

# 2010 Annual Report

Ames Seed Capital LLC  
2010 Annual Meeting  
April 7, 2010

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# Agenda

## 2010 Annual Meeting Ames Seed Capital LLC

April 7, 2010

Welcome/Introductions	Roger Underwood, President
Approve 2009 Minutes	Roger Underwood, President
Election of Managers	Roger Underwood, President
Financial Statements	Ron Hallenbeck, Vice President AEDC Existing Business & Industry
Annual Report	Ron Hallenbeck, Vice President AEDC Existing Business & Industry
Introduction of Keynotes	Dan Culhane, Secretary
Keynote Speakers	<b>Matt Rizai</b> <b>CEO/Managing Director</b> <b>WebFilings LLC</b>
	<b>Jay Ramsey, MD, PhD</b> <b>QA Officer</b> <b>NewLink Generics Corporation</b>
Other Business	Ron Hallenbeck, Vice President
Adjournment	Roger Underwood, President

## **Matthew M. Rizai, PhD**

Mr. Rizai is a Founder of WebFilings, LLC and currently serves as the Managing Director and CEO of the company. Previously Mr. Rizai held the position of Chairman and Chief Executive Officer of Engineering Animation Inc. (EAI).

Prior to EAI, Matt was a senior research engineer at General Motors Research Labs, an analyst at Arch Development Corporation, and a development engineer at Ford Motor Company. He was also the co-founder of Computer Aided Design Software Inc. Matt is a Board Member of Stafford Development and an Advisory Board Member for Colonnade Advisors and 10X Technology.

He is also the principal of Rizai and Associates, LLC. Matt earned his PhD in Mechanical Engineering from Michigan State University and an MBA from the University of Chicago graduate School of Business.



## **W. Jay Ramsey, MD, PhD**

Dr. Ramsey is the Clinical & Regulatory Compliance Officer for NewLink Genetics in charge of Clinical and Regulatory Compliance. He was born in Ohio and attended Miami University in Oxford, Ohio, where he received a Bachelor of Arts (1978) and a Masters of Science in Zoology (1980).

From there he went to the Baylor College of Medicine in Houston, Texas and earned his PhD in Cell Biology (1985). Dr. Ramsey subsequently went to Galveston, Texas to earn his M.D. (1989) and then remained in the Department of Pediatrics to do his internship and residency in Pediatrics (1992).

He then entered the US Public Health Service and earned an assignment to the National Cancer Institute (NCI) in Bethesda, MD, where he remained for the next 8 years. Dr. Ramsey resigned his commission in 2000 to come to Iowa to work at NewLink Genetics with former NCI colleagues Dr. Charles Link (founder, CEO and Board Chair) and Dr. Nick Vahanian (current President and COO).

**Ames Seed Capital LLC  
Annual Meeting  
April 8, 2009**

- Attendance:** Erb Hunziker (Hunziker Realty ); Dean Hunziker (Hunziker Realty ); Ken McCuskey (Sauer-Danfoss); Deb Jennings (First American Bank); John Jennett (First American Bank); Scott Renaud (Fox Engineering ); Shane Zimmerman (Wells Fargo ); Kim Berherendt (Wells Fargo ); Chris Nelson (Nelson Electric ); Jerry Nelson (Nelson Electric ); Dan Krieger (Ames National Corp); Chuck Jons; Jami Larson; John Goossen (Ames Tribune); Neal Dietz (US Bank); Doug Lenhart (US Bank); Dominic Boomgarden (US Bank); Nathan Scott (US Bank); Dick Johnson (Hunziker Realty ); Jim Bocken (Quality Inn Ames); Betty Baudler Horras (Sign Pro); Kevin Kinzler (Kinzler Companies); Brad Lenz (Manatt's); Tom Pohlman (Ames National Corp); John Russell (Bankers Trust); Bill Woodruff (Woodruff Construction); Bill Woodward (Dayton Road Development); Mark Speck (Speck Plumbing); Roger Underwood; Carroll Nikkel (Nikkel & Associates); Dennis Tiernan (Nikkel & Associates);
- Guests:** Dr. Lisa Lorenzen (Iowa State University ); Steve Carter (ISU Research Park); David Benson (Nyemaster Law); Doug Owen (LWBJ, LLP); Paul Juffer (Petra); James Strohman (Story County Board of Supervisors); Matthew Goodman (City of Ames); Cozette Hadley Rosburg (Becker Underwood); Mark Reinig (Iowa State University ); Maureen Dockstader (LWBJ, LLP); Brian Heitoff (Consumers Energy); Carol Springer (Hampton Inn )
- Staff:** Dan Culhane; Ron Hallenbeck; Amy Mogren; Megan Backman;
- Presiding:** Chuck Jons, Ames Seed Capital LLC President, called the meeting to order, made introductions.
- Minutes:** 2008 Annual Meeting minutes were approved as stated.
- Financials:** Ron Hallenbeck reviewed the financials. Hallenbeck referred to the detailed financials and commented that DD Pyle Co. had completed and filed the 2008 LLC tax return and that the member K-1's had been distributed. Financial Statements were approved.
- Election:** The following individuals were elected as new officers:  
President – Roger Underwood  
Vice President – Jami Larson  
Secretary/Treasurer – Dan Culhane
- Report:** Ron Hallenbeck reviewed the highlights of the 2009 Annual Report. A number of investments were made in 2008 in the following companies: 1) Palisade Systems, 2) ISEEK, and 3) Harrisvaccines. The Annual Report investment descriptions continue to have the same common format for all companies to report their annual activity.
- Program:** Mr. Paul Juffer, CPA & Sr. Partner, LWBJ, discussed his company's Capital Advisors role and the status of early stage funding. Mr. Doug Owens, Vice President, Petra Capital Partners, discussed his company's role as a private equity firm. Owens also talked about Petra's "niche" in the marketplace and reviewed their portfolio.
- Conclusion:** Investors and guests were thanked for their attendance.

Meeting was adjourned.

