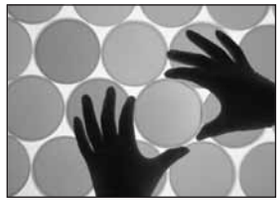
MARYLAND VENTURE FUND

annual report 06

Released July 2007



MARYLAND VENTURE FUND

Annual Report

June 2006

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LETTER FROM THE GOVERNOR

As Maryland continues to lead in our rapidly changing global economy, it is critical that we expand opportunities to invest and develop our forward-looking companies. By advancing cutting edge technology and discovery, we can be an economic and technological leader, and we can reach out to more of our neighbors around the globe. Together, we have tremendous resources in research, bioscience and high-tech industries to form a foundation of creativity and productivity that will drive our state and country forward.

Now in its 12th year, the Maryland Venture Fund is a regionally recognized leader in seed and early-stage investing and a national model for state-run investment programs. This unique program invests in new and emerging Maryland-based companies that demonstrate the hard work and potential needed to succeed. Over its life, the Maryland Venture Fund has partnered with such high profile and successful companies as Advertising.com, Sourcefire, and Gene Logic. Our investments have created more than 1,500 high-paying Maryland jobs, generated more than $50 million in investment income, and attracted more than $1 billion in private equity.

Around the country, others have been noticing. Last year, Entrepreneur Magazine again ranked the Maryland Venture Fund, along with the Maryland Technology Development Corporation, as one of the nation's largest public sector investors in start up and early stage companies. The U.S. Department of Commerce has also presented the Maryland Venture Fund with an Excellence in Innovation Economic Development Award, an annual award that showcases best practices, highlights outstanding results, and honors innovative economic development strategies of national significance.

The Maryland Venture Fund's commitment to early stage technology has helped draw additional funding resources to promising new companies. A&G Pharmaceuticals, a seed-funded company with a cancer neutralizing antibody in development, closed a $2 million Series A round in 2005. They also finalized a strategic partnership with Korean company Celltrion that will provide full funding for A&G's Phase I and Phase II clinical trials. BD Metrics, a company that provides relationship analytics technology and software, made outstanding strides in its main sales channel: the trade show and events industry. In 2006, the company was cited as "The #1 Trend in 2005" by Expo Magazine, and in 2006 the company won Trade Show Executive's prestigious Grand Award for "Innovation of the Year" acquired by Check Point, a leading internet securities company for upwards of $225 million.

In the end, the Maryland Venture Fund is one of the many critical tools we have to strengthen our partnership and growing businesses throughout our State. As we continue to broaden our outreach to investors around the globe, we are confident that we can continue to help grow the strong intellectual capital of our companies and seed the market with some of the most exciting technology we have to offer.

Martin O'Malley,
Governor

DIRECTOR'S MESSAGE

We take great pleasure in reporting the results of FY 06 performance of the Maryland Venture Fund (MVF) and wish to assure all parties that our aggressive and focused investment strategy for "seed" and early stage investments remains on target. We will continue to utilize the same methodology that has proven to be successful over the past 12 years. FY 06 has again proven to be a productive year with forty-one (41) investments made via the Challenge Investment Program (CIP) and the Enterprise Investment Fund (EIF) which represents $6.4 million of invested capital in Maryland-based companies. Unique to the MVF is the fact that we can regularly infuse $50,000 increments into a single company, based on visible milestones. This is a capability that larger venture funds can not do based on the size of their funds. This adherence to a milestone-driven investment philosophy and mentoring has helped our truly seed companies mature and establish a track record that increases their attractiveness to the private sector venture community. For example, during FY 06 three of our seed companies "graduated" from the CIP by closing on a Series A round of financing via established venture firms as the lead investor.
A breakdown of activity for the last year:

Industry	Advanced Technology	Biosciences
Number of Deals	20	18
New EIF Companies	1	3
New CIP Companies	11	6

Program	Challenge	Enterprise
Number of Deals	23	18

Activity on advanced technology deals continued at the same pace; however, there was more emphasis on first time CIP investments and additional "follow-on" investments in earlier CIP and EIF portfolio companies. Investments in bioscience firms increased in terms of total number of deals and new "seed" investments; however, the number of new EIF companies declined possibly due to the lack of early stage investing on the part of the venture capital community.

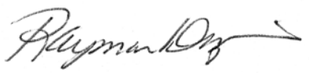
The prospect of any exits within our portfolio has been enhanced by the number of follow-on investments in EIF companies, which correlates to sustained early stage (later to us) or later stage investment by the venture community. We also continue to maintain equity positions in what are now later stage opportunities, which we anticipate could provide some windfall in the next two years via initial public offering or acquisition – more likely the latter, given that the rate of acquisitions is as much as nine times higher than for IPO's.

The Maryland Venture Fund remains committed to seeking the most promising seed and early stage Maryland-based companies and enhancing them with investment dollars, advice, connections, and support. As always, the Fund will continue to focus on making investments in companies that exhibit strong intellectual capital and possess proprietary positions that pose barriers to entry. We will also continue to evaluate companies based on the following characteristics: creativity, management, proprietary advantage, defensible markets, scalability, a clearly laid-out sales and marketing plan, and a rational exit strategy.

Quoting John Donne, "No man is an island." I had to justify that phrase on a college application some eons back. It couldn't be more applicable to the ecosystem that we've grown since the Fund's inception in 1994. As a result, deal flow remains rather strong on both the advanced technologies and biosciences fronts. We owe our success to the entrepreneurs (some returning ones, at that), venture funds, service providers, laboratories, and universities and other sources who have partnered with us over the last twelve years.

I think it would be remiss to not recognize Elizabeth Good's contribution to the Maryland Venture Fund. She was associated with the Fund for the last six years; in the last year and a half she served as our Managing Director. She provided guidance to many of the biosciences companies in which we made investments, and she was fortunate enough to see some of her portfolio companies exit successfully. We wish her luck in her new position as the Director of Strategy and Investments at the University of Maryland at Baltimore.

Sincerely,



Ray Dizon
Managing Director
Maryland Venture Fund
Maryland Department of Business & Economic Development

ENTERPRISE INVESTMENT FUND OVERVIEW

DESCRIPTION

The Maryland Venture Fund, a division of the Maryland Department of Business and Economic Development ("DBED"), is a state-sponsored venture capital fund which makes equity investments through the Enterprise Investment Fund in early-stage, high technology firms that are seeking initial infusions of private equity. The Fund receives an annual appropriation from the State, which determines the investment budget for the year. Over the last five years, the Fund's investment budget has averaged in excess of $5 million, which includes the Challenge Investment Program as well as the Enterprise Investment Fund. For more information on the Challenge Investment Program, please refer to page 51.

The statute governing the Enterprise Investment Fund limits the State of Maryland's total equity share in any given firm to 25 percent. The Enterprise Investment Fund requires a minimum 3:1 outside investor co-match through a sophisticated investor (a proven venture capital firm, a corporate strategic partner and/or a proven angel investor). The interpretation of the term "sophisticated" is at the sole discretion of the Maryland Venture Fund.

The Fund makes investments in the range of $150,000 to $500,000, typically as part of the "Series A" round. Furthermore, follow-on investments are made in subsequent rounds when the budget permits and if appropriate. As an independent control mechanism for this investment initiative, an outside Advisory Board comprised of ten members reviews these investments. The Fund's investment terms are for a maximum of 15 years, and it requires that the portfolio company retains its principal place of business within the State of Maryland for a period of five years. In the event that the company moves from the State within this period, DBED has a "put" on their equity in the departing company at cost plus 10 percent, or fair market value, whichever is greater.

PERFORMANCE

The Enterprise Investment Fund has taken equity positions in 67 individual Maryland-based companies. The cost basis of these investments thus far has been approximately $32 million since January 1, 1994. The Fund has generated approximately $55 million in cash returns since 1994. The portfolio of active companies currently has a fair market value of approximately $20.5 million. As of June 30, 2005, we have liquidated our position in fifteen companies, with successful exits via acquisition or IPO. For more details on the Fund's returns, please refer to page 11.

Maryland Department of Business & Economic Development

ENTERPRISE INVESTMENT FUND SUMMARY,

AS OF JUNE 30, 2006

Date of First Investment	Company	County	Investment	Status	# of Employees
2/18/2004	A&G Pharmaceuticals^	Howard	$400,000	Private	13
10/16/2001	Advanced BioNutrition	Howard	$600,001	Private	19
8/26//2004	Alba Therapeutics^	Baltimore City	$600,000	Private	23
8/29/2002	Artifact Software^	Baltimore City	$350,000	Private	10
11/16/2001	Avalon Pharmaceuticals	Montgomery	$545,721	Public	50
6/14/2004	AVICode	Baltimore	$250,000	Private	25
6/27/2003	BD Metrics^	Baltimore	$488,234	Private	65
05/1/2002	BioSET	Prince George's	$500,000	Private	10
9/16/2002	Bluefire Security Technologies	Baltimore City	$491,360	Private	36
2/16/2006	Cardiocore Lab*	Montgomery	$599,998	Private	28
3/16/2000	Chesapeake PERL^	Prince George's	$690,000	Private	12
10/2/2002	CodeRyte	Montgomery	$354,216	Private	80
3/7/2005	Covega	Howard	$465,155	Private	105
4/2/1996	Cylex^	Howard	$825,000	Private	31
3/25/1997	CytImmune Sciences	Montgomery	$500,000	Private	12
9/30/2002	EyeTel^	Howard	$764,024	Private	26
12/29/2000	FASgen	Baltimore City	$500,000	Private	4
3/18/2005	Fidelis Security Systems^	Montgomery	$650,000	Private	23
12/19/2000	Functional Genetics	Montgomery	$750,000	Private	15
8/2/2004	GlycoMimetics	Montgomery	$606,383	Private	14
7/1/2005	Grand Brands^	Baltimore	$600,000	Private	14
5/18/2005	Innovative Biosensors^	Prince George's	$500,000	Private	15
9/22/2000	Intradigm^	Montgomery	$500,000	Private	14
7/29/2005	Intronn*	Montgomery	$500,000	Private	10
11/11/2005	Jackbe*	Montgomery	$250,000	Private	14
2/28/2002	Maxcyte	Montgomery	$647,240	Private	20
12/18/1996	MetaMorphix	Howard	$500,000	Private	17
12/11/2001	Naviscan PET Technologies	N/A	$648,672	Private	12
7/16/2002	NavTrak	Wicomico	$500,000	Private	90
8/19/1999	NeuralStem Pharmaceuticals	Montgomery	$500,000	Private	3
10/7/1998	NexTone Communications^	Montgomery	$150,000	Private	150
9/22/1994	Osiris Therapeutics	Baltimore City	$500,000	Private	49
7/21/1998	Paratek Microwave^	Howard	$225,000	Private	43

continued

continued

ENTERPRISE INVESTMENT FUND SUMMARY,

AS OF JUNE 30, 2006

Date of Investment	Company	County	Investment	Status	# of Employees
2/7/2002	Plethora Technology^	N/A	$100,000	Private	6
11/20/2002	Qovia^	Frederick	$775,000	Private	45
7/17/2002	Reactive Nanotechnologies^	Baltimore	$388,434	Private	32
4/25/2005	Realinterface Expert Systems^	Anne Arundel	$100,000	Acquired	5
3/17/1995	RF Technologies^	Howard	$299,990	Private	5
10/3/1997	Solution Technology International^	Garrett	$350,000	Private	6
2/1/2002	Sourcefire	Howard	$650,005	Private	97
1/8/2001	Vapotherm^	Queen Anne's	$684,999	Private	30
4/28/1998	Wisor Telecom^	Montgomery	$515,929	Private	50
EIF Summary					
Current Portfolio Cost			$20,508,978		
Write-offs			$4,512,505		
Exited Portfolio Costs			$6,964,921		
Total Invested			**$32,192,782**		
Current Portfolio FMV #			**$20,492,745**		
Realized Value of Exits			**$54,699,207**		
Unrealized Value of Exits			$2,264,483		

* - new company in MVF
portfolio ^ - graduated from CIP

REALIZED EXITS, JUNE 30,2006

Company	Date of Exit	Investment	Realized Value	Unrealized FMV
Advertising.com	8/3/2004	$499,991	$1,730	$107,493
Aptus Pharmaceuticals	6/30/2005	$500,000		$84,076
Atto Biosciences	7/1/2004	$500,000	$621,508	
Biosynexus	5/26/2005	$500,000	$598,961	$149,740
eVin, Inc. (formerly VinNet, Inc.)	6/15/2000	$275,000	$36,447	
Gene Logic, Inc.(GLGC)	5/22/2000	$500,000	$17,169,307	
Guilford Pharmaceuticals, Inc.	4/1/1999	$250,000	$536,092	
Immersion (IMMR) (f.k.a. HT Medical Systems)	6/1/1998	$250,000	$249,134	$76,825
ID Biomedical (f.k.a. Intellivax, Inc.)	6/13/2003	$300,000	$553,357	
Meridian Medical Tech.	4/9/2002	$289,930	$544,149	
NetBalance Inc.	9/30/2001	$450,000	$22,948	
NewComm Net	1/12/2000	$500,000	$566,666	
NexTone Communications	Multiple	50,000	$160,000	
Panacos Pharmaceuticals	3/11/2005	$500,000	$218,799	$1,846,349
Platform Logic	12/29/2004	$600,000	$3,314,868	
Powerize.com (formerly Hoover's KnowledgeLink)	4/7/2003	$550,000	$397,915	
Visual Networks, Inc.(VNWK)	4/1/1999	$250,000	$28,133,879	
Yafo Networks	2/14/2003	$250,000	$95,447	
Subtotal		$6,964,921	$54,699,207	$2,264,483
Total		**$6,964,921**	**$54,699,207**	**$2,264,483**

ENTERPRISE INVESTMENT FUND OVERVIEW

A&G Pharmaceutical, Inc.

