

# MAINE STATE LEGISLATURE

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Small Enterprise Growth Fund

Periodic Report to the Governor  
and the  
Joint Standing Committee on Business,  
Research & Economic Development

Respectfully submitted  
by the  
Small Enterprise Growth Board

2007

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<sup>1</sup> SEGF FY07 audited financials will be forwarded, upon receipt from our auditing firm, as a separate package.



**To:** The Honorable John E. Baldacci, Governor  
Co-Chairs of the Business, Research and Economic Development Committee

**From:** Small Enterprise Growth Board

**Date:** December 2007

**Re:** Small Enterprise Growth Fund 2007 Periodic Report

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As the Chair and Vice Chair of the Small Enterprise Growth Board (“SEGB”), we are pleased to submit the SEGB’s **Periodic Report** to you on the status and successes of the Small Enterprise Growth Fund (“SEGF” or “Fund”).

In Fiscal Year 2007, from July 1, 2006 to June 30, 2007, the SEGB has received applications and heard presentations from eight Maine companies. During this time, the SEGB has participated in investment activities with 5 companies, totaling \$794,658, including:

- Two investments in promising new companies, totaling \$350,000
- One conversion from debt to equity, in the amount of \$26,658 in an existing portfolio company
- Four follow-on investments to existing portfolio companies, totaling \$418,000

In the balance of 2007 from July 1, 2007-December 1, 2007, the SEGF invested \$1,149,993 in 6 new companies and \$159,746 in 2 existing portfolio companies.

Two companies stand out in this group – Foneshow LLC and Looks Gourmet Food Company. These companies are as different as they can be, but represent the promise that our economic development efforts are fulfilling. Foneshow is a company based on technological innovation that combines the power of the internet with the vast content distribution potential of the wireless infrastructure. This company could have started anywhere but one of the founders had moved to Bath after several years in Silicon Valley. He wanted to build his company in Maine. Looks Gourmet is what might be considered an “old school” Maine company. It manufactures and sells high-end, prepared seafood from its facilities in Washington County. This company is applying new technology (or something new) to a traditional Maine industry like seafood.

The Fund has invested \$9.7million in 35 Maine companies *with the potential for high growth and public benefit*. These financings have been an integral part of total investments of over \$148 million of private equity investment in Maine companies, investment capital that has enhanced the State’s economy and helped to create and foster an environment for the private equity market. Additionally, we have and will continue to nurture many early-stage firms in an effort to prepare them for successful applications at a later date.

SMALL ENTERPRISE GROWTH FUND

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The mission of the SEGF is “to provide resources to attract, support and develop eligible small businesses that will contribute to the prosperity of Maine”. The SEGF seeks to accomplish its mission in partnership with other public and private entities engaged in the entrepreneurial marketplace in Maine, including the Finance Authority of Maine (“FAME”), the Maine Technology Institute (“MTI”), the Small Business Development Centers (“SBDC”), Maine’s Department of Economic and Community Development (“DECD”) and the Technology Centers, privately managed venture capital funds, individual investors, entrepreneurs and small business owners throughout the State.

We are proud of what the SEGF has accomplished to date. We have developed a process that is flexible and provides entrepreneurs with prompt decisions and support.

There have been many reports that lack of capital is no longer the variable that retards entrepreneurial growth in Maine, and in general we would agree with that conclusion. Since the creation of the SEGF in 1996, many government and private sector initiatives have increased the availability of investment capital for Maine companies: Coastal Enterprises (CEI) now has two for-profit venture subsidiaries that operate in Maine (though they seek investments throughout New England, and are both currently fully invested); MTI, created in 1999, now pumps roughly \$5 million per year into Maine’s entrepreneurial community through their grant programs, offers follow-on venture investments to a select number of companies through their Advanced Commercialization Fund, and is now preparing to take applications for very large awards through a competitive process for the \$50 million Innovation program recently approved by voters; the Maine Seed Capital Tax Credit Program, administered by the FAME, provides an enticing incentive for Maine-based investors to invest in Maine-based companies; the Venture Capital Revolving Investment Program (VRIP), also administered by FAME, seeks to encourage privately managed venture capital funds to strongly consider investing in Maine companies; and the newly reinvigorated Maine Angels, a collaborative initiative of “accredited” individual investors is actively placing private capital in Maine companies. There are, however, still significant gaps, and the original premise for the creation of the Fund still holds true – private equity capital for Maine companies is still very difficult to source. This is because privately managed venture funds typically seek to place \$1 million or more per investment, typically much more than most Maine-based companies are looking to raise, and the number of those venture funds focused on Maine is still quite small. In addition to smaller investment thresholds, the Fund offers guidance and entrepreneurial education to companies with which it deals.