## Investment Performance Fund Three

**Initial Pledge Amount = \$443,504**

Investment	Capital Invested	Realized/Unrealized @ Book	Multiple of Cost
1997 Rocket Chips	\$25,000	\$278,295 <sup>1</sup>	<b>11.13</b>
1997 Palisade Systems	\$15,000	\$0	0.00 <sup>3</sup>
1998 Rocket Chips	\$30,000	\$333,954 <sup>1</sup>	<b>11.13</b>
1999 Advanced Analytical	\$100,000	\$0	0.00 <sup>3</sup>
1999 Rocket Chips	\$25,001	\$278,306 <sup>1</sup>	<b>11.13</b>
2000 Etrema Products	\$50,000	\$0	0.00 <sup>3</sup>
2001 Palisade Systems	\$25,000	\$0	0.00 <sup>3</sup>
2002 Reality Sports	\$48,879	(\$48,879)	<b>0.00</b>
2003 Advanced Analytical	\$100,000	\$0	0.00 <sup>3</sup>
2005 Palisade Systems	\$20,331	\$0	0.00 <sup>3</sup>
Totals	\$439,211	\$841,676	
Pledged Amount - Not Invested	\$4,293 <sup>2</sup>		
Reconciled Total	\$443,504		

<sup>1</sup> Value of Distributed Stock (June, 2001) and Cash (March, 2002)

<sup>2</sup> Fund Closed. Amount not invested with no additional monies to be drawn down or owed.

<sup>3</sup> Investment is active and no Multiple of Cost is determined.

## Investment Performance Fund Four

**Initial Pledge Amount = \$881,887**

Investment	Capital Invested	Realized/Unrealized @ Book	Multiple of Cost
2001 NewLink Genetics	\$99,999	\$0	0.00 <sup>2</sup>
2001 Phytodyne	\$50,000	(\$50,000)	<b>0.00</b>
2002 CombiSep (AATI)	\$50,000	\$0	0.00 <sup>2</sup>
2002 BioForce Nanosciences	\$25,000	\$0	0.00 <sup>2</sup>
2002 NewLink Genetics	\$99,999	\$0	0.00 <sup>2</sup>
2002 ProPlanner	\$50,000	\$0	0.00 <sup>2</sup>
2002 Phytodyne	\$50,000	(\$50,000)	<b>0.00</b>
2003 ProPlanner	\$50,000	\$0	0.00 <sup>2</sup>
2003 Shell Shocked Sound	\$25,000	(\$25,000)	<b>0.00</b>
2004 Lincolnway Energy	\$49,400	\$83,200	<b>2.68</b>
2004 Micoy	\$50,000	\$0	0.00 <sup>2</sup>
2004 MagnaLynx	\$50,000	\$0	0.00 <sup>2</sup>
2004 ProPlanner	\$20,000	\$0	0.00 <sup>2</sup>
2004 BioForce Nanosciences	\$50,000	\$0	0.00 <sup>2</sup>
2004 CADseek (iSEEK)	\$50,000	\$0	0.00 <sup>2</sup>
2005 Palisade Systems	\$25,000	\$0	0.00 <sup>2</sup>
2005 BioProtection Systems	\$50,001	\$0	0.00 <sup>2</sup>
<b>Total Invested</b>	<b>\$844,399</b>	<b>(\$41,800)</b>	
<b>Pledged Amount - Not Invested</b>	<b>\$37,488 <sup>1</sup></b>		
<b>Reconciled Total</b>	<b>\$881,887</b>		

<sup>1</sup> Fund Closed. Amount not invested with no additional monies to be drawn down or owed.

<sup>2</sup> Investment is active and no Multiple of Cost is determined.

## Investment Performance Fund Five

**Initial Pledge Amount = \$865,000**

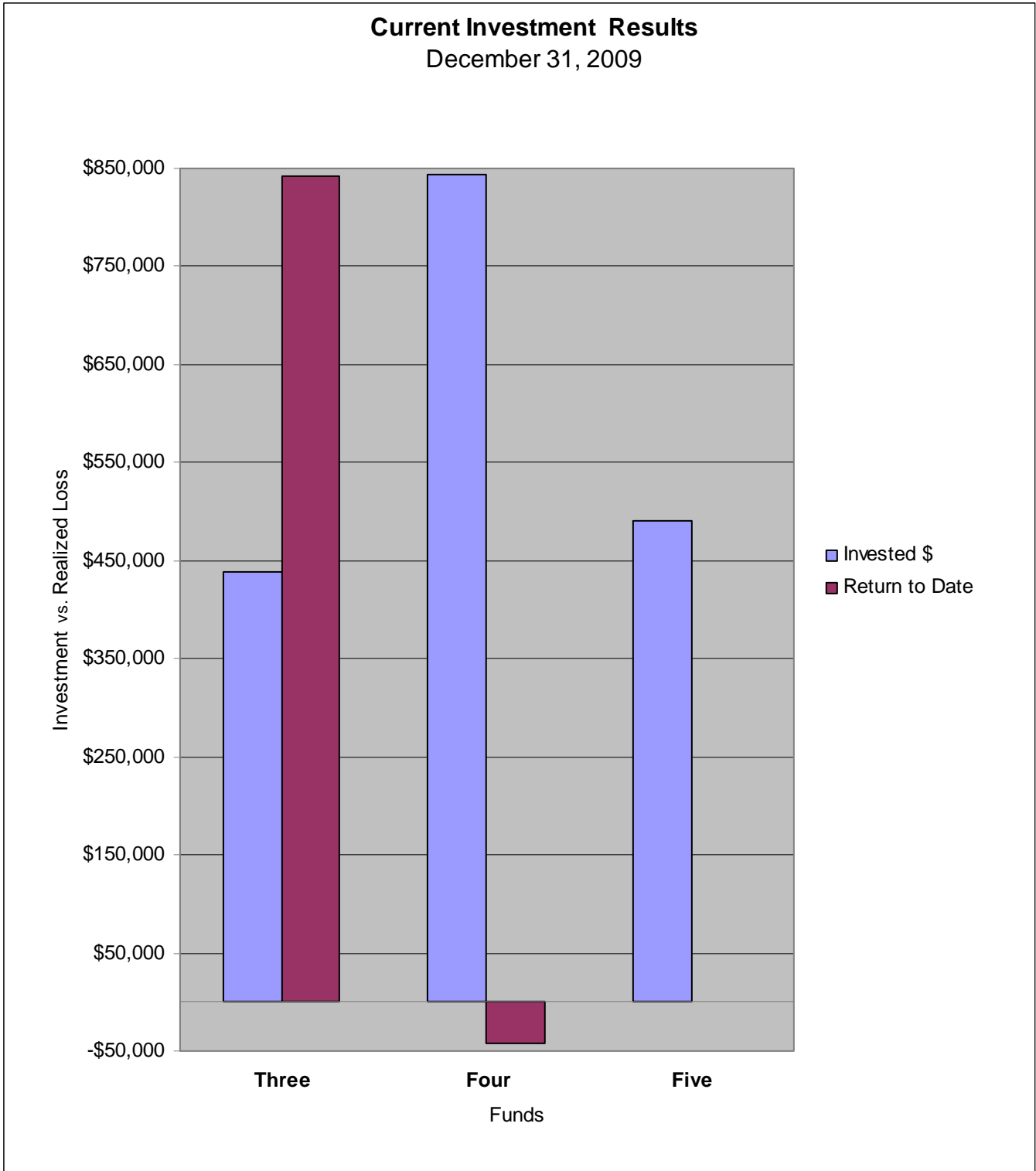
Investment	Capital Invested	Realized/Unrealized @ Book	Multiple of Cost
2007 ISEEK	\$50,000	\$0	0.00 <sup>2</sup>
2007 ISEEK	\$50,000	\$0	0.00 <sup>2</sup>
2008 Harrisvaccines	\$49,950	\$0	0.00 <sup>2</sup>
2008 Palisade Systems	\$25,000	\$0	0.00 <sup>2</sup>
2009 WebFilings	\$200,000	\$0	0.00 <sup>2</sup>
<b>Total Invested</b>	<b>\$374,950</b>	<b>\$0</b>	
<b>Pledged Amount - Not Invested</b>	<b>\$490,050 <sup>1</sup></b>		
<b>Reconciled Total</b>	<b>\$865,000</b>		