Web site: www.agrx.net
Location: Columbia, MD
MD Employees: 13

Management Team
Ginette Serrero, PhD, *CEO*
Randy Barton, PhD, *Vice President of Drug Discovery*
Michael Keefe, *Vice President of Business Development*

Other Co-Investors
New England Partners
Crocker Capital
MedImmune Ventures
Celltrion

Cost to the State of Maryland
$400,000

History

A&G Pharmaceutical (A&G) is a theranostics company creating and developing monoclonal antibodies to cancer-specific targets as a basis for novel therapeutic and diagnostic products. A&G has 9 issued and 16 pending patents on its lead target, a protein/biomarker called GP88. This biomarker produced by cancer cells is found in 80% of breast cancers and is not present in normal tissue.

A&G is developing a monoclonal antibody that neutralizes the function of GP88. Used as monotherapy or in combination with other anti-cancer agents, this new antibody drug has the potential to be therapeutically effective in the majority of breast cancers, with additional potential application in prostate cancer, ovarian cancer, and other cancers.

Products

A&G's therapeutics division is pursuing development of anti-GP88 antibody for cancer and a small molecule drug for rheumatory arthritis. On the diagnostics side, A&G is currently developing test kits that will improve early detection, diagnosis, and treatment of breast cancer based on GP88. One of these—a biopsy test kit currently in clinical trials—will also serve as a companion diagnostic to anti-GP88 immunotherapy. A&G's Precision Antibody™ service unit generates revenue to fund the drug development effort by accelerating the creation of novel, customized antibodies for leading pharmaceutical and biotechnology companies as well as federal laboratories.

Competition

The HER2 biomarker, which is the target of Herceptin®, is over-expressed in only 25% of breast cancers. In contrast, A&G's GP88 biomarker is over-expressed in 80% of breast cancer, in correlation with parameters of poor prognosis and increased mortality. This positions GP88 to address a far greater percentage of the breast cancer market than HER2. An anti-GP88 therapeutic under development by A&G would potentially achieve a threefold increase in sales over Herceptin®, whose U.S. sales topped $750 million in 2005.

Events

In 2005, A&G closed a series A round of $2 million led by New England Partners and followed by Maryland Venture Fund, Crocker Capital, and other investors.

In June 2006, A&G Pharmaceutical, Inc. entered into a strategic agreement worth $8.4 million with Celltrion for clinical production of a novel theranostic monoclonal antibody to GP88 .

Advanced BioNutrition Corporation

Website: www.advancedbionutrition.com
Location: Columbia, MD
MD Employees: 19

Management Team
Dr. David Kyle, *President and CEO*
Dr. Walt Rakitsky, *VP of Commercial Development*
Ms. Lissy Menachery, *Controller*

Other Major Co-Investors
Eastbourne Capital
Sherbrooke Capital Partners
BASF Venture Capital GmbH
SAM Sustainability Private Equity LLP
Arancia International Inc.

Cost to the State of Maryland
$600,001

History

Advanced BioNutrition Corporation (ABN) was spun out from Martek Biosciences Corp (Martek) in Q4 of 2001 with a mission to commercialize its science-based aquaculture products. ABN has now in-licensed more than 230 issued patents pertaining to Martek's DHA and ARA technology as they apply to animal products. ABN is also developing its next generation of products, and has filed 25 fundamental broad-ranging patents in the areas of animal disease control and health management. ABN is currently transitioning this intellectual property estate into revenues through the sale of proprietary products and licensing of novel technology.

Products

ABN is a science-based and business-driven animal health and nutrition company with sales from existing proprietary products and a strong pipeline of new products and technologies. ABN's DHA- and ARA-based AquaGrow line of nutritional enrichment feeds is sold through distributors to hatcheries and grow-out facilities throughout the world and reached over $1 Million in sales in 2005. ABN also developed the first complete replacement for fishmeal and fish oil for use in shrimp feeds, and is in the premarketing stage for this safe and sustainable product that can provide the industry with price predictability, consistent high quality, and traceability unattainable from fishmeal. In 2005, ABN initiated the marketing of algal-based DHA to supplement puppy foods/treats, as well as a similar product that increases litter size and growth in the swine industry. In conjunction with a major commercial premix partner, the Company also initiated the marketing of a fertility enhancement product for horses called Magnitude. ABN's near-term R&D focus is on the development of a new encapsulation system based on natural, bio-degradable polymers that can be used for the oral delivery of probiotics, enzymes, and vaccines.

Competition

ABN's DHA-based nutritional products are sourced from fermentatively grown microalgae, a sustainable plant resource. Competing products are based on fishmeal and fish oil, a non-sustainable resource whose price is on the rise. In addition, scientific publications have demonstrated the superiority of the algal-based products over these competitive products. There is no direct competition for the disease control product line under development, and the microencapsulation technology is considered unique in the industry.

Events

ABN closed a Series B round in December 2005, bringing the total investment to $13.5M.

Alba Therapeutics, Inc.

Web site: www.albatherapeutics.com
Location: Baltimore, MD
MD Employees: 23

Management Team

Blake M. Paterson, *M.D., CEO*
Alessio Fasano, *M.D., CSO*
Stuart Sedlack, *VP of Corporate Development*
Sharon Rowland, PhD., *VP of Regulatory and Quality Assurance*

Other Co-Investors

Schroeder Ventures Life Sciences
Alta Partners
HealthCap
Red Abbey Ventures
Esperance BioVentures
Astellas Ventures

Cost to State of Maryland

$600,000

History

Alba Therapeutics Corporation (Alba), is focused on the development and commercialization of peptides and small molecules that exploit the biology of zonulin. Zonulin is an endogenous signaling protein that transiently and reversibly opens the tight junctions of epithelial and endothelial tissues. Alba's portfolio of over 120 patents issued and applied covers the protein and its receptor, composition of matter and methods of use. Applications range from drug delivery to treatment of diseases involving tight junction dysfunction and autoimmunity. The most immediate o-portunites for commercialization are within the immunomodulation and inflammation ("IDI") therapeutic area. IDI is growing rapidly and has the potential to achieve revenues of $70B by 2010. These discoveries were developed by Dr. Alessio Fasano at the University of Maryland and validated by researchers worldwide.

Products

Lead product development is focused on two immediate IDI applications, the use of a zonulin receptor antagonist (AT-1001) to block the autoimmune progression of celiac disease (CD) and type 1 diabetes (T1D). The market for a CD therapy may exceed $1 billion. In the US alone, 3 million Americans are estimated to be affected with celiac disease. T1D development is focused on preserving residual beta cell function. The op-portunity for this treatment approach may well exceed $1 billion. A 4th generation agonist (AT-1002) is also under development, for use as a drug or antigen delivery agent.

Competition

Currently complete elimination of dietary gluten is the only therapy for Celiac Disease. Several organizations have been formed to help patients meet the challenge of gluten avoidance.

Events

In August 2005, Alba closed a $30 million Series A round led by Schroeder Ventures Life Sciences and Alta Partners and rounded out by HealthCap and Red Abbey Ventures. Alba successfully completed Phase 1-Single and Multi-dose safety studies in September 2005 and February 2006, respectively.

The Company completed with positive efficacy data a Phase 1-Point of Concept trial with 24 Celiac patients in January 2006.

The Company won Incubator of the Year – 2006 Life Science Company of the Year award in June.

Artifact Software

Web site: www.artifactsoftware.com
Location: Baltimore, MD
MD Employees: 10

Management Team

Mark Wesker, *CEO*
Paul Martin, *CTO*
Jeff Mason, *VP of Marketing*

Other Co-Investors

Intersouth Partners
Draper Atlantic
New Markets Growth Fund
Mid-Atlantic Ventures

Cost to State of Maryland

$350,000

History

Artifact Software was founded in 2002. Mark Wesker is the former President and COO of Sequoia Software, which was acquired by Citrix Systems in 2001.

Products

Artifact is creating a hosted software delivery lifecycle service that enables small to mid-sized software development services companies to build and manage trusted customers' relationships and reduce the risks and costs in delivering software applications. The "Lighthouse" product will automate a number of development processes, provide effective communication and collaboration capabilities, and allow for real-time input from key stakeholders in the global software supply delivery chain.

Competition

This model differs from the standard application service provider offering in that a combination of the "best of breed" applications employed through Artifact will result in significantly less expensive development costs. An IBM model, for example, would force users to have to use the Company's premium-priced Rational line of products with WebSphere.

BD Metrics, Inc.

Web site: www.bdmetrics.com
Location: Columbia
MD Employees: 65

Management Team

Rick Geritz, *CEO*
Mike Woosley, *CFO*
Don Mahoney, *COO*

Other Co-Investors

The Grosvenor Funds
Valhalla Partners
New Markets Growth Fund

Cost to State of Maryland

$488,234

History

BDMetrics was founded in 2002 to provide relationship analytics technology and software that identifies highly-qualified business relationships. In 2004, the Company began delivering this technology to its chief sales channel: the trade show and events industry. In the period of 18 months, the company has grown to serve approximately 50 of the largest 100 trade shows in the US.

Products

The Company's on-demand software is already used by the largest trade shows in the U.S. The Company earns fees from event owners for providing event infrastructure (SmartEvent), and subscription fees from exhibitors for generated leads (SmartBooth). The SmartEvent product provides the event's attendees with a search engine that indexes all of the events' content including fellow attendees, exhibitors, products and sessions. Attendees can use the tools to network, set meetings, develop a show plan, or generate a walking plan for the event. SmartEvent uses its business analytics technology to provide attendees with relevant recommendations of who to see and what to do.

The SmartBooth products enables the exhibitor to increase its awareness on the attendee portals through media and keyword placements, and by messaging those attendees that he business analytics technology identifies as the exhibitor's ideal leads. The exhibitor can use the tool to connect with attendees and set up face-to-face meetings.

This year, BDMetrics has introduced Smart-Association which keeps the trade-show like portals up year-round for research and networking, and provides additional functionality such as news feeds, and request for quote (RFQ) services. The business analytics and behavioral analytics technology is supported by two pending patent applications. The Company's trade show channel is an industry of approximately $13 billion in the US. The Company's event tools support show operations, a $7- $8 billion segment of this market. The Company's exhibitor tools provide highly qualified leads to corporations, tapping budgets in corporate marketing and CRM that substantially exceed $100 billion.

Competition

There are a number of companies in the social networking space that have some similarities, but these companies generally do not offer business analytics as a value-added product, nor do they support very large trade shows and events.

Events

In FY2006, the Company closed on its second round of venture financing, totaling $7.5 million. The existing investors participated, as did new investor The Grosvenor Funds.

In 2006, *Trade Show Executive's* prestigious Grand Award was given to BDMetrics for "Innovation of the Year."

BioSurface Engineering Technologies, Inc (BioSET)

Web site: www.biosetinc.com
Location: Rockville, MD
MD Employees: 10

Management Team

Bill Mavity, *Chairman of the Board*
Tom Roueche, *President & CEO*
Paul Zamora, PhD., *VP and CSO*

Other Co-Investors

Boston Scientific
The Vertical Group
EDF Ventures
Memphis BioVentures
New Markets Growth Fund

Cost to State of Maryland

$500,000

History

BioSET was formed March 2001 through a "spin out" to capitalize on over ten years of research and development in advanced biocompatible coating technologies in the medical device industry. The management team and medical device surface modification technology came from InnerDyne, Inc., which had merged with United States Surgical, a division of Tyco Healthcare Group, LP.a division of Tyco Healthcare Group, LP.

Products

BioSET is developing synthetic peptides to enhance tissue regeneration. To date, BioSET has developed 7 peptides that act as either fully synthetic growth factors, co-activators of native growth factor and cell adhesive factors to act as agonist growth factors for tissue (non-blood) regeneration. Each of these peptides has shown positive effects in initial animal studies, and the company has selected one compound for advanced development in improving bone repair in spinal fusion. The company has completed pilot studies with favorable results, has met with the FDA regarding pre-clinical study design and is entering pivotal animal studies in preparation for an IDE submission in the 3rd quarter 2007.

In 2004, the company entered into an agreement with the EBI division of Biomet, Inc., to jointly develop products based on a separate target for various applications in the field of orthopedics. The agreement provides for both bone repair and soft tissue applications within all divisions of Biomet. In addition, the company is active with an additional partner in the development of a biologic approach to the repair of cerebral aneurysms.

The company maintains a robust pipeline of peptide targets for future development. These compounds will target clinical applications for tissue regeneration in the fields of vascular disease, gastrointestinal disorders and chronic wound repair.

Competition

There is much interest and research into the development of bioactive medical devices on the part of academia, early-stage research companies and corporate R&D. The convergence of biologics with medical devices is believed by many to play the leading role in future product development by the medical device system.

Bluefire Security Technologies

Web site: www.bluefiresecurity.com
Location: Baltimore, MD
MD Employees: 36

Management Team

Mark Komisky, *CEO*
Dennis Komisky, *CTO*
Will Clemens, *CFO*

Other Co-Investors

Walker Ventures
Maryland Angels Council
J K & B Capital
Grotech Capital Group
Motorola Ventures
Blue Cloud Ventures

Cost to State of Maryland

$491,360

History

Bluefire Security Technologies (Bluefire) solves today's handheld security problems and addresses tomorrow's wireless threats with centrally managed, multilayered software. The Company's patent-pending software has been tested and selected by leading financial services firms, government agencies and medical centers. In addition, Bluefire has established relationships with global systems integrators, hardware OEMs and wireless carriers that are producing significant customer opportunities and revenue.

Products

The Company's flagship product, Bluefire Mobile Security Enterprise Edition, is the industry's only fully integrated handheld security solution that protects lost and stolen devices, prevents attacks and unauthorized access, enforces security policies and monitors activity on devices. Bluefire Mobile Security Enterprise Edition is the only solution that provides multiple layers of security on the device firewall, Virtual Private Network (VPN), intrusion prevention, FIPS 140-2 validated encryption, authentication, integrity monitoring and central management to protect lost and stolen devices and prevent unauthorized users from exploiting handhelds as a backdoor to your enterprise. Additionally, Bluefire Mobile Security VPN enables the integration of VPN functionality into virtually any mobile application. Invisible to the end-user, initiation of a secure VPN connection occurs through "auto-launch" deployment with the software application.

