

# WEST VIRGINIA JOBS INVESTMENT TRUST

JUNE 30, 2009



## INVESTMENT ANALYSES

**Kelley M. Goes, Chairman of the Board**  
**C. Andrew Zulauf, Executive Director**

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## Methodology of Current Evaluation of the Investment

Factors that may be considered in the evaluation of investments in equity and debt securities of startup companies and other securities for which market quotations are not readily available are:

- the amount that might reasonably be expected to be received upon current sale of the securities;
- the fundamental analytical data relating to the investment;
- the nature and duration of restrictions on disposition of the securities;
- an evaluation of the forces that influence the market in which these securities are purchased and sold;
- type of security;
- cost at date of purchase;
- size of holding;
- discount from market value of unrestricted securities of the same class at the time of purchase;
- financial statements;
- special reports prepared by analysts;
- information as to any transactions or offers with respect to the security;
- existence of merger proposals or tender offers affecting the securities;
- price and extent of public trading in similar securities of the issuer or comparable companies;
- the nature of the business and history of the enterprise from its inception;
- the general economic outlook and the condition of and outlook for the specific industry;
- an evaluation of the securities and economic condition of the portfolio company;
- the portfolio company's capacity for earnings;
- the portfolio company's market position;
- competition;
- the portfolio company's goodwill and other intangible values;
- recent sales of securities by the portfolio company;
- market prices of publicly traded securities of corporations of comparable size and earnings in the, or similar lines of, business;
- likelihood of exercise of conversion privileges of convertible securities;
- actual performance compared to expected performance; and
- other relevant matters.

The American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, *Audits of Investment Companies*, requires venture capital companies to record their investment portfolios at quoted market prices or, in the absence of quoted prices, at amounts representing estimates of fair value using methods determined in good faith by the board of directors or general partner.

Financial Accounting Standards Board (FASB) Statement No. 114, *Accounting by Creditors for Impairment of a Loan*, excludes all companies that record investments at fair value, in accordance with specialized practice, from the requirements to report loan loss contingencies. In any event, the FASB requires that loan loss provisions be

accrued only when it is *probable* that an asset has been impaired and that the amount of the loss be *reasonably* estimable.

The AICPA Investment Companies Special Committee states in its report, *Accounting for Venture Capital Investment Companies*, that "Startup companies generally do not have a record of earnings or operating information. Startup and other early-stage companies generally report losses in the early years, and portfolio companies seeking second-stage financing may not yet be showing profits. An operating loss reported by a portfolio company does not necessarily mean that the venture capital investment company should reduce the carrying amount of its investment. In determining value, the board of directors should also consider such factors as the cost of the investment, actual performance compared to expected performance, and earning potential."

The Investment Companies Special Committee believes that investments in startup companies should be presented at value. Value is usually assumed to be the same as cost during the early stages of such investments unless there is persuasive evidence of a quantifiable increase or decrease in the value of the investment based on consideration of such factors as those discussed above.

***AugustaSystems***

**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**AUGUSTA SYSTEMS, INC.**

**Investment Analysis Index**

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**Exhibit A Financial Statement Analysis**

**Exhibit B 2009 & 2010  
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Augusta Systems, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
Augusta Systems, Inc.**

**Exhibit D December 31, 2008 and 2007  
Year-End Reviewed Internal Financial Statements  
Augusta Systems, Inc.**

# Augusta Systems, Inc.

## I. Summary

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

**Location:** Morgantown, WV

**Total Employees:** FT/16; PT/6

**WV Employees:** FT/15; PT/4

### Management Team

Patrick Esposito, Ph.D., P.E., CEO

Patrick Esposito, II, J.D., COO

John E. Moody, Ph.D., V.P., Systems Eng.

Clint M. Harvey, V.P., Software Development

Michelle L. Varga, Dir. Client Services

James J. Dobbs, Dir., Corporate Relations

### JIT Investment

February 2003: \$50,000 convertible debenture used for software development and general working capital.

August 2003: Investment of a \$200,000 Convertible Debenture used for software development and working capital.

JIT Equity Ownership: 4.3%

Warrants/Warrant Coverage: N/A

### Co-Investors

PrairieGold Venture Partners: \$250,000 equity

WVHTCF/INNOVA: \$150,000 equity

Angel Investors: \$150,000 equity

Total Outside Investment: \$550,000

### Background

Augusta Systems, Inc., was founded in 2002 and headquartered in Morgantown, West Virginia. The initial goal of the Company was to provide enterprise emissions management products and services to aid clients in determining and implementing optimum greenhouse gas (GHG) emission management strategies. In time, they have emerged as a provider of sensor optimization enabling technologies for security, asset tracking, and monitoring purposes.

Augusta Systems, Inc. powers the intelligent convergence of devices, systems, and networks. Their products provide configurable technology platforms for building and managing complex monitoring, control, and automation solutions, including applications for safety and security, energy and utility management, asset tracking, building management, and other business functions.

### Board of Directors

Ph.D., P.E., Chairman

Chief Executive Officer, Augusta Systems

Pat is the founder, chairman and CEO. He holds more than 30 years of experience in engineering, research and management. In addition to his corporate leadership, he has served on numerous national and international technology policy panels, on issues ranging from environmental monitoring to homeland security.

Patrick Esposito II, J.D., President

Chief Operating Officer, Augusta Systems

Patrick is the co-founder, president and COO. He has led corporate operations, including product conceptualization and business development efforts, since the company's founding in 2002. Previously, he served as a legal counsel to West Virginia's governor, as a business attorney and as a software sales consultant at a global consultancy.

Gina Dubbe, Member

Managing Partner, Walker Ventures

With more than 15 years of cross-functional expertise, Gina is responsible for the qualification and selection of investment portfolio companies for Walker Ventures. She provides portfolio companies with management insight on strategic corporate and technology direction.

Paul Batcheller, Member

Partner, PrairieGold Venture Partners

Paul is a partner at PrairieGold Venture Partners, where he oversees all aspects of the firm's investment activities, from sourcing, structuring and negotiating investments to serving as a board member for portfolio companies.

Scott Gannon, Member

Investment Analyst, West Virginia Jobs Investment Trust

Scott is an investment analyst with the West Virginia Jobs Investment Trust, a public seed investment fund. Scott has an engineering background and extensive experience in due diligence, industry analysis and product/technology market research

## Events

August 2003: The JIT Board approved a change of the previously approved \$200,000 preferred stock investment to a convertible debenture carrying the same terms and conditions as the \$50,000 debenture set forth in the January 15, 2003 Term Sheet, and the additional capital required for release of the \$200,000 in funding was reduced from \$1,800,000 to a minimum of \$150,000. The Company then closed a \$350,000 round with \$150,000 participation from the West Virginia High Technology Consortium Foundation.

November 2005 - JIT converted the \$250,000 Note plus all accrued interest to shares of Series B preferred stock. Including other note holders, the total series B preferred stock purchase was \$780,273. After the series B financing round, the JIT ownership in Augusta Systems is just under 4% of the total outstanding shares

March 2007 - PrairieGold Venture Partners, a South Dakota based venture fund, invested \$250,000 in Series B preferred stock. This investment is on the same terms as the JIT Series B investment. PraireGold invests in early stage life science, information technology and greentech companies.

June 2009, The U.S. Naval Air Systems Command (NAVAIR) has awarded a \$1.3 million contract to Augusta Systems, Inc., provider of technologies that power the intelligent convergence of devices, systems and networks, to test and enhance a distributed, intelligent network capable of managing single and multiple "swarms" of unmanned air, ground and sea vehicles, unattended ground sensors, video cameras, and other devices. Powered by Augusta Systems EdgeFrontier products, the intelligent network enables the vehicles and devices to act on their own, in an autonomous manner, based upon data sent from their own swarm or other swarms.

## Financials

Annual: **Internal- reviewed**

Interim: **Quarterly – unaudited**

Exhibit A, attached, lists key elements from the March 31, 2009 interim internal quarterly financials and the December 31, 2008, 2007 & 2006 reviewed year-end, 2005 & 2004 compiled year end, and 2003 internal year end financial statements for Augusta Systems, Inc.

## II. Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Augusta Systems, Inc. at value, which is currently presumed to be the same as cost or \$295,983.





**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**DATACASTER, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Analysis**

**Exhibit B March 31, 2009  
Interim Internal Financial Statements  
Datacaster, Inc.**

**Exhibit C December 31, 2008  
Year-End Internal P&L Statement  
Datacaster, Inc.**

# Datacaster, Inc.

## I. Summary

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

**Location:** Martinsburg, WV

**Total Employees:** FT/0; PT/0

**WV Employees:** FT/0; PT/0

### Management Team

David Levine, CEO

### JIT Investment

November 2007: \$250,000 in a Convertible Debenture

JIT Equity Ownership: 0%

Warrants/Warrant Coverage: N/A

### Co-Investors

WVHTCF/INNOVA: \$50,000 convertible debt

West Virginia University: \$50,000 convertible debt

Total Outside Investment: \$100,000

### Background

Datacaster aims to provide the leading platform for GeoLocation Fusion (“GLF”), a newly emerging discipline that supports the collection, integration, analysis and distribution of location-based geospatial information in real-time across the enterprise. Datacaster manages information related to the vast real-world assets held or managed by energy, utility, government, natural resource and other sectors.

January 2007, Datacaster executed a licensing agreement providing an exclusive, royalty-free license to a Geographic Information Systems (GIS) software platform developed by West Virginia University’s GeoVirtual Lab (GVL). GVL’s research and development effort has been supported by over \$4 million in grant funding from the National Science Foundation and other sources. GVL expects to continue research and development under grant funding. Datacaster will own all improvements to the platform minimizing technology risk. In exchange for the license, WVU received a 19% equity ownership in Datacaster.

### Board of Directors

**David Levine, CEO & Founder, Chairman-** Mr. Levine is a career technology entrepreneur who founded Emergent Game Technologies (formerly Butterfly.net) in 2000 to provide the technology infrastructure for networked games. Mr. Levine raised over \$13 million in venture capital and created partnerships with IBM, Intel, MCI and Sony. Previous entrepreneurial endeavors included the creation of Ultraprise Corporation, provider of the leading business-to-business exchange for the financial services industry. For Ultraprise, Mr. Levine raised \$50 million in venture capital from such strategic partners as GE Capital, Citigroup, FBR and First Union.

### Bruce Sparks, Director

Bruce is currently the Director, Technology Transfer at the West Virginia University Research Corporation. Bruce previously served as President and CFO, FMW Composite Systems, Inc. a composite manufacturing operation. Bruce was the former President and CEO at Anker Coal Group, Inc. He is the Founder and Director of Mylan Park. He currently serves on the Board for WVU Ruby Memorial Hospital, Concord University Foundation and former Board of Director for the West Virginia Coal Association.

### Mike Green, Director

Mike is a retired executive who serves as an advisor, investor or board member of several privately held technology companies. He is currently Chairman of the Board of Landslide Technologies, Inc., a fast growing innovative company helping salespeople close deals faster. From 2001-04, Mike was a partner at G4Partners, Inc., a consulting company focused on incubating early stage technology companies. Prior to that, he served as president of field operations at Loudcloud, Inc. (later renamed Opsware, Inc. and recently acquired by HP) a company founded by Internet legend Marc Andreessen, the founder of Netscape. From 1992-99, he was Senior Vice President and General Manager at FORE Systems, Inc., which was sold to UK company GEC in 1999 for \$4.5 billion and renamed Marconi and is now part of Ericsson.

## Events

**2008-09:** Datacaster established a strategic alliance with the James W. Sewall Company of Maine. This alliance led to three pilot projects that generated revenue for Datacaster. The projects were as follows:

1. First Wind prospecting system. First Wind is one of the leading independent producers of wind energy in the United States. Sewall has provided geospatial and engineering services to First Wind for constructing wind farms in Maine. When First Wind decided to move into Appalachia and the Mid- Atlantic, they contracted with Sewall to build a prospecting system for use by their landmen to find the most suitable areas for power generation, identify the land-owners and reach them with a compelling case. Datacaster successfully delivered a solution to First Wind that was popular with the prospectors. First Wind shut down their regional initiative when their bank failed in 2008.
2. Maine Institute for Human Genetics and Health environmental oncology research system. Sewall was contracted to provide a system for analyzing multiple layers of environmental information to compare with genetic information in determining relative risk factors for cancer. Core Datacaster technologies were effectively integrated with MDLOGIX Databahn system provide the researchers with a single view into environmental layers and the tissue repository.
3. PACE psychogeography. Datacaster was contracted by PACE to spatially analyze psychographic information for research into geo-marketing and geo-intelligence systems. This work is ongoing.

## Financials

Annual: **Internal- unaudited**

Interim: **Quarterly – unaudited**

Exhibit A, attached, lists key elements from the March 31, 2009 interim internal quarterly financials and the December 31, 2008 & 2007 internal year end financial statements for Datacaster, Inc.

## II. Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in DataCaster, Inc. at value, which is currently presumed to be the same as cost or \$250,000.



## **INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**EMERGENT GAME TECHNOLOGIES, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

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Emergent Game Technologies, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
Emergent Game Technologies, Inc.**

**Exhibit D December 31, 2008  
Year-End Internal Financial Statements  
Emergent Game Technologies, Inc.**

# Emergent Game Technologies, Inc.

## I. Summary

**Website:** [www.emergent.net](http://www.emergent.net)

**Location:** Calabasas, CA

**Total Employees:** FT/78; PT/7

**WV Employees:** FT/0; PT/0

### Management Team

Geoffrey Selzer; CEO & Chairman of the Board

Scott M. Johnson; President

John Austin; VP, Technical & Academic Partnerships

Doug Kubel; VP of Product Development

Katie Morgan; VP of Sales and Marketing

Karina Fedasz; VP of Operations & Finance

### JIT Investment

April, 2002: JIT invested \$500,000 in the Series B Preferred stock round.

