



## Overview

Senate Finance Committee  
Sub-committee for General Government/Technology

February 2, 2010

Peter Jobse

## Overview – service lines

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*Next generation company formation and capital generation*



*Federally-funded research prototypes to solve national challenges*



*Consulting services that help organizations assimilate new technology solutions*



*Support for broadband penetration and Telework promotion*

## Overview – programs

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*GAP Funds – GAP Tech, GAP BioLife and federal funding services*



*Federally-funded research – mine safety, bioterrorism, port safety, energy*



*Consulting services – virtual high school, longitudinal data studies, health IT*



*Office of broadband and telework promotion, lead organization for ARRA grants*

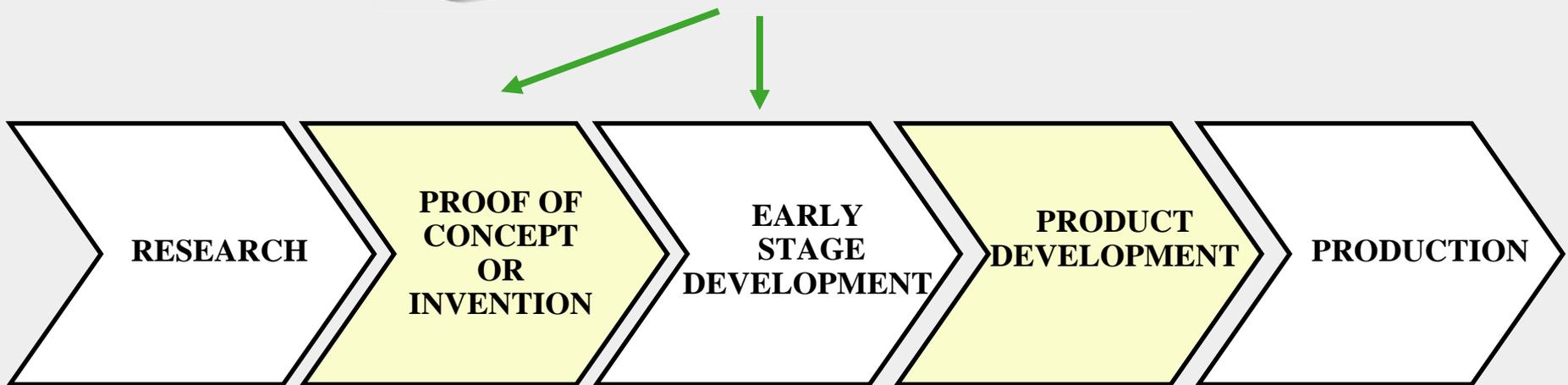
# CIT Opportunities

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<u><i>Opportunity</i></u>	<u><i>Value for Virginia</i></u>	<u><i>Status</i></u>
<i>ARRA Health IT medical records implementation centers (\$10M+)</i>	<i>Convert 1,000+ providers from paper to uniform electronic medical records</i>	<i>Award 2/2010</i>
<i>ARRA Energy startup funding through DMME (\$2.5M)</i>	<i>Create 15-20 new energy-based companies in Virginia</i>	<i>pending</i>
<i>ARRA Broadband mapping (\$2.0M)</i>	<i>Completes Commonwealth's broadband map</i>	<i>Award 3/2010</i>
<i>ARRA Broadband sustainability (up to \$9.6M)</i>	<i>Advances broadband applications like telemedicine</i>	<i>Award 3/2010</i>
<i>Create new high tech companies</i>	<i>1000's of new jobs for Virginians</i>	<i>With Gov's policy</i>