Maine continues to need to develop its entrepreneurial infrastructure. The Office of Innovation’s (“OI”) Science and Technology Plan has sound prescriptions for increasing technology-based entrepreneurial activity and technology commercialization in Maine. Several of the State-sponsored Technology Centers provide incubation facilities and support for early stage companies, even in the face of ongoing challenges to the Center’s own financial viability. The Maine Patent Program has been a valuable resource for individuals and company’s with Intellectual Property questions and concerns, and is worthy of the State’s continued support. The Small Business Technology Development Counselor Program, part of the State SBDC, is now too small to make a large impact and deserves additional attention. There are a large number of individuals in Maine that have business experience and qualify as accredited investors under SEC regulations; these individuals need to be continually courted as potential investors in Maine-based companies. In September, the Fund collaborated with Eastern Maine Development Corporation to bring the Kauffman Foundation’s “The Power of Angel Investing” to Maine resulting in a very successful event providing investment education to twenty-five participants.

In order to better serve Maine entrepreneurs, the Fund seeks to expand its services and improve efficiency. In addition to holding the “Power of Angel Investing” seminar mentioned above, the Fund redesigned its logo and website. The new look tells the world that the Fund is a professional yet approachable

The Honorable John E. Baldacci, Governor  
Members of the 123<sup>rd</sup> Maine Legislature

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State of Maine-sponsored venture investor. The new website carries this same message and includes a "Resources" section that links Maine entrepreneurs with educational materials and an expansive listing of additional organizations. Another initiative in FY'08 will be a CEO networking dinner for portfolio companies to increase coordination and information sharing between business people in the State. In another effort to better fulfill the Fund's mission this coming year, the Fund will expand its "technical assistance" services to portfolio companies, and continue to assist those companies that are not a good fit for the Fund to find capital and support elsewhere.

The Board of the Fund is a highly-qualified and experienced body, with exceptional and relevant expertise, whose members are a dedicated group. They devote a tremendous amount of volunteer time from their very busy schedules to make this Fund successful.

We look forward to maintaining a strong partnership with the Administration and the Legislature to ensure that the SEGF continues its important role in the enhancement of Maine's economic development.

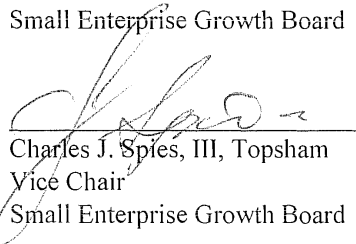
We invite you to contact any of us at any time and encourage you to visit our web site at [www.segfmaine.com](http://www.segfmaine.com).

The SEGB thanks you for your support.

Sincerely,



Diane Sammer, Harpswell  
Chair  
Small Enterprise Growth Board



Charles J. Spies, III, Topsham  
Vice Chair  
Small Enterprise Growth Board

cc:

Small Enterprise Growth Board  
John F. Burns, CFA, Fund Manager, SEGF  
Catherine S. Renault, Director, Office of Innovation  
John Richardson, Commissioner, DECD  
Elizabeth Bordowitz, Acting Chief Executive Officer, FAME  
William Norbert, Governmental Affairs Manager, FAME  
Patrick Ende, Senior Policy Advisor, Governor's Office