JIT Equity Ownership: 0.22285%

Warrants/Warrant Coverage: N/A

### Co-Investors

Walker Ventures, Adena Ventures, Jerusalem Venture

Partners, WorldView Technology Partners, Hopewell

Ventures, Copan, CISCO Systems

Total Investment: \$39M

## Background

Emergent Game Technologies (EGT) was founded in 1999 in Shepherdstown, WV as Butterfly.net, Inc. and is now headquartered in Calabasas, California. Emergent Game Technologies is a leading source for all the game development tools required to build, test, manage and expand interactive games. Founded in 2000, Emergent Game Technologies is defining next-generation game development with an unparalleled offering of multi-platform solutions for game development. These flexible, integrative systems harness the power of next-generation consoles and PCs to fuel creativity, increase competitiveness and drive efficiency across teams and studios.

## Board of Directors

**Gina Dubbé, Managing Partner, Walker Ventures:** In her role as Managing Partner of Walker Ventures, Gina Dubbé is responsible for the qualification and selection of investment portfolio companies that are focused on selected technology areas. Gina has joined the Board of Directors of several of Walker Ventures' portfolio companies. As a trusted business advisor, the portfolio clients can expect Gina to provide management insight on strategic corporate and technology direction, as well as assistance in fund raising strategies. Gina is a Licensed Professional Engineer (Virginia) with a Bachelor's degree in Industrial Engineering from West Virginia University and a Master's degree in Engineering from George Washington University.

**Gadi Tirosh, General Partner, Jerusalem Venture Partners:** With his strong background in media related software and internet based R&D organizations, Gadi is a key member of JVP's media team. His experience has provided him with strong domain expertise in both the consumer infrastructure world and service provider needs. Before joining JVP, Gadi was VP of Product Marketing for NDS (NASDAQ: NNDS), a leader in digital pay-TV systems, supporting some of the largest digital broadcast platforms such as: DIRECTV, BSkyB, CanalDigital and more. Gadi holds a BS in Computer Science and Mathematics as well as an Executive MBA from the Hebrew University.

**Lawrence Goldberg:** Larry is an accomplished corporate executive and attorney with over 20 years of business experience. Larry was an executive officer of Activision for 9 years. During Larry's tenure at Activision, the company grew from a fledgling video game company to the second largest independent publisher in the industry.

**Thomas E. Parkinson, Principal, Hopewell Ventures:** Mr. Parkinson brings 20 years of venture capital, financial management and business incubation experience to the Fund. In addition to serving as a Principal of Hopewell Ventures, he also serves as a member of the general partner of Adena Ventures, L.P., a New Markets Venture Capital Company. Prior to joining Hopewell, Mr. Parkinson served as Executive Director of the Evanston Business Investment Corporation (EBIC), a successful seed and early-stage venture capital fund affiliated with Northwestern University. Mr. Parkinson earned his Bachelor's in economics from Northwestern University and his Master's from Northwestern's Kellogg Graduate School of Management. He teaches university courses on entrepreneurship, venture capital and business planning.

**Matthew J. McCue, Vice President, Hopewell Ventures:** Mr. McCue joined Hopewell in 2002. His primary responsibilities include the identification and evaluation of investment opportunities, market and industry analyses, pro forma financial modeling, transaction structuring and documentation. He also provides various support activities for Hopewell's portfolio companies. He is a member of the Board of Directors of VHT, and holds observation rights at Helios, NPE and InStadium. He holds a B.A. in Economics Magna Cum Laude from Loyola University Chicago and an MBA from Northwestern University's Kellogg School of Management.

**Pete Goettner, General Partner, Worldview Technology Partners:** Pete's investment focus is on early stage software companies. Pete joined Worldview in June 2003, bringing more than 15 years of operational experience, including nearly a decade at the senior management level. His investments and board seats include PostPath (acquired by Cisco), Nsite (acquired by Business Objects), Bitpass (acquired by Digital River), Virtual Synaptics (acquired by Ignite IP), Delivery Agent, QSecure, and Emergent Game Technologies. Pete earned an M.B.A. from the Haas School of Business at UC Berkeley and a B.S. degree in Electrical Engineering from the University of Michigan.

**Geoffrey Selzer, CEO & Chairman of the Board, Emergent Game Technologies:** Prior to accepting the leadership role at Emergent, Geoff consulted to video game and other media companies, specifically on the development and exploitation of cross-media intellectual property, fund raising and production for video game and other media companies. From 1995 through 1998, Geoff served as VP, Creative Development and Production for Disney Interactive, where he built, managed, and created the vision for a group of over 100 professionals responsible for the design, development and production of the interactive software titles at Disney Interactive. Geoff completed his MBA (with a concentration in finance/international business) at Northwestern University's Kellogg Graduate School of Business. He holds a Bachelor of Arts in Philosophy awarded by Beloit College in Wisconsin.

## Events

June 2009, Sales of Emergent™ Game Technologies' Gamebryo® LightSpeed™ powered a better than expected half year earnings report, with a nearly 45% increase in the first half of 2009 over earnings during the same period in 2008. Emergent made great advances in both the North American and Asian markets, with licensing numbers continuing to increase in the Korean territory.

June, 2007, the Company secured \$12M in its Series D round of funding. Jerusalem Venture Partners (JVP) and Worldview Technology Partners led the round with Adena Ventures, Walker Ventures, Copan, and Cisco Systems also participating. Sales growth of more than 100% over the past twelve months, with incorporation of its technology into over 200 gaming titles, and broad industry recognition of Emergent's leading game development solutions, led the Company to close its successful funding round.

In March 2004, Butterfly.net, Inc. closed a \$10M Series C investment round from a group of top-tier global venture firms and network-infrastructure leader, Cisco Systems. The Series C round, co-led by Jerusalem Venture Partners and Worldview Technology Partners included participation from Cisco, Copan and previous investors Adena Ventures and Walker Ventures. With this financing round, Allon Bloch, Colin Savage, and Spencer Hyman have joined Butterfly.net's Board of Directors. JIT's underlying price per share remains the same as the previous round.

In June 2002, the Company signed a Term Sheet with Adena Funds for the final \$500,000 of the Series B round. That investment was subsequently funded.

May, 2002: Investment of \$500,000 in Series B Convertible Preferred Stock as part of a \$1,500,000 round.

## Financials

Annual: Internal- unaudited

Interim: Quarterly – unaudited

### Financial Statement Summary

Exhibit A, attached, lists key elements from the March 31, 2009 interim and the December 31, 2008, 2007, 2006, 2005, and 2004 internal year end financial statements.



## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Emergent Game Technologies, Inc. at value, which is currently presumed to be the same as cost or \$500,000.



## **INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**EMIVEST AEROSPACE, INC.**

**Investment Analysis Index**

**I. Background Information**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B December 31, 2007  
Year-End Internal Financial Statements  
Sino Swearingen Aircraft Corporation**

**Exhibit C December 31, 2006 and 2005  
Year-End Audited Financial Statements  
Sino Swearingen Aircraft Corporation**

# Emivest Aerospace, Inc.

## I. Summary

**Website:** <http://www.sj30jet.com/index.php>

**Location:** San Antonio, TX; Martinsburg, WV

### Management

Anthony Power, CEO

### JIT Investment

April, 1995: \$2,000,000 loan; principal plus accrued interest was converted to equity in December, 2000.

JIT Equity Ownership: <1%

Warrants/Warrant Coverage: N/A

### Background

In January 1995, the Swearingen Aircraft Company executed a joint venture (JV) agreement with Sino Aerospace to form a venture to carry out the mission conceived by Swearingen Aircraft, Inc. The JV was called Sino-Swearingen LLP and its general partner was Sino-Swearingen, Inc. All of the assets of Swearingen Aircraft, Inc. were transferred to the JV as of April 19, 1995, the date of the completion of the rollover of the bridge loans to longer term financing. The West Virginia Company that was our debtor, Swearingen Manufacturing, Inc., was merged into Swearingen Aircraft, Inc., (SAI) which was the successor company.

Sino Swearingen's Martinsburg Plant manufactures the critical and main structures for the SJ30-2 twinjet aircraft such as the main fuselage structure, the main wing structure and the tail empennage assembly structures. There are high technology personnel employed at the Martinsburg facility..

October 2005 - Sino Swearingen Aircraft Corporation announced the receipt of a Federal Aviation Administration ("FAA") Type Certificate (TC) for the new SJ30-2 business jet. The announcement marked the first "clean sheet" corporate jet aircraft design developed by a new company to achieve FAA Type Certification since the original concept of a corporate jet emerged almost 45 years ago.

In June 2008, Emirates Investment and Development PSC (Emivest) of Dubai, UAE, announced that Emivest had obtained approval from the Committee on Foreign Investment in the United States (CFIUS) to acquire SSAC.

### Board of Directors

**Buti Saeed Al Ghandi, Director-** is the Chairman of Emirates Investment & Development Company PSC (Emivest). Heading up Emivest's operations since its establishments, Mr Al Ghandi has used his extensive expertise in the financial and investment sector, to conclude investments in sectors such as manufacturing, service, aviation, construction, real estate and telecom. Through his leadership and vision Mr Al Ghandi managed to expand Emirates Investment & Development in various locations in Europe, the Sub-Continent, East Asia and the United States. Born in 1967, Mr Al Ghandi, a UAE national, graduated with a Bachelor of Business Administration in Finance from George Washington University, Washington D.C. USA.

**Mr Ali Rashid Mazrouei, Director-** joined Emivest as a Board member in 2008. He is also the Group Director of the Bahri & Mazroei Trading Company (BMTIC), a diversified group with interests in lighting, electrical and safety solutions as well as Real Estate, Equities, Manufacturing and General Investments. Mr. Mazrouei received his Master in Business Administration from Southern New Hampshire University. He has held positions at country and regional level such as TMEA Business Planning & Analysis Manager and UAE Regulatory Head and was a Director at CitiBusiness (Small and Medium Enterprises) for Citibank NA.

**Khalifa Hassan Al Daboos, Director-** Al Daboos is the Director of the Investment Division of H.H. The Ruler's Court, Government of Dubai. He was selected by H.H. Sheikh Maktoum Bin Rashid Al Maktoum (Vice President and Prime Minister of the United Arab Emirates and the Ruler of Dubai) to establish the Investment Division within H.H. The Ruler's Court in 2000 and has been at the helm ever since under the direction of H.H. Sheikh Mohammad Bin Rashid Al Maktoum (Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai) today. A national of the UAE, Mr. Khalifa Hassan Al Daboos graduated with a Bachelor of Science in Computer Information Systems and Management Science from the Metropolitan State Co

**Anthony Power, CEO, Director** joined Emirates Investment & Development (Emivest) in 2003 and currently holds the position of Chief Investment Officer and Executive Vice President of Group Investment. He holds masters in Civil Engineering & Bachelors degree in Mechanical Engineering from the State University of New York at Buffalo, USA and has attended many training programs offered by the University of Michigan Business School, Stanford Graduate School of Business and London Business School in Strategic Planning & Implementation, corporate valuation modeling, financial skill for management, advanced negotiations & deal making strategies & mergers and acquisitions.

Anthony Power was instrumental in managing and executing several major investments for Emivest and expanding their portfolio in Europe, Middle East and Asian markets by increasing the revenue of the company several folds through acquisition and organic growth.

**Michael Mascaren, Director**, has is an accomplished, business-focused financial executive with a record of successful leadership and management in high growth, rapidly changing organizations both nationally and internationally. As the Executive Vice President Finance in EIDC Michael is responsible for delivering financial solutions and managing the financial affairs of the group. He actively assists group companies in developing robust financial systems and policies focused towards delivering value. Michael is an FCA, CIA and holds a Masters from the Bradford Management Centre.

**Edward Swearigen**, Special Advisor to the Board

## Events

March, 1995- JIT converted of the remaining \$2 million Swearingen bridge loan to a like amount senior secured note. On April 19, 1995, the Company and the bridge lenders executed the new loan and the company paid JIT all of the accrued interest totaling \$123,748.55. Simultaneously, with the closing of the new loan and the transfer of all of the Company's SJ30-related assets to the JV, \$43 million was deposited into the account of the JV. In addition, the Lockheed Corporation agreed to contribute \$10 million to the Taiwanese consortium and also cooperated with the joint venture in developing the management team and providing technical assistance.

December, 1996, Sino-Aerospace International, Inc. (SII) contributed an additional \$49.5 million to the joint venture and \$500,000 to Sino-Swearingen, Inc. (SSI), the general partner. Subsequently, an additional \$30.2 million was contributed by the joint venture partners, other than SAI, including an additional \$6.8 million from SII.

June 1999, the joint venture hired its first production employees in the Martinsburg plant. These employees are part of the team to construct the tail section of the SJ30-II. Previously, the JV had planned to subcontract all components for final assembly in Martinsburg. This was an expansion of the role of the Martinsburg operation in the SJ30-II development.

In the first quarter of 2000, discussions were in progress to dissolve Swearingen Aircraft, Inc. by exchanging the debt of the lenders for the equity position held by Swearingen and pledged as collateral to the lenders, in Sino Swearingen, L. P. The joint venture limited partnership is to be converted to a "C" corporation and each of the bridge lenders will hold an equity position proportionate to their ratio of the debt. As of the end of the fiscal year, all of the bridge lenders were reported to have executed an agreement to finalize the conversion, but three have not executed the final documentation necessary for the trustee to deliver the stock certificates. One hundred percent participation is required, according to the trust agreement. Swearingen was not aware of any reason for there to be a non-participant and the final paperwork was expected to be in place soon. JIT executed and delivered all of the requested documentation.

In December of 2000, JIT received its stock certificate for 170,805 common shares which completes the exchange of debt of \$3,136,052, including accrued interest, for equity. JIT still held an equity interest in a Texas Limited Partnership equivalent to the 15,866 shares of common stock JIT previously held in SAI. This partnership was created to preserve the tax loss carry forward from the corporation. Ultimately the partnership

was merged into SSAI and JTT was to receive additional SSAI common shares, which has recently happened. The conversion from a Joint Venture, L. P. to a "C" corporation brought the total contributions from entities other than Swearingen to \$183,057,000 and there are further commitments to fund the company through to "certification" of the aircraft expected to occur in 2003.

