



**MINUTES OF MEETING OF BOARD OF DIRECTORS**  
**Board Room, Rio Grande Valley Partnership**  
**322 South Missouri, Weslaco, Texas**  
**11 a.m. Tuesday, January 8, 2008**

Board Members Participating:

Eva-Jean Radle, Re/Max RGV, McAllen, Board Chair  
Rick Ledesma, DataLogic Software, Inc., Harlingen  
Morris Libson, Texas State Natural Gas, Inc., Eagle Pass  
Gregg McCumber, CPA, Burton, McCumber & Cortez, L.L.P., Brownsville  
Derrick Swanberg, Swanberg Farms Partnership, Lyford  
Ed Tamayo, First Community Bank (retired), Harlingen

Board Members Absent:

Tony Aguirre, Broadway Hardware, McAllen  
Cleve Breedlove, Inn at Chachalaca Bend, Los Fresnos  
Sam O. Olivarez, Barrera's Supply Co., Inc., Mission  
Hector Ramos, South Texas Monitoring Systems, McAllen

Guests Participating:

Penny Hodges, Harlingen Medical Center (technical content advisor)

Staff Participating:

Dominique Halaby, D.P.A., Executive Director, VIDA, and Interim Executive Director,  
Rio Grande RCIC  
Patricia G. (Pat) Bubb, Executive Director, Tech Prep RGV  
Fernando Gonzalez, Rio Grande RCIC Director of Investment Services

Pursuant to notice duly given, a meeting of the Rio Grande RCIC Board of Directors was held at the above time and place with the above individuals participating. Eva-Jean Radle chaired the meeting. Fernando Gonzalez served as secretary of the meeting.

Welcome, Introductions, Opening Remarks

Board Chair Eva-Jean Radle welcomed everyone to the meeting. Self-introductions followed.

First Action Item: Consider and Approve Mission Statement

Fernando Gonzalez presented a proposed mission statement.

**ACTION NEEDED:** All Board members are requested to send feedback to Fernando Gonzalez regarding wording of the Rio Grande RCIC mission statement. A copy of the mission statement for which comments are needed is attached to these minutes.

Discussion Item: Contract Pending with ETF

Dominique Halaby shared that he has accepted another position and will be leaving his post as VIDA Executive Director effective March 31, 2008. His service as Interim Executive Director for the Rio Grande RCIC will therefore be ending effective March 31, 2008.

The Rio Grande RCIC needs to finalize its contract with the Emerging Technology Fund state office in order to have funds to maintain staffing and support regional operations. Our region has been allocated \$210,000 per year; however, to access any funding, we must obtain commitments of at least \$125,000 (either cash or in-kind). Once the State disburses funds, the RCIC will have six months to obtain cash contributions promised. The State will only match the amount actually raised by the RCIC.

Support from the Rio Grande RCIC Board is needed. Discussion about how best to address this need followed. Discussions included the potential for development of an “angel network” and related topics.

**ACTION BEING TAKEN:** The group agreed to make presentations to key leaders in Brownsville, Harlingen, McAllen, and other key locations to ask for funding and support. There was a discussion of bringing together mayors, economic development professionals, and chamber of commerce leaders to hear a presentation and garner support. The idea was to bring in Mark Ellison from state ETF leadership to make these presentations. Discussion followed.

Fernando Gonzalez will contact Mark Ellison and get potential dates and otherwise work with the Board on this endeavor.

There was a discussion of how funds can be paid if cash is forthcoming. A contract needs to be set in place between the Rio Grande RCIC Board so that VIDA can receive funds for the RCIC through its tax-exempt organization. Pat Bubb volunteered to draft a contract for review for that purpose, using Tech Prep’s contract with TSTC as a model.

#### Discussion Item: Due Diligence Requirements

There was a discussion of the state ETF’s request that RCIC boards begin handling preliminary due-diligence requirements for applications forwarded to the state. Guidance from state ETF leadership is pending. Discussion followed.