## II. Summary of SEGF Investments

### SEGF Investment Activities Fiscal Year 2007: 7/01/06-6/30/2007

| <b>Date of Investment</b>                  | <b>Company Name</b>                     | <b>Location</b> | <b>Security</b>          | <b>Investment</b>  | <b># of Employees</b> | <b>Type</b>                       |
|--|---|-----------------|--------------------------|--------------------|-----------------------|-----------------------------------|
| 8/31/06                                    | Anodyne Health Partners, Inc.           | Portland, ME    | Subordinated Note        | \$250,000          | 80                    | First Investment                  |
| 11/7/06                                    | Bistro Fresh, LLC                       | Eliot, ME       | Class A Preferred Units  | \$53,000           | 3                     | Follow-on Investment              |
| 1/18/07                                    | Speranza Systems, Inc                   | Portland, ME    | Series A Preferred Stock | \$100,000          | 7                     | First Investment                  |
| 3/21/07                                    | RedZone Wireless, Inc.                  | Rockland, ME    | Series A Preferred Stock | \$200,000          | 6                     | Follow-on Investment              |
| 4/5/07                                     | Stillwater Scientific Instruments, Inc. | Orono, ME       | Series A Preferred Stock | \$151,658          | 7                     | Conversion & Follow-on Investment |
| 6/12/07                                    | Bistro Fresh, LLC                       | Eliot, ME       | Convertible Note         | \$40,000           | 3                     | Follow-on Investment              |
| <b>FY 2007 Total Investments</b>           |   |                 |                          | <b>\$794,658</b>   |                       |                                   |
| <b><i>Subsequent 2007 Investments:</i></b> |   |                 |                          |                    |                       |                                   |
| 7/23/07                                    | Good Clean Food, LLC                    | Portland, ME    | Class A Preferred Units  | \$200,000          | 6                     | First Investment                  |
| 8/24/07                                    | Dirigo Telecommunications,              | Portland, ME    | Convertible Note         | \$50,000           | 8                     | First Investment                  |
| 8/24/07                                    | Looks Gourmet Food Company, Inc.        | Whiting, ME     | Series A Preferred Stock | \$300,000          | 19                    | First Investment                  |
| 8/30/07                                    | Fone Show, LLC                          | Portland, ME    | Series A Preferred Stock | \$250,000          | 5                     | First Investment                  |
| 9/5/07                                     | Speranza Systems, Inc                   | Portland, ME    | Series A Preferred Stock | \$59,746           | 7                     | Follow-on Investment              |
| 10/4/07                                    | Anodyne Health Partners, Inc.           | Portland, ME    | Subordinated Note        | \$100,000          | 80                    | Follow-on Investment              |
| 10/12/07                                   | Cross Rate, LLC                         | Standish, ME    | Convertible Note         | \$100,000          | 4                     | First Investment                  |
| 10/31/07                                   | Pet Health Network                      | Yarmouth, ME    | Series A Preferred Stock | \$249,993          | 5                     | First Investment                  |
| <b>Balance of 2007 Total Investments</b>   |   |                 |                          | <b>\$1,309,739</b> |                       |                                   |

### III. Portfolio Company Summaries



#### **Anodyne Health Partners, Inc**

**Website:** [www.anodynehealth.com](http://www.anodynehealth.com)

**Location:** Falmouth, ME

**ME Employees:** 80

#### **Management Team**

Michael Funk, CEO

Brad Clark, Sr. VP Bus. Development

Brant Castellow, Sr. VP Sales & Mkt

Gil Kochman, CFO

#### **Other Major Co-Investors**

Brook Venture Partners

Frontier Capital

Brooke Private Equity Advisors

**Other State of Maine support:** None

#### **SEGF Investments**

August 2006: \$250,000

October 2007: \$100,000

**Total Invested: \$350,000**

**Total other capital raised:** \$7,008,560

#### **Company Overview**

Anodyne Health Partners, Inc is a leading provider of revenue cycle management solutions for healthcare providers. Anodyne provides business intelligence ("BI") software and outsourced billing services to large provider groups and hospital-based physician practices. Anodyne's BI product has uniquely positioned the company as a billing service provider with superior diagnostic capabilities. Anodyne's customers enthusiastically claim improved billing, accounts receivable and cash collection results



#### **BistroFresh, LLC**

**Website:** [www.bistrofresh.com](http://www.bistrofresh.com)

**Location:** Camden, ME

**ME Employees:** 3

#### **Management Team**

Steve Young, CEO

Glenn Flanders, CFO

#### **Other Major Co-Investors**

Inland Seafood, Inc.

Individual Investors

**Other State of Maine support:** None

#### **SEGF Investments**

May 2005: \$250,000

March 2006: \$102,222

November 2006: \$53,000

June 2007: \$40,000

**Total Cost: \$445,222**

**Total other capital raised:** \$1,272,054

#### **Company Overview**

Bistro Fresh, LLC specializes in the development, manufacturing and distribution of high quality home meal replacement products. The company's initial line of products utilizes a patented steam cooking technology to produce a line of entrees featuring fresh uncooked ingredients that can be microwaved in less than four minutes. The product took first place in the retail division of the 2006 International Boston Seafood Show new products competition.



### III. Portfolio Company Summaries



#### **Blue Tarp Financial, Inc**

**Website:** [www.bluetarp.com](http://www.bluetarp.com)

**Location:** Portland, ME

**ME Employees:** 12

#### **Management Team**

Bond Isaacson, CEO

Lou Collins, CFO

Cheryl Phillips-Day, CTO

#### **Other Major Co-Investors**

Coastal Ventures

Highland Capital Partners

IDG Ventures

Little Diamond Island Enterprises

Spicewood Investment Partners

Trinity Ventures

Village Ventures Partners Fund

**Other State of Maine support:** Maine Seed Capital Tax Credit Program (“MSCTC”)

#### **SEGF Investments**

May 2003: \$350,000

2004 (various dates): \$142,012

February 2006: \$10,000

**Total Cost: \$502,012**

**Total other capital raised:** \$32,250,000

#### **Company Overview**

BlueTarp Financial, Inc. provides commercial trade credit services to more than 400 building material dealers and 10,000 contractors across the United States. BlueTarp dealers benefit from increased cash flow, reduced back office work, and a healthier bottom line. BlueTarp contractors enjoy a rewards program that allows them to earn points with every purchase and view detailed purchases data via online reporting. This value proposition is unique in the building material and supply industry.