<sup>1</sup> February, 2010 – Additional investment in ISEEK for \$50,000 will bring the remaining pledge amount down to \$440,050.

<sup>2</sup> Investment is active and no Multiple of Cost is determined.

## Funds 3 thru 5

### Investment Performance



**Fund 3 - Active Investments**



**Advanced Analytical Technologies Inc. (AATI)**

[www.aati-us.com](http://www.aati-us.com)

ISU Research Park  
 2711 South Loop Drive, Suite 4150  
 Ames, IA 50010  
 515.296.6600 (phone)  
 515.294.7141 (fax)  
[info@aati-us.com](mailto:info@aati-us.com)

**Contact**

Steven J. Lasky, Ph.D., Chief Executive Officer  
 Steve Siembieda, Chief Operating Officer

**Investment**

- \$100,000 to purchase 25,000 shares of Series B Preferred Stock (1999)
- \$100,000 to purchase 25,000 shares of Series E Preferred Stock (2003)
- \$50,000 to purchase 20,000 shares of CombiSep Series B Voting Convertible Preferred Stock (2002). This stock was converted to 10,604 shares (Approx) of AATI Series G Preferred Stock (2006 Private Placement).

**Key Accomplishments (2009)**

**Research and Development**

- Built 4 prototype DNA PROfiler (clinical system) instruments and released 3 to research partners including Cleveland Clinic, Iowa State University and US Army
- Identification and initial development of kits for DNA PROfiler and FS96

**New Products**

<i>MicroPRO</i>	For rapid bacteria detection and enumeration	Pharmaceutical, Personal Care Products and Fermentation companies
<i>Oligo PRO</i>	For QC purity analysis of DNA and RNA oligonucleotides	Oligonucleotide manufacturers
<i>pKa PRO</i>	For determining acid dissociation constant of drug compounds	Pharmaceutical and Biopharma companies
<i>Protein PRO</i>	For protein and antibody analysis	Pharmaceutical and Biopharma companies
<i>AdvanCE FS96</i>	New instrument for high throughput dsDNA fragment analysis	Academic and governmental plant and animal researchers, seed testing companies, seed companies

**Revenue/Sales Activity**

- Total revenue \$6,6M (14.4% Increase)

**Manufacturing Activity**

- Redesigned space to accommodate building AdvanCE FS96 and other instruments

**Financing – New**

- No finance round expected
- Obtained \$3,600,000 from the Department of Defense

**Net Income for 2009**

- \$79,863 – Gain

**Expansion Plans**

- Completed expansion of lab/office space to include a consumable center for production of all consumables.
- Added 6 new offices

**Management Changes**

- Dr Pierre Varineau, Chief Technology Officer joined our staff to oversee all Engineering and R&D activities and personnel.

**Employees Based in Ames**

- 38
- 5 new employees over 2008

**Additional Information**

- None reported

**ETREMA Products, Inc.**

www.etrema-usa.com  
2500 N. Loop Drive  
Ames, Iowa 50010  
515.296.8030 (phone)  
515.268.4540 (fax)  
customer.service@etrema-usa.com

**Contact Person**

Howard Harris, President and CEO

**Investment**

- \$50,000 investment. A royalty equal to 0.4% of sales on all ultrasonic systems sold, excluding the existing dental industry tool, will be due to ASC LLC on an annual basis until a repayment of \$250,000 has been reached.

**Key Accomplishments (2009)****Research and Development**

- Completion of Phase II SBIR for Integrated Amplifier research to a low cost power supply for high frequency transducers such as the CU18. Awaiting follow-on funding, as available from ONR.
- Galfenol research continues to moving toward application.
  - Repeated third-party investment for characterization of Galfenol in commercial Ultrasonic applications (can not disclose specifics per Confidentiality Agreement).
  - Energy harvesting application demonstrated, offers significant improvement in response over existing technology. Field demonstration work planned in 2010 under Navy funding.
- Funding from MIT Lincoln Labs to investigate ultrasonic source in air – selected CU18 for continuous full power operation which is not available from other technologies.