Competition

Bluefire is the only company with a firewall and VPN for mobile and wireless devices. A number of companies have developed stand-alone authentication and file encryption products, which compete with a feature of the Bluefire product but do not offer the complete security suite that Bluefire offers. Potential competitors include traditional firewall or anti-virus companies that may attempt to migrate their server or PC–based products to mobile and wireless devices. However, their expertise in developing large server-based software based on IP networks will not translate well to developing small, efficient filter engines capable of addressing multiple networks across multiple devices.

Events

This year Bluefire has seen significant sales traction in government and commercial sectors and has expanded its strategic business relationships with Motorola, Cisco, Bank of America, Symantec, Sprint, HP, Dell, and others.

Cardiocore Lab, Inc.

Web site: www.cardiocorelab.com
Location: Bethesda, MD
MD Employees: 28

Management Team

Jennifer Cotteleer, *CEO*
Lawrence Z. Satin, *M.D., FACC, Founder and CMO*
Scott Satin, *co-Founder and* COO

Other Co-Investors

Caxton Health Holding
Aperture Venture Partners

Cost to State of Maryland

$599,998

History

In 1992, Dr. Lawrence Z. Satin founded one of the nation's first cardiology core labs. Under Dr. Satin's leadership, Cardiocore (formerly named Central Cardiac Testing) was the very first company to transfer ECGs by digital modem and use 12-lead Holter monitors in a clinical trial. Since then, the lab has analyzed hundreds of thousands of electrocardiograms and Holter reports for fifteen pharmaceutical companies, in five countries. The company is experienced in the design and implementation of Thorough QT Trials as well as cardiac safety and efficacy testing in Phases I, II, and III clinical trials.

Products

Cardiocore's clinical operations organization provides centralized cardiac testing services. Services include centralized electrocardiographic (ECG) analysis, Holter monitoring, statistical analysis and consulting services such as protocol design. Cardiocore's proprietary HolterGateway is a breakthrough technology supporting digital transfer of 12-Lead Holter data. The patent pending system provides data security and cost advantages by eliminating the need to mail flash memory cards containing clinical data. Instead, the HolterGateway™ transfers digital Holter data securely and rapidly to Cardiocore's centralized data center. CardioPortal sponsors, contract research organizations and investigators enjoy 24/7 web access to real-time ECG data. Cardiocore users can check the Portal from any computer at any location worldwide with assurance that the data is fully secured and encrypted. Cardiocore's web based technology allows top-notch cardiologists with successful medical practices to remotely read ECGs in one to three hour stints.

Competition

Cardiocore is the only provider that exclusively employs U.S. board certified cardiologists to interpret ECG results. E-Research is currently the largest pure-play cardiac testing lab. Its founder and Dr. Satin are recognized as the only cardiac doctors leading emerging companies in the field.

Events

In March 2006, Cardiocore raised $8 million in a Series A round Additionally, in February, Cardiocore announced the opening of its European headquarters in London, which will allow the company to compete more effectively against E-Research.

Chesapeake PERL, Inc.

Web site: www.c-perl.com
Location: Savage, MD
MD Employees: 12

Management Team

Robert Balcerzak, *President*
Dr. George Buchman, *CSO*
David C. Davis, *VP Manufacturing*
Dr. William Bentley, *Founder*
Dr. Minh-Quan Pham, *Founder*

Other Co-Investors

American Society of Microbiology
Other Private Investors

Cost to State of Maryland

$690,000

History

In 1999, a University of Maryland graduate student, Minh-Quan Pham and one of his professors, William Bentley, partnered to form Chesapeake PERL, Inc. to commercialize a low-cost manufacturing system for recombinant (genetically engineered) proteins. The manufacturing system changes simple insect larvae into efficient mini-bioreactors that produce recombinant proteins at high quality while substantially reducing costs.

Products

Chesapeake PERL has developed a platform technology for mass production of recombinant proteins from insect larvae allowing both rapid and large-scale expression of a broad range of high-quality proteins with no human pathogens and without expensive process development and scale-up. The Company's business model is based on developing fee-for-service partnerships and producing proprietary products. Chesapeake PERL has initially targeted specific sectors with smaller, more attainable and non-FDA regulated markets. Protein products have a wide variety of applications, including therapeutics, diagnostics, industrial enzymes, agriculture and bioremediation uses.

Competition

Current processes are highly specific in that one process yields one product. Any change in process conditions, raw materials or product can disrupt production and require additional R&D. Chesapeake PERL has overcome technical barriers of efficient scale-up and harvesting time to give it a significant competitive advantage.

Events

In November 2005, the company was awarded a $3 million grant from the National Institute of Allergies and Infectious Diseases.

CodeRyte, Inc.

Web site: www.coderyte.com
Location: Bethesda, MD
MD Employees: 80

Management Team

Richard Toren, *Chairman and President*
Andy Kapit, *CEO*
Alan Hinderer, *SVP, Sales*
Julie Stern, *SVP, Client Support*
Michael Niv, Ph.D., *Lead Architect*
Andy Van Etten, *VP, Engineering*
Lyle Schofield, *VP, Product Management*

Other Co-Investors

Venrock Associates
Polaris Ventures
Cardinal Partners
Solstice Capital
Washington Tech Partners
Commons Capital

Cost to State of Maryland

$354,216

History

CodeRyte, Inc. develops Natural Language Processing (NLP) and web-based technologies. Its Computer Assisted Coding (CAC) application currently automates and facilitates coding in five medical specialties: radiology, pathology, emergency medicine, pathology and orthopedics. Physicians, hospitals and medical billing companies use CodeRyte's CAC application to conquer the labor-intensive coding and data entry processes that make up a large part of the medical revenue cycle. Within the context of the language, CodeRyte's NLP technology leverages the full color of the physician's narrative to accurately determine the appropriate billing codes. The technology also supports fraud detection/compliance by quickly comparing or facilitating the comparison of transcribed medical records to the claims submitted by the medical provider. The web application/workflow engine provides both clinical and business intelligence to support the business of CodeRyte's rapidly growing customer base.

Products

Via its CodeAssist product CodeRyte provides its technology to the end-user via an ASP, subscription-based model. However, CodeRyte also has a fully distributed workforce of medical coders so it can also offer CodeComplete to those organizations that want to fully outsource their medical coding function or who have occasional backlogs that, when not coded, delay reimbursement. Both models allow the customer to submit transcribed records over the Internet. CodeRyte processes each record in fewer than two seconds or, in batch mode, up to 200,000 per server.

Competition

CodeRyte, Inc. currently has a direct competitor in A-Life Medical, Inc., which uses a rules-based approach to NLP. Using this more primitive version of NLP, A-Life must write millions of rules to deal with the ever-changing grammatical, syntactical, semantic and linguistic universe that define the healthcare delivery process. This is a more cumbersome, labor-intensive approach to the technology, which makes it difficult to scale and adapt. Competition also comes from outsource coding services that are staffed by human coders.

Events

CodeRyte, Inc. completed its Series C round in March 2006.

In April 2006, the company announced a new business partnership with practice management developer CPU Medical Management Systems, Inc. of San Diego, CA.

Covega Corporation

Web site: www.covega.com
Location: Jessup, MD
MD Employees: 105

Management Team

Joseph Dixon, *CEO*
Dan Petrescu, *President and Chief Sales Officer*
Lisa Peterson, *COO*
Randy Klueger, *CFO*
Ganesh Gopalakrishnan, Ph.D., *CTO*

Other Co-Investors

OCG Ventures, LLC / HRLD Ventures
Core Capital Partners
Intersouth Partners
Siemens Venture Capital

Cost to State of Maryland

$465,155

History

Covega Corporation, a leading provider of opto-electronic components and subsystems, was formed in March 2003 from the merger of CODEON Corp. and Quantum Photonics, Inc. Covega caters to a wide range of industries including telecom, datacom, cablecom, defense, medical, industrial, sensing, test & measurement and instrumentation. Covega's products set industry standards for high performance and reliability at low cost. A high level of product integration offers reduction in cost and complexity for systems integrators.

Products

Covega's fab-light and fab-less customers take advantage of the fully vertically integrated Indium Phosphide and Lithium Niobate capabilities and foundry services which include in-house device design & modeling, wafer growth & fabrication and advanced E/O device packaging. Leveraging advanced Lithium Niobate and Indium Phosphide device and packaging technologies, Covega's broad product offering includes Lithium Niobate amplitude and phase modulators as well as Indium Phosphide semiconductor optical amplifiers, gain chips, super luminescent diodes, broad area lasers and high power Fabry-Perot lasers.

Competition

Competitors from the various market segments include JDS Uniphase, Sumitomo, Avanex, Exalos, and Mitsubishi. Covega holds significant market share for each product line that it markets, to the point where it is consistently among the top three vendors in a particular segment.

Events

In August 2006, the company raised $10 million in a round of venture financing.

Cylex, Inc.

Web site: www.cylex.net
Location: Columbia, MD
MD Employees: 31

Management Team

Judith A. Britz, Ph.D. *CEO and Chairman*
Timothy Ellis, *President*
Michael Petruny, *VP Sales*
Stephen Sproul, *VP Market Development*
Richard Kowalski, Ph.D., *Director, Clinical Studies*
Lucy Carruth, Ph.D. *Director, Product Development*
Cindy McGiffin, *VP Finance*

Other Co-Investors

Early Stage Enterprises
The Dinner Club
NJTC Venture Fund
SBIC, LP
Women's Growth Capital Fund
Roche Finance Ltd.
Cahn Medical Technologies LLC
Foxwood Capital
Calvert Social Investment Fund
Nikko New Wave 2001 Investment

Cost to State of Maryland

$825,000

History

Cylex is a diagnostic company in the newly emerging field of predictive medicine. Cylex has developed and patented the first and only biomarker cleared by the FDA for measuring immune status in blood. The technology was originally developed under an SBIR with the Department of Army for monitoring the efficacy of a Q fever vaccine. This technology allows physicians to rapidly assess the impact of drugs or clinical condition on a patient's immune system that unlike other immunology assays provides the standardization required for routine clinical use. With this knowledge, physicians can substantially improve the treatment of life-threatening diseases through individualized patient management, thereby reducing side effects, lowering the cost of treatment, and improving outcomes and quality of life.

Products

The Company has developed a diagnostic tool, called ImmuKnow, which integrates magnetic separation of blood cells with bioluminescent detection for the measurement of immune system function. Cylex's immunodiagnostic kit measures the level of T-cell activation in blood. It has a major application in organ transplantation, AIDS, cancer, autoimmunity and other infectious diseases. ImmuKnow enables physicians to improve treatment of life-threatening diseases or conditions through individualized management of a patient's immune system; thereby, reducing side effects, lowering cost of treatment and improving clinical response and quality of life.

Competition

ImmuKnow is currently the only test for broad functional assessment of the immune system that has been cleared by the FDA and is useful in the clinical environment. A number of technologies are in use in the research laboratory but, in general, have not been designed for clinical use. They are Lymphoproliferation (LPA), Flow Cytometry and Cytokines, whether soluble or genotype microarray. Becton Dickinson and R&D Systems are among the players in this arena.

Events

In May 2006, the Company announced a 74 percent increase in first quarter revenues over first quarter 2005. Clinical sales grew 48 percent in first six months of 2006 over the previous six months.

CytImmune Sciences, Inc.

Web site: www.cytimmune.com
Location: Rockville, MD
MD Employees: 12

Management Team

Lawrence Tamarkin, Ph.D., *President and CEO*
Giulio F. Paciotti, Ph.D., *VP, R&D*
Mitchell S. Marder, *VP, Finance and CFO*

Other Co-Investors

J. Dorrance Trusts
Other Private Investors

Cost to State of Maryland

$500,000

History

CytImmune is a clinical stage biopharmaceutical based in Rockville, MD. The Company is developing a pipeline of multifunctional, next-generation therapeutics, binding known anti-cancer agents – whose toxicities currently prevent or severely limit clinical use – to its patented colloidal gold tumor-targeting nanotechnology. This ap-proach creates safe therapies for a broad spectrum of cancers, significantly reducing toxicity (and side effects), increasing efficacy and improving quality of life. The Company's goal is to build from this common core technology a family of therapeutics with faster development timelines, efficient regulatory approvals, new commercialization value, and greater patient benefits. To date, CytImmune has raised nearly $14 million from private investment and grant funding. In September 2004, the Company won its second ATP award for The *In Vitro* Production of Human Monoclonal Antibodies. Under this award the Company will use its colloidal gold nanoparticles as a semi-synthetic immune system to produce wholly human monoclonal antibody therapeutics. The Company has 8 issued and allowed patents, and 24 pending patents for its colloidal gold technology in the U.S., the EU, Japan and Canada.

Products

Aurimune™-Aurimune's Phase I clinical trial began in Q2 2006. The National Cancer Institute (NCI) will conduct this trial at no cost to the Company. After completing the Phase I studies, NCI plans to conduct three separate Phase II trials in patients with melanoma, colorectal cancer and urinary tract cancer.

AuriTol™ - CytImmune is collaborating with leading academic research institutions (including Virginia Tech) to develop new formulations of Taxol® using the Company's technology for the treatment of breast cancer (AuriTol). While under patent, Taxol sales exceeded $2 billion per year worldwide. CytImmune's new formulation – with an anticipated increase in efficacy and reduction in side effects – has the potential to recapture the drug's pre-generic annual revenues.

Orovet™ - Based on positive *In-Vivo* results, CytImmune licensed the world-wide veterinary oncology rights for a veterinary formulation of colloidal gold bound TNF to Boehringer Ingelheim Vetmedica (BIV). BIV paid CytImmune an upfront fee, and will pay milestone payments and royalties on world-wide sales of this veterinary oncology product to CytImmune.