May, 2008 – Emivest Aerospace Corporation (EAC) announce that SJ30, serial number 008, took to the skies during its production flight checks over Texas. This marks a significant step in moving forward with production and establishing a regular delivery schedule. Serial number 008 is the first customer aircraft to be flown since Emirate Investment Development Corporation's (EIDC) acquisition last year.

June 2008, Emirates Investment and Development PSC (Emivest) of Dubai, UAE, announced that Emivest had obtained approval from the Committee on Foreign Investment in the United States (CFIUS) to acquire an 80 percent stake in SSAC.

### **Financials**

Annual: Requested; did not receive

Interim: Requested; did not receive

Exhibit A, attached, lists key elements and financial ratios from the unaudited December 31, 2007 financial statements and the audited financials for the years ended December 31, 2006 and December 31, 2005 for Sino Swearingen Aircraft Corporation

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Sino Emivest Aerospace, Inc. at value, which is currently presumed to be \$3,136,051

**GAULEY MOUNTAIN MOULDING, INC.**



**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**GAULEY MOUNTAIN MOULDING, INC.**

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**I. Summary**

**II. Overall Conclusion**

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**Exhibit C March 31, 2009  
Interim Compiled Financial Statements  
Gauley Mountain Moulding, Inc.**

**Exhibit D December 31, 2008  
Year-End Compiled Financial Statements  
Gauley Mountain Moulding, Inc.**



# Gauley Mountain Moulding, Inc.

## I. Summary

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

**Location:** Craigs ville, WV

**Total Employees:** FT/5; PT/1

**WV Employees:** FT/5; PT/1

### Management Team

Roland Griffith, President

Mary Griffith, Vice President

Cathy Davis, Secretary

### JIT Investment

May, 2001: \$15,000 convertible preferred stock and \$43,500 in a convertible secured term loan.

JIT Equity Ownership: 0.0%

Warrants/Warrant Coverage: N/A

### Co-Investors

Natural Capital Investment Fund: \$58,500 debt & equity

### Background

Gauley Mountain Moulding Corporation located in Craigs ville, West Virginia, started doing business in September 1997, and is a small manufacturer and distributor of hardwood doors, flooring, and moldings. The Company has developed a market niche by offering a complete line of finished wood products (except for furniture and cabinets) for the interior of a home in high-grade oak and poplar.

### Board of Directors

Roland Griffith, President

Roland Griffith received training at the Robert C. Byrd Wood Technology Center in Princeton, West Virginia, and is responsible for production. Coal Miner for 29 yrs; acting as supervisor for 14 yrs.

Mary Griffith, VP; Accounting

Mary Griffith has been with the Company since inception and is in charge of accounting, accounts payable, and accounts receivable.

David Hofstetter

Mr. Hofstetter founded Parkline, Inc., a manufacturer of non-residential metal buildings. Under his leadership, the company grew from 35 employees to 120 employees with plants in Eleanor, WV and Bristow, OK. Since 1988, he has been Vice Chairman and CFO of Coal Fillers, Inc., a coal based producer with plants in Raleigh County, WV and Tazewell County, VA.

### Events

July 2008, JIT has converted the \$15,000 equity investment to 3 yr, 8% note.

June, 2008 Gauley Mountain Moulding has paid the JIT in full, the original \$43,500 term loan. They have also paid down the Chase Bank LOC and put in place a \$50,000 LOC from BB&T, which is secured by the Founders personal residence.

May, 2001 JIT made an investment of \$15,000 in convertible preferred stock and \$43,500 in a convertible secured term loan that was used to purchase leased and new equipment and general working capital for the Company.

### Financials

Annual: Compiled- unaudited

Interim: Compiled Quarterly – unaudited

Exhibit A, attached, lists key elements and financial ratios from the March 31, 2009 compiled unaudited statement and the December 31, 2008 thru 2003 year-end compiled unaudited financial statements.

## II. Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Gauley Mountain Moulding, Inc. at value, which is currently presumed to be the same as cost or \$24,001.



## **INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**GTR LABS, INC.**  
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**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B March 31, 2009**  
**Interim Compiled Financial Statements**  
**GTR Labs, Inc.**

**Exhibit D December 31, 2008**  
**Year-End Compiled Financial Statements**  
**GTR Labs, Inc.**

## **GTR Labs, Inc.**

### **I. Summary**

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

**Location:** Gassaway, WV

**Total Employees:** FT/15; PT/0

**WV Employees:** FT/15; PT/0

#### **Management Team**

Ewell Furgeson, President

Peter Silich, CEO

#### **JIT Investment**

1997: \$450,000 loan

2001: Conversion of \$225,000 of loan balance to preferred equity

JIT Equity Ownership: 32.2%

Warrants/Warrant Coverage: N/A

### **Background**

GTR Labs, Inc. is a later stage company with a manufacturing facility in Gassaway, West Virginia. The Company was organized in 1996. The primary products being developed center on new approaches to X-ray generators. Currently, the Company manufactures a family of microprocessor-controlled, high-frequency X-ray generators that, when connected as a component in a medical X-ray room, provide a continuous and uninterrupted source of extremely accurate ionizing radiation for the production of diagnostic medical images. The unique nature of the microprocessor provides extreme accuracy in the production of X-rays and allows levels of diagnostic imaging never before achieved.

### **Board of Directors**

Ewell Ferguson, founder and President of GTR

Peter Silitch, Chief Executive Officer, financial advisor and major investor

Matthew Wender, Sec/Tres. Financial advisor and representative of WVJIT

Bill Mowery, Sales Manager of GTR

Don Gallion, President FCX, Morgantown, WV

### **Events**

June, 2009: Currently, principal and interest payments were not received for May and June. The current balance including accrued interest is \$155,771.

June, 2008: The Company continues to meet their debt obligation on the three-year JIT note. First year payments were interest only, therefore the current balance remains at \$172,735.

June 2008 – GTR Labs is continuing to see annual increases in sales volume. The Company has benefited from increased foreign orders. In addition, the Company successfully passed along an increase in prices as well continuing to build some sub-assemblies in house, thus lowering the overall cost of goods sold. GTR Labs additionally benefited in cost savings as well as enhanced product performance following the introduction of a new generation of capacitors developed by Hitachi. This new capacitor has the potential to open additional opportunities to install X-ray facilities in third world countries as well as remote sites.

In April of 2004, the JIT note became due and was restructured as a three-year note with the first year payments to included interest only. Payments for year two and three include principal and interest with the principal amortized over ten years.

In April 2001, the Company completed its conversion to a “C” corporation. Concurrently, the JIT and Peter Silitch, the Company’s two largest creditors, converted substantial portions of their respective debt to convertible preferred stock in the Company. Former “members” of GTR Labs, LLC received a like amount of common stock equity in the new Company. The purpose of the reorganization is to configure the Company so that prospective new investors will have the opportunity to invest in one or more additional series of preferred shares under terms to be negotiated at the time. The loan is secured by a lien on all business assets of the Company, including, but not limited to, all inventory, equipment, furniture, fixtures, accounts receivable, and other rights to

payment and general intangibles, with the security interest subject only to the existing security interest in the collateral granted to the Bank of Gassaway. Also there are joint guarantees by Ewell Ferguson and Peter Silitch.

1997, JIT made an investment of \$450,000 in form of a loan to supplement working capital.

### **Financials**

Annual: Compiled- unaudited

Interim: Quarterly- Compiled/unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 compiled quarterly financials and the December 31, 2009 compiled year-end statements and the December 31, 2008, 2007 & 2006 reviewed year-end, 2005 & 2004 compiled year end, and 2003 internal year end financial statements for GTR Labs, Inc.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in GTR Labs, Inc. at value, which is currently presumed to be the same as cost or \$586,570.



**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

## **Investment Analysis Index**

### **I. Summary**

### **II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 5 Year Pro-forma  
Internal Financial Statements  
ImageTree, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
ImageTree, Inc.**

**Exhibit D December 31, 2008  
Year-End Internal Financial Statements  
ImageTree, Inc.**



# ImageTree, Inc.

## I. Summary

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

**Location:** Morgantown, WV

**Total Employees:** FT/24

**WV Employees:** FT/17

### Management Team

Mark Redlus, Chief Executive Officer

Rob Garland, Executive Chairman

George Fulton, Executive Vice President

Larry Fuller, VP Forestry & Product Development

Robert Pliszka, VP Forestry & Operations

Steve Schreiber, VP Finance

Chuck Anderson, VP Corporate Development

### Co-Investors

Novitas Capital: \$6,645,000 equity & conv. debt

Battelle Ventures: \$5,950,000 equity & conv debt

Innovation Valley Partners: \$425,000 equity & conv. debt

Natural Capital Investment Fund: \$250,000 equity

Square 1 Bank: \$2,000,000 debt

Total Outside Investment: \$15,745,000

### Background

ImageTree Corporation is a software enabled forest inventory and environmental data services company that leverages a patented software technology & algorithmic platform combined with satellite and aerial-based remote sensing technology (LiDAR, Color Infrared, and Hyperspectral). ForestSense™, ImageTree's patented inventory system provides a comprehensive view of forests, down to every visible tree crown, enabling clients to maximize the NPV of their timber assets. The output from a ForestSense™, crown-based inventory is total volume, which is converted into carbon biomass using a standard set of equations. This calculation is essential for determining the total sequestered metric tons of CO<sub>2</sub> which determines the total carbon credits available to our clients.

In 2006-07, the Company utilized the initial funding for build out of the necessary technology infrastructure & facility and began to scale the technology and processes. Additionally, during this time frame the Company was able to attract an experienced professional management team and began to map their value to the market opportunity. 2007-08 was focused on the identification of the top institutional landowners in traditional forestry markets. The Company has successfully contracted with top 4 forest owners in North America; domestically and abroad and at the same time began mapping the carbon market and establishing strategic partnerships in the carbon market.

The Company has entered into a strategic partnership with Dulles, VA based GeoEye. GeoEye is a publicly traded commercial satellite imagery company with 2008 revenues of \$150M. GeoEye provides space-based and aerial imagery and geospatial information to customers worldwide. Currently, GeoEye provides ImageTree with LiDAR and Imagery at significantly less costs compared to other imagery vendors. Additionally, ImageTree can leverage the strong cash position of GeoEye to finance forest inventory projects with timberland owners.

ImageTree technology has been vetted by In-Q-Tel, a non-governmental entity, established by the CIA in 1999 as a private, independent, not-for-profit organization. In-Q-Tel engages with entrepreneurs, growth companies, researchers, and investors to deliver technologies that provide superior capabilities for the intelligence community. ImageTree was an ideal platform for investment because of the strength of their visual analytic and feature

### JIT Investment

August, 2006: \$250,000 equity investment in Series B preferred stock

January, 2008: \$75,000 subordinated convertible promissory note with warrants to purchase Series C preferred stock

May, 2009: \$150,000 subordinated convertible promissory note with warrants to purchase Series C preferred stock

JIT Equity Ownership: 2.3%

Warrants/Warrant Coverage: 15% warrant coverage on \$225,000 in convertible debt

extraction capabilities. The Company is currently generating revenue from an In-Q-Tel funded project.

2009-2010 will continue with the delivery of successful pilot projects and begin negotiating with landowners for conversion of existing acreage under management to the ImageTree platform (end of 2009 / through 2010). The company will continue developing strategic joint ventures with key remote sensing players and other supply chain players; in the midst of securing their first forest carbon deals.

## **Board of Directors**

### **Rob Garland, Chairman of the Board**

Mr. Garland's background is business turnaround for large hedge funds. He recently completed a turnaround assignment in the recycled pulp and paper industry on behalf of Oaktree Capital Management, LLC and Cerberus Capital Management, L.P. achieving an annual compounded return of 27% and increasing overall value by nearly 700% over an 8 year period.

Mr. Garland has over 18 years of professional experience, including business restructuring and business turnaround consulting at Price Waterhouse, LLP, Professor of Finance at the University of Pittsburgh Katz MBA program, Vice-President, Finance & Legal at an international medical equipment distributor and as a litigation and transactional law professional.

Mr. Garland holds a Law degree, an MBA and a B.S. in Business/Industrial Psychology/Economics from the University of Pittsburgh, as well as the Certified Turnaround Professional designation by the ACTP. Mr. Garland is also a Director of Armstrong World Industries, Inc.

**Mark Redlus, CEO, Director.** Immediately prior to joining ImageTree, Redlus was CEO of CoreTech Consulting Group, a subsidiary of Magic Software Enterprises [NASDAQ: MGIC], where in just one year he engineered a financial turnaround that took the company from red to black. He converted about one-third of CoreTech's income into annuity-based revenue streams under multiyear contracts. The success of CoreTech under his leadership led to Redlus's additional appointment as executive vice president for sales at Magic Software North America, for which he reorganized the sales structure and pricing models while helping to generate millions of dollars in revenue. In 1995, Redlus graduated with a bachelor's degree in management from the Wharton School, University of Pennsylvania.

**Dean Miller, Novitas Capital, Director.** Dean joined Novitas Capital in 1998, and is focused on Life Sciences investments. He has over 18 years of experience working for and with both large and small companies. Dean is Vice Chairman of Wharton Private Equity Partners, an international alumni organization ([www.wpen.org](http://www.wpen.org)) and serves on adjunct faculty at the Wharton School in the Department of Management. He holds a Bachelor of Arts Degree in Business Administration and Psychology from Franklin and Marshall College; he has completed coursework in biotechnology at the University of California, San Diego; he has completed a Postgraduate Course in Clinical Pharmacology, Drug Development, and Regulation at the Tufts Center for the Study of Drug Development; and he graduated with distinction from the University of Pennsylvania's Wharton School with an MBA in Private Equity.

**Mort Collins, Battelle Ventures, Director.** Mort is a General Partner of Battelle Ventures and Innovation Valley Partners. For four decades he has demonstrated major successes in the fields of life sciences, electronic materials, communications and software. He serves as chairman of the Boards of Directors of portfolio companies Sypherlink, Inc., and CDI Bioscience, Inc., and is a member of portfolio company ImageTree Corp.'s Board of Directors.

