150,000.

There being no further discussion, Dr. Stanley presented Draft Resolution 10-07 for approval; the resolution was moved and seconded by the committee. Dr. Geren abstained. The motion passed.

Draft Resolution 10-08

Draft Resolution 10-08 would provide funds for a seed capital investment in the company VSSB Medical Nano-technology.

VSSB is taking carbon nanotube sensors and putting it in a hood to be used for sleep studies. It replaces a cap that has sensors that must be attached to the scalp. The VSSB sensors are wireless and very sensitive, so it doesn't have to be attached to the scalp.

The company requested a total of \$500,000 (\$300,000 to be used for development of a better prototype; \$200,000 for sleep studies). The committee decided to recommend funding in the amount of \$150,000 conditional upon the company raising another \$150,000.

There being no further discussion, Dr. Stanley presented Draft Resolution 10-08 for approval; the resolution was moved and seconded by the committee. Dr. Geren abstained. The motion passed.

Draft Resolution 10-09

Draft Resolution 10-09 certifies that In House Research by a Targeted Business Tax Credits are lawfully available for the following AEDC projects:

“Tax Credit for In House Research by a Targeted Business,” submitted for tax years 2005, 2006, 2007, and 2008 by Litmus, L.L.C. in the amount of \$1,274,898.94 in expenses eligible for \$420,716.65 in tax credits (AEDC Project No. 10280);

“Tax Credit for In House Research by a Targeted Business,” submitted for tax year 2008 by Space Photonics, Inc. in the amount of \$1,214,568 in expenses eligible for \$400,807.44 in tax credits (AEDC Project No. 9783);

There being no discussion, Dr. Stanley presented Draft Resolution 10-09 for approval; the resolution was moved and seconded by the committee. The Board gave its unanimous approval.

RESEARCH COMMITTEE REPORT

Dr. Collis Geren presented the Research Committee Report.

Dr. Gail McClure was recognized for an announcement. The Arkansas NSF EPSCoR program will have a joint conference with the Arkansas Association of Public Universities on October 1-2, 2009. On October 1, NSF is sending a special group from their office of legislative and public affairs with the intent to train researchers on how to more effectively communicate their science to the press and general public. It is the first time this seminar has been held in the southern states. Registration is free and available on the EPSCoR website.

Draft Resolution 10-17

Draft Resolution 10-17 was listed under New Business, but Dr. Ahlen asked that it be moved to the Research Committee Report.

Draft Resolution 10-17 would provide funding through three subagreements for the three participating universities in the ASSET Initiative. The subagreements are as follows:

Arkansas State University (10-EPSCoR-0002) in support of personnel salaries/benefits, equipment, direct and indirect costs for the Plant-based BioProduction Project and the Wireless Nanosensor Project, in the amount of **\$580,688**;

University of Arkansas, Fayetteville (10-EPSCoR-0003) in support of personnel salaries/benefits, equipment, direct and indirect costs for the Wireless Nanosensor Project and the Plant-based BioProduction Project, in the amount of **\$1,576,689**;

University of Arkansas at Little Rock (10-EPSCoR-0004) in support of personnel salaries/benefits, equipment, direct and indirect costs for the Wireless Nanosensor Project and the Plant-based BioProduction Project, in the amount of **\$777,032**.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-17. Dr. Geren and Dr. Jones abstained. The motion passed.

Draft Resolution 10-10

Draft Resolution 10-10 would provide funds under the ASSET Initiative for the following projects:

A Faculty/Student Exchange Program award (10-EPSCoR-0005) 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 Fall Symposium on New Frontiers of Nanomedicine and Biomedical Informatics. This award is effective September 18, 2009 through December 31, 2009.

A Faculty/Student Exchange Program award (10-EPSCoR-0006) in the amount of \$18,000 shall be awarded to Dr. Carole Cramer, Arkansas State University, and researchers of the ASSET Initiative P3 Center, for attending the IPMB World Congress 2009 and serving as plenary sponsor for the meeting. This award is effective September 18, 2009 through December 31, 2009.

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

Draft Resolution 10-11

Draft Resolution 10-11 would provide funds for the NSF EPSCoR P3 Center Round One Seed Grants at the following universities:

Award No. **10-EPSCoR-0011** to Dr. Keith Hudson in the amount not to exceed \$16,511 for University of Arkansas at Little Rock researchers participating in approved Seed Grant proposals;

Award No. **10-EPSCoR-0012** to Dr. Michael Dockter in the amount not to exceed \$184,708 for Arkansas State University researchers participating in approved Seed Grant proposals;

Award No. **10-EPSCoR-0013** to Dr. John Hehr in the amount not to exceed \$135,441 for University of Arkansas, Fayetteville researchers participating in approved Seed Grant proposals.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-11. Dr. Geren and Dr. Jones abstained. The motion passed.