Competition

Major competition comes from liposomes or biodegradable polymers for drug delivery. Both technologies are best suited for carrying water insoluble molecules. In contrast, the colloidal gold drug delivery vector is better suited for protein biologics as well as small molecule therapeutics. Because these molecules are bound and carried on the surface of the nanoparticle they provide rapid biologic action by binding to cell surface receptors.

EyeTel Imaging, Inc.

Web site: www.eyetel-imaging.com
Location: Columbia, MD
MD Employees: 26

Management Team

John C. Garbarino, *President and CEO*
Keith G. Frey, *CFO*
Kirk E. Elliott, *VP, Operations/Logistics*

Other Co-Investors

Bain Capital Ventures
Radius Ventures
MVP America, L.P.
Eli Lilly

Cost to State of Maryland

$764,023

History

EyeTel Imaging was founded on the premise that a more effective treatment model could be im-plemented to prevent blindness within the group of over 16 million people in the United States who have dia-betes and are at risk of acquiring diabetic retinopathy, a serious potential complication of diabetes.

Diabetic retinopathy, an asymptomatic eye disease that is the leading cause of new blindness among working-age Americans, can largely be prevented through early detection and treatment. However, despite recommendations and guidelines from leading clinical associations (ADA–American Diabetes Association and AAO–American Academy of Ophthalmology), an estimated 50% of all patients with diabetes fail to have routine diabetic retinopathy eye examinations.

Products/Services

To address this problem, EyeTel, in cooperation with The Wilmer Ophthalmologic Institute at Johns Hopkins University, developed the DigiScope® to detect changes in the micro-vasculature of the eye, representative of diabetic retinopathy. The DigiScope permits patients to receive an effective retinal evaluation in the most convenient location possible—the setting where they receive their primary diabetes care.

Advanced features and proprietary software permit simple operation of the DigiScope, much in the same way as an ATM simplifies consumer banking functions. Consequently, no special technical skills are required for its operation, unlike traditional technology. Even clerical staff can be trained to conduct tests using the touch-screen which easily guides the operator through the ten-minute procedure with audio and visual cues. Using the latest encryption and compression technology, the DigiScope automatically transmits the patient's retinal images via the Internet to a central reading center for evaluation and reporting.

Within 24-48 hours, the primary care physician receives a complete patient report from the Wilmer-Eyetel Reading Center, directed by retinal specialists from The Wilmer Eye Institute. Should an "Urgent Referral" condition be detected, EyeTel also alerts the attending physician by telephone.

EyeTel has focused its marketing efforts toward primary care providers and has obtained broad reimbursement coverage with healthcare payers and large commercial carriers. EyeTel has had significant clinical success within the Great Lakes, Mid-Atlantic, Southeast and Texas markets. The Company has an aggressive strategic plan to continue an East to West Coast roll-out of the DigiScope System through a highly targeted, clinical education program.

Events

EyeTel completed a follow-on Series B round of financing in August 2005 with existing investors.

FASgen, Inc.

Web site: www.fasgen.com
Location: Baltimore, MD 21224
MD Employees: 4

Management Team

Eric F. Stoer, *Chairman*
Albert H. Owens, Jr. , *M.D., President ands CEO*
Susan M. Medghalchi, Ph.D., *Director, Biological Lab*
Kandasamy Subbaraj, Ph.D., *Director, Chemistry Lab*
Pankaj Sadaphal, Ph.D., *Director, Clinical Trials*

Other Co-Investors

Emerging Technology Partners
Astellas Pharma, Inc.
CIP Capital
David Hungerford, M.D.

Cost to State of Maryland

$500,000

History

FASgen was formed by four distinguished Johns Hopkins researchers to develop drugs based on their widely acclaimed discoveries related to the mechanisms and roles of the fatty acid biosynthesis (FAS) system. FASgen has an exclusive license from Johns Hopkins University to the FAS patent estate, with 23 patents either issued or pending, and 80 peer-reviewed publications.

Products

FASgen has chosen to initially focus its effort in three significant areas: cancer, obesity and tuberculosis. FAS inhibitors selectively destroy common cancers of the breast, prostate, colon and lung while sparing the normal tissues. Since cancer cells have been found to depend on this FAS mechanism for growth, the resultant small molecules produced will specifically inhibit the principal FAS enzyme. FAS inhibitors cause weight loss by affecting several validated targets: centrally, by suppressing appetite via controls located in the brain stem; and, peripherally, by increasing fatty acid oxidation at the cellular level. This development was highlighted in the June 30, 2000 issue of Science magazine. FAS inhibitors are also selectively toxic to mycobacteria, including multiple drug-resistant organisms that cause TB in humans and paratuberculosis in domestic animals; this compound is furthest along in testing and an IND filing is expected next year.

Competition

Various academic and clinical institutions have performed research on the FAS process; for example, Ohio State University has initiated a program (funded by the National Cancer Institute) to identify molecules to attack FAS associated with brain tumors. Other institutions are researching possible vaccine formulations to counter the FAS mechanism.

Events

In May 2005, FASgen was awarded a $500,000 grant from NIH to complete the final preclinical safety and animal efficacy work in support of the multi drug resistant TB (MDR-TB) investigational new drug submission of its lead proprietary compound.

Fidelis Security Systems

Web site: www.fidelissecurity.com
Location: Bethesda, MD
MD Employees: 23

Management Team

Timothy Sullivan, *President and CEO*
Gene Savchuk, *CTO*

Other Co-Investors

Ascent Venture Partners
Inflection Point Ventures

Cost to State of Maryland

$650,000

History

Fidelis Security Systems, Inc. was founded in May 2002 to address a major problem in computer security since the advent of the Internet: the unauthorized transfer of sensitive or proprietary information out of an organization's computer network. There have been numerous publicized incidents that involve compromised information including personal identity data, financial accounts, and intellectual property—and Fidelis Security Systems' customers have seen very positive results.

Products

The DataSafe™ Extrusion Prevention System® listens to network traffic on all channels at gigabit speed and identifies critical data types leaving the network, stopping the data transfer in real time and collecting information on the unauthorized disclosure. DataSafe works by reassembling TCP sessions, thus reconstructing the entire network conversation, in real-time. This real-time ability enables DataSafe to prevent non-compliance, versus traditional architectures that can only report that an event has occurred. The architecture is also more flexible than that of its competitors, so that additional capabilities, such as preventing the proliferation of computer worms, can easily be incorporated. Fidelis Security Systems has built decoders to detect outflows of data from almost all types of major applications, including e-mail, WebMail, FTP, KazaA, source code, spreadsheets, and databases.

Competition

Primary competitors include Vontu, Tablus, and Vericept. Vontu and Tablus collectively have received more than $80 million in venture investment. Vontu's technology has concentrated more on e-mail proxy technology, while Tablus claims similar technology to that of DataSafe but with a very crude console. Vericept is the most established of the three, but its architecture limits the scope of applications that can be detected.

Events

In May 2006, Fidelis Security Systems received additional funding from existing investors, including from lead investors Ascent Venture Partners and Inflection Point Ventures.

Functional Genetics, Inc.

Web site: www.functional-genetics.com
Location: Rockville, MD
Employees: 15

Management Team

Michael Goldblatt, Ph.D., *J.D.*,
President and CEO
Joy Lewkowski, CPA, *Director of Finance*
Wu-Bo Li, Ph.D., *Director, Molecular Biology*
Roxanne Duan, Ph.D., *Director,*
Therapeutic Development

Other Co-Investors

Scientia Health Group, Ltd.
Alafi Capital
Sanders Morris Harris Group

Cost to State of Maryland

$750,000

History

Functional Genetics is a biopharmaceutical company engaged in creating new therapies that broadly target and interfere with the symptoms and processes of diseases. In accomplishing this objective, Functional Genetics uses its proprietary Random Homozygous Knockout (RHKO) Technology to causally connect gene identity with functionality in a single experiment that simultaneously discovers and validates new targets for treatment and diagnosis.

Products

The company has drug candidates targeting genes and gene products identified by RHKO in various stages of preclinical development. Although the technology is applicable to all areas of medicine, the company's first focus is on host oriented therapeutics for infectious disease – going beyond attacking the pathogen as a measure toward saving the host to targeting a host mechanism to eliminate susceptibility to the pathogen. Host oriented therapeutics is paradigm shifting and uniquely enabled by the company's core technology. The company's first host oriented therapeutic product is a host targeting antibody with broad-spectrum anti-viral potential. Additional company strategies for targeting host gene products include peptides, vaccines and small molecules.

Competition

Recently, the use of RNA interference has improved the ability to perform functional analysis for specific genes when their sequences are already known. RHKO, however, enables the discovery and near simultaneous validation of therapeutic and diagnostic targets relevant to specific diseases, without prior knowledge of their existence, solely on the basis of gene function.

Events

In late 2003 Functional Genetics received two contracts from the Defense Advanced Research Projects Agency for more than $7M. Additionally, the company is a cooperating institution, in conjunction with the Burnham Institute, on an NIH grant for Identifying Genes Involved in bamyloid production using the Company's RHKO technology. The Company is anticipating additional Federal contracts.

GlycoMimetics, Inc.

Web site: www.glycomimetics.com
Location: Gaithersburg, MD
Employees: 14

Management Team

Rachel King, *CEO*
John Magnani, Ph.D., *VP and CSO*

Other Co-Investors

New Enterprise Associates
Alliance Technology Ventures
Anthem Capital Management
The Novartis Venture Fund
PTV Sciences, L.P.

Cost to State of Maryland

$606,383

History

GlycoMimetics, Inc. (GMI) was established in 2003 with the mission to develop proprietary, small molecule therapeutics based upon the roles that carbohydrates play in important biological processes. Since then, the company has identified lead compounds in two programs, each of which has significant commercial potential. GMI was founded through the acquisition of assets and expertise of a predecessor company, GlycoTech. GMI now owns or has license to 15 issued US patents and additional applications.

Products

GMI's first compound is being developed to be used in conjunction with antibiotics to treat infections of *Pseudomonas aeruginosa*. GMI's second product opportunity is in selectin inhibition, a novel approach to treat inflammation. The Company's initial clinical strategy is to use a compound form this class to treat acute exacerbations of chronic inflammatory conditions.

Competition

While many companies are working in glycobiology, few compete directly with GMI. Competitors in selectin inhibitors include Revotar and Wyeth, as well as companies pursuing other approaches to treating inflammation. GMI is not aware of other companies developing *Pseudomonas* lectin antagonists. GMI believes its product will be complementary - not competitive - with antibiotics.

Events

In June 2006, GMI successfully completed a $15.4 million Series B financing.

Grand Brands, Inc.

Web site: www.truelemon.com
Location: Baltimore, MD
MD Employees: 14

Management Team

David Schleider, *President and CEO*
Aleck Schleider, *COO*
Heidi Carney, *VP of Consumer Marketing*

Other Co-Investors

Liquid Capital Group
Inflection Point Ventures

Cost to State of Maryland

$600,000

History

David Schleider, a formally trained chef, food innovator, and founder and president of Grand Brands, Inc., created the True Lemon and True Lime product line to address his own frustration with fresh and bottled lemon and lime juice. True Lemon was developed after a couple of years of tinkering with a formula that best captured the true taste of lemon without being overwhelming.

Products

True Lemon, which was originally marketed in packets similarly to the Sweet 'n' Low and Equal packets seen at tables in restaurants, is now joined by True Lemon in a shaker bottle and True Lime in packets and a shaker bottle. True Lemon and True Lime can be used for multiple purposes, in drinks, and in foods, made for cooking, baking and seasoning. Each serving provides a consistent fresh lemon or lime taste without any mess, waste or inconvenience; 100 percent all natural ingredients including fresh lemon or lime juices and oils; zero calories and no carbohydrates; no preservatives or sodium. The products offer 25 percent of an adult's daily Vitamin C requirements. True Lemon and True Lime have been embraced by people across the country, and the products are available in multiple retail and supermarket chains nationwide, in over 10,000 individual stores. Grand Brands has also reached out into the foodservice industry and to other segments where its presence can add value.

Competition

The company has no direct competition in this market. However, True Lemon competes for "stomach share" with other beverage additives such Crystal Lemon and 4C. True Lemon/Lime also competes with original lemon juice, RealLemon and other private labels, but True Lemon /Lime are ideal for beverages and considered much better tasting and versatile for food preparation and seasoning.

Events

In early 2006, Grand Brands closed a $2.5 million Series A in venture funding.

Innovative Biosensors, Inc.

Web site: www.innovativebiosensors.com
Location: College Park, MD
MD Employees: 15

Management Team

Joe Hernandez, *President and CEO*
Ted Olsen, *VP of Operations*
Tom Hazel, Ph.D., *Senior Director of R&D*

Other Co-Investors

Harbert Venture Partners
New Markets Growth Fund

Cost to State of Maryland

$500,000

History

Founded in mid-2003, Innovative Biosensors Inc. is a biotechnology company employing a novel biosensor technology developed by MIT scientists and published in the journal *Science* in July of 2003.

Products

The CANARY™ technology is composed of genetically engineered biosensors that allow for extremely rapid, ultra-sensitive testing of analytes. The company has obtained exclusive rights in several fields, including food testing, animal and human clinical diagnostics, sales to the life science research market and nucleic acid applications. The technology has been refined and in development for over 5 years with DARPA funding. The technology is well suited for the commercialization of tests for emerging infectious diseases requiring high levels of sensitivity, portability and rapid turnaround times. The company plans to develop diagnostic testing systems that are rapid, portable and extremely sensitive for emerging infectious pathogens in both the food safety and human clinical markets.

Competition

Currently there are assays in development for sexually transmitted diseases, respiratory pathogens, E.Coli and Salmonella. However these tests require laborious sample processing protocols and take as long as three days to complete. In addition, the current testing products often suffer from high false positive rates due to innate contamination potential of the existing technology.