#### **Chemogen, Inc**

**Website:** [www.chemogen.com](http://www.chemogen.com)

**Location:** South Portland, ME

**ME Employees:** 7

#### **Management Team**

John O'Sullivan, President

Vladimir Koulchin, Ph.D., Founder & Scientific Advisor

#### **Other Major Co-Investors**

Masthead Venture Partners

Coastal Ventures

Flory Investments

**Other State of Maine support:** Maine Technology Institute (“MTI”) Development Awards (“DA”); MSCTC.

#### **SEGF Investments**

December 2001: \$250,000

April 2004: \$144,932

May 2006: \$55,000

**Total Cost: \$449,932**

**Total other capital raised:** \$6,700,000

#### **Company Overview**

Chemogen, Inc. is an emerging biotechnology company focused on the development and commercialization of a novel and proprietary platform technology for the rapid diagnosis of infectious diseases. The initial application of this technology is in the area of tuberculosis (“TB”), the world’s deadliest infectious disease. Chemogen has an agreement with Inverness Medical Innovations (Amex: IMA) for the worldwide manufacture and distribution of tests for the rapid detection of Mycobacterium, the primary causative agent of tuberculosis.





### III. Portfolio Company Summaries

## Coast of Maine

#### **Coast of Maine, Inc**

**Website:** www.coastofmaine.com

**Location:** Portland, ME and Marion Township, ME

**ME Employees:** 14

#### **Management Team**

Carlos Quijano, President  
Peter Bottomley, VP Sales

#### **Other Major Co-Investors**

Coastal Ventures

**Other State of Maine support:** None

#### **SEGF Investments**

February 2000: \$85,000

**Total other capital raised:** \$385,000

#### **Company Overview**

Coast of Maine, Inc. has been making the finest compost-based specialty soils since 1996. These include an exceptional potting soil, soil amendments and conditioners as well as very old bark mulches. All products are certified for use in growing organic crops by M.O.F.G.A. and are available at fine garden centers and specialty stores across the Northeast.



#### **Common Census, Inc**

**Website:** www.commoncensus.com

**Location:** Westbrook, ME

**ME Employees:** 12

#### **Management Team**

Daniel Freund, President

#### **Other Major Co-Investors**

Individual Investors

**Other State of Maine support:** MSCTC

#### **SEGF Investments**

December 1999: \$175,000

February 2000: \$100,000

April 2000: \$225,000

**Total Cost: \$500,000**

**Total other capital raised:** \$1,903,050

#### **Company Overview**

Common Census, Inc. creates and markets technology to enroll and manage employee benefits. Customers include: insurance carriers, producers, enrollment companies, human resources departments and the employees they represent.



### III. Portfolio Company Summaries



**Crossrate Technology, LLC**

**Website:** www.crossrate.com

**Location:** Standish, ME

**ME Employees:** 4

**Management Team**

Zach Conover, President and CEO

Michael Leathem, VP of Engineering

**Other Major Co-Investors**

Little Diamond Island Enterprises

Maine Technology Institute – Accelerated Commercialization Fund (“ACF”)

**Other State of Maine support:** Maine Center for Enterprise Development (“MCED”) tenant, MTI seed grants, MTI DA, MSCTC

**SEGF Investments**

October 2007: \$100,000

**Total other capital raised:** \$363,785

**Company Overview**

Crossrate Technology, LLC is a development stage company producing a receiver capable of integrating Loran-C, eLoran (enhanced Loran) and GPS signals. Potential markets include maritime, emergency response, and military.



**Dirigo Telecommunications, Inc**

**Website:** www.dirigotelecom.com

**Location:** Portland, ME

**ME Employees:** 8

**Management Team**

James W. Hunt, President and CEO

Robert Vitalius, VP of Business

Development

**Other Major Co-Investors**

Federal Street Co-Investment LP

**Other State of Maine support:** MTI DA, MSCTC eligible

**SEGF Investments**

August 2007: \$50,000

**Total other capital raised:** \$300,000

**Company Overview**

Dirigo Telecommunications, Inc is a provider of world-class business communications solutions for small- to medium-sized businesses. The company’s Dirigo iQueue™ product has been selected as 2006 “Product of the Year” from Customer Interaction Solutions and Internet Telephony. iQueue is the only full-featured IP-PBX/ACD to be honored by both publications



### III. Portfolio Company Summaries

## Foneshow

#### **Foneshow, Inc**

**Website:** www.foneshow.com

**Location:** Portland, ME

**ME Employees:** 5

#### **Management Team**

Erik Schwartz, CEO

Nic Wolfe, Software Engineer

#### **Other Major Co-Investors**

CEI Community Ventures

Masthead Venture Partners

Spinnaker Trust

**Other State of Maine support:** None

#### **SEGF Investments**

August 2007: \$250,000

**Total other capital raised:** \$800,000

#### **Company Overview**

Foneshow, Inc. has developed a telephony-based distribution platform for audio content, for example news/talk radio and podcast programming. The platform leverages the cellular telephone network and enables users to subscribe to, access, publish, share and consume short form audio programming immediately, from virtually any cell phone. The system features the rapid propagation of programming from the creator to the consumer.