**New Products**

- None in 2009 owned by ETREMA.

**Revenue/Sales Activity**

- Inquiries for CU18 by different research groups, world wide. Conversion of inquiry to Order running at 60-70%.
- Completed product design of law enforcement product in 2009. Field trials in March 2010 and product launch in May 2010.

**Manufacturing Activity**

- We continue to maintain our experience and expertise in the production and machining of Terfenol-D and the manufacture and assembly of Terfenol based devices.
- Awarded design and fabrication work from commercial company on large, very low frequency transducers. Follow-on development work expected to continue in 2010.

**Financing**

- First American Bank - \$200,000 LOC

**Net Income for 2009**

- Net Income \$27 K

**Expansion Plans**

- None at this time, though additional space may be needed to handle the large, very low frequency transducers – the smallest weighs a ton and is the size of a twin mattress. Specific need is for a high-bay area to allow for lifting transducer into test tank. Requirements to be based on customers needs and timing.

**Management Changes**

- None

**Employees Based in Ames**

- 20 full time employees

**Additional Information**

- None reported

**Fund 4 - Active Investments****BioForce Nanosciences, Inc.**

[www.bioforcenano.com](http://www.bioforcenano.com)

510 S 17<sup>th</sup> St Ste 102A

Ames, IA 50010

515.233-8333 (phone)

515.233-8337 (Fax)

[info@bioforcenano.com](mailto:info@bioforcenano.com)

**Contact**

Kerry Frey, President and CEO

**Investment**

- \$25,000 investment in 2002 for 29,675 shares of common stock.
- \$50,000 investment in 2004 for 47,522 shares of common stock.

**Key Accomplishments (2009)****Revenue/Sales Activity**

- 2 Nano eNabler systems sold during 2009 in US

**Net Income or Loss for 2009**

- Net loss (unaudited) for 12 months ended December 31, 2009 of \$1,405,450

**Expansion Plans**

- None – in cost containment mode

**Management Changes**

- Kerry Frey, CEO is coordinating consultant support of prior employees to maintain company activities.
- While no longer employed, Eric Henderson (CSO) and Greg Brown (CFO) remain on the Board of Directors and involved in Company direction

**Employees Based in Ames**

- No employees, one consultant

**Additional Information**

- Sales of ProCleaners continue to pay non-employee expenses. The anticipated ViriChip grant monies and renewed sales of Nano eNablers are expected for resumption of salaries and other operational activities.



## Micoy

[www.micoy.com](http://www.micoy.com)

4668 Charolais Dr.

Ames, IA 50014

515.451.3806 (phone)

[info@micoy.com](mailto:info@micoy.com)

## Contact

Don Pierce, President

## Investment

- \$50,000 to purchase 200,000 shares of common stock at \$0.25 per share (2004)

## Key Accomplishments (2009)

### Research and Development

- Micoy will received additional IP in 2009, which will strengthens our position in approaching several large camera manufacturers to partner in the development of the "Micoy real-time" camera system.
- Micoy continues to support & expand its patent portfolio.
- We have further developed our software technology and playback methods to seamlessly integrate with production studio software and to also have a secure delivery method to protect our IP during distribution.

### New Products

- Micoy has announced the release of its 3D image format as a software tool. As follows:
  1. Professional License
    - Single workstation license - (1- workstation key)
    - Network site license - (1-network key – this would be equal to 10+ workstation keys)
  2. Academic License
    - Single workstation license - (1- workstation key)
    - Network site license - (1-network key – this would be equal to 10+ workstation keys)
  3. Industrial – (Keys will be limited to rendering a maximum of 1000 lines of resolution in a fisheye format 1:1)
    - Single workstation license - (1- workstation key)
    - Network site license (1-network key – this would be equal to 10+ workstation keys)
- Micoy continues its partnership with Evans & Sutherland to team together to jointly offer a retrofit package to existing and new Digistar 4 dome theater systems.
- Micoy was invited and attended the 3D Entertainment Summit conference in 2009 and continues to engage broker David Frank (Private Equity) to shop company for possible acquisition.
- Micoy has established an LA office Jan. 2009.
- Micoy has had several demos and meetings with Disney Imagineering and has received a joint RFP with Yuco Entertainment for our first project to create a portable dome theater to promote their upcoming film "Tron Legacy"

**New Products (continued)**

- Micoy has had several meetings with continued follow-up interest. These companies include Universal Studios, Paramount Studios, SRS Labs, Real-D and others.
- Micoy is currently in discussions with Raytheon to enter into joint solicitations in the Government markets and we anticipate reaching an agreement in the first quarter of this year.
- Micoy was featured in two articles in trade magazines last spring. (ICG & CGW)

**Revenue/Sales Activity**

- Based on the past and recent market research we currently have several potential sales once product documentation and packaging is completed. This has been hampered by a lack of resources, but we continue to make progress.
- ISU Architecture & Design College purchased 1<sup>st</sup> license of Micoy rendering software. We are in discussions with ISU on the development of a dome projection system for educational use.
- Micoy is working with potential VAR marketing teams to address rendering software markets.

**Manufacturing Activity**

- None presently

**Financing – New**

- We have operated through 2009 with minimal investment and resources.
- Total amount of investment into Micoy in 2009 was less than \$75,000 by existing Micoy investors.

**Net Income or Loss for 2009**

- Nothing reported

**Expansion Plans**

- We have no firm plans for expansion in 2010

**Management Changes**

- Don Pierce has been the sole full-time employee working under accrued salary since that time.
- Gordie Meyer was elected to replace Dor Givon in 2009 to Micoy's board of directors.
- Julie Weitzell, Paul Casson, David Frank, Trent Grover (CTO), David Rhein and Phil Reeves work for Micoy as contractors on as-needed basis.