# CIT Entrepreneur

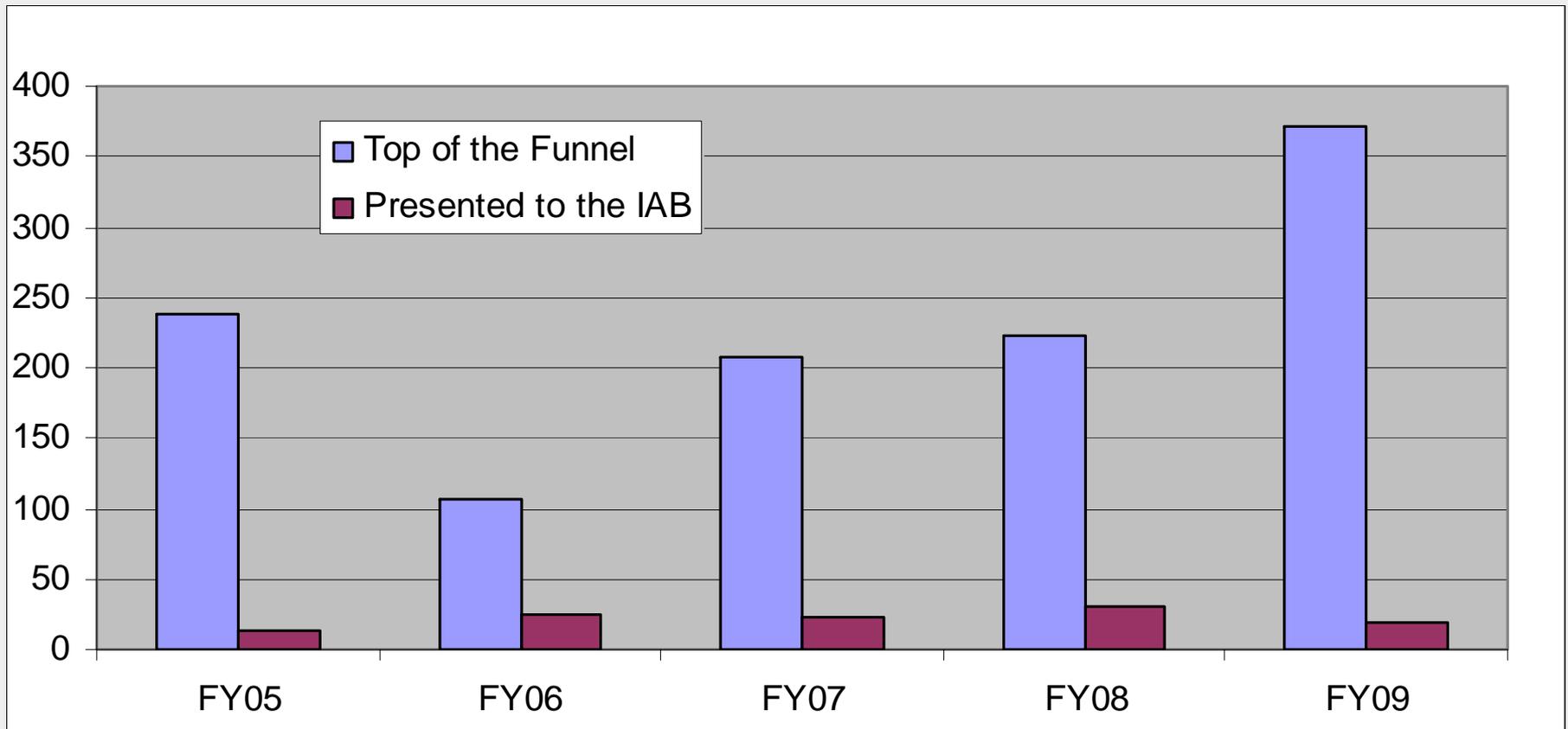
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*GAP BioLife Fund*

*GAP Tech Fund*

# GAP Funds – Lead Analysis





# GAP Funds – Jobs creation examples

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## **South49 Solutions**

### **Location**

Sterling, VA

### **Overview**

Software company that develops and markets workforce management software targeting industries with large-scale, widely distributed workforce (retail product deployment)

### **CIT investment**

\$100,000

### **Private leverage**

\$2,100,000

### **Jobs**

15 in company, 12 new jobs created by GAP Fund investment

## **Rollstream**

### **Location**

Fairfax, VA

### **Overview**

Software company that develops and markets a collaboration platform enabling clients to establish secure on-line communities of suppliers

### **CIT investment**

\$100,000

### **Private leverage**

\$10,000,000

### **Jobs**

20 in company, 17 new jobs created by GAP Fund investment

# GAP Funds – National recognition

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*Thursday November 12, 2009*



# GAP Funds – 2009 Lead Analysis

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## **Fund Distribution**

<b>Fund</b>	
Tech	277
BioLife	59
Energy/Other	32
<b>Total</b>	<b>368</b>

## **Regional Distribution**

<b>CIT Regions</b>	
Northern Virginia	176
Shenandoah Valley	2
Piedmont	16
Region 2000	4
Southern Piedmont	1
Greater Richmond	59
Hampton Roads	20
Southwestern Virginia	0
New Century	9
Out-of-State	81
<b>Total</b>	<b>368</b>

## **Industry Sector Distribution**

<b>Industry Sectors</b>	<b>#</b>	<b>%</b>
Biotechnology	29	8%
Business Products and Services	43	12%
Computers and Peripherals	5	1%
Consumer Products and Services	45	12%
Electronics/Instrumentation	10	3%
Financial Services	8	2%
Healthcare Services	18	5%
Industrial/Energy	28	8%
IT Services	19	5%
Media and Entertainment	24	7%
Medical Devices and Equipment	21	6%
Networking and Equipment	0	0%
Retailing/Distribution	3	1%
Semiconductors	1	0%
Software	49	13%
Telecommunications	5	1%
Other	11	3%
<b>Unknown</b>	<b>49</b>	<b>13%</b>
<b>Total</b>	<b>368</b>	<b>100%</b>