#### **Good Clean Food, LLC**

**Website:** www.goodcleanfood.com

**Location:** Portland, ME

**ME Employees:** 6

#### **Management Team**

Kurt Shisler, CEO

Rachel Ambrose, VP Marketing

Carol Pickering, Sales

Stuart Littlefield, Exec Chef & Director of Product Development

#### **Other Major Co-Investors**

Little Diamond Island Enterprises

Cash Cow, LLC

Friday Harbor Angels, LLC

**Other State of Maine support:** MSCTC

#### **SEGF Investments**

July 2007: \$200,000

**Total other capital raised:** \$737,300

#### **Company Overview**

Good Clean Food, LLC is a specialty food company that helps busy people make delicious home cooked meals quickly. They currently produce fabulous simmer sauces for seafood and chicken. The authentic regional recipes are overflowing with fresh, premium ingredients, chopped by hand and cooked slowly in small batches. The fresh flavors and foolproof format provide all the tools needed to prepare seafood and chicken brilliantly and easily.



### III. Portfolio Company Summaries



#### **Interspec, LLC**

**Website:** www.e-specs.com

**Location:** Portland, ME

**ME Employees:** 11

#### **Management Team**

Michael Brennan, President

Gil Letourneau, CTO & Co-founder

#### **Other Major Co-Investors**

Individual investors

**Other State of Maine support:** MTI DA, MSCTC

#### **SEGF Investments**

June 2001: \$150,000

January 2003: \$50,000

January 2004: \$3.33

**Total Cost: \$250,003.33**

**Total other capital raised:** \$1,400,000

#### **Company Overview**

InterSpec, LLC provides construction document management solutions and services built on its patented e-SPECS® specification management technology. e-SPECS software automates the specification process by extracting the product and material requirements directly from the project drawings. For architects and engineers who spend many hours on every project preparing construction specifications, e-SPECS software saves time and money while ensuring that the construction drawings are coordinated with the specifications.



#### **Looks Gourmet Food Company, Inc**

**Website:** www.barharborfoods.com

**Location:** Whiting, ME

**ME Employees:** 19

#### **Management Team**

Mike Cote, President & CEO

Cynthia Fisher, VP Marketing & QA

Richard Davis, Plant Manager

Derrick Fitzsimmons, Production Manager

#### **Other Major Co-Investors**

CEI Community Ventures

Coastal Ventures

Sea Change Investment Fund

**Other State of Maine support:** None

#### **SEGF Investments**

August 2007: \$300,000

**Total other capital raised:** \$1,618,000

#### **Company Overview**

Looks Gourmet Food Company, Inc. is a maker of premium seafood products. The company's seafood and other fine foods are made in small batches and packed and canned mostly by hand, just like people on the coast of Maine have been doing for generations.



### III. Portfolio Company Summaries



**Pantheon Guitars, LLC**  
**Website:** www.pantheonguitars.com  
**Location:** Lewiston, ME  
**ME Employees:** 13

**Management Team:**  
 Roger Brooks, Interim Manager  
 Dana Bourgeois, Founder & Production  
 Bonni Lloyd, VP Sales

**Other Major Co-Investors**  
 Individual Investors

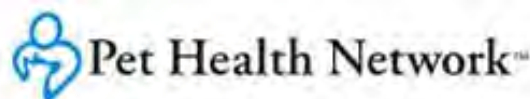
**Other State of Maine support:** None

**SEGF Investments**  
 May 2001: \$208,000  
 January 2002: \$30,000  
 August 2002: \$150,000  
**Total Cost: \$388,000**

**Total other capital raised:** \$776,000

#### **Company Overview**

Pantheon Guitars, LLC is one of the best "small shop" acoustic guitar builders in the world. Pantheon Guitars are designed by Dana Bourgeois, a well-known master luthier. All Pantheon guitars are handcrafted in Maine and carry the Bourgeois headstock signature which guarantees a level of quality that players and enthusiasts alike come to expect in fine steel string acoustic instruments.