**Employees Based in Ames**

- Don Pierce (President)

**Additional Information**



**MagnaLynx, Inc.**

[www.magnalynx.com](http://www.magnalynx.com)

1606 Golden Aspen Drive, Suite 102

Ames, Iowa 50010

515.663.8820 (phone)

515.663.8821 (fax)

[Public.relations@magnalynx.com](mailto:Public.relations@magnalynx.com)

**Contact**

Jeffrey May, President and CEO

Scott Irwin, PhD, Chief Technical Officer

**Investment**

- \$50,000 investment to purchase 50,000 shares of common stock in 2004.

**Key Accomplishments (2009)**

**Additional Information**

- Company in merger discussions



## **NewLink Genetics Corporation**

[www.linkp.com](http://www.linkp.com)

2901 South Loop Drive, Suite 3900

Ames, Iowa 50010

515.296.5555 (phone)

515.296.5557 (fax)

[scarroll@linkp.com](mailto:scarroll@linkp.com)

### **Contact**

Gordon Link, Chief Financial Officer

### **Investment**

- \$99,9999 to purchase 44,444 shares of Series AAA Preferred Stock at \$2.25 per share (October 2001).
- \$99,999 to purchase 39,999 shares of Series B Preferred Stock at \$2.50 per share (July 2002).

### **Key Accomplishments (2009)**

- We completed enrolling patients in our Phase 2 trials of both HyperAcute pancreas and HyperAcute Lung. Some of the data from these trials will be presented at the AACR (American Association for Cancer Research) and ASCO (American Society of Clinical Oncology) meetings in 2010. Based on the results of the pancreatic cancer trial we applied and received approval of a Special Protocol Assessment (SPA) with the FDA relating to the trial design for our Phase 3 trial in resected pancreatic cancer patients. If successful this Phase 3 trial will support a Biologics License Application that would allow us to market our
- HyperAcute Pancreas immunotherapy. We continue to make progress in an investigator sponsored Phase 2 trial of our HyperAcute Melanoma immunotherapy.
- Our small molecule Indolemine-2, 3-Dioxygenase inhibitor 1-MT continues in two base 1 clinical trials at Vanderbilt University Hospitals as well as in trials with a research group sponsored by the National Cancer Institute. We hope to start at least two new Phase 2 trials of this drug in the next year. In addition to testing of our first compound in this new class, our Drug Development Group continues work on next generation versions of this drug. Lead optimization and pre-clinical testing continues for the most promising of these compounds.
- We raised an additional \$19.5 million of preferred equity financing allowing us to close both our ongoing Series C as well as a new Series D round of financing.
- We initiated build out of new facilities in Building 5 of the ISURP. We will take occupancy of this space in March 2010. We have been ramping up our hiring of new employees both for the support our increased manufacturing capacity and to support our increased clinical trials.

### **Expansion Plans**

- New clean manufacturing space and administrative space in the newly constructed Building 5 in the ISURP completed in March 2010.

### **Management Changes**

- None

### **Employees Based in Ames**

- Currently there are approximately 67 full- and part-time employees

### **Additional Information**

- None reported



## Proplanner

[www.proplanner.com](http://www.proplanner.com)  
2321 North Loop Drive  
Suite 134  
Ames, IA 50010  
515.296.9914 (Phone)  
515.296.3229 (fax)  
[info@proplanner.com](mailto:info@proplanner.com)

## Contact

Dave Sly, PhD, President  
Helena Poist, Vice President of Marketing

## Investment

- \$50,000 to purchase 153,123 shares of Series A Preferred Stock (2002)
- \$50,000 for convertible promissory note in 2003 toward Series B Preferred Stock. Converted in 2005 to 114,112 shares of Series B Preferred Stock.
- \$20,000 to purchase 40,000 shares of Series B Preferred Stock (2005).

## Key Accomplishments (2009)

### Research and Development

- In 2009, the company greatly expanded the depth and breadth of its entire product line. Much of this product feature expansion was funded by our customers. In 2010, we anticipate a significant increase in this client-funded development activity. As such, the company anticipates the continued hiring of developers.

### New Products

- The company released a major new in-plant logistics application (eKanban and Part Kitting) called PFEP (Plan for Every Part) for 2009. Nearly \$500K in sales of this product forecasted for 2010, based upon current client budgets.
- No entirely new products are planned for 2010.

### Revenue/Sales Activity

- Generated revenues of \$1,049K with expenses of \$877K for a profit of \$172K
- Revenues were up over 100% while expenses were up only 19%.
- Subscription (monthly software as a service) fees have now increased to approximately \$25K/month and represent approximately 1/3 of the company's monthly revenue. The goal for 2010 is to grow this to 50% of revenue, and for it to make up substantially all of the software revenue in 2010.
- Major customers continued to deploy our products through 2009. This same activity is planned for 2010, and we also expect new sales from accounts that were delayed, due to the economy, in 2009. The company is forecasting 2010 sales at \$1.5 million with continued profitability.
- We recently (December 15, 2009) added an additional Regional Sales Manager who is focusing on direct sales to Midwest manufacturers. His initial sales activity has been very promising (19 new account quotes in his first six weeks).
- We are currently expanding our leveraged sales activities with engineering consultants and complimentary software firms.

**Financing – New**

- No financing in 2009 and none planned for 2010 due to current positive cash operations

**Expansion Plans**

- Continued hiring of additional staff to meet growing sales and development needs

**Management Changes**

- None

**Employees Based in Ames**

- Currently 11 full-time and 3 part-time (an increase of approximately 100% from last year)

**Additional Information**

- Due to the slow economy, and the aggressive nature of Proplanner's revenue and profitability growth, the company has scaled back M&A discussions until 2011.

**Fund 5 - Active Investments****iSEEK Corporation**

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Ames, Iowa 50010

515.296.7036 (phone)

515.296.5639 (fax)

[dflugrad@iseekcorp.com](mailto:dflugrad@iseekcorp.com)

**Contact**

Dr. Abir Qamhiyah, President and CEO

Dr. Don Flugrad, Senior VP and COO

**Investment**

- Ames Seed Capital LLC invested \$50,000 as a convertible note in 2004 toward the Series A financing round. The group then converted all of the original principal amount plus interest into 101,272 preferred shares of the iSEEK Corporation on the 19th of December 2006.
- Ames Seed Capital, LLC invested an additional \$50,000 on a convertible note basis in April of 2007 toward the Series B financing round.
- Ames Seed Capital, LLC invested an additional \$50,000 on a convertible note basis in June of 2008 toward the Series B financing round.