Events

Innovative Biosensors and Cambrex Bio Science Walkersville, Inc., a subsidiary of Cambrex Corporation (NYSE: CBM) announced that they have signed an agreement for Cambrex to supply cGMP manufacturing services. Innovative Biosensors also announced that it has been awarded a grant from the National Institutes of Health (NIH) National Heart, Lung, and Blood Institute (NHLBI) Small Business Innovation Research (SBIR) program that will assist with development of a rapid test for prion, the causative agent of Bovine Spongiform Encephalopathy (BSE), also known as "Mad Cow" disease.

Intradigm Corporation

Web site: www.intradigm.com
Location: Rockville, MD
Employees: 14

Management Team

Mohammad Azab, *CEO*
Martin Woodle, Ph.D., *Founder and CSO*
Patrick Lu, Ph.D., *Founder and Executive VP, Genomics and Drug Discovery*
Puthupparampil Scaria, Ph.D., *Founder and VP, Synthetic Vectors*

Other Co-Investors

Frazier Healthcare Ventures
Alta Partners
Emerging Technology Partners
Novartis Venture Fund
Medibic Alliance
Genentech Venture Fund

Cost to State of Maryland

$500,000

History

Intradigm Corporation was founded in 2000 by Dr. Martin Woodle, Dr. Patrick Lu, Dr. Puthupparampil Scaria, and others to acquire and develop technology they developed at the Gene Therapy Inc. division of Novartis and from academic centers. The Company completed a Series A financing and started operations in June 2001. In 2003, the Company completed a Series B transaction to complete the license and assignment for the entire package of Novartis' technology for non-viral nucleic acid delivery.

Products

The siRNA field is revolutionizing "targeted" therapeutics and Intradigm has led the advancement from test tube to potent, tissue targeted, systemically active agents using its proprietary nanoparticle technology. The Company's initial product, ICS-283, is for treatment of life-threatening diseases characterized by excessive angiogenesis, including colon, renal, and metastatic cancers. Intradigm has also entered partnerships for development of siRNA products for ocular diseases.

Competition

The competitors to Intradigm include commercial entities and academic laboratories. The commercial entities span small to established RNAi biotech companies (such as Alnylam, Sirna, Benitec, and Nucleonics) to divisions of large pharmaceutical companies. In addition, a number of academic laboratories worldwide are working to develop new technology for nucleic acid delivery and RNAi therapeutics. The in-vivo application of RNAi currently faces very little competition since only a few groups provide such reagents and services (such as Mirus and Neopharma).

Events

In May 2006 Intradigm completed a Series A-1 financing of $16 million.

Intronn Inc.

Web site: www.intronn.com
Location: Gaithersburg, MD
MD Employees: 10

Management Team

Gerard McGarrity, *President and CEO*
Peter Donnelly, *Director, Business Development*
Madaiah Puttaraju, Ph.D., *Director, Dyslipidemia Program,*
S. Gary Mansfield, Ph.D., *Director, Hemophilia program*
Colette Cote, Ph.D., *Director, Monoclonal Antibody*

Other Co-Investors

AEA Investors, New York, London
Research Corporation Technologies, Tucson, AZ
Proteome Science, London, UK

Cost to State of Maryland

$500,000

History

The company was established in North Carolina, but it moved to Maryland following the completion of a Series A investment round. The company originally relocated to the Montgomery County incubator in Rockville but later moved to its present location in Gaithersburg in 2003.

Intronn has shown in vivo proof of principle in nine different disease models alone or in collaboration with academic collaborators. Additionally, it has published more than 30 papers in top tier journals.

Products

Intronn's core business is the design and construction of proprietary pre-transplicing molecules (PTMs) that selectively trans-splice into a defined pre-messenger RNA target, rewriting the RNA to confer new function. Intronn's product pipeline includes SMaRT RNA therapy using PTMs to repair mutant mRNAs from genes associated with human disease. Because its coding sequence can consist of one or more exons, a single PTM can be used to correct all the mutations in the region of the target RNA that is being replaced. PTMs can be used to deliver coding sequences with improved function and to reduce or eliminate the deleterious effects of dominant negative mutations.

Competition

Intronn is the only RNA trans-splicing company. Competitors are potential partners and include Merck, Pfizer, Roche, Novartis, and Bristol Myers Squibb for ApoA-I and Baxter, Bayer and Wyeth for hemophilia therapeutics.

Events

Intronn signed a CRADA with NHLBI/NIH in the 4th quarter of 2005 and signed a licensing agreement with Stanford University for minicircle plasmids.

Jackbe Corp.

Website: www.jackbe.com
Location: Chevy Chase, MD
MD Employees: 16

Management Team

Luis Derechin, *CEO*
Jacob Derechin - *Executive Vice President and Co-Founder*
John Crupi, *CTO*
Deepak Alur, *VP of Engineering*
Dan Malks - *Vice President of Application Platform*

Other Co-Investors

Blue Chip Capital Company
Darby Overseas Investments, Ltd.
Intel Capital

Cost to State of Maryland

$250,000

History

JackBe is a leader in AJAX-based (Asynchronous JavaScript and XML) solutions that deliver business benefits through improved usability of Web applications for enterprises and government. The company goes beyond providing the basic toolkit, which is more characteristic of typical AJAX vendors.

Jackbe was founded by two brothers, Luis and Jacob Derechin, in Mexico City. In order to expand its customer base beyond Mexican and Latin government and commercial customers, Jackbe relocated its headquarters, ultimately to Chevy Chase, MD. The company has since successfully secured significant customers domestically.

Products

AJAX NQ Suite is a complete set of development tools that allows rapid development of sophisticated, rich-client applications using AJAX. A core services engine provides a complete set of run-time functions used by a JackBe application during execution and allows for minimized download times, when necessary, and under a common environment for Jackbe applications across major browsers. The core services provided by the Jackbe platform also aids rendering of GUI components and pages.

JackBe's NQ Suite includes a complete GUI controls or widgets library. Using pre-built widgets, GUI/Web designers are able to quickly construct sophisticated user interfaces with little or no programming. Widget properties and behaviors can be manipulated using a JackBe Visual GUI Builder, JackBe Markup Language, and/or through Javascript using the JackBe API. JackBe's unique combination of AJAX and SOA expertise will help customers obtain the maximum benefits from these new enterprise Web technologies.

Competition

AJAX toolkit companies such as BackBase represent a set of direct pure play competitors. Other companies of note with an AJAX product and/or solution include TIBCO's General Interface and Microsoft Atlas. Additionally, there are no less than six open source initiatives that are currently available, but with some limited functionality.

Events

In November 2005, Jackbe closed on a Series B round which brought in lead investor Blue Chip Capital.

MaxCyte, Inc.

Web site: www.maxcyte.com
Location: Rockville, MD
Employees: 24

Management Team

Douglas Doerfler, *President and CEO*
Joseph Fratantoni, *MD, Chief Medical Officer*
Madhusudan Peshwa, Ph.D., *VP, Research and Development*
Ron Holtz, *CFO*
Anthony Recupero, Ph.D., *VP, Corporate Development*

Other Co-Investors

InterSouth Partners
Harbert Ventures
Tall Oaks Capital
Md Bio
VenCap

Cost to State of Maryland

$647,240

Overview

Utilizing its proprietary cell loading technology, MaxCyte is enabling the advancement of promising therapeutic candidates that have been otherwise impossible to develop. Founded in 1999, MaxCyte's exclusive flow electroporation system–the most powerful and efficient non-viral cell-loading technology available–is now in use by partners and in MaxCyte's own therapeutic clinical trials.

Products

The company has captured significant value and commercially validated its capabilities through product partnerships with established biotech and pharmaceutical companies. The Company has entered into license development agreements with partners in clinical and late-stage pre-clinical programs in return for significant research and license fees, clinical milestones, royalties and revenues on sales of MaxCyte's processing systems. Clinical and pre-clinical therapeutic products address pulmonary, cardiovascular and infectious disease, cancer and regenerative medicine. Active partner programs include Silver Spring, Maryland based United Therapeutics' Phase I trial for Pulmonary Arterial Hypertension (PAH).

In addition, MaxCyte's product pipeline includes a cell therapy for the treatment of Chronic Lymphocytic Leukemia (CLL), currently in Phase I/II clinical trials at Baylor University. Preclinical candidates include collaborations with the University of Pennsylvania, Harvard (Dana Farber) and NHLBI (NIH). In each of these programs, MaxCyte's unique capabilities have allowed the Company to gain development rights to attractive clinical development programs where preclinical and/or human proof of concept has already been established.

Competition

The options for programs requiring the insertion of molecules into cells for the development of commercializable therapies are generally limited to viral vectors, chemical reagents, co-incubation or electroporation.

Chemical reagents and co-incubation methods lack the consistency and scalability necessary for commercialization.

Events

In early 2006, Maxcyte licensed its cell loading technology to two firms: Sangamo Biosciences licensed the technology for its ongoing therapeutic program for HIV/AIDS, and Geron is planning to apply the technology for use in closed-system cancer vaccine manufacturing.

MetaMorphix, Inc.

Web site: www.metamorphixinc.com
Locations: Beltsville, MD & Davis, CA
MD Employees: 17

Management Team

Edwin Quattlebaum, Ph.D., *President and CEO*
Thomas Russo, *Executive VP and CFO*
Ronald Stotish, Ph.D., *Executive VP, Research and Development*
Stephen Bates, *President and GM, MMI Genomics and Executive VP*
Dennis Fantin, Ph.D. *VP, Business Development*

Cost to State of Maryland

$500,000

History

The Company was formed in 1994 as a research collaboration between Johns Hopkins University School of Medicine and Genetics Institute (now part of Wyeth). MetaMorphix, Inc. is headquartered in Beltsville, MD and is a life science company dedicated to the discovery and development of products for the livestock, animal and human health industries.

Products

By drawing on two fundamental proprietary technologies – animal genomics and growth differentiation factors (GDFs) – the Company is seeking to develop products to substantially increase livestock quality and production efficiency, companion animal health and potentially treat human muscle degenerative diseases and metabolic disorders.

MMI Genomics, Inc.(MMIG), a wholly owned subsidiary of MetaMorphix Inc., is a leader in the development of highly informative, robust systems for DNA-based parent verification and diagnostic testing in livestock and companion animals. MMI Genomics has an established service business for DNA-based parentage and identity testing in cattle, dogs and horses, which provides timely and accurate results for the needs of many breed associations, registries and individual livestock and pet owners.

MMIG has also developed superior technology to track cattle throughout the food production chain both simply and cost-effectively. The first application of this technology is MMIG's DNA Certified Beef Program, an integrated food source management system that utilizes patented DNA-tags and tagging devices to provide the ultimate in source verification from producer to consumer.

Events

The Company has licensed its Myostatin Growth Factor technology for human therapeutics to Wyeth, who has completed Phase I trials for Muscular Dystrophy and Phase II trials have commenced.

Naviscan PET Systems, Inc.

(Formerly PEM Technologies, Inc.)

Web site: www.naviscanpet.com
Location: Rockville, MD
Employees: 12

Management Team

Paul Grayson, *CEO*
Steve Yarnall, *VP, Product Development*
Annette Parness, *VP Finance and CFO*

Other Co-Investors

Sanderling Ventures
Mayo Medical Ventures
Maryland Angels Council
Walker Ventures
Chesapeake Emerging Opportunities
Active Angel Investors
The Atlantis Group

Cost to State of Maryland

$648,672

History

The fundamental principles of the platform technology were invented by Dr. Irving Weinberg, who left the National Institutes of Health (NIH) in 1995 to found the Company. Naviscan devices are small and easy-to-use versions of positron emission tomography (PET) scanners.

Products

The Naviscan devices employ biochemical imaging to locate cancers. Biochemical imaging takes advantage of the fact that cancer cells concentrate the radio-pharmaceuticals (the drugs used with PET scanners) faster than normal tissue. The Naviscan device recognizes this difference to provide clear images of cancer location and extent. The Company's products have strong patent protection. Naviscan's lead product is a notebook-sized, whole-breast PET scanner (PEM FlexTM).

Follow-on products will retrofit other types of mammography systems, for a total available market of ten thousand sites worldwide. The Naviscan scanner will improve biopsy precision and allow a surgeon to perform a lumpectomy with the minimum possible removal of normal tissue.

In addition, as part of the recent financing, the company now has the intellectual property for a B-12 tracer, which was developed at Mayo Clinic. The company will determine if the tracer is successful with the PET device.

Competition

MRI is the major competing technology, although it results in too many false positives. Whole body PET devices do not have the resolution to image small cancers.

Events

In late 2005 Naviscan secured a $6.5 million round of financing from Sanderling Ventures and Mayo Clinic Ventures.

Navtrak, Inc.

Web site: www.navtrak.net
Location: Salisbury, MD
Employees: 90

Management Team

Ron Hodges, *CEO*
Jim Duncan, *President*
Douglas Hawley, *SVP Sales and Marketing*
Michael Carlton-Jones, *CFO*
Christopher Palenchar, *CTO*

Selected Co-Investors

BaseCamp Ventures
SeaCap Ventures
Ruppert Ventures
Wynnefield Capital
Himalaya Capital
Ovation Capital
Milestone Ventures

Cost to State of Maryland:

$500,000

History

Navtrak, Inc. was founded in 1999. The company is an early-stage wireless communications company that has developed and is marketing a web-enabled service providing operators of commercial fleets with real-time access to their vehicles. The solution also reports the location and activities of each vehicle at a given time. Navtrak sells its services through a direct sales force and independent dealers in five regions of the country, and through reseller agreements with value-added resellers with whose products Navtrak has integrated its service.

Products

A Mobile Manager and an antenna are installed in each vehicle. Additional switches or sensors can also be installed in the vehicle. The Mobile Manager receives signals transmitted from Global Positioning System satellites to determine the location and velocity of the vehicle. These data and any switch or sensor data are transmitted over a wireless modem in the Mobile Manager to Navtrak's Network Operations Center, a network of secure servers. Customers can then retrieve the information from the web site using an Internet browser. With upgraded service, customers are able to send and receive messages to and from a vehicle as well as among vehicles.