#### Executive Session: Presentations from Applicants

The Board moved into executive session to hear a presentation from one applicant and to review a “remanded” proposal from a second applicant. Discussion followed.

#### Second Action Item: Select Companies to Promote to ETF

The Board reconvened in open session and took the following actions regarding applications to be presented to the state ETF group:

**MEDICAL SAFETY TECHNOLOGIES, INC.:** On motion made by Rick Ledesma, seconded by Ed Tamayo, and unanimously carried, it was RESOLVED that the application of MST, Inc., be promoted to the ETF. The Rio Grande RCIC board members participant shared suggestions for the presenters. Those suggestions are attached to these minutes.

**SCAN-TECH SCIENCES LLC:** On motion made by Greg McCumber, seconded by Derrick Swanberg, and unanimously carried it was RESOLVED that the Scan-Tech Sciences LLC application be promoted to the state ETF **provided, however**, that these applicants adequately address ownership of the IP and valuation of Scan-Tech Sciences LLC prior to making the presentation to state leadership.

Staff will communicate with Rio Grande RCIC Board members through email regarding Scan-Tech’s progress on satisfying this requirement prior to returning for a second presentation to ETF.

#### Other Suggestions

The Board requested these other things:  
Rio Grande RCIC Board Meeting

1. That a current listing of all Rio Grande RCIC Board members be shared with the board.
2. That Cesar Maldonado visit the RCIC Board again and address us from a state perspective in the future, as was done in the November meeting.
3. That the MST applicants return to a future meeting to share with the board their perspective of the experience of making a presentation to the state ETF board. This knowledge will help the local board in its work preparing applicants for state presentations.

#### Next Meeting

The Rio Grande RCIC Board's next meeting will be held on March 12, 2008. The time will be set depending on the number of proposals to be vetted.

In addition, as soon as Mark Ellison's travel to the Valley can be arranged, Rio Grande RCIC board members will be notified so that appropriate individuals can participate in these presentations.

There was no further business; so the meeting was adjourned at 2:15 p.m.

Notes recorded by Pat Bubb and Fernando Gonzalez

RIO GRANDE RCIC BOARD FEEDBACK FOR  
MEDICAL SAFETY TECHNOLOGIES, INC., PRESENTATION TEAM

Good presentation. Congratulations on the concept. As you move into technologies related to insulin injection and in particular procedures requiring the drawing of blood, the demand for this product should expand.

Be very clear about the numbers in the projections. The budget projections for 2007 and 2008 do not tell the true story. If the \$170,000 represents actual sales in the last six weeks of 2007 and you already have booked sales for 2008, make that very clear in explaining the financial projections. These are very important “selling points,” and that information is not clear from the presentation given today.

Be sure all of your technology is working and that the presentation itself is clear and appealing. For instance, today the presentation was off-center on the screen. Practice on the delivery to make it as polished and professional as possible. Also, begin your presentation with distribution of the sample items first. Talk about those and then lead into the rest of the presentation.

The strengths of the presentation are the patents. The weaknesses are the financials and the “numbers.” The ETF board will have questions about the intellectual property and the numbers on that.

It would be helpful to include a letter from your patent attorney stating affirmatively that your company owns all of the patents and also has completed all legal steps from a securities standpoint. ETF will want to make sure it is investing in a company that has no legal issues.

When you do the survey, differentiate between clean-needle sticks and dirty-needle sticks, as well as high-risk versus low-risk sticks. When you are presenting those numbers to people, they will discount the numbers if you do not clearly explain these differentiations.

There is some question whether a valuation of patents based on a court judgment will be acceptable to the ETF. That may be something to consider. If all goes well, that could become a huge point of contention at the state level. The state has a template to try to resolve this already. It may or may not be to your advantage to try to utilize that template to come up with a different valuation for the IP.

Your website is not in good shape. Resolve that issue quickly!