**Key Accomplishments (2009 and early 2010)****Customers:**

- Sold CADSEEK to Embraer of Brazil, our first international customer. Embraer manufactures smaller (regional) commercial aircraft and a line of corporate jets.
- Continued work with Deere & Company. Completed early stage development for a collaborative project to integrate CADSEEK with another text-based search product in use at Deere.
- Sold CADSEEK to Kenworth Trucks located in Seattle. The initial purchase was completed in January 2010. They are in the process of implementing the software and using it for an analysis of their existing CAD data.

**Marketing:**

- During the first half of 2010 iSEEK Corporation limited business travel due to the downturn in the economy. During the second half of the year, though, the company participated in several conferences to re-connect with existing sales prospects and to identify new potential customers. The company was represented at the World PTC Users Group Conference, and Qamhiyah and Flugrad attended three regional PTC user group meetings. They also attended International PTC conferences in France and Germany. Through this activity, several new prospective customers were identified including well known companies in commercial products and medical products as well as the automotive and aerospace and defense industries.

**Channel Sales:**

- iSEEK Corporation has initiated development of a VAR (value added reseller) network. We are actively engaged with one in Texas and were selected by one in Chicago to provide a shape-based search product for their customers.
- This method of channel sales will allow us to greatly expand our sales effort without hiring a team of sales people ourselves. CADSEEK is a product that is most often used in conjunction with major CAD and PDM products, and each of the major CAD vendors has developed its own VAR network to sell its products. Consequently, we can approach and recruit these existing VARs to sell CADSEEK along with their CAD and PDM offerings.

**Financing – New**

- Series B financing round to collect \$1.25M to \$1.50M.

**Net Income or Loss for 2009**

- The net loss for 2009 was (\$231,825).
- Financial projections show iSEEK Corporation becoming cash flow positive by the end of 2010.

**Management Changes**

- Dr. Abir Qamhiyah stills serves as President and CEO, with Dr. Don Flugrad as Senior Vice President and COO.
- Dr. Qamhiyah and Dr. Flugrad are actively seeking additional management personnel.

**Employees Based in Ames**

- There are 6 full time employees and one consultant based in Ames.
- The company expects to increase to at least 7 by the end of 2010.



### **Palisade Systems, Inc.**

[www.palisadesystems.com](http://www.palisadesystems.com)

400 Locust Street, Suite 700

Des Moines, Iowa 50309

515.727.0800 (phone)

[info@palisadesystems.com](mailto:info@palisadesystems.com)

### **Contact**

Christian Renaud, President and CEO

### **Investment**

- \$15,000 to purchase 3,856 at \$3.89 per share adjusted for 20:1 split - 77,120 common shares at \$0.1945 and a warrant to purchase an additional 25,000 shares at \$1.00 per share. Warrants expire on May 15, 2005.
- \$25,000 investment to purchase 12,500 shares at \$2.00 per share purchased in June 2001 (Series C private placement). With the Series E round priced at \$1.00 per share, this investment will be adjusted and we will receive an additional 12,500 shares.
- \$25,000 investment to purchase 20,000 shares at \$1.00 per share in 2005. (Series E Preferred Stock).
- \$20,331 investment in May of 2005 to exercise warrants to purchase \$20,331 shares of common stock at \$1.00 per share.
- \$25,000 investment in a Senior Convertible Promissory Note during November, 2008, converted June 2009 into Senior Secured Debt offering.

### **Key Accomplishments (2009)**

#### **Research and Development**

- The product development methodology was considerably streamlined, resulting in more predictable product releases and consistent execution.
- PacketSure 7.5, 7.6, and a special Managed Service Provider release were all shipped in 2009, resulting in hundreds of new features for Palisade's customers. These releases reflect a strategic realignment of the company's sales efforts as well as partnerships with key technology partners such as Cisco, Oracle, and St. Bernard.

#### **Revenue/Sales Activity**

- Sales Revenue for Fiscal Year '09 was \$1.28 M despite strong economic headwinds in Q3 and Q4. This compares to Fiscal Year '08 revenues of \$1.18M, when adjusted to remove cost of channel partner commissions and any finance fees.
- During the second half of calendar year 2009, the sales model of the organization was adjusted from an inside (telemarketing) model to outside sales, as is industry standard for security vendors.
- In addition to direct appliance sales, the sales organization recruited nearly 30 high-value channel partners, who are now walking us into prospective customers they have existing relationships with.
- Palisade has also engaged multiple Managed Service Providers to offer DLP as a service to their customers.

**Financing – New**

- In June 2009, Palisade converted prior bridge financing into a larger senior secured debt round, resulting in an additional \$1.8M in operating capital.
- Net Income or Loss for 2009 – (\$1,832,938)

**Expansion Plans**

- Given macroeconomic turnaround, the plan is to expand sales personnel commensurate with sales. In addition, some degree of organic expansion will be necessary to grow the Managed Service Provider and Software as a Service initiatives.

**Management Changes**

- During the course of 2009, significant managerial changes took place at Palisade, including the appointment of a new President and CEO, Christian Renaud, as well as a CFO, Curt Lack.
- There was managerial restructuring in the organization resulting in a less 'top-heavy' management structure and lower burn rate.

**Employees Based in Ames**

- Until November 2009, 17 employees and 5 interns were based in Ames. In November 2009, the company relocated operations to larger space in Des Moines.
- There are currently no employees working in Ames full time.

**Additional Information**

- In 2009, Palisade restructured every major part of the operation, including sales, marketing, public relations, analyst relations, operations/finance and development engineering. This has resulted in an organization with more product offerings and a leaner burn rate, and the highest visibility and momentum for the organization in its 13 year history.