Navtrak generates revenue from monthly subscription fees based on 36-month contracts. Navtrak now has more than 800 customers, in dozens of vertical industries (primarily in delivery, transportation and service businesses) with almost 18,000 vehicles in service.

Competition

There are several competitors in the marketplace, but none has the combination of distribution channel and technology that Navtrak possesses.

Events

Navtrak raised $13.4M in three institutional equity rounds. Gross revenue and recurring revenue increased 60% compared to the same period in 2005, with gross margins of 55%. Repeat sales to existing customers comprise almost 25% of all sales and customer "churn" is the lowest in the industry (less than 1% per month). The company turned cash flow positive in 2Q06.

NeuralStem Biopharmaceuticals, Ltd.

Web site: www.neuralstem.com
Location: Gaithersburg, MD
MD Employees: 3

Management Team

Richard Garr, *President and CEO*
Dr. Karl K. Johe, *CSO*

Other Co-Investors

SJRJ LLC

Cost to State of Maryland

$500,000

History

NeuralStem Biopharmaceuticals, Ltd. was founded in 1995 and based on the breakthrough central nervous system (CNS) stem cell technology invented by Dr. Karl Johe.

Products

NeuralStem has developed and wholly owns the CNS stem cell technology, a key technology for genetic therapies and drug discovery. The Company has patents where precursor cells from human fetal brain and spinal cord areas can be isolated, propagated and efficiently differentiated to generate large numbers of neurons. For the very first time, this technology not only allows for the creation of the many different kinds of neurons that are found in the human CNS. It also allows for their production in commercially significant quantities and under reproducible conditions.

The Company plans to develop and commercialize several cell-based genetic therapy products for intractable neurodegenerative disorders such as Parkinson's disease, Huntington's and Alzheimer's and spinal cord injuries. Second, through a combination of joint venture, co-development deals and/or manufacturing and distribution agreements function-based live human cell assays will be applied to screen libraries of synthetic and natural compounds. Neuroactive compounds with the potential to treat disorders such as depression, mania, anxiety, schizophrenia and epilepsy will be found. Third, NeuralStem intends to capitalize on its unique cell-based expertise to create genomics databases of gene expression patterns seen during neurogenesis and in drug screening assays.

The first databases have been created and can be accessed through Gene Logic, Inc.'s various products. The Company has also discovered its first neurogenic and neuroprotective compounds, developed with grants from the Department of Defense.

The Company has compelling proof of principle transplantation data (rodent) for Ischemic Paraplegia and expects to be in human clinical trials by the middle of 2006.

Competition

A number of companies have focused on therapies for neurodegenerative diseases such as Parkinson's, Huntington's and Alzheimer's – several companies have been involved in stem cell research.

Events

The Company completed a small financing in September of 2005. Neuralstem subsequently raised $5 million in March 2006 in a private placement, with plans to file a registration statement with the SEC so that it can become a publicly traded company. The placement consisted of 5 million units priced at $1.00 per unit, each unit including one share of Neuralstem common stock, ½ "A" Warrant to purchase a share of common stock at $1.50, and ½ "B" warrant for the purchase of common stock at $2.00 per share.

NexTone Communications, Inc.

Web site: www.nextone.com
Location: Gaithersburg, MD
MD Employees: 150

Management Team

Malik Khan, *CEO*
Yousef Javadi, *President and COO*
Kenneth Nelson, *CFO*

Other Co-Investors

One Equity Partners
Core Capital
Safeguard Scientifics
BCE Capital
Blue Rock Capital
Mid-Atlantic Ventures
Seynhaeve Entities

Cost to State of Maryland

$200,000

History

NexTone Communications, Inc. was founded in February 1998 to design and develop hardware and software for the transmission of data and voice over the Internet. Analog connections would transmit via digital media and not cause a company to rewire its facility. As carriers implement VoIP (Voice over Internet Protocol) networks, they are faced with a number of technical issues including network security, signaling interworking and multi-vendor interoperability.

Products

NexTone provides intelligent, secure next generation IP and IMS (IP Multimedia Subsystem) network interconnects that enable new revenue streams from VoIP and multimedia services. The technologies enable a common way to exchange, secure, monitor, control, and bill for voice and multimedia sessions flowing through IP networks, giving IP network operators instant connectivity and quality compatibility to rapidly add new revenue-generating services including real time data, video and interactive gaming, and fixed-mobile convergence.

Service providers and other network operators are now able to take advantage of seamless, secure and scalable session connectivity between diverse IP and IMS networks. NexTone's IntelliConnect™ system includes both distributed edge intelligence and centralized management, which enables IP network operators to accelerate revenue by continually managing technical complexities, optimizing business economics, and eliminating partnership hurdles.

Competition

Other companies are seeking entry points as next generation service providers. These providers would use any of the major broadband access technologies to deliver new value added services such as IP Centrex, voice/data Virtual Private Networks (VPN), unified messaging and teleconferencing.

Events

In November 2005, NexTone closed $35 million in Series D funding, bringing the Company's total financing to $67.5 million. In addition, *IT Week* magazine named NexTone as one of its Top 50 innovators of 2005.

Osiris Therapeutics, Inc.

Web site: www.osiristx.com
Location: Baltimore, MD
MD Employees: 49

Management Team

C. Randal Mills, Ph.D., *President and CEO*
Harry E. Carmitchel, *COO*
Cary J. Claiborne, *CFO*

Other Co-Investors

Boston Scientific, Inc.
Cambrex
Friedli Corporate Financial
JCR Pharmaceuticals Co., Ltd.
Novartis

Cost to State of Maryland

$500,000

History

Osiris Therapeutics, Inc. began operations in December 1992. Its offices and laboratory facilities are located in Fells Point, Baltimore. The Company is engaged in the development of novel cellular therapeutics to promote the regeneration and functional restoration of damaged and diseased tissue.

Products

Osiris is focused on commercializing adult stem cell therapies. Products in development include cell-based treatments for immune dysfunction following bone marrow transplantation, for damage to the heart after myocardial infarction, for congestive heart failure, and for damaged cartilage in the knee. These cellular therapies are based on the use of adult human Mesenchymal Stem Cells (MSCs) isolated from donor bone marrow. This strategy avoids the controversies surrounding other therapeutic approaches that rely on the use of embryonic cells.

Competition

There are numerous marketed treatments for the Company's lead indication, for the treatment of immunological complications that can follow bone marrow transplantation. However, the cellular therapy to be offered by Osiris may be unique in moderating the severe side-effects of rejection, without causing the patient to suffer from a general suppression of the immune system. For its cardiac-function indication, the Company faces competition from alternative approaches under development by academic research groups and by companies such as GenVec, BioHeart and Myosix (acquired by Genzyme). In the area of meniscal repair, Osiris believes that only two biological products have reached the market: Cryograft (Cryolife) and Collagen Meniscus Implant (ReGen Biologics).

Events

In May 2006, Osiris filed for an initial public offer-sing of its common stock.

In 2006, Osiris completed enrollment in the first human clinical trial for a stem cell therapy targeted at injured tissue in knee surgery patients. It also completed enrollment in a stem cell trial target-ed at cardiac disease. This follows the company's attainment of orphan drug status with PROCHYMA, which is a formulation of a type of stem cell that modulates the immune system to address a number of immunological disorders.

In December 2005, the company announced that it raised $19 million in equity funding, bringing its total funding for the calendar year to $70 million.

Paratek Microwave, Inc.

Web site: www.paratek.com
Location: Columbia, MD
MD Employees: 43

Management Team

Dr. James DiLorenzo, *President and CEO*
Warren Weiner, *CFO*
Dr. Louise C. Sengupta, *Founder and CTO*
Dr. James Oakes, *CPO*

Other Co-Investors

Polaris Venture Partners
Morgenthaler Ventures
Novak Biddle Venture Partners
Investor AB DB Capital Venture Partners
One Motorola Ventures

Cost to State of Maryland

$225,000

History

Paratek Microwave, Inc. is a privately held company established to develop, manufacture and commercialize Electronically Tunable RF (ETRF) components and Dynamically Reconfigurable Wireless Networks (DRWiN) electronically scanning antennas for the wireless tele-communications industry. The technology was originally developed by the founders while working at the Army Research Labs in Aberdeen, MD.

Products

Paratek's miniature, tunable radio frequency (RF) front ends address the needs of today's multi-function, multi-frequency wireless devices and markets. Benefits of these products include operation at multiple frequencies, smaller size, optimized system performance, and controllable via software. Paratek has also developed a line of high-performance RF switches in support of the miniaturized RF front ends that are also available to the marketplace as standalone products. These switches are suitable for cell phone and wireless local area networks (WLAN) applications where high power, high linearity, high isolation and low control voltage are required.

Paratek's 2.4 GHz and 900 MHz Smart Scanning Antennas support the expanding requirements of WLAN and radio frequency identification (RFID) applications, featuring position location and tracking, increased capacity, range, and performance.

Competition

Paratek's core materials technology, Parascan, competes with ferrite and MMIC-based approaches, neither of which have Paratek's performance and cost advantage. No direct competition currently exists for tunable components or electronically scanning antennas with Paratek's price point and performance characteristics.

Events

June 2005 - Paratek announced two Defense MicroElectronics Activity (DMEA) contracts totaling $4.4 million.

Plethora Technology, Inc.

Website: www.plethoratechnology.com
Location: Charles Town, WV
MD Employees: 12

Management Team

Ben Martindale, *CEO*
Tim Simms, *CTO*
Annette Kerlin, *Executive Vice President Sales Operations*
Joel Haspel, *Chief Strategy Officer*

Other Co-Investors

Mountaineer Capital
West Virginia Jobs Investment Trust
Calvert Funds

Cost to State of Maryland

$100,000

History

Plethora was originally funded by the State of Maryland when the company was headquartered in Columbia, MD. The company received funding from Mountaineer Capital contingent on the company's relocation to West Virginia.

Products

Plethora's latest release of its commercial software product, Perspective 4.5, delivers an easy-to-use, unified environment that provides comprehensive secure connectivity to all enterprise information resources in an extraordinarily simple format. By designing and implementing Perspective from the ground up to simultaneously maximize information availability, security and simplicity, Plethora offers an affordable software product for mobile information access that is unparalleled in the in-dustry. Used by government agencies, commercial enterprises, and non-profit organizations around the country, Perspective is finally making it possible for all knowledge workers to truly be productive from anywhere, using any Internet connection - while enhancing enterprise security.

Information on desktop and laptop PCs, file servers, application servers, network resources, and coworkers are all connected into a single information view. Perspective deploys in seconds on hardware-based access tokens or via web download, and is managed at the central server for complete organizational control.

Events

In June 2006, Plethora announced general availability of Release 4.5 of its flagship product Perspective.

Qovia, Inc.

Web site: www.qovia.com
Location: Frederick, MD
Employees: 45

Management Team

David Woodall, *President and CEO*
Steven Mank, *COO*
Peter Kendrick, *CFO*
Choon Shim, *CTO and VP Engineering*
David Collins, *VP Sales*

Other Co-Investors

Canaan Venture Partners
Nokia Ventures
Anthem Capital

Cost to State of Maryland

$775,000

History

Qovia, Inc. was founded in 2002 to fill a critical need for products that are developed from the ground up to monitor and manage VoIP phone systems. Qovia's VoIP Management and Monitoring System (VMMS) assures the reliability of a customers VoIP network, monitors and measures the end-to-end voice call quality and increases the efficiency and cost effectiveness of network operations in discovery, asset location, diagnostics and reporting.

Products

The Qovia VoIP Monitoring and Management System (VMMS) consists of a series of software tools that significantly ease management, monitoring and maintenance of Internet phone systems, protect data assets and increase the productivity of IT investments.

Qovia's software modules include tools for phone hardware discovery, T1/E1 monitoring;), UPS monitoring, passive/active call quality monitoring (including packet loss, latency, jitter and MOS scoring), and notification of problems or alarms via pager or e-mail, and other capabilities allowing users to address issues before they affect call quality.

Competition

Competitors range from those with primarily VoIP expertise - Empirix, Clarus, NetIQ, Integrated Research to those with monitoring and management expertise - Micromuse, Concord, Infovista and HP. The Company has not been able to identify competitors with the capabilities under one roof that Qovia has to offer. Qovia's product is easy to install and use and has a very attractive price point. The Company also enjoys an early-to-market advantage over other competitors that try to enter the market.

Events

The Company has earned numerous key industry awards, including *Internet Telephony Magazine*'s Product of the Year, a Maryland Tech Council 'IT Product of the Year;' Maryland Innovation Award, and Best of Show from among 450 companies exhibiting at the Federal Office Systems Exposition (FOSE).

Reactive NanoTechnologies, Inc.

Web site: www.rntfoil.com
Location: Hunt Valley, MD
MD Employees: 32

Management Team

Joseph Grzyb, *CEO*
Timothy P. Weihs, *CTO*
Omar Knio, *SVP*
John Hannafin, *VP Business Development*
Bill Gallagher, *VP Strategic Programs*

Other Co-Investors

SAS Investors
Sevin Rosen
Silicon Valley Bank
Toucan Capital

Cost to State of Maryland

$388,434

History

Drs. Weihs and Knio co-founded Reactive NanoTechnologies, Inc. (RNT) in 2001 and licensed the reactive foil technology from both Lawrence Livermore National Laboratory and Johns Hopkins University for the life of the patents. RNT retains exclusive rights from both institutions in the field of reactive joining. In the fall of 2002, RNT established its development and production facility in Hunt Valley, MD, after initially relying on production and test facilities at JHU.