# GAP Funds – University Spin-Outs

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## *GAP Portfolio*

## *2009 Pipeline*

### ***George Mason University***

- Secure Command

### ***University of Virginia***

- Global Cell Solutions
- Soft Tissue Regeneration
- Tau Therapeutics

### ***Virginia Tech***

- Airak
- Miserware
- NBE
- Piedmont BioProducts

### ***George Mason University***

- Web-based tools for personal and professional development coaches.

### ***University of Virginia***

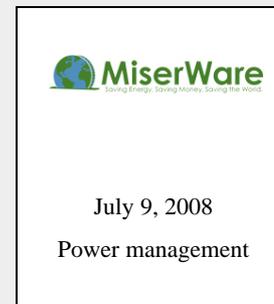
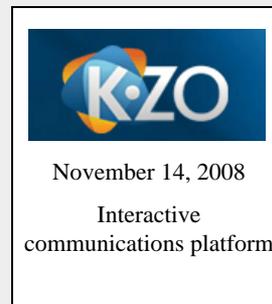
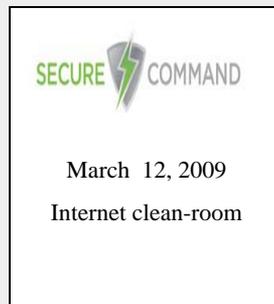
- Biopharma platform for discovery and development of diagnostics for neurological disorders.

### ***Virginia Tech***

- Therapeutics for diabetes and related complications
- Platform for development of molecular tests for infectious diseases
- Novel access system for entry into the pericardial space for treatment of cardiac arrhythmias.

## Fiscal year 2009 Investments\*

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\* FY2009 budget reductions totaling \$538,535 eliminated investment funds for 6 additional companies and generation of \$5.8M of private sector investment

# GAP Funds Portfolio – Pre-Series A

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May 4, 2009  
Referral service



April 2, 2009  
Data management



July 9, 2008  
Power management



June 30, 2008  
Mobile voice authentication



May 30, 2008  
Automates construction process payments



May 30, 2008  
Blood testing for cancer



May 8, 2008  
Forensic monitoring of electronic records



April 23, 2008  
Mobile prepaid reload and gifting



December 13, 2007  
Stream live video via mobile



November 26, 2007  
Business Grade IP Services, offering SIP Trunking and Audio Conferencing



September 13, 2007  
Anti-infective small molecule drug discovery and development