### **Harrisvaccines, Inc (d/b/a Sirrah Bios)**

[www.harrisvaccines.com](http://www.harrisvaccines.com)

[www.sirrah-bios.com](http://www.sirrah-bios.com)

1102 Southern Hills Dr. Ste 101

Ames, IA 50010

515.296.0706 (phone)

515.296.3985 (fax)

akoppes@harrisvaccines.com

### **Contact**

D L Hank Harris, DVM PhD, President, Harrisvaccines, Inc. d/b/a Sirrah Bios

Jerry McVicker, PhD, COO, Harrisvaccines, Inc.

Joel Harris, CMO, Harrisvaccines, Inc.

Adam Koppes, CFO, Harrisvaccines, Inc.

### **Investment**

- \$49,950 investment on June 16, 2008 for 555 shares of common stock.

### **Key Accomplishments (2009)**

#### **Research and Development**

- Significant breakthrough in finding of 'Universal Antigen - M2e' to be used in FLU-VENT (RS)
- New USDA Conditionally Licensed product added, Novel H1N1 (SIV) RS. On track to receive conditional license in May '10
- USDA Licensure timelines remain on track for 1<sup>st</sup> RP (SIV) product license by Sept. '11 followed by 2<sup>nd</sup> RP (PRRSV) product in Feb. '12

#### **New Products**

- Potential products in pipeline include FLU-VENT Intranasal (RS) and shrimp vaccines (RP)

#### **Revenue/Sales Activity**

- Maintained sales revenue at \$2.3M in 2009 (same as 2008) for PRRVENT (PRRSV RS product) while weathering tough economic climate
- Launched FLU-VENT (SIV RS) product in Oct. '10
- Sold 1<sup>st</sup> animal vaccine for Novel H1N1 Swine Influenza Virus (SIV)

#### **Manufacturing Activity**

- Tripled production capacity in 2009
- Completed build out of ~7000sf 'Pilot Plant Facility' located in extension of ISU Research Park (18 months ahead of business plan).
- Increased RNA yield by 500% through new FLPC transcription method (significantly decreased production cost on a per dose level as well)

#### **Financing – New**

- None

#### **Net Income or Loss for 2009**

- Net Loss of \$650,000

**Expansion Plans**

- Consideration being given to establishing a combined R&D laboratories/offices for Harrisvaccines, Inc. and production manufacturing for Sirrah Bios facility located in Aspen Business Park

**Management Changes**

- 5 member Board of Directors formed in '09
- Harrisvaccines, Inc. dba Sirrah Bios formed formal Management Team in '09
- Harrisvaccines, Inc. dba Sirrah Bios formed formal Advisory Team in '09

**Employees Based in Ames**

- 23

**Additional Information**

- Harrisvaccines, Inc. dba Sirrah Bios launched company website in '09 ([www.harrisvaccines.com](http://www.harrisvaccines.com))
- Sirrah Bios (VCP Sales and Production Division) passed a informal USDA inspection in Dec. '09
- Original business plan called for USDA licensed product to be achieved by mid 2010. USDA Center for Veterinary Biologics has indicated that the replicon vector technology will be classified similar to a modified live vaccine thus increasing product launch to late 2011.

**WebFilings, LLC**

[www.webfilings.com](http://www.webfilings.com)

2625 N. Loop Drive, Suite 2105

Ames, Iowa 50010

515.296.0694 (phone)

515.296.0695 (fax)

[matt@webfilings.com](mailto:matt@webfilings.com)

**Contact**

Mr. Matt Rizai, CEO, Managing Director

**Investment**

- Ames Seed Capital LLC invested \$200,000 as a convertible promissory note in December, 2009

**Key Accomplishments (2009)****Customers:**

- Successfully completed "beta" testing with two customers in 2009 and will be ready for the market at the end of March, 2010.
- The initial 2010 response to product launch has been very good, with several direct leads contacting us via our website and phone and several more gathered from the trade show. Several of these leads have already resulted in online and in-person demo meetings being scheduled and presented.

**Channel Sales (2010)**

- A nationally distributed press release which can be viewed at [www.webfilings.com/news](http://www.webfilings.com/news)
- E-mail campaign to 12,000 CFO Magazine subscribers
- Exhibiting at WebFilings first trade show, the Illinois CPA Society's annual Controller's Conference

**Financing – New**

- Founders funds
- Iowa Department of Economic Development and City of Ames
- Private placement including Ames Seed Capital, LLC

**Net Income or Loss for 2009**

- No public information reported.

**Expansion Plans**

- Additional Ames employee hiring is ongoing
- Increase in space planned in the ISU Research Park in 2010

**Management Changes**

- None planned

**Employees Based in Ames**

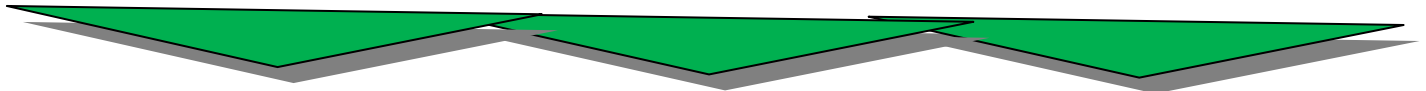
- Year end 2009 - 28
- Year end 2010 - 75



**REDEEMED INVESTMENTS**

The following Ames Seed Capital LLC investments have been successfully redeemed and distributed to investors:

No Redemptions in 2009 for Funds III, IV, and V.



**WRITTEN-OFF INVESTMENTS**

No Write-offs in 2009 for Funds III, IV, and V.