**Pet Health Network**  
**Website:** www.pethealthnetwork.com  
**Location:** Yarmouth, ME  
**ME Employees:** 5

#### **Management Team**

Todd Paige, CEO  
 Mary Gale, COO  
 John Berry, CFO

**Other Major Co-Investors:**  
 Individual Investors

**Other State of Maine support:** MTI DA, MSCTC

**SEGF Investments**  
 October 2007: \$249,993

**Total other capital raised:** \$2,270,000

#### **Company Overview**

Pet Health Network is an innovative educational system helping pet owners see, hear, understand and comply with their veterinarian's medical advice to maintain the best health possible for their animals. Veterinarians and staff use PHN's wall-mounted touch screens in exam rooms to explain pet disease and wellness issues via 3-D medical models, instructional home care videos, parasite life cycles, and tips for lifelong health; all during patient visits. A companion PHN Web site, linked to individual practices, extends client service with electronic pet history forms and e-mail links to additional in-depth information.



### III. Portfolio Company Summaries

#### **Phylogix, Inc.**

**Website:** www.phylogix.com

**Location:** Scarborough, ME

**ME Employees:** 3

#### **Management Team**

Richard Hoffman, Exec Dir.

#### **Other Major Co-Investors:**

Atlas Ventures

Biotechnology Value Fund

Canaan Partners

Prospect Venture Partners

Radius Venture Partners

**Other State of Maine support:** MTI DA

#### **SEGF Investments**

October 2001: \$150,000

December 2003: \$250,000

**Total Cost: \$400,000**

**Total other capital raised:** \$14,550,000

#### **Company Overview**

Phylogix, Inc. is an early-stage biotechnology company with Intellectual Property (IP) around an innovative class of lectin-based drugs focused on tissue protection and oncology. The Company's lead drug candidate, called FRIL, addresses a critical unmet need to protect cancer patients from the toxic side-effects of chemotherapy. FRIL may have additional therapeutic applications in oncology and immunology as well. In November of 2005, Phylogix sold all of its assets, including its rights to FRIL and accompanying IP, to Morningside Venture Investments Limited, in exchange for royalty payments on future products commercialized from Phylogix' IP.

## redZone

#### **Redzone Wireless, Inc.**

**Website:** www.redzonewireless.com

**Location:** Rockland, ME

**ME Employees:** 6

#### **Management Team**

Jim McKenna, CEO

#### **Other Major Co-Investors**

Coastal Ventures

Individual Investors

**Other State of Maine support:** ConnectME grant.

#### **SEGF Investments**

November 2005: \$200,000

March 2007: \$200,000

**Total Cost: \$400,000**

**Total other capital raised:** \$662,500

#### **Company Overview**

RedZone Wireless, Inc. provides affordable high-speed Internet service to communities in Maine. The company's vision is to provide affordable high-speed Internet service in underserved areas of Maine, and New England. The redZone network consists of a combination of proprietary wireless mesh, and standards based 802.11 Wifi technology.



### III. Portfolio Company Summaries



**SeptiTech, Inc.**

**Website:** www.septitech.com

**Location:** Lewiston, ME

**ME Employees:** 12

**Management Team:**

Peter Ciancette, CEO

Terry Veysey, VP Finance & Operations

Don Rousseau, VP Distr. & Comm. Sales

Ted Fellman, Business Dev & Distribution

Scott Samuelson, Director of Marketing

**Other Major Co-Investors**

CHK Capital Partners

Individual Investors

**Other State of Maine support:** MSCTC

**SEGF Investments**

December 2001: \$ 250,000

**Total other capital raised:** \$550,000

**Company Overview**

SeptiTech, Inc. manufactures high-tech advanced wastewater treatment systems for both residential & commercial applications.



**Speranza Systems, Inc.**

**Website:** www.speranzasystems.com

**Location:** Portland, ME

**ME Employees:** 7

**Management Team**

Glen Solimine, CEO

Blaise Scioli, VP of Product Management

Matt Moore, Senior Sales Exec.

Gordon Stahly, Sales Engineer

Robert Henchey, Administrative Officer

**Other Major Co-Investors**

Little Diamond Island Enterprises

CEI Community Ventures

**Other State of Maine support:** MSCTC

**SEGF Investments**

January 2007: \$100,000

September 2007: \$59,746

**Total Cost: \$159,746**

**Total capital raised:** \$1,845,576

**Company Overview**

Speranza Systems, Inc. is the leading provider of treasury and bank relationship management software. Serving mid-sized and large corporations, Speranza's web-based products and services are deployed globally, providing clients with a flexible, centralized structure for managing all aspects of banking relationships. Founded in 2005, Speranza has a management team with extensive experience in the dynamic interface between corporate treasury and technology needs.