July 12, 2007  
Real-time tracking of assets and personnel



May 9, 2007  
Interconnection material



April 18, 2007  
Renewable resources



April 3, 2007  
Electrical apparatus manufacturing



December 23, 2005  
Optical sensors for low-voltage power use

# GAP Funds Portfolio – Series A

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April 15, 2008

Soft tissue regeneration  
of ACL



March 12, 2009

Internet clean-room

**Series A 3/12/09**



December 21, 2006

SAS platform for  
distributed workforce  
management

**Series A 2/4/09**



November 14, 2008

Interactive  
communications platform

**Series A 11/14/08**



April 28, 2005

Technology solutions for  
mobile gaming vendors

**Series A 9/10/08**



October 6, 2006

Cell culturing hardware  
and growth media

**Series A 4/22/08**



July 22, 2005

Location based  
messaging solutions

**Series A 12/17/07**



December 22, 2005

Tumor-based cancer  
treatment

**Series A 10/19/07**



September 7, 2006

Secondary electronics  
distributor

**Series A 9/27/07**



November 8, 2006

SAS platform for lead  
generation

**Series A 4/13/07**



August 3, 2005

Product placement  
measurement

**Series A 2/22/07**

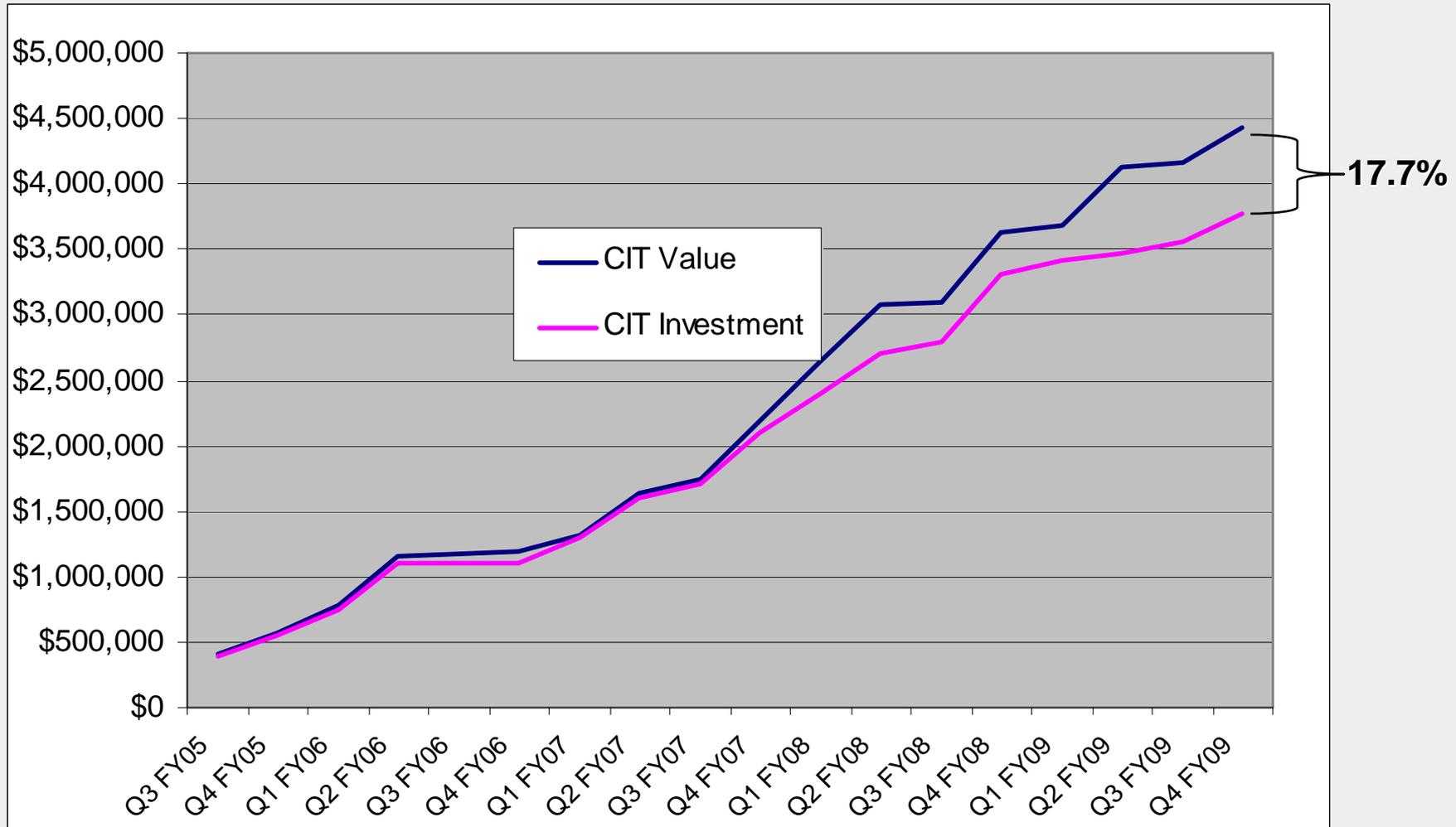


December 6, 2005

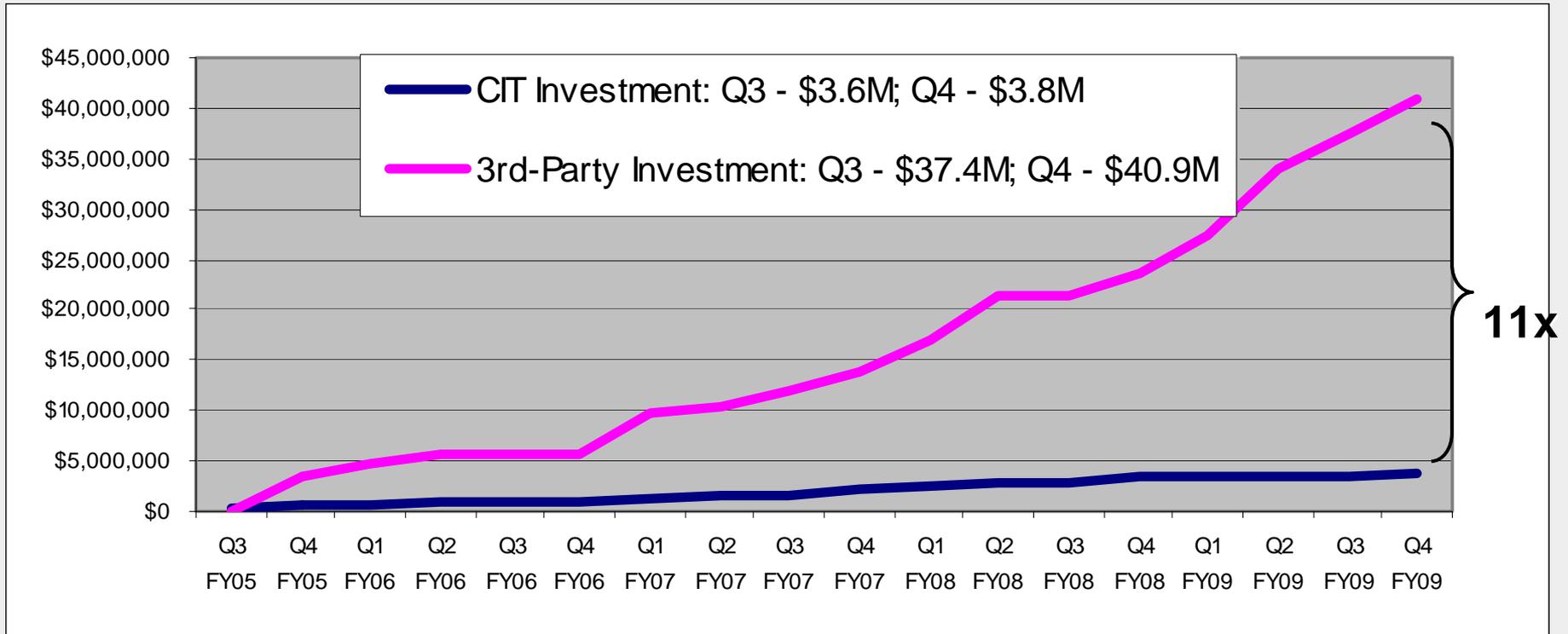
Enterprise technology  
roll-out management  
software