Products

RNT's experts have nanoengineered a family of reactive foil products that offer very rapid, very controlled bursts of heat. Heat from the foil can be used in two major areas: Energetics and Joining. In the Energetics area, heat from the foil is used initiate chemical reactions as in the deployment of automotive air bags, or used in materials joining. In the joining area, NanoFoil is sandwiched between two solder layers and two components, where the heat generated by a chemical reaction in the foil melts the solder, producing a metallic bond between the components. RNT's patented NanoBond joining process offers substantial competitive advantages over current bonding technologies, particularly for joining microelectronic components and dissimilar materials such as metals and ceramics.

Competition

In the Energetics area, RNT's NanoFoil competes with explosive powders and cords from manufacturers such as Dyno Nobel, Ensign-Bickford and EBA&D. In the area of Joining, RNT's NanoBond process competes with both high-tech and low-tech joining methods, including reflow soldering, adhesives, and specialized welding processes. Competitors include large chemical companies such as H.B. Fuller, Henkel, Rohm and Haas, and Bostik-Findley. Competitors also include various soldering and high-tech welding companies.

Events

The company continues to receive support from various government programs. The Army awarded $500,000 to RNT of Phase II monies to perform further research of reactive multilayer joining of silicon carbide (SiC) and titanium (Ti). Additionally, the National Science Foundation also provided the company with $1 million of Phase II-B funding to continue R&D efforts on materials and process development.

In January 2006, - RNT was selected as a Nano 50 award winner by *Nanotech Briefs* magazine for a role in advancing nanotechnology.

RF Technologies, Inc.

Web site: www.rfvalve.com
Location: Columbia, MD
MD Employees: 5

Management Team

Esko Riikonen, *Chairman and CEO*
Eric Feldmann, *President*
Michael Vermehren, *VP*

Other Co-Investors

Denis Seynhaeve
Calvert World Value Fund
GCI Ventures
Venture Management Consultants

Investment by State of Maryland

$299,990

History

RF Technologies Inc. (RF) is a privately held U.S. corporation, with a wholly owned subsidiary in Finland. Production is in both the U.S. and Finland. RF serves the global market, with sales facilities in North and South America, Europe, Australia and the Pacific Rim. Customers belong to the pulp & paper, mineral processing, industrial intermediates, chemical, mining, power generation and waste treatment industries.

Products

RF manufactures a full line of On/Off and Control valves for slurry and bulk solids handling services. They solve valve problems related to abrasive, scaling, plugging and corrosive surfaces. The RF Valve, the latest high performance valve design, was introduced to the market in 1994. The RF Valve has several unique features that solve problems associated with traditional pinch valves. The RF Valve's patented design includes an elastomer tube that allows the tube to flex, not stretch, when closing, thus optimizing elastomer resistance to wear, ensuring longer life as a well as higher number of cycles. In addition, the elastomer tube contains a wear monitoring system that provides an alert prior to failure.

Competition

RF competes with all types of valves offered in the marketplace, but its line of RF Valve and aiRFlex products can better withstand the rigors of abrasive, corrosive and scaling flow media.

Solution Technology International, Inc.

Web site: www.stius.com
Location: McHenry, Maryland.
MD Employees: 4

Management Team

Dan L. Jonson, *Chairman and CEO*
Edward J. Carson, *President of Global Business Development*
Michael H. Pollack, *CFO*
Mark D. Spaeth, *SVP of Technology*

Other Co-Investors

Cornell Capital Partners
Montgomery Equity Partners
CrossHill Georgetown Capital
SQL Star International, Inc.
Key Management Group, Inc.

Cost to State of Maryland

$350,000

Overview

STI is a software product company based in Frederick, Maryland, offering an enterprise solution called SurSITE® for the global insurance and reinsurance industry. The team has a proven international track record in building state-of-the-art insurance and reinsurance systems based on extensive industry knowledge and hands-on experience from actually "doing the business."

Products

STI offers SurSITE as a complete end-to-end support environment for enterprise-wide reinsurance administration. SurSITE consists of a robust framework of Web-enabled multi-language, multi-currency functional business and processing modules. SurSITE is a major business enhancer for insurers, re-insurers, large insurance groups, and pools. It improves the quality, consistency, and accuracy of work performed and it positions top management to significantly and measurably reduce operating expenses and diminish errors. SurSITE is back office insurance and reinsurance administration reinvented.

Competition

Available systems do not meet the needs of giants like ACE, AIG, Allianz, AXA, Hannover Re, Munich Re, PartnerRe, Swiss Re, Winterthur, XL Capital and the Zurich Insurance Group because they do not offer automation of proportional and non-proportional reinsurance contract combinations throughout the entire reinsurance contract workflow, from ceded and assumed to retroceded business. Most offer a front-end platform and do not solve the more serious back office problem. Often, the competition's staff consists of IT rather than reinsurance professionals that do not fully understand the underlying business issues. In addition, most employ antiquated technology, i.e. DOS/Client-Server. A few of our competitor names include CSC, Sapiens, and SunGard. This problem has existed for decades and remains largely unaddressed.

Events

Solution Technologies International has positioned for a September 2006 listing on the NASDAQ Small Cap market.

Sourcefire, Inc.

Web site: www.sourcefire.com
Location: Columbia, MD
MD Employees: 97

Management Team

Wayne Jackson, *CEO*
Marty Roesch, *Founder and CTO*
Tom McDonough, *President and COO*
Todd Headley, *CFO*

Other Co-Investors

Meritech Capital
Sequoia Capital
New Enterprise Associates
Sierra Ventures
Inflection Point Ventures
Core Capital
Wasatch Advisors/Cross Creek Capital

Cost to State of Maryland

$650,005

History

Sourcefire is the enterprise's answer to the open source software known as Snort, which Martin Roesch, CTO, continues to develop. The open source community embraced this product and contributed significantly to Snort's development. After hundreds of thousands of downloads, the Snort team decided to commercialize the product.

Products

Sourcefire has introduced a unified security monitoring infrastructure for identifying and protecting against network threats. This infrastructure includes Sourcefire RNA (Real-Time Network Awareness) Sensors for proactive passive network discovery and analysis; Sourcefire Intrusion Sensors for state-of-the-art network monitoring, the industry's most accurate threat detection and tightly coupled threat prevention; and Sourcefire Defense Center for integrated, high performance data management and threat response.

Sourcefire's 3D Product Suite leverages technology that reaps the benefits of both a paid experienced engineering team as well as thousands of experts around the world who analyze and test the Snort code while contributing volumes of research including new Snort rules.

Competition

Sourcefire's primary competitors are Cisco, ISS, McAfee and 3Com/Tipping Point. Sourcefire benefits greatly from a sales pipeline derived from the wide popularity of open source Snort. Users understand that the enterprise products represent a significant value add over the already well-rated open source equivalent.

Events

In May 2006, – Sourcefire closed a $23 million Series D round of funding led by Meritech Capital.

Sourcefire was selected by Always On as a Top 100 Private Company award winner for the third year in a row.

Vapotherm, Inc.

Web site: www.vtherm.com
Location: Stevensville, MD
MD Employees: 30

Management Team

Robert Storey, *President and CEO*
William Niland, *Chairman and Director, New Business Development*
Kevin Thibodeau, *VP of Sales and Marketing*
David Lain, *VP of Clinical Development*
Joe Papetti, *Operations Manager*
Mark Collins, *Controller*

Other Co-Investors

QuestMark Partners
Dr. William Cirksena
Other private investors

Cost to State of Maryland

$684,999

History

Vapotherm's high flow air device was originally constructed as a much larger piece that was applied to animal markets. The current management realized its potential for the human markets and thus licensed the basic technology and modified units for hospitals and other institutions. The product also received FDA 501(k) approval to market the product.

Products

Vapotherm has developed a high flow therapy system that can deliver breathing gas at flow rates of 5-40 liters per minute (lpm) via a variety of patient interfaces including a nasal cannula. Before, Vapotherm, nasal cannula flow was limited to a maximum of 6-8 lpm due to extreme discomfort to the patient at high flows. The patented Vapotherm membrane technology delivers molecular vapor with nearly 100% relative humidity at body temperature. This warmth and humidity allows high flows to be comfortably tolerated by the patient, and allows improved treatment of a wide variety of respiratory support needs. The Vapotherm 2000i is a safe, convenient, easy to use and affordable respiratory therapy device that may reduce costs and improve patient outcomes. The warm vapor has many clinical applications within today's healthcare market including hospitals, long term care, physician offices, hospices and home care.

Competition

Competitors, such as Respironics, produce lines of equipment that include ventilation products, multiple humidifiers and masks that can be interchanged, depending on the patient's needs, effectively driving continuous air flows to the patient.

Events

Vapotherm has tapped the neo-natal market as a growth segment and is installed in 350 NICU's throughout the US, and in nearly 1000 hospitals nationally.

The Company has distribution established in the UK, as well as several smaller northern European markets and has recently signed distribution agreements for France, Italy and Spain. In support of those agreements, the company has also announced that patent rights have been validated in at least seven European countries over the last year.

Wisor Telecom

Web site: www.wisor.com
Location: Gaithersburg, MD
MD Employees: 50

Management Team

Mark Mendes, *President and CEO*
Keith Poulsen, *CFO*

Other Co-Investors

SAIC Venture Capital
Mid-Atlantic Venture Funds
Hickory Venture Group
Early Stage Enterprises
Apex Venture Holdings
Boston Ventures
Megunticook Management
Telecommunications Development Fund

Cost to State of Maryland

$515,929

History

Wisor is a provider of software products and services to wireline, VoIP and wireless telecommunications service providers (often referred to in the industry as "carriers") and other service providers to the telecommunications industry.

Products

Wisor has a modular product suite that enables end-to-end flow through provisioning and management of telecommunications orders and costs. The suite can be unbundled and tailored to meet specific requirements of an individual customer. The product suite is configured around four primary product offerings (*Validator, Exchange Path, Orchestrator, and Business Rules Management System.*) all of which are complemented by Wisor maintenance, industry change management services and various professional IT services. Wisor has also introduced Outsourced Provisioning Services ("OPS") to leverage its automation, existing process expertise and labor in India to achieve cost and/or performance enhancements that should permit Wisor to earn acceptable margins while delivering sustained cost savings to its customers.

Competition

Competition in this market include new entrants to the specific niche of "provisioning" outsourcing including NeuStar, IBM, Step 9, Evolving Systems as well as established providers of similar outsourced services that may enter this market niche such as Accenture, Hughes, Electronic Data Systems, and Computer Sciences Corp.

Events

In January 2006, the company expanded availability of its Operational Support System solutions for retail and wholesale Voice over IP, number portability order, and access circuit management to carriers.

CHALLENGE INVESTMENT PROGRAM OVERVIEW

DESCRIPTION

The Challenge Investment Program ("CIP") is a seed program that was designed to invest relatively modest sums - $50,000 to $150,000 – into pure high technology start-up firms. The program was initiated as a grant program in fiscal year 1989 and modified to an investment program as of January 1, 1994.

The CIP requires that the firm retain its principal place of business with Maryland for a period of three years. DBED's central investment criterion is that a CIP recipient firm should nominally have the potential to be an Enterprise Investment Fund consideration or an attractive equity investment via the private sector within a two-year period. Furthermore, the recipient must match the CIP award on a minimum 1:1 basis. The matching funds typically come from founders, friends, family and angel investors.

All Challenge investments are 10-year legal agreements incorporating a contingent royalty repayment schedule. Assuming an initial investment, the state is entitled to a two percent royalty on revenues in excess of $500,000 a year, up to a maximum repayment of three times the investment over the life of the agreement. The agreement also reflects that in the event that the Challenge recipient receives outside equity funding, the company must repay DBED a sum equal to one percent of the equity raised in excess of $500,000, again to a maximum repayment of three times the investment. Total exposure of the recipient's repayment responsibility would be six times the investment over the life of the agreement.

Over the years, there have been modest increases to the funding limits of the program. As it stands today, an initial investment of $50,000 is made in a seed stage firm based on the successful review of a submitted business plan followed by a verbal presentation by the principal(s) and further due diligence. This investment is increased in increments of $50,000 based on the achievement of mutually accepted milestones, which would enhance the firm's attractiveness to the private sector investment community. A company can receive a maximum of $150,000 through the Challenge Investment Program. This increase in funding was initiated to further "bridge" the gap between the "seed stage" funding program (Challenge) and the equity program (Enterprise). The objective is to fulfill a financial continuum regarding DBED's investment strategy.

The repayment obligation has been further modified that, in the event that the recipient received an outside or private sector equity investment during the effective term of the agreement, DBED would reserve the option to convert the indebtedness of the Challenge recipient to equity. The value of this equity investment would be on the same terms and conditions as determined by the lead investor, qualified by DBED. In almost all cases, the qualified investor is a venture capital firm. It is also the intent to do this equity conversion along with an additional investment through the Enterprise Investment Fund, fulfilling DBED's goal of offering a continuum for an early stage investment.

PERFORMANCE

The Challenge Investment Program has invested more than $12.4 million since 1994. Despite the high risks of start-up financing, an impressive 50 percent of the recipient companies are still in business or have had some type of successful exit from the program. Since more rigorous initial investment criteria have been placed on Challenge recipients (2001), about a quarter of CIP firms have gone on to receive an equity investment from the Enterprise Investment Fund, alongside the private sector

Note: On the table on page 3, "XX" indicates that a company graduated from the Challenge Investment Program.

20/20 GeneSystems, Inc.

Web site: www.2020gene.com
Date Entered into Program: 4/16/2002
Amount Invested: $150,000

20/20 Gene Systems, Inc. is dedicated to the identification, validation and commercialization of novel protein biomarkers useful for detecting disease early and for guiding the selection and administration of therapy. The Company's mission is to pioneer personalized medicine with its proprietary technology, Layered Gene Scanning (LGS), which comprises a stack of thin-film bioaffinity ("smart") membranes that is applied to various 2-D samples such as tissue sections, multi-well plates, and electrophoresis gels. When used with our bioinformatics software it permits a digital molecular profile of tumors and other tissues without disturbing the shape or morphology of the tissue the preservation of which is required for accurate diagnosis.