Mort is chairman of the Advisory Council to the Chemical Engineering Department at the University of Delaware; a member of the Leadership Council of the School of Engineering and Applied Sciences at Princeton University; and is a member of the Systems Biology Advisory Council at the Institute for Advanced Study, Princeton, N.J. Mort chaired President Ronald Reagan's Task Force on Innovation and Entrepreneurship and served as technology policy advisor to President George H.W. Bush. He has served on the New Jersey Governor's Commission on Science and Technology, the New Jersey Governor's Superconductivity Roundtable, and is a member of the Research Roundtable of the National Academy of Sciences.

**Mike Clutter, Ph.D, Director.** An authority on economics of the forestry industry, including finance, budgeting and timberland management, Clutter earned master's and doctoral degrees from the Warnell School and has been on the faculty since 2001. He has also had an appointment to the Terry College of Business teaching faculty since 2002 where he teaches courses on corporate finance. Clutter has also held management positions with two leading forest products companies, Georgia Pacific Corp. and Union Camp Corp. Clutter's father, the late Jerome L. Clutter, was on the school's faculty for 20 years until his death in 1983.

Clutter has conducted extensive research on financial aspects of the forestry industry and on timberland management practices. His work has been supported by more than \$1.3 million in grants that he received individually or in concert with other researchers. He is co-editor of a book on timberland investment, author of numerous articles and other publications and served on the editorial board of the professional journal *Forest Science*. In addition to teaching in the Warnell School, he has taught continuing education courses on forest finance and thinning of pine trees for private firms. He received the Warnell School's Faculty Award for Outstanding Teaching in 2004. From 1983 until 1994 Clutter worked for Union Camp Corp. as a research forester and project leader for timber management and development. In 1994, he joined Georgia-Pacific Corp. as director of decision support for the timberlands division. From 1999 until 2001 he was vice president of decision support and information resources for The Timber Company, a part of Georgia-Pacific.

**Rod Young, Director.** Rod Young started modeling and forecasting in the pulp and paper industry in 1977. Since then, his work in international pulp and paper markets has received worldwide recognition. Rod now consults on a regular basis with companies throughout the world. He continues to assist in the development of the RISI analysis and forecast of the world forest products market and has taken on the formidable task of reading through all of the monthly commentaries produced by RISI.

In March 2005, he became President and CEO of Paperloop, which was later renamed RISI in 2006. Rod was appointed Chairman of RISI's Board of Directors in January 2007 upon retiring from his position as President and CEO after 29 years in the pulp and paper industry. Rod received a Master of Science degree in Forestry Economics from Virginia Polytechnical Institute in 1977 and also holds a Bachelor of Science degree in Forestry from Michigan State University.

## **Events**

May, 2009, JIT approval a \$150,000 bridge loan convertible into series C preferred stock of ImageTree, Inc. The new money from JIT was part of a \$2,150,000 bridge round with participation from previous investors; Novitas Capital, Battelle Ventures, and Innovation Valley Partners. Additionally, JIT received 15% warrant coverage for preferred stock with an exercise price equal to the Series C financing price per share.

In May 2008, Imagetree, Inc. closed a \$1,680,000 bridge round, (75,000 JIT) in the form of a convertible promissory note with warrants to purchase Series C preferred stock.

In June 2007, Imagetree, Inc. closed a \$2 million debt facility from BlueCrest Capital of which \$473,000 was used to payoff and closeout the existing Square 1 facility.

August 2006: Investment of \$250,000 in Series B Preferred Stock as a part of a total "B" round of \$4,500,000 that was used for general working capital.

## **Financials**

Annual: **Internal- unaudited**

Interim: **Quarterly – unaudited**

Exhibit A, attached, lists key elements from the March 31, 2009 internal quarterly and the December 31, 2008, 2007 and 2006 year-end unaudited financial statements for ImageTree, Inc.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in ImageTree, Inc. at value, which is currently presumed to be the same as cost or \$475,000.

# **JBLCo**

## **INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**JBLCo**

**Investment Analysis Index**

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**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 2009 Revenue Projections  
JBLCo**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
JBLCo**

**Exhibit D December 31, 2008  
Year-End Internal Financial Statements  
JBLCo**

# JBLCo, Inc.

## I. Summary

**Website:** <http://www.jblco.com/>

**Location:** Knoxville, TN

**Total Employees:** FT/41; PT/2

**WV Employees:** FT/3; PT/0

### Management Team

Steve Campbell, President

David Robinson, Director of Sales & Marketing

Steve Pouncey, Sales Representative

### JIT Investment

November 2002: \$500,000 preferred stock

JIT Equity Ownership: 4.57%

Warrants/Warrant Coverage: N/A

### Co-Investors

Mountaineer Capital: \$1,729,176 equity; \$415,707 debt

## Background

JBLCo, Inc. was founded as Compro Systems in St. Albans, West Virginia in 1983 to develop automated motor truck scale data collection systems for industrial markets with initial concentration on the coal mining transport and delivery markets. In 1993, Compro Systems founded Phoenix Scale technologies dedicated to designing, producing and servicing value priced single idler industrial conveyor belt scales. In 1999, with a vision of complimenting Compro's scale automation offerings with truck scale hardware, accessories and services, Compro acquired Shamrock Scale Company of Morristown, Tennessee, a nationally recognized source. Shamrock is an on-site consultation, project engineering and turnkey installer of truck scales. In May 2001, Compro purchased John B. Long Company (JBLCo) located in Knoxville, TN. JBLCo is a developer and manufacturer of bulk material sampling equipment for industrial markets. JBLCo's revenues are also supplemented by an industry standard line of mine support equipment and accessories. These four entities have been molded into one corporate management and technical team and have relocated the St. Albans operations to Tennessee.

## Board of Directors

### Steve Campbell, President, Director

In 1980, Mr. Campbell worked for CT&E's (now SGS mineral service) Middlesboro, Kentucky facility as East Kentucky Division Coal Manager. He held the position from 1980 to 1995, with the responsibilities for expansion, profit development, technical support, and general operations of three branch laboratories. Responsibilities also included contract negotiations, price structuring, budgeting, personnel guidance, service coordination, purchasing, bias test work, preparation plant performance work, and belt scale verification and certification work. In 1996, Mr. Campbell was transferred to Charleston, WV, to become Operations Manager for the Appalachian Region. He had responsibilities for 11 laboratory operations in Pennsylvania, West Virginia, and eastern Kentucky. In 1998, Mr. Campbell accepted the position of President & CEO of John B. Long Co. of Knoxville, TN, a position he now holds. He is a member of several organizations including; American Society of Testing Materials (ASTM), National Weighing & Sampling Association – Past President and Board Member.

### William Taylor, Mountaineer Capital, Director

Dr. Taylor 's career as a venture capitalist spans over 40 years and several successful technology venture capital funds based in New York and the Silicon Valley in California. Since 2000, he has served as Managing General Partner of Mountaineer Capital, an SBIC focused on venture investments in West Virginia and the surrounding region. From 1983 to 1998, Dr. Taylor served as General Partner of Taylor & Turner Associates, Ltd., which invested in technology businesses nationwide ranging from seed stage to leveraged buyouts. In 1974, Dr. Taylor managed the successful LBO of BEI Electronics and from 1979 to 1982 served as COO and a Director of BEI. He served as vice president and a Director of Crocker Capital Corporation, a San Francisco bank affiliated SBIC, from 1973-1982. Previously, Dr. Taylor served as VP of Corporate Finance for White, Weld & Co.(acquired later by Merrill Lynch), in New York, NY and as a founder and VP of Data Science Ventures, Inc. in Princeton, NJ, a venture firm established in 1968 to invest in the Data Processing Industry. Dr. Taylor earned Ph.D. and Master of Science degrees from Princeton University in Solid State and Material Sciences and received a Bachelor of Engineering Science in Mechanical Engineering from The Johns Hopkins University.

**Patrick Bond, Mountaineer Capital, Director**

Mr. Bond joined McCabe-Henley Properties LP as Managing Director in early 1998, bringing a wealth of experience in finance, administration, strategic planning, general management, and Management Information Systems. Previously, he owned/operated an independent consulting practice, Growth Management Group, specializing in the areas of Business Environment Assessments, new product development, investment and financial analysis, and strategic planning. Prior to that Mr. Bond was president of a natural gas marketing company and was President and CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. Mr. Bond graduated from West Virginia University where he received his Master's and Bachelor's Degrees in Industrial Engineering.

**Matthew Wender, WVJIT, Investment Manager**

Mr. Wender is an Investment Manager with the West Virginia Jobs Investment Trust, a public seed investment fund. He is an experienced entrepreneur with vast experience in economic development.

**Events**

November 2002: JIT investment of a 8% cumulative convertible Series A preferred stock. On a fully diluted basis, JIT owns 11.35% of Compro Systems, Inc. Investment capital was utilized to refinance debt incurred in the acquisition of related businesses.

August 2003: The Compro Board, with recommendation from the consulting firm of Nachman Hays, elected Steve Campbell as CEO of the Company to head all operations. Mike Shafer resigned from the Company and surrendered his stock but did retain certain business assets. As a result of the stock surrender by former CEO and majority stockholder, Mike Shafer, JIT's equity position increased from 10% to 23% ownership of the Company.

September 2003: Mountaineer Capital made an additional \$500,000 investment in Compro Systems. This was structured as a secured note and had no effect on the equity position of JIT. Additionally, Mountaineer Capital purchased, at a deep discount, the existing \$2.8 million dollar debt held by Huntington National Bank.

June 2005: The JBLCo Board signed a letter of intent to hire Jeff Hoops as the new CEO of JBLCo, Inc. Mr. Hoops brings a wealth of experience in the industry having been the former Vice President of Arch Coal's Eastern Operations as well as the President and founder of Solomons Mining Company. Mr. Hoops received equity in JBLCo in exchange for a \$650,000 investment and the guarantee of a \$2M line of credit. The JIT percentage of equity ownership was reduced as a result.

**Financials**

Annual: Compiled- unaudited

Interim: Quarterly- Compiled/unaudited

Exhibit A, attached, lists key elements and financial ratios from the March 31, 2009 Interim and the combined December 31, 2008-2003 year-nd internally generated financial statements.

**II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in JBL Co, Inc. at value, which is currently presumed to be the same as cost or \$500,000.





**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

## **Investment Analysis Index**

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**II. Overall Conclusion**

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**Exhibit B March 31, 2009  
Interim Internal Financial Statements  
Mannette Steel Drums, Inc.**

**Exhibit C December 31, 2008  
Year-End Internal Financial Statements  
Mannette Steel Drums, Inc.**

# Mannette Steel Drums, Inc.

## I. Summary

### Website:

<http://www.mannettesteeldrums.com/index>.

**Location:** Morgantown, WV

**Total Employees:** FT/3

**WV Employees:** FT/4

### Management Team

Chanler Bailey, President

Ellie Mannette, VP Product Development

Rob Rowsey, VP of Tuning

### JIT Investment

March, 2005: \$50,000 senior subordinate debenture;  
\$25,000 preferred stock.

JIT Equity Ownership: 3.5%

### Co-Investors

WVU Research Corporation: \$150,000 equity

Trini-West: \$25,000 equity

Centra/EDA: \$120,000 debt

Total Outside Investment: \$295,000

### Background

Morgantown, WV is a manufacturer of steel drum instruments. Ellie Mannette, founder and CEO, is widely regarded as the "father of the modern day steel drum" and has dedicated his life to the steel band art form. Dr. Mannette, founded the company in 2000 and has trained a group of skilled apprentices to build and tune drums. Mannette's instruments are celebrated for their high quality of craftsmanship, balanced tone, and widest range of any steel drum manufacturer.

March, 2005: Mannette Steel Drums, seeks to close a minimum investment round of \$370,000; composed of both debt and equity. Pending Board approval, the Jobs Investment Trust (JIT) will commit to a maximum \$50,000 debenture in combination with a maximum \$25,000 equity investment. The West Virginia University Research Corporation (WVURC) will commit to a \$150,000 equity investment. The WVURC proceeds will be used to retire the Company's existing \$150,000 loan. Also, the West Virginia Economic Development Authority (WVEDA) has agreed to an 80% guarantee on a five year \$120,000 loan from Centra Bank. As a condition of closing, the Company must secure an additional \$25,000 in equity from another source. Both JIT and WVURC will receive preferred shares for their investment. WVURC shares will be subordinate to JIT shares. The new equity investor will receive common shares for their investment. For each dollar of equity raised from sources other than JIT, in excess of \$25,000, JIT's equity investment shall be reduced by an equal amount. Additionally, JIT will collect a monthly, 2% royalty payment based on gross sales of the company.

### Board of Directors

**Chanler Bailey, President & Chairman.** Chanler serves as President and CEO of Mannette Steel Drums. Chanler is a long time apprentice trained personally by Ellie Mannette. Chanler manages the finances and operations including oversight of the production and tuning teams. Chanler is a graduate from West Virginia University and former member of the WVU Steel Drum Band.

**Kaethe George, Director.** Kaethe is former staff member of Mannette Steel Drums working in operations and administration. Kaethe spearheaded the creation of the Ellie Mannette Foundation.

**Ron Justice, Investor, Director.** Ron Justice is the former mayor of Morgantown and co-investor in Mannette Steel Drums, Inc.

**Mike Kelly, Investor, Director.** Mike Kelly owns and operates, Dulaney Oil Company, a Westover, WV based gasoline and oil supplier. Mike currently serves as a member of the Monongalia County Board of Education. He is a co-investor in Mannette Steel Drums

from another source. Both JIT and WVURC received preferred shares for their investment. WVURC shares are subordinate to JIT shares. The new equity investor received common shares for their investment. For each dollar of equity raised from sources other than JIT, in excess of \$25,000, JIT's equity investment shall be reduced by an equal amount. Additionally, JIT collected a monthly, 2% royalty payment based on gross sales of the Company.

June 2006: Given the financial difficulty that the Company found itself in, JIT agreed to terminate, as of June 30, 2006, the monthly, 2% royalty payment arrangement that Mannette was obligated to pay. JIT had received from Mannette, in lieu of cash royalty payments, demand notes for the months of November and December 2005 as well as January and February of 2006. JIT requested and received the past due royalty payments for the months of March through June 2006.