**Series A 7/17/06**

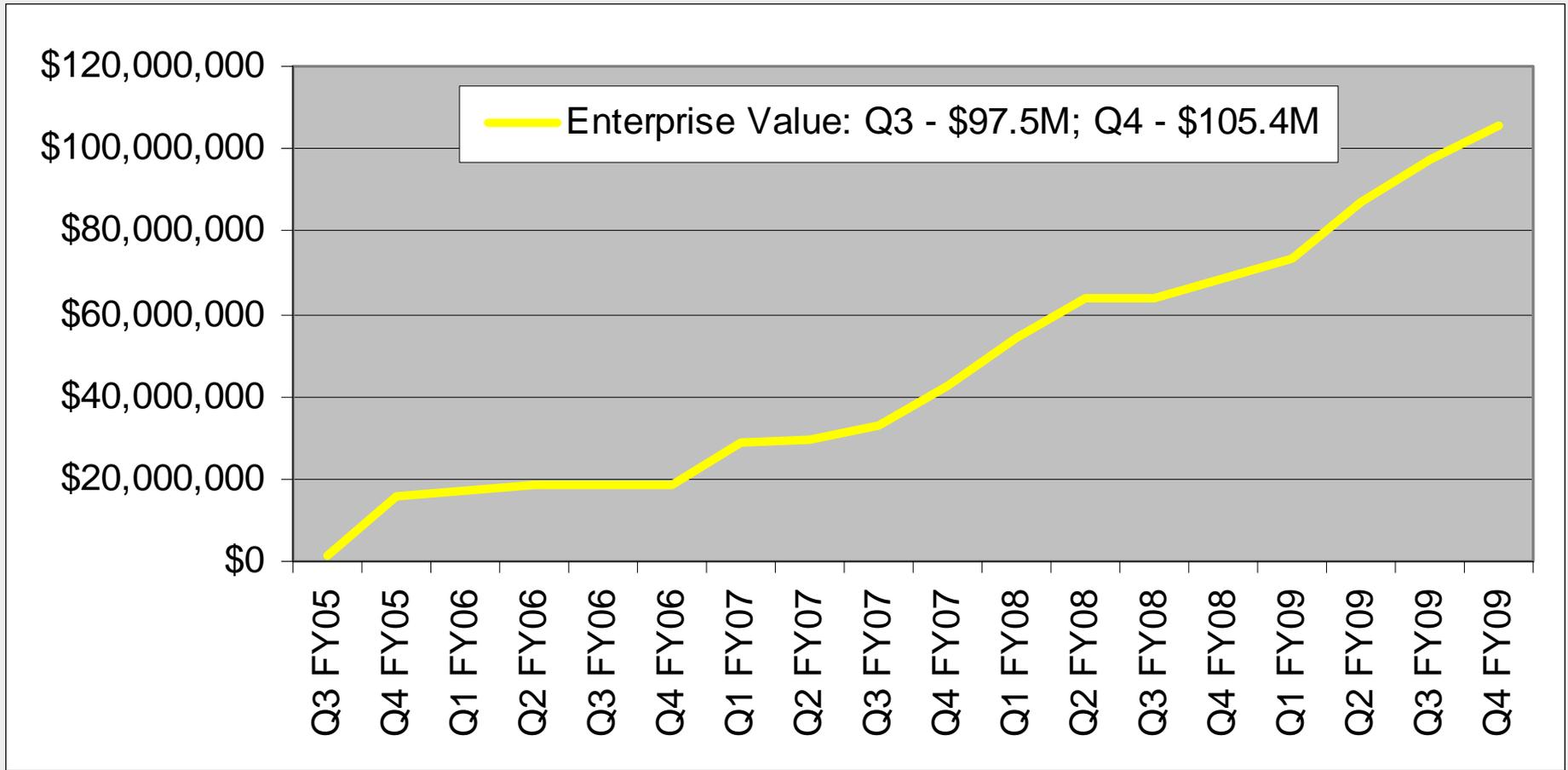
# GAP Funds – Investment to Date



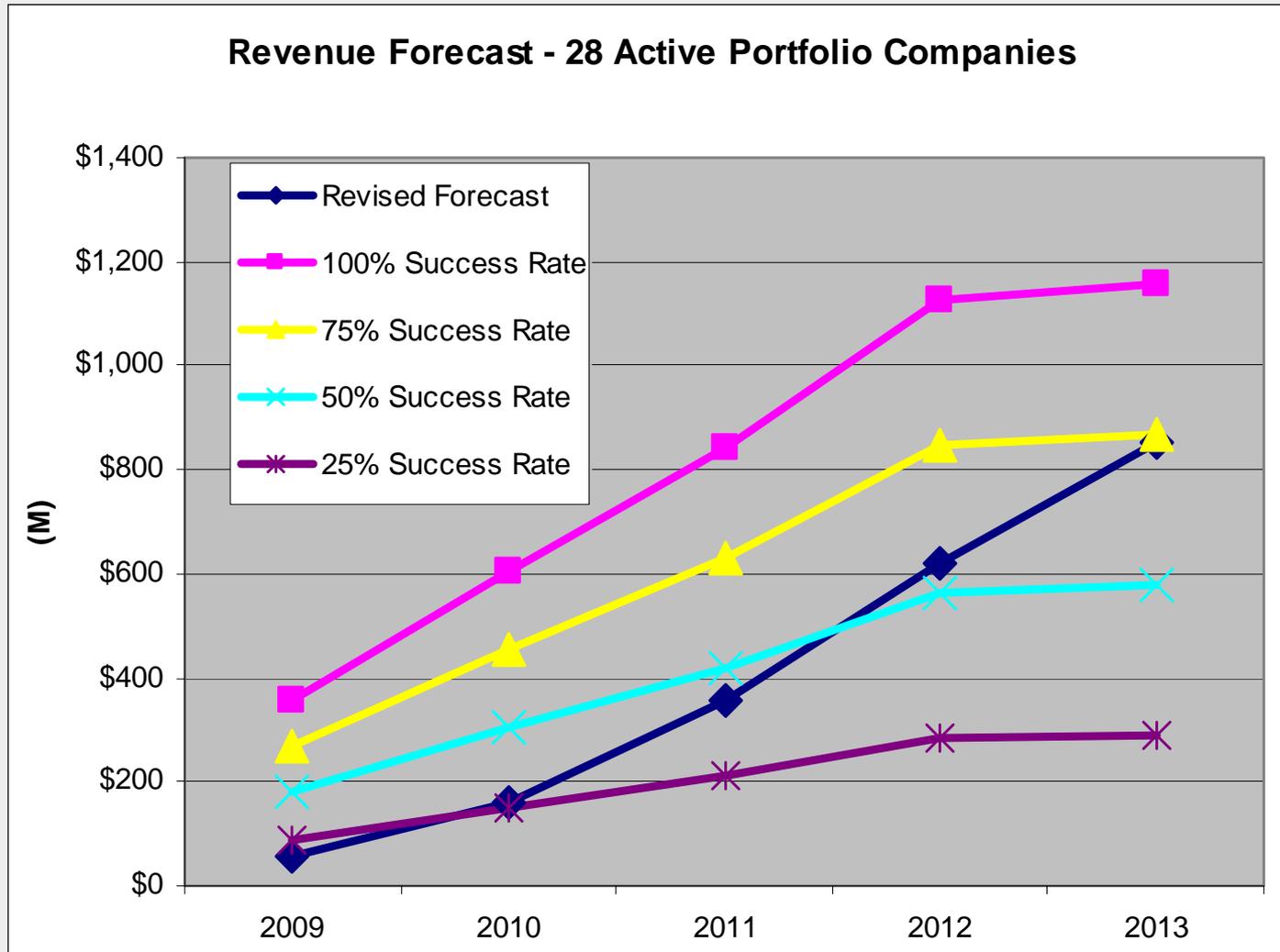
# GAP Funds – Leverage Value



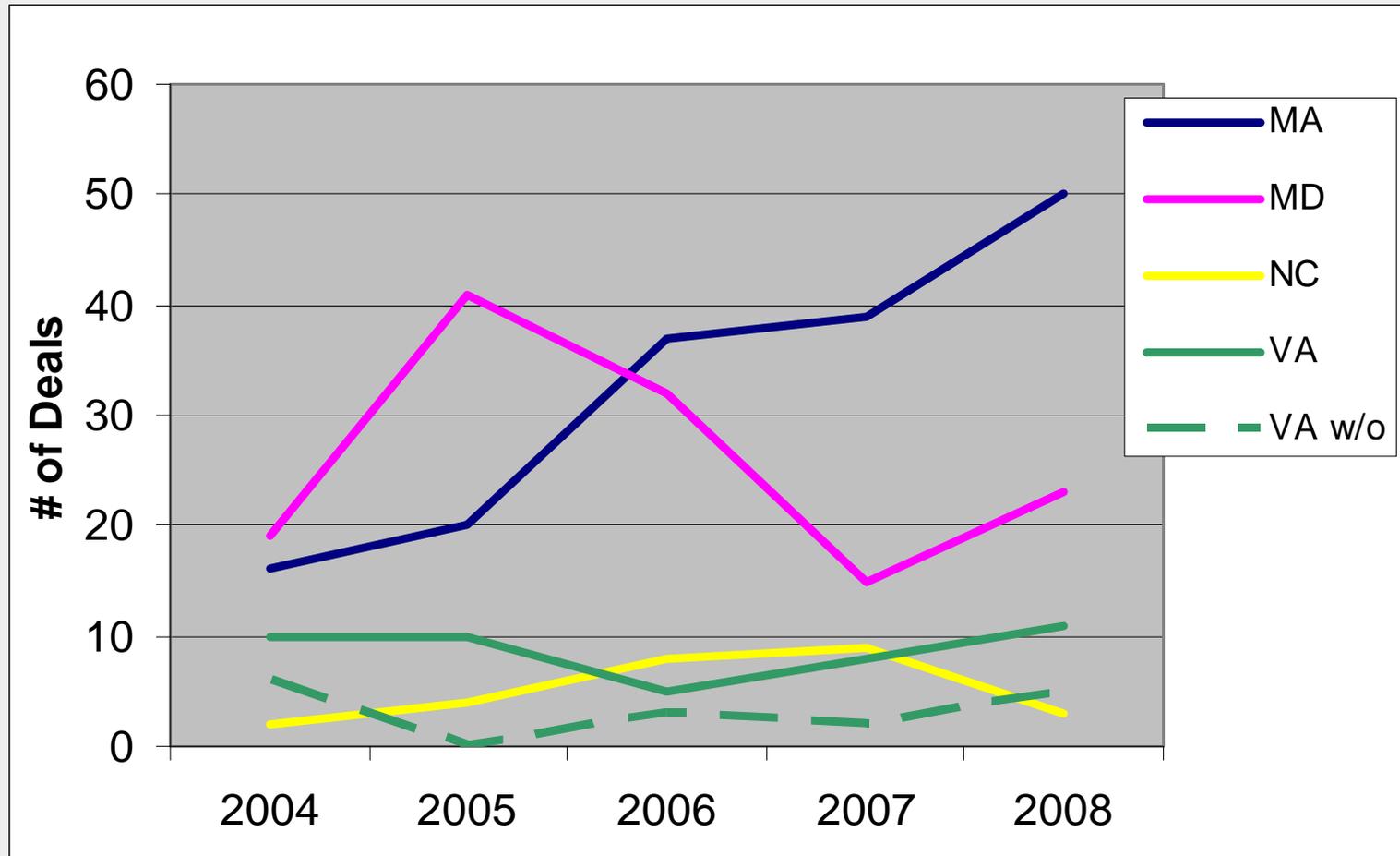
# GAP Funds – Enterprise Value



# GAP Funds – VA GSP Contribution



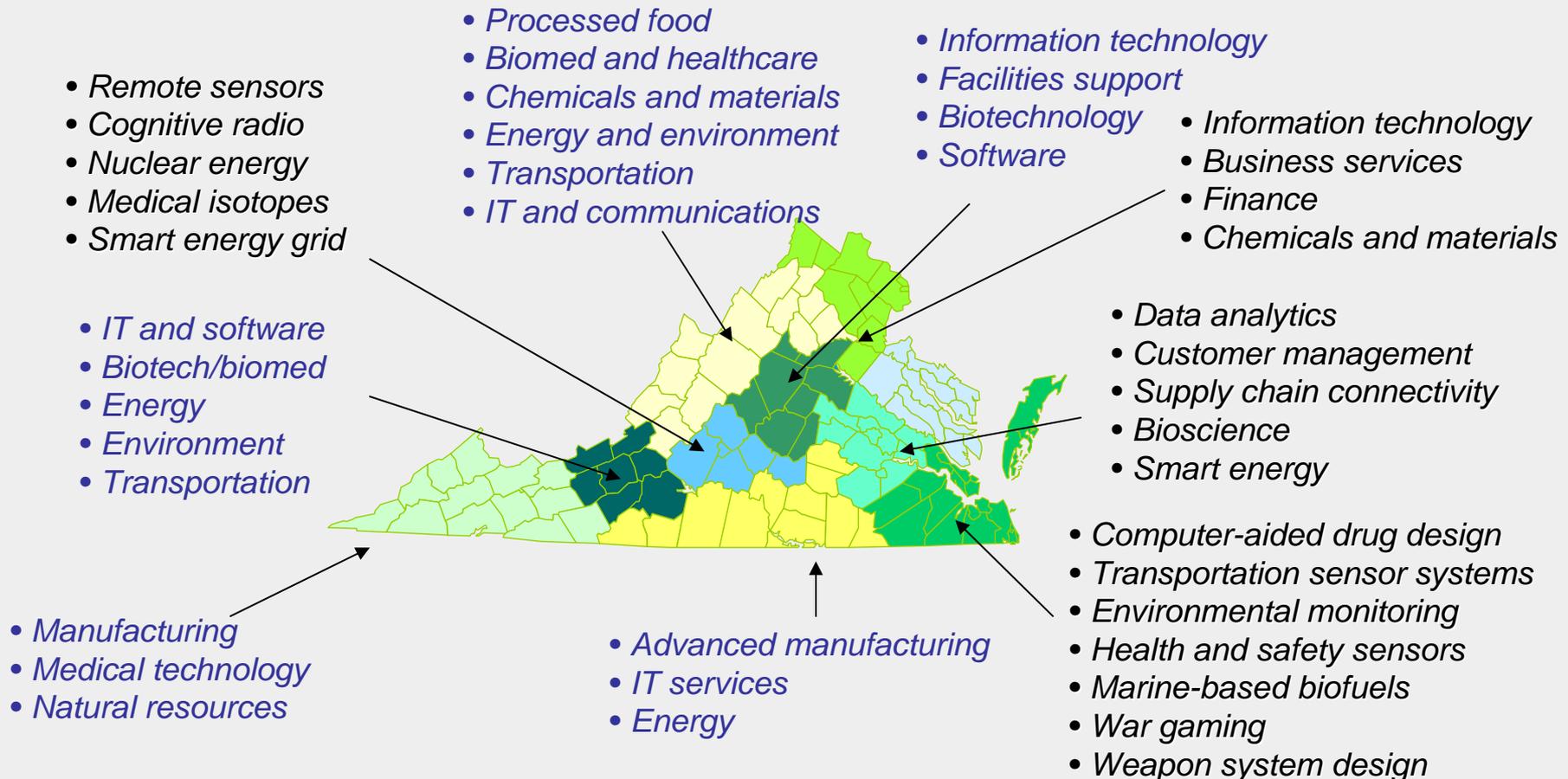
# Seed Stage Funding



Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree(tm) Report

# Virginia's Innovation Index

December 2, 2009 – Version 1.0 release of statewide report



# CIT Challenges

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**GAP Fund** - Total funding reductions approaching 20% of CIT funding have reduced the GAP fund to five \$50,000 investments for 2010, currently no funds for 2011/2012

**Broadband grant performance** - Potential delays associated with federal grants can create cash flow shortages that could trigger contract default.

**Health IT Exchange grant** - Significant delays associated with complex performance review processes will create cash flow shortages that could trigger contract default.

**Federal grants and contract revenue** - Further reductions in CIT's appropriation trigger defaults on CIT's federal grants (50% of CIT funding) leading to further loss of operating funds.

**Baseline funding is significantly constraining our ability to deliver new jobs**