**Fund Investors**

<b>Investor</b>	<b>Fund #3</b>	<b>Fund #4</b>	<b>Fund #5</b>
Brian Anderson - Knapp Tedesco	x		
Betty Baudler-Horras	x	x	x
Jeff Becker	x		
Jim Bocken - Quality Inn and Suites			x
Roberta Boeke	x		
Kim Christiansen - Dobiz Foods LLC			x
Richard Clem	x	x	
Linda Cunningham - UGS PLM Solutions	x		
John Dasher - Dasher Mgmt.	x		
Keith Denner - Professional Property Mgmt.	x		
William Dreyer - Rudi/Lee/Dreyer Associates	x		
Mike Espeset - Story Construction	x	x	
David Fox - Fox Engineering Associates, Inc.	x		
Kurt Friedrich			x
Reinhard Friedrich		x	x
Reinhard Friedrich - R. Friedrich & Sons, Inc.	x	x	
Donald Furman - Donald Furman Revocable Trust 3-1-91	x		
Kevin Geis - Valley Bank			x
Robert Gelina - Center for Continuous Quality Improvement			x
Steve Goodhue - First American Bank	x	x	x
John Goossen - Ames Publishing Co. (Tribune)	x		
Mark Hanson - Hanson Homes			x
Harlan Hanson - Central States Roofing	x	x	
Julie Harris - U.S. Bank	x	x	x
Dean Hunziker - Hunziker & Associates	x	x	x
Erb Hunziker - Erben A. Hunziker Revocable Trust	x	x	x
Mary Israel	x		
Dickson Jensen - The Jensen Group	x		x
Richard Johansen		x	
Dick & Gene Johnson			x
Dick Johnson		x	
Gene Johnson		x	
Charles Jons - Charles D. Jons Revocable Trust	x	x	x
Barbara Kashian-Snow	x	x	
Kevin Kinzler - Kinzler Construction Services			x
David Klatt - Grand Investors LLC		x	
Steve Koger - McFarland Clinic, P.C.	x		
Dan Krieger - Daniel L. Krieger Revocable Trust		x	x
Kurt Kuta - Ames Community Bank			x
John & Jeanne Langeland		x	
John Langeland - Gateway Insurance Services	x		x
Kent Larsen - Con-Struct Inc.	x		
Jami Larson		x	x
Jami Larson - Larson Development Co.	x	x	

**Fund Investors**

Investor	Fund #3	Fund #4	Fund #5
Lee & Patricia Livingston	x	x	x
Warren Madden		x	x
Jere Maddux - Newbrough, Johnston, Brewer, Maddux, & Sotak	x		
Tim Mallicoat - Iowa State Ready Mix Concrete, Inc.	x		
Brad Manatt - Manatts Inc.	x	x	x
Ken McCuskey			x
Ron McMillen	x	x	
Jim & Katherine Melsa - James L. & Katherine S. Melsa, JTWROS		x	
Fredrick Miller	x	x	
Wayne Moore	x	x	
Jon Mullenbach			x
Paul/Jerry Nelson - Nelson Electric	x		
Carroll Nikkel		x	x
Carroll Nikkel - Nikkel & Associates, Inc.	x		
David & Bonnie Orth			x
John Parks	x		
Harold Pike		x	
Harold Pike - HPC, LLC			x
Tom Pohlman - First National Bank	x	x	x
Doug Ragaller - F&M Bank	x		
Scott Randall - Randall Corporation	x	x	x
Steven Risdal - Risco Inc.	x	x	
Richard Roseland - Roseland Architects	x		
John Russell - Bankers Trust			x
Phil Sargent	x		
Maggie Sevde	x		
John D. Shierholz			x
Jerry Smith		x	x
Jim Smith - Exchange State Bank			x
Mark Speck - Speck Plumbing	x	x	x
Ronald (Red) Stenberg - Stenberg Concrete Construction	x		
Scott Thacker - Kapaun & Brown Inc.	x		
Roger Underwood	x	x	x
Marvin Walter - Ford Street Development	x	x	x
Donald Wandling - Wandling Engineering	x		x
William Whitman - Antoinette C. Whitman & William W. Whitman JTWROS		x	x
Chuck Winkleblack		x	x
Bill Woodruff - Woodruff Construction LLC		x	x
Shane Zimmerman - Wells Fargo Bank, NA	x	x	

**2010 Ames Seed Capital Board of Managers**

**Steve Goodhue**

**Dean Hunziker**

**Dick Johnson**

**Chuck Jons**

**Dan Krieger**

**Jami Larson**

**Lee Livingston**

**Steve Schainker, Ames City Manager (ex-officio)**

**John Shierholz**

**Roger Underwood**

**Marvin Walter**

**Don Wandling**

**2010 Ames Seed Capital Officers**

**Roger Underwood, President**

**Dan Krieger, Vice President**

**Dan Culhane, Secretary/Treasurer**

## Ames Seed Capital LLC Opportunity Review Process

Updated March, 2010

### Finance

- Obtain a complete list of all common and preferred shareholders, the number of shares they hold, the price paid and the date acquired.
- Obtain a list of all options or warrants.
- Obtain the past three years of historical financial statements.
- Obtain proforma financial statements with projections and assumptions. Are the cash flows sufficient to achieve profitability? How much should they be discounted?
- Request documentation on how the company's pre-money valuation was determined.
- Obtain articles of incorporation and corporate bylaws/operating agreements.
- Will the Ames Seed Capital investment allow the company to Reach the Finish Line" with financing?
- Consider releasing equity when "benchmarks" are met by the company.

### Management

- Obtain detailed resumes and personal and business references for each key member of management.
- Obtain copies of any employment agreements, life insurance plan on key employees and incentive compensation plans.
- Obtain information about the stock ownership of the management team and how much cash was invested by the owners/managers in the company.
- How do you feel about the CEO and management team? Can they make the business plan happen? Why do you believe this?
- Are there any gaps in the present management structure? What are the company's plans for remedying these deficiencies? Should they be remedied before an investment is made?
- Who makes up the Board of Directors including their backgrounds?
- Can Ames Seed Capital receive a Board seat with our investment?
- Need list of the company's advisors, legal counsel, and auditors.
- Why is the company located in Ames?

### Marketing

- Is there a clear and concise description of the product/technology/service?
- Obtain and review the company's marketing plan.
- Obtain and review information on the company's main competitors. What are the strategies for other companies in this industry?
- What are the company's sales and distribution channels?
- Can management execute the marketing plan?
- If the company has sales, visit with customers.

### Funds 3 thru 5 Invested Companies Projections vs. Actual