### III. Portfolio Company Summaries



**Stillwater Scientific Instruments, Inc.**  
**Website:** www.stillwaterscientific.com  
**Location:** Orono, ME  
**ME Employees:** 7

**Management Team:**

David Ferris, Executive Chairman  
 Steve Lammert, Director of Engineering  
 Brian Frederick, Founder & CTO  
 Robert Jackson

**Other Major Co-Investors**

Coastal Ventures  
 Flory Investments  
 Launch Momentum  
 Maine Technology Institute - ACF

**Other State of Maine support:** Target Tech  
 Center tenant, MTI DA, MSCTC

**SEGF Investments**

August 2005: \$200,000  
 April 2007: \$26,658  
 April 2007: \$125,000  
**Total Cost: \$351,658**

**Total other capital raised:** \$2,142,736

**Company Overview**

Stillwater Scientific Instruments, Inc. is a Maine-based life sciences technology company dedicated to developing the most advanced spectrometry solutions for analytical and scientific applications. Stillwater's technology enables the development of instruments and systems, such as a Mass Spectrometer, to perform measurements faster, more efficiently, with a larger dynamic range, higher sensitivity, higher mass range, and better mass accuracy.



**Warrior (Aero-Marine), Inc.**  
**Website:** www.centaurseaplane.com  
**Location:** Scarborough, ME  
**ME Employees:** 2

**Management Team:**

James Labouchere, President  
 David Verrill, GM & VP

**Other Major Co-Investors**

**Other State of Maine support:** CDBG –  
 Sanford

**SEGF Investments**

April 2003: \$ 300,000

**Total other capital raised:** \$300,000

**Company Overview**

Warrior (Aero-Marine), Inc. is an engineering firm specializing in the development of aircraft. The company's Centaur aircraft is a 6 or 7 seat composite amphibious flying boat. The wings can be actuated to fold while on the water to enable access to marina docks and yacht berths. The configuration suits turboprop and piston engines.





## IV. BOARD OF DIRECTORS

### **Diane E. Sammer, Board Chair**

Ms. Sammer is the CEO of Emergent Music, LLC, a software startup bringing personalized music recommendations to subscribers. She was formerly President, CEO and co-founder of Systems/Link Corporation, a leading provider of software and network services to the telecommunications industry with a focus on data management and fraud limitation for wireless carriers. Systems/Link was acquired in 2000 after over fifteen years of successful operation.

### **Charles J. Spies III, Board Vice Chair**

Mr. Spies is the Managing Director of CEI Capital Management, LLC (CCML). CCML uses Federal New Markets Tax Credits to leverage investments that are targeted to private sector businesses within low-income communities. Prior to joining CCML in 2006, he served as the Chief Operating Officer for the Gulf of Maine Ocean Observing System, CEO of the National Association of Seed and Venture Funds, and CEO of the Finance Authority of Maine (FAME). While at FAME he helped launch the Small Enterprise Growth Fund and served as fund manager during its first three years of operations.

### **Mark E. Butterfield, Board Treasurer**

Mr. Butterfield is a former Vice President of Commercial Lending at Bangor Savings Bank (Greater Portland region) where he managed a loan portfolio comprised of fifty customer relationships aggregating over \$75 million in loan commitments. He spent the preceding 21 years providing financial assistance to Maine small and large businesses as the Finance Authority of Maine's Senior Commercial Loan Officer managing a \$140 million loan guarantee portfolio, a Commercial Sales Manager and Lender with Fleet Bank of Maine, Portland, and a Commercial Lender at State Street Bank, Boston.

### **Gregory S. Fryer**

Mr. Fryer is a partner in the law firm, Verrill Dana LLP. Mr. Fryer's specialty is corporate and securities law and venture capital. He joined Verrill Dana in 1986, after having practiced in New York and Atlanta.

### **Karin A. Gregory**

Ms. Gregory is a partner in the law firm, Furman Gregory LLC. Ms. Gregory's career spans over twenty-five years in the healthcare field, as a researcher, healthcare administrator, lawyer and venture capitalist. She manages a growing and successful business law practice focused on start-up technology companies. Formerly, she was a venture capitalist with Dover Medical Ventures and the Massachusetts Technology Development Corporation in Boston. She is a member of two angel investment groups, and serves on the board of CEI Ventures. She is a frequent speaker on venture capital and start up business issues throughout New England.

### **Mark D. Kaplan, CFA**

Mr. Kaplan is a partner at CEI Ventures Inc. and served prior as the founding Chair of its Board of Directors. Mr. Kaplan has spent more than twenty years in the investment field including Managing Director of Forum Financial Group, a mutual fund company, and H.M. Payson & Co., an investment advisory and trust services firm. Mr. Kaplan holds the Charter Financial Analyst (CFA) designation and earned a M.B.A. from Boston University, and a B.A. in Political Science from the University of Michigan. He has participated in NVCA-NASBIC Venture Capital Institute Certificate and Graduate Programs. Mr. Kaplan serves on the Boards of Directors of Chemogen, Home Bistro, Juno Rising, and Stillwater Scientific Instruments. He previously served as a Board Member of Recruiternet, which was acquired by First Advantage Corporation in 2005. In addition, he serves on the



investment committees of the Maine Health Access Foundation and the United Way Foundation of Greater Portland, and is past president of the Jewish Community Alliance of Southern Maine.