July 2006: Effective July 2<sup>nd</sup>, Bruce Sparks and David Satterfield resigned from the Mannette Board. The WVU Research Corporation required that Mannette provide BOD insurance for their employees. Mannette was financially unable to pay the insurance premium. Mr. Sparks and Mr. Satterfield verbally agreed to provide continued assistance to the Company and hosted the MSD Board meetings at the Research Corporation. Local businessman Mike Kelly and current Mayor of Morgantown, Ron Justice, continued to serve on the Board and provide value to the Company.

June 2009: Despite strong sales, Mannette continues to struggle financially. They are currently behind on payables to key vendors and suppliers. The Company has fallen behind on payments to Centra Bank for the \$120K loan. Key personnel, including Ellie Mannette and Glen Rowsey, have voluntarily reduced roles with the Company, particularly in the area of drum production. JIT has not received a quarterly interest payment on the \$50,000 note since October 2007.

## **Financials**

Annual: Internal- unaudited

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 internal quarterly and the December 31, 2008 - 2004 year-end unaudited financial statements for Mannette Steel Drums, Inc.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Mannette Steel Drums at value, which is currently presumed to be the same as cost or \$27,438.00



## **INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**MATRIC, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit C May 31, 2009  
Interim Internal Financial Statements  
Matric, Inc.**

**Exhibit D December 31, 2008  
Year-End Internal Financial Statements  
Matric, Inc.**

# **MATRIC, Inc.**

## **I. Summary**

**Website:** <http://www.matricresearch.com/>

**Location:** South Charleston, WV

**Total Employees including subsidiaries:** 88

### **Management Team**

Keith Pauley, President and CEO

Dr. Parvez Wadia, Vice President & CTO

Jane Copley, Chief Financial Officer

Mark Dehlin, VP, Advanced Engineering Systems

Dr. George Keller, Chief Engineer

### **JIT Investment**

May 2009: \$2,000,000 convertible debenture

JIT Equity Ownership: 0.0%

Warrants/Warrant Coverage: N/A

### **Background**

MATRIC is a West Virginia non-profit organization headquartered in South Charleston, West Virginia. MATRIC has three wholly owned subsidiaries performing various services. Mid-Atlantic commercial Research, LLC (MCR) which provides for-profit commercial R&D; Mid-Atlantic Technical Engineering, LLC, which is a full service professional engineering firm, and Mid-Atlantic Technical Consulting, LLC, (MATC). MATRIC also has a majority interest in Mid-Atlantic Holding, Inc. (MAH) which holds and commercializes the intellectual property portfolio of (MATRIC) through licensing and the creation of technology-based companies.

MATRIC is focused on conducting conduct life-changing research and development and commercializing related products and services. MATRIC currently employs over 80 people, 30 of which are Ph.D. level scientists and professionals. MATRIC's scientific staff performs research and development in chemical and environmental technologies, advanced engineering and health and life sciences.

MATRIC develops its own intellectual property through internally funded research as well as pre-negotiates "field of use" agreements with customers to allow MATRIC to advance discoveries in domains that are not of interest to the customer organization and further exploring commercialization opportunities.

MATRIC is managed by individuals with extensive research and development and commercialization experience. MATRIC and its commercial enterprises realized the down-turn in the chemical industry research and development previously performed at the Union Carbide Technical Center was an opportunity to create a first-rate research enterprise that would make use of the well-known advanced degreed scientists and engineers that resided in the Kanawha Valley, as well as the existing physical facilities. MATRIC is headquartered within a 650-acre site that includes research and development buildings, engineering buildings, a data center, and laboratories that house Dow Chemical, Bayer Material Science, the laboratories of West Virginia State University, and other technology-based organizations. The location and experience of the Company's scientists and engineers provide a substantial long-term competitive advantage.

### **Board of Directors**

**Paul E. Arbogast, Chairman**

Ernst & Young, LLP

**Mark Dempsey, Secretary**

VP, External Affairs American Electric Power

**Dr. P. Dwight Sherman**

Retired

**Mike Agee**

Retired

**Dr. Hazo Carter, Jr.**

**Stephen A. Kawash, Treasurer**

Gibbons & Kawash, CPA

**Dr. George E. Keller, II Vice Chairman**

Chief Engineer, MATRIC

**Jane Copley, Assistant Treasurer**

CFO, MATRIC

**Charles M. Avampato**

President, Clay Foundation

**Clifton F. Dedrickson**

President, West Virginia State University  
**Tom Dover**  
Manager of Public Affairs, Bayer CropScience  
**William B. Goode**  
Vice President, Sales, Jacobs Financial Group, Inc.  
**J. Rudy Henley**  
Partner, McCabe-Henley-Durbin, N.A.I.  
**Dr. Carl Irwin**  
Director, Industries of the Future, West Virginia University  
**Reid Maness**  
Communications Director, RTI International  
**Ron Potesta**  
President, Potesta & Associates  
**Jack Rossi**  
Member, CPA, Arnett & Foster  
**John C. Stump**  
Member, Attorney, Steptoe & Johnson  
**Dr. Parvez H. Wadia**  
Chief Technical Officer, MATRIC  
**Dr. Edwin Welch**  
President, University of Charleston

Executive Director, WVU Charleston  
**Dr. Betsy Dulin**  
Marshall University  
**Joe W. Gollehan**  
President, Public Relations, Charles Ryan  
**Dr. Paul Hill**  
EPSCoR  
**Dr. Stephen J. Kopp**  
President, Marshall University  
**Keith A. Pauley**  
President and CEO, MATRIC  
**David Ramsey**  
President & CEO, CAMC Health Systems  
**Charles Ryan**  
Dean of Graduate School of Business, Uof C  
**L. Newton Thomas, Jr.**  
Retired  
**H. Bernard Wehrle**  
President, McJunkin Corporation

## Events

June 2009: During the West Virginia Legislative session in 2008, specific funds were allocated for furthering research and commercialization efforts at MATRIC. Those efforts will be greatly enhanced by the additional hiring of up to 100 scientists and professionals following the announced workforce reduction by Dow to take place in 2009.

The Legislature authorizes \$2 million in funds to be made available to MATRIC. It was determined that the most appropriate method to invest those funds is through WVJIT. WVJIT has negotiated with MATRIC a transaction whereby WVJIT will loan \$2 million to MATRIC. In turn WVJIT has secured its loan with accounts receivable, inventory, fixtures and equipment. In addition WVJIT has the additional security of "reserved" shares in MAH. WVJIT has the option to convert its loan into shares of MAH. If the full loan proceeds were converted at WVJIT's option, it would convert to 20,000 or 20% of MAH. If MATRIC is unable to meet its debt obligations then WVJIT, in a default circumstance, may convert its loan in up to 40,000 shares of common stock, or 40%. MAH is currently authorized to issue up to 100,000 shares and initially issued all 100,000 shares to MATRIC. MATRIC has previously sold 1,000 shares to American Electric Power; 5,000 shares to the Clay foundation; and recently 2,000 shares were issued to the Charleston Area Alliance in exchange for previously issued debt.

## Financials

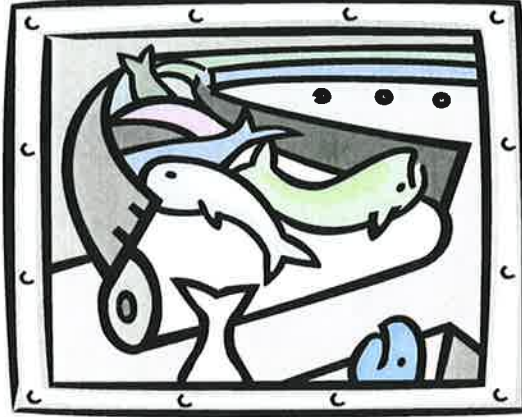
Annual: **Internal- unaudited**  
Interim: **Quarterly – unaudited**

Exhibit A, attached, lists key elements from the March 31, 2009 interim internal quarterly financials and the December 31, 2008 internal year end financial statements for MATRIC, Inc.

## II. Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in MATRIC, Inc. at value, which is currently presumed to be the same as cost or \$2,000,000.





**MOUNTAINEER TROUT FARM, LLC**

**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**Mountaineer Trout Farm, LLC**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A 2008 Revenues & Royalty Pay Out**

# Mountaineer Trout Farm, LLC

## I. Summary

**Location:** Josephine, WV  
**Total Employees:** FT/3  
**WV Employees:** FT/4

**Management Team**  
S.E. Thompson, Jr., Owner  
Tom Ort, Operator

### JIT Investment

1995: \$1,573,794 debt; \$280,000 equity.

Royalty: 5% on gross sales

## Background

Mountaineer Trout Farm, LLC is an aquaculture business formed in March 2007, and is a joint partnership run by Ted Miller (since deceased) of Birch Creek Deer Farms located in Pennsylvania, and S. E. Thompson, Jr., of Gainesville, Florida. Operations are at the Lillybrook Aquafarm site located in Josephine, West Virginia. The site uses water from the former Lillybrook Mine. The water is ideal in temperature, chemistry, and is free of water-borne disease. The site is gravity-fed, thus eliminating redundant pumping systems, which significantly reduce operating costs and gives the Company a cost advantage.

Mountaineer Trout Farm, LLC was formed to take advantage of a natural resource - mine water used to supply an aquaculture project. The Company completed ten new pairs of concrete raceways each measuring 100 feet by 20 feet. The raceways were constructed with Company funds and borrowed funds from Farm Credit. The raceways are estimated to enable first year production of up to 300,000 pounds of trout and increasing to a maximum capacity of 400,000 in future years. The lease gives Mountaineer Trout Farm, LLC the right of first refusal on any future lease for the McAlpin Farm site.

The project was initially funded as High Appalachian of West Virginia (HAWV) and was formed in May 2002 as the successor to Minaqua, which had been founded in 1995 with the goal of becoming a major supplier of fish products, specifically the principal supplier of Arctic Char to the Mid-Atlantic and South Central regions of the United States.

## Management

Tom Ort has over twenty years experience in raising trout in North Carolina.

## Events

Initially, JIT invested a total of \$1,853,794 in this project. At the date of the formation of HAWV, JIT has assigned a value of \$280,000 to its equity interest in the LLC and \$1,573,794 to the remaining assets.

The company failed to meet its volume projections for an extended period. This was caused by a number of factors, including the complete destruction of the processing facility in a fire; a much higher mortality rate in the Char population than expected; and, finally, the death of their principal financial backer. The Company believed it had insurance coverage on the lost inventory, valued at approximately \$800,000; however, the policy required that 20 percent of the inventory be lost in a single event which was not the case. In 2002, JIT settled the business interruption claim related to the processing plant fire for \$40,000. JIT was the successor to the claim that was handled on a 1/3 contingency fee basis. The settlement came five years after the claim was filed by Minaqua.

March 2007: Mountaineer Trout Farm, LLC was formed and entered into a sub-lease agreement with WVJIT for a period of thirty (30) years with two ten (10) year renewal options.

2008: WVJIT collects five percent of the "gate price" of the fish sold. Gate price is the selling price of live fish when they are transported from the fish farm. Sales may be made for stocking purposes or processed for consumption. The percentage is applied to sales resulting from an arms length transaction. Any sales made to

close associates, family, or otherwise at a favorable price not consistent with market prices, will be based on an assumed sales price of \$1.40 per pound. WVJIT in turn pays a royalty of 1.25% to the landowner, Piney Land.

### **Financials**

Annual: Internal- Revenue Only

Interim: Quarterly – Not available

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in the assets owned or controlled by WVJIT for use in the aquaculture industry, some of which are leased to Mountaineer Trout Farm, LLC at \$600,173.



**NEW FRONTIER FIREWOOD, LLC**

**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**NEW FRONTIER FIREWOOD, LLC**

**Investment Analysis Index**

**I. Background Information**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B December 31, 2007  
Year End Internal Financial Statements  
New Frontier Firewood, LLC**

**Exhibit C December 31, 2006  
Year-End Internal Financial Statements  
New Frontier Firewood, LLC**

# New Frontier Firewood, LLC

## I. Summary

**Location:** Green Bank, WV

**Total Employees:** FT/0

**WV Employees:** FT/0

**Management Team**

Lynn Grimes, President & CEO

**JIT Investment**

2006: \$150,000 debt; \$50,000 equity.

JIT Equity Ownership: 33%

Warrants/Warrant Coverage: N/A

**Co-Investors**

Mountaineer Capital: \$150,000 debt; \$50,000 equity

Total Outside Investment: \$200,000

## Background

New Frontier Firewood, LLC, is a Green Bank, WV, Company that supplies bundled firewood products and is operated by its founder, Lynn Grimes. The Company offers bundled firewood, bundled chiminea wood, bundled kindling wood, and bulk firewood. Most of the Company's business is derived from retail stores through a broker. New Frontier Firewood was founded on the opportunity to entrench itself in the bundled firewood market due to the increased demand and short supply of mass producers and is one of the first facilities in the state to supply this product to large volume markets.

New Frontier Firewood, LLC is a successor Company to Frontier Firewood Supply, Inc., who had been in business since 2003, and was a producer and seller of bundled and bulk firewood. The Company organized and restarted operations in August 2006, by acquiring the real estate and improvements through a court approved asset purchase from Deer Creek Management, LLC. Deer Creek was an asset holding entity and was placed in voluntary bankruptcy in August 2005 to satisfy creditor claims. New Frontier Firewood was funded by WVJIT and Mountaineer Capital, LP. Both investors contributed equity and debt along with a real-estate loan from the WV Infrastructure and Jobs Council.

## Management

**Lynn Grimes, CEO**

Mr. Grimes has been in the logging/timber business since 1967. Through a series of events, he expanded his logging operation to include a facility to process pulpwood (unusable as saw logs) into packaged firewood for the consumer market.

## Events

April 2006: WV JIT, along with Mountaineer Capital, each invested \$50,000 in equity and \$150,000 in debt for the formation of New Frontier Firewood, LLC. Due to delayed court actions and secured creditor negotiations, the asset purchase on behalf of the new Company and the restart of operations was delayed until late August 2006.