Draft Resolution 10-12

Draft Resolution 10-12 would provide funds for NSF EPSCoR P3 Center Round Two Seed Grants at the following universities:

Award No. **10-EPSCoR-0014** to Dr. Keith Hudson in the amount not to exceed \$245,290 for University of Arkansas at Little Rock researchers participating in approved Seed Grant proposals;

Award No. **10-EPSCoR-0015** to Dr. Michael Dockter in the amount not to exceed \$177,393 for Arkansas State University researchers participating in approved Seed Grant proposals;

Award No. **10-EPSCoR-0016** to Dr. John Hehr in the amount not to exceed \$98,704 for University of Arkansas, Fayetteville researchers participating in approved Seed Grant proposals; and

Award No. **10-EPSCoR-0017** to Dr. J. D. Swanson in the amount not to exceed \$7,850 for University of Central Arkansas approved Seed Grant proposals; and

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-12. Dr. Geren and Dr. Jones abstained. The motion passed.

Draft Resolution 10-13

Draft Resolution 10-13 would provide funds for NSF EPSCoR P3 Center Pilot Seed Grants at the following universities:

Award No. **10-EPSCoR-0008** to Dr. Keith Hudson in an amount not to exceed \$9,500 for University of Arkansas at Little Rock researchers participating in the approved Pilot Seed Grant proposal;

Award No. **10-EPSCoR-0009** to Dr. Michael Dockter in an amount not to exceed \$8,550 for Arkansas State University researchers participating in the approved Pilot Seed Grant proposal; and

Award No. **10-EPSCoR-0010** to Dr. John Hehr in the amount not to exceed \$950 for the University of Arkansas, Fayetteville researcher participating in the approved Pilot Seed Grant proposal.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-13. Dr. Geren and Dr. Jones abstained. The motion passed.

Draft Resolution 10-14

Draft Resolution 10-14 would provide funds for NSF EPSCoR P3 Center Supplemental Seed Grants at the following universities:

Award No. **10-EPSCoR-0018** to Dr. Keith Hudson in the amount not to exceed \$20,210 for University of Arkansas at Little Rock researchers participating in approved Supplemental Seed Grant proposals;

Award No. **10-EPSCoR-0019** to Dr. John Hehr in the amount not to exceed \$47,893 for University of Arkansas, Fayetteville researchers participating in approved Supplemental Seed Grant proposals; and

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-14. Dr. Geren and Dr. Jones abstained. The motion passed.

Draft Resolution 10-15

Draft Resolution 10-15 would provide finds for the following NSF EPSCoR Grant project:

10-EPSCoR-0007, "MBA Internship Award", submitted by University of Arkansas at Little Rock, in an amount not to exceed \$12,000 for the period of September 18, 2009 through July 31, 2010.

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-15. The motion passed.

Draft Resolution 10-16

Draft Resolution 10-16 would provide funds for the following project:

"The Cyberinfrastructure Center of Arkansas," 10-CAT-01, submitted by Amy Apon of the University of Arkansas, Fayetteville in an amount not to exceed \$1,502,014;

Dr. Geren, on behalf of the Research Committee, moved approval of Draft Resolution 10-16. Dr. Geren abstained. The motion passed.

STEM Advisory Committee Nomination

Dr. Geren presented for approval one nomination to the STEM Advisory Committee: Linda Kellim. Dr. Geren, on behalf of the Research, moved approval of the nomination of Linda Kellim. The Board gave its unanimous approval.

NEW BUSINESS**FY09 Annual Report**

The Authority's FY09 Annual Report was presented for review and approval. Dr. Ahlen stated that upon the Board's approval, the report would be released to the Governor and members of the legislature.

Dr. Jones moved that the Authority's FY09 Annual Report be approved and released. The Board gave its unanimous approval.

Nominating Committee Report

Mr. Williams, on behalf of Mr. Paul Mastro, presented for consideration the slate of officers for the upcoming year: Mr. George Williams, Chair; Mr. Heartsill Ragon, Vice Chair; Dr. Beverly Lyn-Cook, Secretary.

Dr. Geren moved acceptance of the nominations as presented. Mr. Harrison seconded the motion; the Board gave its unanimous approval.

Next Meeting Date

Mr. Williams reminded members that the next Board meeting is scheduled for November 20, 2009.

EXECUTIVE SESSION

Upon conclusion of regular business, the Board went into executive session. A motion was made by Dr. Compadre and seconded by Mr. Harrison to move into executive session. The Board gave its unanimous approval.

The Board then left executive session and a summary was provided by the Chair.

The Board provided advice to the President of the Authority on a succession plan by the agency.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 1:56 p.m.

Respectfully submitted,

Beverly Dawkins Lyn-Cook, Ph.D.
Secretary
Board of Directors

Approved by the Board of Directors
on this 20th day of November, 2009.

Beverly Dawkins Lyn-Cook, Ph.D.
Secretary
Board of Directors