#### **Thomas C. LeVine**

Mr. LeVine has more than thirty years of experience organizing, funding, managing, advising, growing and investing in new technology-related ventures. He is the CEO/President of Pop!Tech, a one-of-a-kind conference, a community of remarkable people, and an ongoing conversation about science, technology and the future of ideas. Mr. Levine is co-founder and partner of Calisto, Ltd., a consulting service providing assistance in organizing, funding and helping to accelerate the growth of private and early stage companies.

#### **Charles G. “Kip” Moore**

Mr. Moore created Little Diamond Island Enterprises in Portland in 1993 to make early-stage investments in technology companies, with a focus in the areas of software, computer services and data communications. A majority of Mr. Moore’s recent investments have been in early-stage Maine companies. Prior to moving to Portland, Mr. Moore was a General Partner of Welsh, Carson, Anderson & Stowe, a New York-based venture capital firm that has been making investments in information processing and health care companies, from 1981 through 1994.

#### **Catherine S. Renault**

Dr. Renault is the Director of the Office of Innovation for the Maine Department of Economic and Community Development. Dr. Renault serves on the Small Enterprise Growth Board as the designee of the Commissioner. Her recent background includes serving as Program Manager for Technology-based Economic Development at RTI International in Durham, NC and Managing Director for Virginia’s Center for Innovative Technology.

#### **Claude Sheer**

Mr. Sheer is Managing Director of Oyster International. His corporate assignments have been concerned with the management of growth, in particular the creation and execution of new growth platforms and have focused on mobilizing new technologies, acquisition of capabilities and building management teams. Mr. Sheer served as President and member of the Board of Directors of the international media and marketing company, Ziff Davis. Currently a venture advisor to Zero Stage Capital, Mr. Sheer is also a founding principal in Barn Ventures, LLC, which invests in and accelerates early stage companies. He serves on the Boards of Lionbridge Technologies Inc (LIOX), Envoy WorldWide, Livewave.com and is a Trustee of the New Hampton School.

#### **Stephen S. Smith**

Mr. Smith is a general partner at Masthead Venture Partners. He has twenty-five years of investment experience and successful track records in both the public equity and private venture capital sectors. Prior to joining Masthead, Mr. Smith spent sixteen years as a top-ranked Wall Street analyst following technology stocks for PaineWebber, Inc. Mr. Smith is also an active member of CommonAngels, a Boston-based group of active angel investors who are mostly founders of successful New England high technology companies.



## V. FUND MANAGEMENT

### **John Burns, CFA, Fund Manager**

Mr. Burns has over twenty-three years of experience in institutional investing. Prior to joining SEGF as the Fund Manager in 2000, he served as Second Vice President and Portfolio Manager for UNUM Corporation, where he managed domestic and international portfolios. With the SEGF, he has played a role in bringing capital to more than 20 Maine companies to date, and has steered the SEGF through a number of returns of capital to the Fund.

Mr. Burns holds the Chartered Financial Analyst designation, and has held the Series 7 NASD license. He holds an MBA, with high distinction, from Babson College, and a MS degree in Resource Economics from Penn State University. Mr. Burns completed his undergraduate work at the University of Maine.

Mr. Burns serves on the following Boards of Directors:

- \* Maine Innovation Economy Advisory Board
- \* Maine Investment Exchange (MIX)
- \* Technology Center Coordinating Board (Maine DECD)
- \* CEI Community Ventures, Inc.
- \* ConnectME Advisory Board
- \* Falmouth Memorial Library, Advisory Trustee

### **Terri Wark, Fund Administrative Associate**

Prior to joining the SEGF in 1995, Terri Wark worked for over 10 years as an experienced Commercial Loan Assistant with the Finance Authority of Maine (FAME).

Ms. Wark attended the University of Maine.

### **Jayne Okma Lee, Fund Associate**

Ms. Okma Lee joined the SEGF in 2005 as a Fund Associate. Prior to joining the SEGF, she worked for General Motors as a marketing and financial analyst, and as a management consultant in the pharmaceutical industry. In 2004, she and her husband came to Maine where they established his veterinary hospital in Rockport. Since moving to Maine, Ms. Okma Lee has provided management consulting services to several Midcoast Maine businesses including Brace Management Group.

Ms. Okma Lee received an MBA from the University of Maine where she had the highest cumulative GPA in her class. She graduated Magna Cum Laude, with honors, from Bowdoin College with an A.B. in Economics and Mathematics.