March 2007: New Frontier Firewood has operated on an intermittent basis only, filling orders for campgrounds, both bundled and bulk. Unfortunately, the Company had depleted cash and accounts payable exceeding incoming cash.

2009: New Frontier Firewood continues to struggle. The fall-winter season of 2007-08 was unseasonably short with warmer weather than normal. The Company did not receive nearly as many orders as anticipated, thus never achieving a level of production that created the necessary economy of scale. The situation was further complicated by rapidly increasing propane costs for the kiln as well as fuel costs for operating equipment. The Company is no longer competitive due to its dependence on kiln drying.

## **Financials**

Annual: Internal- N/A

Interim: Quarterly – N/A

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in New Frontier Firewood, LLC at value, which is currently presumed to be \$100,000.





**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**PLETHORA TECHNOLOGIES, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 2009 Projected Financial Statements  
Plethora Technologies, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
Plethora Technologies, Inc.**

**Exhibit D December 31, 2008  
Year-End Internal Financial Statements  
Plethora Technologies, Inc.**

# Plethora, Inc.

## I. Summary

**Website:** <http://www.plethoratech.com/>

**Location:** Charles Town, WV

**Total Employees:** FT/3; PT/1

**WV Employees:** FT/3; PT/1

### Management Team

Annette Kerlin, CEO

Joel Haspel, COO

Joy Harbaugh, Comptroller

### JIT Investment

March 2005 - Investment of \$250,000 in Series A preferred stock.

Feb. 2006 - Investment of \$150,000 convertible note

May 2006 - Investment of \$150,000 convertible note

Nov. 2006 - Investment of \$100,000 convertible note

March 2007 - Investment of \$100,000 convertible note

Nov. 2007 - Investment of \$250,000 convertible note

### Co-Investors

Mountaineer Capital: \$2,000,000 debt & equity

Calvert Funds: \$851,000 debt & equity

Angel Investors: \$2,764,894 debt & equity

Total Outside Investment: \$6,615,894

JIT Equity Ownership: 13.98%

Warrants/Warrant Coverage: 102,194 warrants to purchase Series B preferred stock at Series B price; 7 year exercise period.

## Background

Plethora Technology, Inc. is a minority founded and managed Company with cutting-edge products for secure remote computing. The Company began operation in the year 2000 with eight employees based in the Howard County technology business incubator in Columbia, Maryland. In May 2005, the Company relocated its corporate headquarters to Charles Town, WV. Plethora's lead product, "Perspective," allows workers to easily and securely connect to an office network from a remote PC over any wired or wireless internet connection. Workers can also remotely control a home PC or any other remote PC on the network from the office or from another Internet connection. Plethora uses a unique authentication, encryption key generation, and firewall technology to establish a secure "tunnel" through which users transfer files, send instant messages, text conference, remotely control other PC's, and use other collaborative tools and resources.

## Board of Directors

### Annette Kerlin, CEO

Ms. Kerlin is currently serving as CEO, following her previous role as Executive Vice President. She was most recently Director of Federal Area Operations at Cisco Systems, where she built and led her teams to consistently meet and achieve Cisco's aggressive stretch goals in the Company's federal division year over year. Prior to Cisco, Ms. Kerlin was vice president and general manager of the government business unit at Texas Instruments' software division.

### Joel Haspel, co-founder, COO

Mr. Haspel is responsible for marketing, positioning, competitive intelligence, business development, corporate strategy, and legal affairs for Plethora. He has a strong technical background including Windows and Linux/UNIX programming, Internet programming, and database development.

### Matt Wender, JIT, Director

Mr. Wender currently serves as the Investment Manager for the Jobs investment Trust. The JIT is a public venture capital fund placing equity and debt investments in start-up, early stage and mature companies in the State. He also serves on the County Commission for Fayette County, WV. He received his MBA from West Virginia University and also received a Bachelor degree in Accounting from WVU.

### William Taylor, Mountaineer Capital, Director

Dr. Taylor's career as a venture capitalist spans over 40 years and several successful technology venture capital funds based in New York and the Silicon Valley in California. Since 2000, he has served as Managing General Partner of

Mountaineer Capital, an SBIC focused on venture investments in West Virginia and the surrounding region. From 1983 to 1998, Dr. Taylor served as General Partner of Taylor & Turner Associates, Ltd., which invested in technology businesses nationwide ranging from seed stage to leveraged buyouts. In 1974, Dr. Taylor managed the successful LBO of BEI Electronics and from 1979 to 1982 served as COO and a Director of BEI. He served as VP and a Director of Crocker Capital Corporation, a San Francisco bank affiliated SBIC, from 1973-1982. Previously, Dr. Taylor served as VP of corporate finance for White, Weld & Co.(acquired later by Merrill Lynch), in New York, NY , and as a founder and VP of Data Science Ventures, Inc. in Princeton, NJ, a venture firm established in 1968 to invest in the Data Processing Industry. Dr. Taylor earned Ph.D. and Master of Science degrees from Princeton University in Solid State and Material Sciences, and received a Bachelor of Engineering Science in Mechanical Engineering from The Johns Hopkins University.

#### **Patrick Bond, Mountaineer Capital, Director**

Mr. Bond joined McCabe-Henley Properties LP as Managing Director in early 1998, bringing a wealth of experience in finance, administration, strategic planning, general management, and Management Information Systems. Previously, he owned/operated an independent consulting practice, Growth Management Group, specializing in the areas of Business Environment Assessments, new product development, investment and financial analysis, and strategic planning. Prior to that, Mr. Bond was president of a natural gas marketing company and was President CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. Mr. Bond graduated from West Virginia University where he received his Master's and Bachelor's Degrees in Industrial Engineering.

#### **Events**

March 2005: In addition to the \$250,000 invested by JIT, there was \$750,000 of new equity funding from Mountaineer Capital of Charleston, WV, and Calvert Funds of Bethesda, MD.

February 2006: Plethora issued \$400,000 in convertible notes in which JIT committed to \$150,000. Co-investor, Mountaineer Capital, loaned the remaining \$250,000 to the Company. As part of the transaction, the lenders received first lien on all assets including the Intellectual Property of the Company that was pledged as collateral on the loan.

May 2006: JIT invested \$150,000 convertible note as part of a \$450,000 bridge loan, used for working capital.

November 2006: A \$100,000 convertible note invested by JIT was used by the Company as working capital.

March 2007: A \$100,000 convertible note invested by JIT was used by the Company as working capital.

November 2007: JIT made an investment of \$250,000 in the form of a convertible note used for working capital. Plethora raised \$400,000 in additional convertible debt from Mountaineer Capital, L.P. for the fiscal year 2007-08.

January 2008: Plethora received a notice of allowance from the US Patent and Trademark Office (USPTO) indicating that the USPTO will grant a patent covering Plethora's SecureChannel™ technology, used for establishing and managing secure communications from remote locations. The USPTO did subsequently issue the patent.

#### **Financials**

Annual: Internal- unaudited

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 Interim, and the December 31, 2008-2005 year-end internal financial statements.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Plethora Technologies, Inc. at value, which is currently presumed to be the same as cost or \$1,000,000.



**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**PROTEA BIOSCIENCES, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 5 Year Pro-forma  
Projected Financial Statements  
Protea Biosciences, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
Protea Biosciences, Inc.**

**Exhibit D December 31, 2008 & 2007  
Year-End Consolidated Audited Financial Statements  
Protea Biosciences, Inc.**

# Protea Biosciences, Inc.

## I. Summary

**Website:** <https://proteabio.com/>

**Location:** Morgantown, WV

**Total Employees:** FT/25; PT/0

**WV Employees:** FT/24; PT/0

### Management Team

Steve Turner, President & CEO

Stan Hostetter Vice President

Matthew Powell, Ph.D., Dir of R&D

Reid Ashbury, Ph.D., Dir. Sales & Marketing

Jesse Ayers, Comptroller

### Co-Investors

Total Outside Private Investment: \$11,032,688

### JIT Investment

- Nov. 2004 – Investment of \$250,000 in convertible debt with warrants.
- Feb. 2004 – Investment of \$100,000 in convertible debt with warrants.
- Aug. 2002- Investment of \$250,000 in convertible debt with warrants. (Paid in full March 2007)
- \$250.00 to exercise warrants for purchase of 25,000 shares of common stock. At \$0.01 per share

JIT Equity Ownership: 1.6885%

Warrants/Warrant Coverage:

50% warrant coverage on 2004, \$250K Note

## Background

Protea Biosciences, Inc., located in Morgantown, West Virginia, began as a Delaware corporation in July 2001, and is an early-stage biotechnology Company founded to advance and commercialize new proteomics services and technology in conjunction with the West Virginia University Health Sciences Center. The Company was founded to discover and characterize novel protein targets and then create long-term revenue-sharing partnerships with pharmaceutical and biotechnology companies for the preclinical development, the completion of clinical trials, and ultimately, FDA approval of new pharmaceuticals and diagnostics based upon the Company's novel protein targets.

## Board of Directors

### Stephen Turner, President and CEO, Director

Mr. Turner has 30 years of experience in the biotechnology industry, during which time he founded and served as CEO of the BRL division of Life Technologies, Oncor, OncorMed, and Quorum Sciences. Prior to undertaking his career as a builder of biotechnology companies, he served as Director of Marketing for the Clinical Microbiology Division of Becton-Dickinson & Company, a major healthcare company.

### Stan Hostler, Vice-President and Director

Mr. Hostler is a Member of the American and West Virginia Bar Associations, and a Special Assistant to the Governor of West Virginia.

### Daniel Flynn, Ph.D., Director

Dr. Flynn is formerly Professor of Cell Biology, and Associate Director of the Mary Babb Randolph Cancer Center, and presently Associate Dean of The Commonwealth Medical School.

### Leo Harris, Director

Mr. Harris is founder and Chief Executive Officer of Southern Computer Consultants, Inc. of Frederick, MD, a company which provides products and services to the United States Government and Fortune 500 corporations.

### Milan Puskar, Director

Mr. Puskar is the founder of Mylan Pharmaceuticals, a major pharmaceutical company.

### Scott Segal, Director

Mr. Segal is the founder and senior partner of the Segal Law Firm.

## Events

June 2009: Protea has completed a work plan for the construction of a medical instrument furthering the technology known as Laser Ablation Electrospray Ionization (LAESI). The prototype was developed at George Washington University. In very elementary terms, this will enable the use of a laser to ionize materials for a mass spectrometer analysis, thus preserving the sample in place without destruction. Protea will use this instrument to market this first-of-kind pharmaceutical research services. The JIT is being asked to consider funding the project. Given the tremendous potential use for LASESI instrumentation, the new discoveries that may be possible as a result of its use and the already proven technology, the WV JIT Board will consider funding development of the commercial version of the instrument.

May 2009 Protea announced a partnership with French based Mayoly Spindler, which specializes in Gastroenterology therapeutics. Mayoly has developed a recombinant Lipase, an enzyme for the treatment of exocrine pancreatic insufficiency (EPI). According to a press release, Protea will receive the exclusive marketing rights for the recombinant Lipase biopharmaceutical for North America. Protea Biosciences will conduct clinical trials on the drug next year. If approved by the U.S. Food and Drug Administration, Protea will have exclusive marketing rights in North America.

June 2008: Protea raised \$2,874,829 in equity in the previous 12 months, bringing the Company's total paid in capital amount to \$8,271,182.

September 2007: JIT converted \$133,208 worth of accrued interest and paid, in addition to the interest, \$2,500, for a total of \$135,708 for 194,322 shares of common stock in Protea. The \$2,500 was to exercise a warrant that was about to expire for 25,000 shares at \$0.10 per share.

March 2007: Protea repaid the October 1, 2002 convertible note of \$250,000 including the accumulated interest of \$47,945. The note included warrants to purchase common shares of the Company. These warrants survive pre-payment of the note. Protea also opened its new facility at 955 Hartman Run Road in Morgantown. The 7,500 square foot corporate facility houses a state of the art Protein Research Laboratory, which features the ABI 4800 MALDI TOF/TOF and Thermo Finnigan LTQ XL mass spectrometers. The research team includes both analytical chemists and protein biochemists.

November 2004: The JIT Board approved an additional \$250,000 investment in Protea. The investment was a two-year 10% Convertible Debenture with 50% warrant coverage for notes purchased. In addition to the convertible loan by the JIT for \$250,000, the Company closed a \$250,000 common stock round with previous investors. This brought the Company's total committed equity capital to \$980,743 (not including the JIT loan proceeds).

## Financials

Annual: Audited

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 Interim and the December 31, 2008-2007 audited, and the 2006-2005 year-end internal financial statements.

## II. Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Protea Biosciences, Inc. at value, which is currently presumed to be the same as cost or \$686,443.





**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**THREEWIDE CORPORATION**

**Investment Analysis Index**

**I. Background Information**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 2009-10 Twelve Month Budget  
Threewide Corporation**

**Exhibit C Nine Months Ended March 31, 2009  
Internal Financial Statements  
Threewide Corporation**

**Exhibit D Twelve Months Ended June 30, 2008  
Internal Financial Statements  
Threewide Corporation**

# Threewise Corporation

## I. Summary

**Website:** <http://www.listhub.net/>

**Location:** Morgantown, WV

**Total Employees:** FT/19; PT/7

**WV Employees:** FT/12; PT/7

### Management Team

Luke Glass, COO

Mark Wise, Chief Products Officer

Mike Carr, VP Tech/Ops

Rob Reid, VP Sales & Marketing

### Co-Investors

Mountaineer Capital: \$1,220,196 equity

Adena Ventures: \$1,061,509 equity

Select Capital: \$997,914 equity

Toucan Capital: \$400,011 equity

Angel Investors: \$973,249 equity

Total Outside Investment: \$4,652,879

### JIT Investment

- January 2001 - \$150,000 Series A Convertible Preferred Stock and a \$100,000 convertible term loan.
- December 2001 – \$250,000 convertible debenture.
- November 2003 – \$150,000 convertible debenture with warrants.
- May 2004 – \$100,000 convertible debenture with warrants September 2007 – \$250,000 in Series C-1 preferred stock.

JIT Equity Ownership: 9.88%, fully diluted including warrants.

Warrants/Warrant Coverage: 50% warrant coverage on \$250K Series C Preferred Stock. Expires 9/09

## Background

Threewise is a marketing services and data management software Company whose products and services allow RREI participants – Multiple Listing Services (MLSs), brokers, and agents – to better control, distribute and market real estate listings. With its ListExporter and ListSecure products, Threewise has an installed base of 35 of the largest MLSs in the country representing one third of agents nationwide. Threewise is one of a few companies that operate on both sides of the data wall between brokers and MLSs and holds a unique position to offer brokers a marketing tool – ListHub – that will drive the dominant two-sided network.

Real estate brokers demand total visibility for their listings to attract prospective home buyers and close sales. Internet portals demand accurate, real-time, compelling content to attract unique visitors and drive advertising revenue. Retailers and other CRM-powered companies demand detailed consumer traits and behavior to target precisely their marketing dollars. While each of these players has critical uses for residential real estate listing and transaction data, this data remains the most underutilized asset in the residential real estate industry (RREI). However, after years of resistance, the RREI is beginning to change rapidly and embrace new modes of business. The first company that can provide a low-cost, high-value tool for brokers to market their real estate listings on the Internet can manage a dominant share of 6.0 million real estate listings annually, become the platform on which a two-sided network is built, and capture a significant portion of the billions spent.

## Board of Directors

### Luke Glass, President

Threewise has focused on data management needs within the real estate industry since its inception, with a goal of making its partners more efficient and productive in managing their most important asset – the listing data. Mr. Glass began his career in the real estate industry with Threewise in 2002. Prior to joining Threewise, Mr. Glass worked for A.G. Edwards & Sons in their Investment Banking – Corporate Finance unit as an Analyst in the financial and technology sectors. Mr. Glass graduated with a B.S. degree from Babson College in finance and entrepreneurship.

**William A. Rice, Jr., Director**

Mr. Rice is currently the CEO of BOKI Bering Supply, the largest independent welding wholesaler in the world and distributes primarily to welding, safety, and industrial distributors. OKI has international locations in Canada and the UAE. He was formerly President and CEO of AIRGAS, Inc., a multi billion dollar distributor of welding equipment and gases listed on the New York Stock Exchange. The Industrial Division (ADI) was started in late 1995 and had a goal of consolidating portions of the industrial market segment to sell through Airgas locations.

**Phillip Becker, Director**

Mr. Becker is VP of Information Technology, AccuLogix, Inc. He has over 20 years experience in the field of information technology. At AccuLogix, Mr. Becker led a small team of programmers in developing the first Electronic Batch Record system (EBR) for the Pharmaceutical industry. This software passed Pharmaceutical and Electronic Signature audits from clients and the MHRA. Mr. Becker joined the Threewise Board of Directors in 2005. He contributes on the Strategic planning, Compensation Committees and acts as a technical advisor for Threewise. Currently, Mr. Becker is completing Graduate Studies in the study of Business Management.

**Paul Benedict, Adena Ventures, Director**

Mr. Benedict is a Senior Associate of Adena Ventures. His responsibilities include business development, investment analysis, and management of the operational assistance program. He is an observer on Ed Map, Inc.'s Board of Directors. He is a graduate of Ohio State University's Fisher College of Business (MBA) and Ohio University's Honors Tutorial College (BA). He is a past president of the Honors Tutorial College's Board of Visitors, a member of the Athens County Democratic Party's Executive Committee, and a Big Brother.

**Rudy Henley, Mountaineer Capital, Director**

Since 1980, Mr. Henley has served as Senior Managing Director of McCabe-Henley Properties LP. Co-founder of the company, he has been involved in commercial, investment and residential real estate for twenty-five years. He leads the firm's business recruitment efforts for new listings and client representations. Mr. Henley is currently principal-in-charge of the \$50 million development of Stonewall Jackson Lake State Park Resort, a public-private development that includes a lodge, conference facilities, an 18-hole golf course, and numerous additional amenities. Mr. Henley graduated from West Virginia University where he earned a BS Degree in Business Administration.

**Events**

March 2009: Threewise Corporation generated nearly \$2.6M in revenue for year ending 2008 and finished with a net positive income of \$487,457. The Company has sold to approximately 267 brokerages in the first 2 months of 2009. This represents nearly 43% of the total brokerage customers. The redesign of the reports, focus of the sales team, and customized Keller Williams' products have dramatically increased the penetration and success.

The Company has contracted with Fannie Mae for \$1.4M over 3 years, which is 50% more than budgeted in plan. In addition, RealtyTrac has executed a final contract for data management services which will bring in \$120K - \$250K per year. The Company is also negotiating franchise wide ListHub proposals for GMAC, EXIT Realty, Realogy and Prudential.

September 2007: The JIT Board approved a \$250,000 follow-on equity investment to purchase shares of Series C preferred stock of Threewise as part of a \$1,081,710 round.

May 2004: The JIT Board approved a \$100,000 bridge loan convertible to purchase shares of Series C preferred stock. The investment was part of a total \$360,000 bridge loan that included participation from previous investors. The investment group received 50% warrant coverage for bridge notes purchased.

October 2003: The JIT Board approved a \$150,000 bridge loan convertible to purchase shares of Series C preferred stock. The investment was part of a total \$450,000 bridge loan that included participation from previous investors. The investment group received 50% warrant coverage for bridge notes purchased.

October 2001: The JIT Board approved a \$250,000 convertible debenture investment in Threewise Corporation. In August 2002, the Company closed a Series B round at which time the JIT debenture was converted into Series A preferred shares. The \$1,160,000 Series B round was led by private venture funds Mountaineer Capital, Charleston, WV; and Select Capital, Mechanicsburg, PA.

January 2001: The JIT Board approved a \$250,000 investment in Threewide Corporation. Initially, a \$100,000 loan was advanced to the Company with a commitment to purchase \$150,000 in Series A preferred stock upon the Company reaching a specified milestone. This benchmark was achieved in March 2001 and the JIT preferred stock purchase was executed.

### **Financials**

Annual: Internal- reviewed

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 Interim internal 9-month financials and the June 30, 2008-2003 internal year-end financial statements for Threewide Corporation.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Threewide Corporation at value, which is currently presumed to be the same as cost or \$1,016,776.



**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**TROY MILS, INC.**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 2009-10  
Projected Sales Pipeline  
Troy Mills, Inc.**

**Exhibit C March 31, 2009  
Interim Internal Financial Statements  
Troy Mills, Inc.**

**Exhibit D December 31, 2008 and 2007  
Year-End Reviewed Financial Statements  
Troy Mills, Inc.**

# Troy Mills, LLC

## I. Summary

**Website:** <http://www.troyllcwv.com/>

**Location:** Harrisville, WV

**Total Employees:** FT/32; PT/0

**WV Employees:** FT/31; PT/0

### Management Team

Richard Kerns; COO & Chairman of the Board

Martin Ballen; Director of Sales

Linda Golden; Materials Control Manager

Wilma High; Controller

### JIT Investment

February 2002: JIT invested \$500,000 as follows: \$60,000 in Series A convertible preferred membership units and \$440,000 in convertible debt.

JIT Equity Ownership: 12%

Warrants/Warrant Coverage: N/A

### Co-Investors

Mountaineer Capital: \$500,000

WVEDA: \$769,000 debt

MOVRC: \$341,000 debt

Total Investment: \$1,610,000

### Background

Troy Mills, Inc., a New Hampshire based Company was established in 1865. It owned a facility located in Harrisville, West Virginia and supplies needle punched textile products to niche markets. The Harrisville facility is a Tier-One and Tier-Two supplier to the automotive industry and is also a supplier to the apparel industry. The facility produces automotive interior fabrics and apparel linings and currently has 122 employees. The New Hampshire Company filed for bankruptcy protection in 2001. Mountaineer Capital, JIT, and two individuals purchased the West Virginia operation in March 2002. The Company has been organized as a Limited Liability Company known as Troy, LLC.

### Board of Directors

#### Richard Kerns, COO, Chairman of the Board

Military service 1965 to 1967, 2 years service MOS finance Honorable discharge. 1968 to 1974 FMC Corporation, Parkersburg, Production Supervisor. Troy Mills 1974 to 2001: Production Supervisor, Production manager, Director of operations, Harrisville division. Troy LLC, March 2002 to present, COO part owner. Mr. Kerns has completed numerous management classes from 1975 through 1981.

#### Martin Ballen, CEO, Member

Completed a four year materials engineering program at General Motors Institute. After completion of the program joined General Motors Engineering staff. Later joined Chrysler Corporation Engineering staff. Held various management positions with both GM and Chrysler. Later earned a MBA. In 1970, joined Troy Mills Inc. as a sales engineer. Over the years helped develop new applications for Troy's capabilities for various automotive customers at the OEM, Tier One and Tier Two levels. In 1990, became the Vice President of the Automotive Business Group with responsibility for marketing, sales, R&D, customer service and manufacturing. In 2000, started the Prestwick Group LLC, a representative for several manufacturers of materials for the automotive industry. In 2002, with Richard Kerns and an investment group, purchased Troy Mills Inc. automotive business and created Troy LLC. Currently is the CEO of Troy LLC. Currently serves on several boards of nonprofit groups. Is the President of the Board of Directors of On My Own of Michigan. An organization for the betterment of mentally and physically challenged young adults.

#### William Taylor, Mountaineer Capital, Member-

Career as a venture capitalist spans over 40 years and several successful technology venture capital funds based in New York and the Silicon Valley in California. Since 2000, has served as Managing General Partner of Mountaineer



Capital, an SBIC focused on venture investments in West Virginia and the surrounding region. From 1983 to 1998, served as General Partner of Taylor & Turner Associates, Ltd., which invested in technology businesses nationwide ranging from seed stage to leveraged buyouts. In 1974, managed the successful LBO of BEI Electronics and from 1979 to 1982 served as COO and a Director of BEI. Served as VP and a Director of Crocker Capital Corporation, a San Francisco bank affiliated SBIC, from 1973-1982. Previously served as vice president of corporate finance for White, Weld & Co.(acquired later by Merrill Lynch), in New York, NY , and as a founder and vice president of Data Science Ventures, Inc. in Princeton, NJ, a venture firm established in 1968 to invest in the Data Processing Industry. Earned Ph.D. and Master of Science degrees from Princeton University in Solid State and Material Sciences and received a Bachelor of Engineering Science in Mechanical Engineering from The Johns Hopkins University.

**Patrick Bond, Mountaineer Capital, Member**

Joined McCabe-Henley Properties LP as Managing Director in early 1998, bringing a wealth of experience in finance, administration, strategic planning, general management, and Management Information Systems. Previously owned/operated an independent consulting practice, Growth Management Group, specializing in the areas of Business Environment Assessments, new product development, investment and financial analysis and strategic planning. Prior to that was president of a natural gas marketing company and was President and CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. Graduated from West Virginia University where he received his Master's and Bachelor's Degrees in Industrial Engineering.

**Scott Gannon, JIT, Member**

Currently serves as Investment Analyst for the West Virginia Jobs Investment Trust (JIT). The JIT is a public venture capital fund placing equity and debt investments in start-up, early stage and mature companies in the State. As an analyst, performs due diligence on investment opportunities including industry analysis, market and technology research, and quantitative, strategic, and financial analyses of corporations and businesses. Prior to joining the JIT, worked for a Charleston, WV based, venture backed Internet Start-up. Previous work experience includes engineering design and investment brokerage positions. Received MBA from West Virginia University and a Bachelor of Science degree from the WVU College of Engineering and Mineral Resources.

**Samuel P. Sommerville, CPA, Member**

Currently CFO of a West Virginia oil and gas exploration and development company and CEO of an oil and gas service company. Prior to this, was a partner in the public accounting firm of Simpson & Osborne where he provided accounting, tax, and consulting services to clients in the manufacturing, construction, real estate, energy, and related industries. Is a graduate of Glenville State College, a certified public accountant, and is active in various professional, trade, and civic organizations.

**Events**

June 2009: The credit crisis that struck in the Fall of 2008 resulted in the plummeting of vehicle sales. In response, OEMs slashed production at unprecedented rates in an attempt to combat expanding inventories. Adding to the problems, General Motors and Chrysler extended scheduled plant shutdowns as they entered bankruptcy, depriving many North American suppliers, including Troy, of their main revenue sources. Both large, Tier 1 suppliers along with numerous smaller suppliers, recently filed for bankruptcy. The Company continues to look for ways to reduce cost and conserve cash. Additionally, Troy recently (April 2009) secured funding from the Mid-Ohio Valley Regional Council. The working capital loan will be used to bridge the Company in anticipation of increased sales activity in the Fall of 2009. The current hardship has caused the Company to fall behind (4 months, \$13K) on the interest only loan payment to JIT.

February 2002: Investment of \$500,000 funded as follows: \$60,000 in Series A convertible preferred membership units and \$440,000 in a convertible subordinated term loan that was used to acquire the assets of the Harrisville, West Virginia facility and to properly capitalize the facility to ensure necessary working capital.

**Financials**

Annual: Reviewed

Interim: Quarterly – internal/unaudited

Exhibit A, attached, lists key elements and financial ratios from the March 31, 2009 Interim, and the December 31, 2008 and 2004 reviewed financial statements.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Troy, LLC at value, which is currently presumed to be the same as cost or \$500,000.



**VANDALIA**  
**RESEARCH™**

**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**

**VANDALIA RESEARCH, INC.**

**Investment Analysis Index**

**I. Background Information**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B 2009-12 Pro-Forma Financial Statements  
Vandalia Research, Inc.**

**Exhibit C Nine Months Ended March 31, 2009  
Internal Financial Statements  
Vandalia Research, Inc.**

**Exhibit D Twelve Months Ended June 30, 2008  
Internal Financial Statements  
Vandalia Research, Inc.**

# Vandalia Research, Inc.

## I. Summary

**Website:** <http://www.vandaliaresearch.com/>

**Location:** Huntington, WV

**Total Employees:** FT/4; PT/7

**WV Employees:** FT/4; PT/7

### Management Team

Elizabeth Murray, Ph.D., CEO

Derek Gregg, VP for Business Development

Justin Swick, Senior Instrumentation Designer

Sergei Avdiushko, Production Manger

### Co-Investors

Mountaineer Capital: \$600,000 debt & equity

Angel Investors: \$1,265,000

Total Outside Capital: \$1,865,000

### Background

Vandalia Research, Inc. was founded in 2004, and is a life sciences Company based in Huntington, West Virginia. Vandalia is the first biotechnology Company based upon Marshall University research, specializing in DNA production by polymerase chain reaction (PCR). The Company holds an exclusive license to the proprietary Triathlon technology. This technology is capable of providing milligram and gram quantities of custom PCR-amplified DNA for a variety of applications, such as DNA vaccines, diagnostic standards, genetic therapy research, and custom probes.

### Board of Directors

#### Derek Gregg, Founder, Director

Mr. Gregg is the primary day-to-day manager of Vandalia Research. He is responsible for the financial and personnel resources of the Company, purchasing, communications, and other management duties. He plays a large role in writing grants, patents, and developing strategic partnerships. He is also currently directing the sales and marketing activities of the Company.

#### Liz Murray, Ph.D., Director

Dr. Murray received her Ph.D. in Genetics from the University of Kansas in 1986. She was employed by Agrigenetics, developing insect resistant plants. She also worked for Promega Corporation for eight years, where she headed manufacturing for DNA typing products. Dr. Murray holds three US patents for her inventions and maintains many active contacts in molecular biology reagent businesses.

#### William Taylor, Mountaineer Capital, Director

Dr. Taylor 's career as a venture capitalist spans over 40 years and several successful technology venture capital funds based in New York and the Silicon Valley in California. Since 2000, he has served as Managing General Partner of Mountaineer Capital, an SBIC focused on venture investments in West Virginia and the surrounding region. From 1983 to 1998, Dr. Taylor served as General Partner of Taylor & Turner Associates, Ltd., which invested in technology businesses nationwide ranging from seed stage to leveraged buyouts. In 1974, Dr. Taylor managed the successful LBO of BEI Electronics and from 1979 to 1982 served as COO and a Director of BEI. He served as VP and a Director of Crocker Capital Corporation, a San Francisco bank affiliated SBIC, from 1973-1982. Previously, Dr. Taylor served as VP of Corporate Finance for White, Weld & Co.(acquired later by Merrill Lynch), in New York, NY and as a founder and VP of Data Science Ventures, Inc. in Princeton, NJ, a venture firm established in 1968 to invest in the Data Processing Industry. Dr. Taylor earned Ph.D. and Master of Science degrees from Princeton University

### JIT Investment

February 2008: \$275,000 in Series A preferred stock

May 2009: \$325,000 line of credit bridge loan convertible into Series A preferred shares.

JIT Equity Ownership: 5.98%

Warrants/Warrant Coverage: No

in Solid State and Material Sciences and received a Bachelor of Engineering Science in Mechanical Engineering from The Johns Hopkins University.

**Patrick Bond, Mountaineer Capital, Director**

Mr. Bond joined McCabe-Henley Properties LP as Managing Director in early 1998, bringing a wealth of experience in finance, administration, strategic planning, general management, and Management Information Systems. Previously, he owned/operated an independent consulting practice, Growth Management Group, specializing in the areas of Business Environment Assessments, new product development, investment and financial analysis and strategic planning. Prior to that, Mr. Bond was president of a natural gas marketing company and was President & CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. Mr. Bond graduated from West Virginia University where he received his Master's and Bachelor's Degrees in Industrial Engineering.

**Lee C. Haikal, M.D., Investor, Director**

Dr. Haikal is a native of South Charleston, WV, and graduated from the Marshall University School of Medicine. He completed a residency in diagnostic radiology at the University of Louisville Hospital and a fellowship in vascular and interventional radiology at Methodist Hospital, Indianapolis, IN. Dr. Haikal primarily performs interventional radiology procedures and is also proficient in plain film radiography, CT, ultrasound, nuclear medicine and mammography exams. He is board certified in diagnostic radiology and has been with Radiology, Inc. since March 2003.

**Matt Wender, JIT, Director**

Mr. Wender currently serves as Investment Manger for the WV Jobs investment Trust. The JIT is a public venture capital fund placing equity and debt investments in start-up, early stage and mature companies in the State. Mr. Wender also serves on the County Commission for Fayette County, WV. He received his MBA from West Virginia University and also received a Bachelor degree in Accounting from WVU.

**Events**

June 2009: Rep. Nick J. Rahall announced that he secured \$1.5 million for Department of Defense (DoD) technology development by Vandalia Research in the FY 2010 Department of Defense Appropriations Act (H.R. 3326). The \$1.5 million in funding secured by Rep. Rahall for Vandalia Research, Inc. will be used to collaborate with Inovio Biomedical in San Diego, CA to work with the U.S. Army on applications for their technology. This technology will allow for the development of vaccines and medicines to prevent or cure severe viral pandemic diseases based on Vandalia's linear DNA fragments that will expedite and enhance the quality of vaccines.

May 2009: JIT committed to a \$325,000 line of credit bridge loan convertible into Series A preferred shares as part of a \$650K new round of financing. The funding will be released periodically, based on milestones accomplished. A portion of the JIT investment (\$125K) will be reserved for construction and equipment costs necessary for a GMP facility, assuming the Company is not able to gain funding from alternative sources.

May 2008: Since the research and development done by Inovio Biomedical of San Diego on linear DNA vaccines was first announced in July of 2007, Vandalia Research has made substantial progress in the area of DNA vaccines. In December 2008, Derek Gregg, VP of Business Development, made presentations at the Vaccine Congress meeting in Boston and the DNA Vaccines meeting in Las Vegas. Additionally, Vandalia Research was featured on the front-page of Genetic Engineering News (GEN) in the March 2nd issue. GEN is the major industry newsmagazine for biotechnology. Vandalia Research is currently working with nearly 10 DNA vaccine researchers and companies around the world as a result of these presentations and data presentation.

March 2008: Vandalia Research raised the initial half of a \$1.5 Million Series A preferred stock sale with JIT and Mountaineer capital. The funding was used to accomplish the following milestones:

- Continue to fund and expand the Company's intellectual property coverage.
- Enhance physical infrastructure and institutional processes to support cGMP and ISO-certified manufacturing of DNA products (critical for entry into regulated markets).

- Further develop corporate partnership efforts.
- Continue further product development and technology improvements on the Triathlon system.

February 2008: The JIT Board approved an investment of \$275,000 in Series A preferred stock used for working capital as part of a \$750,000 round with participation from Mountaineer Capital as well as existing shareholders.

### **Financials**

Annual: Internal- unaudited

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 interim internal 9-month financials and the June 30, 2008 internal year-end financial statements for Vandalia Research, Inc.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Vandalia Research, Inc. at value, which is currently presumed to be the same as cost or \$600,000.



**INVESTMENT ANALYSIS**

**JUNE 30, 2009**

**West Virginia Jobs Investment Trust Board  
1012 Kanawha Boulevard, East, Fifth Floor  
Charleston, West Virginia 25301**



**VESTED HEALTH, LLC**

**Investment Analysis Index**

**I. Summary**

**II. Overall Conclusion**

**Exhibit A Financial Statement Summary**

**Exhibit B March 31, 2009  
Interim Internal Financial Statements  
Vested Health, LLC**

**Exhibit C December 31, 2008  
Year-End Audited Financial Statements  
Vested Health, LLC**

# Vested Health, LLC

## I. Summary

### Website:

<https://www.vestedhealth.com/default.aspx>

**Location:** Charleston, WV

**Total Employees:** FT/11; PT/0

**WV Employees:** FT/11; PT/0

### Management Team

Shawn Dobson, President & CEO

Sherry Parks, CFO

Carol Ball, Eligibility Specialist

Tammy Moss, Financial Analyst

### Co-Investors

Mountaineer Capital: \$1,500,000 equity

Adena Ventures: \$1,000,000 equity

CapVest: \$1,000,000 equity

Angel Investors: \$400,000 equity

Total Outside Investment: \$5,300,000

### JIT Investment

- November 2002: \$250,000 in preferred membership units.
- November 2003: \$250,000 convertible debenture w/ warrants for preferred membership units.
- June 2004: \$150,000 convertible debenture w/ warrants for preferred membership units.
- November 2004: \$100,000 equity investment in Series B preferred membership units.
- September 2007: \$250,000 investment in Series C preferred membership units.

JIT Equity Ownership: 8.46%

Warrants/Warrant Coverage: 20% warrant coverage (\$50,000) to purchase Series B preferred shares at Series B price.

### Background

Established in 2001, Vested Health, LLC is a leader in the design, implementation, and third-party administration of Consumer Directed Health Plans (CDHPs), including Health Reimbursement Arrangements (HRAs), Retiree Health Reimbursement Arrangements (RHRAs), Flexible Spending Accounts (FSAs), and Health Savings Accounts (HSAs). Vested Health is an independent entity and is not associated with any insurance carrier, HMO, or financial institution. The Company has developed a unique HRA platform, which enables employers and consumers to maximize the control they have over their health care costs.

Vested Health was organized in July 2001 to capitalize on this emerging new insurance product. CDHP's address the failings of HMO by providing access to providers and at the same time creating the incentive to the covered employee/member to spend dollars wisely. For the employer, it still enables them to provide the much needed employee insurance benefit, however, it reduces the high level of uncertainty associated with a defined benefit plan and changes this to a more predictable financial outlay under a defined contribution plan.

Vested Health customers are regionally located companies, primarily in Ohio and West Virginia.

### Board of Directors

#### Thomas E. Parkinson, Partner, Adena Ventures

Adena Ventures is a \$36 million venture capital fund which invests in companies in central Appalachia. Mr. Parkinson is also a partner in Hopewell Ventures, a \$110 million, Chicago-based fund targeting the Midwestern United States. In addition to his role with Vested Health, he is currently a Director of Harmonic Vision, Inc., SageQuest, Inc., VHTI, Inc., and an observer on the Board of GamePlan, Inc. He was a Director of TLContact, Inc., until that company was acquired by Steve Case's Revolution Health Group in 2007.

Previously, Mr. Parkinson led a successful early-stage venture fund associated with Northwestern University, where he made and managed investments in more than 20 start-up companies, including Peapod, Inc. and Everyday Learning, Inc. He received his undergraduate degree from Northwestern University and his MBA from Northwestern's Kellogg Graduate School of Management and spent over ten years teaching courses as an adjunct professor in entrepreneurship and entrepreneurial finance at Kellogg and the University of Illinois at Chicago.

### **Patrick A. Bond, Partner and Chief Administrative Officer, Mountaineer Capital**

Mr. Bond has been responsible for the origination/management of seven of the Mountaineer Capital's investments. Prior to joining Mountaineer, Mr. Bond served as Managing Director of McCabe-Henley LP, bringing a wealth of experience in finance, administration, strategic planning, general management, and information systems. Previously, he owned/operated an independent consulting practice, Growth Management Group, specializing in the areas of Business Environment Assessments, new product development, investment and financial analysis, and strategic planning. Prior to that, Mr. Bond was president of a natural gas marketing company and was President and CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. Mr. Bond graduated from West Virginia University where he received his Master's and Bachelor's Degrees in Industrial Engineering.

### **William Custer, President Custer Capital**

Mr. Custer has over 20 years experience in the venture capital, securities and money management industries. Since 1985, Mr. Custer has served as President of Custer Management, Inc., a registered investment advisory firm managing public and private investment portfolios for business owners, professionals, executives, family trusts and high net worth individuals. Custer Capital is a venture capital firm overseeing venture capital funds investing in technology, healthcare and business services since 1999. The firm and affiliates also invest in energy and real estate assets. Since founding both companies, Mr. Custer has been involved in day-to-day operations involving oversight of over \$60 million of assets under management. His experience working with portfolio companies includes strategic planning, investment banking, marketing and operational assistance. Mr. Custer serves on the investment committee overseeing all investment activity and participates in due diligence, structuring and negotiating transactions and financial agreements.

## **Events**

June 2009: As of June 2009, Vested Health has signed on 357 employer groups, 13,629 EE lives, and 27,292 members. The Company has uncovered another line of revenues through GASB. GASB 43 and 45 are new governmental financial reporting requirements for all state and local governments that sponsor post-employment healthcare benefits. The major covered benefits include medical, dental, life insurance and disability.

June 2008: Vested Health saw significant changes in the management as former CEO and Founder, Mike Baker, left the Company. Shawn Dobson became the new CEO, and Sherri Parks serves as CFO. The Company at that time, provided health coverage for 323 employers including 13,800 covered employees. Average cash burn was approximately \$50k per month with cash reserves slightly in excess of \$250k. Vested Health financial projects indicated they would be better than break-even by the start of the first quarter of 2009.

September 2007: The JIT board approved a \$250,000 "follow-on" investment in the form of Series C preferred stock as part of a minimum \$4.0M round.

June 2004: The JIT Board approved an additional \$150,000 in Vested Health as part of a \$450,000 round. Each investment was structured as a convertible debenture with warrants to purchase Series B preferred stock and has been converted as described.

November 2004: The JIT Board approved a \$100,000 equity investment in Vested Health, LLC as part of a \$3.0M Series B preferred units round, which included approximately \$2.0M in new money and conversion of \$1.0M in debentures to equity. JIT converted \$335K in debentures to equity at the close of the round. JIT's equity ownership stood at 252,647 units or 13.21% of the Company.

November 2002: Vested Health raised an \$825,000 convertible preferred equity round with participation from JIT, Mountaineer Capital, Adena Ventures, and angel investors.

## **Financials**

Annual: Audited

Interim: Quarterly – unaudited

Exhibit A, attached, lists key elements from the March 31, 2009 Interim internal financial statements, the December 31, 2008, 2007, 2006 and 2005 year-end audited financial statements, and the December 31, 2004 internal financial statements for Vested Health, LLC.

## **II. Overall Conclusion**

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Vested Health, LLC at value, which is currently presumed to be the same as cost or \$999,997.