3CLogic, Inc.

Web site: www.3clogic.com
Date Entered into Program: 4/4/2006
Amount Invested: $50,000

3CLogic enables real-time peer-to-peer communications for business applications. 3CLogic's innovation comprises of new technology that offers new web based skills and "presence" oriented routing of phone calls to contact center agents while dramatically lowering the cost of telephone equipment used in contact centers and help desks in enterprises.

ADF Solutions, Inc.

Web site: www.adfsolutions.com
Date Entered into Program: 12/9/2005
Amount Invested: $50,000

ADF Solutions is a software company that provides triage solutions for data reduction and conclusive data identification. The Company's technologies and solutions eliminate the data identification challenges that users face due to the explosion in digital data over the last eight years. ADF has developed state of the art Content Based Image Retrieval (CBIR) technologies to automate the detection of image and video files. The Company has also developed patent pending SearchPak™ and Search Markup Language (SML) technologies for automatic data identification and data reduction.

Advanced Vision Therapies, Inc.

Web site: www.avtxinc.com
Date Entered into Program: 12/31/2003
Amount Invested: $100,000

AVT is a biotech company focusing on cures for back-of-the-eye diseases, such as age-related macular degeneration, which have addressable markets totaling 10 billion dollars annually. These diseases are the leading causes of blindness in the developed world and have probably, at one point or other, touched the families and friends of most people. The first product, AVT-1, will deliver a novel anti-angiogenic factor to eliminate the defective blood vessels that cause wet age-related macular degeneration and DPR. AVT is uniquely positioned to successfully develop a strong pipeline of products for a broad spectrum of eye diseases. The company's technology package is complete and includes the gene transfer system, a stable of innovative therapeutic proteins, and scale-up technology for commercialization. AVT has established proof-of-concept for the advantages of its gene transfer technology in animals and is rapidly moving towards clinical application.

AVIcode, Inc.

Web site: www.AVIcode.com
Date Entered into Program: 6/14/2004
Amount Invested: $150,000

AVIcode, Inc., founded in January 2004, is the leading developer application monitoring software for the Microsoft .NET platform. Its products protect software investments by substantially reducing application maintenance and trouble-shooting costs, while eliminating the need for expensive pre-deployment quality assurance code-writing. Microsoft has standardized its operations monitoring offerings around its distribution of the AVIcode product line; and Quest Software, as one of Microsoft's leading partners, also sells the AVIcode product line under its own labels. AVIcode's flagship product, Intercept Studio, unobtrusively monitors .NET applications while in production use, securely providing real-time reports of errors and performance degradations.

BioFactura, Inc.

Website: www.biofactura.com
Date Entered into Program: 11/22/2005
Amount Invested: $50,000

BioFactura is a biopharmaceutical development company focused on solving unmet medical and national security needs in the infectious disease arena. BioFactura is generating revenue through technology product sales, contract services, and grants and has used these revenues to build the infrastructure to support its product development efforts. The Company's lead initiative is the development of a smallpox biodefense therapeutic in close collaboration with the United States Army Medical Research Institute for Infectious Diseases (USAMRIID).

BioFortis, Inc.

Web site: www.biofortis.com
Date Entered into Program: 10/31/2005
Amount Invested: $50,000

BioFortis, located at the Emerging Technology Center in Baltimore, Maryland, is focused on providing biomedical research software and services to the life sciences sector, including clinical and basic research laboratories within academic medical centers, government labs, non-profit institutes, research consortia and the biopharmaceutical industry. BioFortis' flagship product Labmatrix enables transparent data management, integration, collaboration and compliance to privacy regulations. Labmatrix encompasses data management and cross-cutting query capabilities across patient information, biological sample data, workflow and storage, disease phenotypes, genotypes, clinical and molecular data, study and IRB protocol management.

Biological Mimetics, Inc.

Web site: www.bmi-md.com
Date Entered into Program: 3/31/1997
Amount Invested: $50,000

Biological Mimetics, Inc. (BMI) is involved in the research and development of new and improved vaccines and immunotherapeutics. Using a new platform known as Immune Dampening and Refocusing Technology, the Company is currently doing R&D on developing for the vaccine markets, one new and one improved veterinary and two new human vaccines. The technology enables the Company to penetrate a wide and diverse set of targets, age groups and animal species as well as international opportunities and markets in both the human and veterinary arenas. Seven new grants or contracts were solicited and applied for to leverage

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high risk vaccine programs. A second year of a NIH grant was approved and accepted to continue the work on BMI's pediatric non-typeable haemophlius vaccine. Success with any of these programs could lead to significant pharmaceutical partnership opportunities.

Brassica Protection Products, LLC

Web site: www.brassica.com
Date Entered into Program: 10/3/1997
Amount Invested: $50,000

Brassica Protection Products (BPP) was created by scientists at Johns Hopkins University School of Medicine to ensure that products made from plants that provide the anticancer phytochemical sulforaphane (SGSTM) are developed and made available to the public under rigorous and standardized scientific conditions. BPP markets BroccoSprouts fresh broccoli sprouts in supermarkets in the U.S., Japan and New Zealand, and Brassica Teas in U.S. supermarkets.

Cera Products, Inc.

Web site: www.ceraproductsinc.com
Date Entered into Program: 4/2/1996
Amount Invested: $100,000

Cera Products has produced a line of advanced rehydration and vaccine delivery products that are sold in the United States, Canada and South Africa. Its key product, CeraLyte, has proven more effective in reducing symptoms of diarrhea and dehydration as it restores fluid, electrolyte and cell balance, and shortens the length of diarrheal illness and related hospitalizations. All the Company's products have been developed and tested along with physicians at major medical centers including Johns Hopkins. Its CeraLyte and CeraSport products are available to hospitals and consumers through major wholesale distributors, as well as through the Company's webstore.

CollectiveX, Inc.

Website: www.collectivex.com
Date entered into Program: 6/8/2006
Amount Invested: $100,000

CollectiveX is a web-based service that enables members of organized groups — such as alumni associations, non-profits, membership and social groups — to maximize return on involvement through private, secure communication and social networking. CollectiveX was designed with simplicity and ease-of-use in mind. Features include: member profiles with objectives and key connections, group calendars, discussions, email blasts and file sharing.

Comware, Inc.

Web site: www.comwareinc.com
Date Entered into Program: 5/20/2004
Amount Invested: $100,000

Comware has developed adaptive beam-forming technology for mobile devices, which significantly expands the capacity and coverage area of wireless voice/data networks. Comware has demonstrated that improvements of up to 10 dB (1000%) in signal-to-noise ratio are possible, which also translates into better audio/video quality, fewer dropped calls and longer battery life for mobile devices. Comware's technology is compatible with all wireless systems including cellular/3G, WiFi, WiMax, DVB/DAB, HDTV and satellite radio.

Data Quality Solutions, Inc.

Web site: www.dqs.us
Date Entered into Program: 5/7/2003
Amount Invested: $50,000

Data Quality Solutions; transformational technology, called ROME, combines a visual architecture for integrating custom, third party and open source applications, component functions and data across diverse computing environments. ROME's scalable, multi-threaded parallel processing structure allows for easy access to all applications used in an organization, encourages creation of general or specific processes for unique requirements and also leverages a secure enterprise data quality/integration server. ROME's open architecture is designed to handle a multitude of data quality and integration tools.

EKA Systems, Inc.

Web site: www.ekasystems.com
Date Entered into Program: 11/15/2001
Amount Invested: $150,000

Eka Systems' mission is to be the premier global provider of reliable, low-cost, internet-enabled, embedded wireless networks for monitoring, control and automation applications. Towards this goal, Eka has developed a distributed wireless network technology platform. EkaNet is uniquely positioned to profit from these rapidly expanding markets. Eka Systems is unique because it can vertically integrate this technology into customer-focused solutions where EkaNet provides a distinct competitive advantage.

Epitaxial Technologies, LLC

Web site: www.epiwafers.com
Date Entered into Program: 3/5/1997
Amount Invested: $150,000

Epitaxial Technologies develops and produces breakthrough sensor products with widespread applications in free-space lasercomm, ladar and infrared imaging for missile defense, homeland security, telecommunications and other commercial applications.

Expression Pathology, Inc.

Web site: www.expressionpathology.com
Date Entered into Program: 10/21/2002
Amount Invested: $150,000

Expression Pathology's products and services are used to discover and validate proteins in diseased and normal tissue. With a focus on tissue analysis and protein biomarker discovery, EPI has developed the only technology available that makes possible discovery of proteins in archived tissue. EPI's Liquid Tissue Protein Prep kits enable discovery and validation of new protein biomarkers from formalin-fixed tissue. EPI has developed and filed patents around a portfolio of new technologies that have been validated by prestigious research organizations, like the National Cancer Institute, that enable for the first time extraction and analysis of proteins from archived tissue by accurate, instrumented means, such as mass spectrometry and immunodetection.

GetIntegrated.com

Web site: www.getintegrated.com
Date Entered into Program: 9/11/2000
Amount Invested: $100,000

GetIntegrated provides proactive human resource solutions to small-and medium-sized businesses in every phase of the business cycle, to help them more effectively attract, retain and manage human capital. By streamlining their administrative processes and using one of two, unique solutions — iComp and iFlex we allow managers/employers to focus on the core competencies and strategic challenges of their businesses — the revenue generating aspects. GetIntegrated's HR professionals deliver value to clients via onsite, call center and online support and communication. GetIntegrated began as a bricks-and-mortar HR outsourcing business in 1998, and has now web-enabled all of its services, so clients and their employees will have access to personal HR data through customized, corporate portals.

Global Translation, Inc.

Website: www.translatetv.com
Date Entered into Program: 1/27/2006
Amount Invested: $100,000

Global Translation's TranslateTV product uses patented software to translate English closed captions, in real time, into Spanish subtitles. The product is supplemented by extensive linguistic libraries that enable proper translation from nuances or inflections in the English language, all the way down to translation of specific individuals' speech patterns. TranslateTV offers advertisers a new and cost effective way to achieve reach and frequency at an affordable cost, allowing new advertiser's to reach the growing multi-generational Hispanic audience.

Harta Instruments, Inc.

Web site: www.hartacorporation.com
Date Entered into Program: 4/2/1996
Amount Invested: $150,000

Harta Instruments provides leading edge electronic instrumentation to the biomedical market. The company is a multi-disciplined, full service, ISO 9001 compliant company located in Gaithersburg, MD. The Company uses its patented technologies to design, manufacture and market their line of Microplate Luminometers and various types of reference standard units. Harta's customers range from major pharmaceutical and diagnostics companies, educational and research institutions, and non-profit organizations, both in the United States and across the globe.

Hyperspace Communications, Inc.

Web site: www.hypership.com
Date Entered into Program: 2/27/1998
Amount Invested: $100,000

Hyperspace Communications, Inc. is developer and patent holder for all Hypership Trusted Information Exchange solutions and delivers integrated applications for government and industry licensees and users. Hypership can be universally used for business-to-business, business-to-customer, government-to-government and business-to-govern-ment information and data exchanges ranging from short forms and documents to very-large digital files.

Intralytix, Inc.

Web site: www.intralytix.com
Date Entered into Program: 4/18/2001
Amount Invested: $100,000

Intralytix was founded in 1998 to address growing problems in the control and treatment of disease causing bacteria. These problems are presently compounded by public and governmental reluctance to employ new and potentially hazardous chemical agents or solutions born of recombinant technology. Intralytix is using its core bacteriophage technology to develop novel natural products for use in food processing, environmental clean up, sanitation, consumer products and problems of antibiotic resistance in human therapy. In 2006, Intralytix expects regulatory approval of LMP 102, a phage- based product effective against Listeria Monocytogenes. LMP 102 will be the first phage-based product approved by the Food and Drug Administration.

JDA Medical Technologies, Inc.

Web site: www.jdamed.com
Date Entered into Program: 10/31/2003
Amount Invested: $50,000

JDA Medical Technologies, Inc. ("JDA") is an early stage medical technology company that has created a radio therapeutic device to treat solid tumors which are based in predictable vascular distributions. The JDA-Sphere is the company's first and primary product. It is a micro particle that can be assembled onsite as a kit or offsite at a central location as a physician's prescription dictates. The microspheres that are produced from the kit are administered to the patient via an outpatient procedure that consists of injecting the microspheres into an artery that feeds the tumor. JDA's advantages over other sphere-based radiotherapeutics stem from the fact that JDA uses chemistry for assembling the spheres, as opposed to manufacturing the devices with complex, central nuclear reactors.

KoolSpan, Inc.

Web site: www.koolspan.com
Date Entered into Program: 5/29/2003
Amount Invested: $110,000

KoolSpan provides security, authentication and remote access in a single package without servers. The patent-pending Smart Card system (smart card on a dongle) allows for network security by employing a lock-and-key approach. The KoolSpan SecurEdge extends to the enterprise and allows businesses to provide Secure, Encrypted and Trusted connections to employees at a low cost with incredible ease and interoperability. With the KoolSpan system in place, companies negate the chance for security breaches and bottlenecks by automatically authenticating the user and not the computer. There is no costly infrastructure to manage, no back-end servers and authentication is done at the edge of network, where implementation and security are most effective.

LearnScape Corporation

Web site: www.learnscape.com
Date Entered into Program: 10/3/1997
Amount Invested: $150,000

LearnScape is a software company that provides technology based training programs for adult learners in companies, job-training programs, welfare-to-work programs, community colleges and correctional institutions. LearnScape provides the SkillsCOMPASS family of reading, math and work habits programs to prepare individuals to enter the workplace or to advance on-the-job. SkillsCOMPASS offers 163 contextual, workplace oriented lessons with English and Spanish audio in LAN and Internet versions to allow training anywhere and anytime. Xerox Corporation, Ocean Spray Corporation and Aerostructures Corporation are some of LearnScape's customers for our custom technology based training programs. LearnScape has recently released an innovative GED preparation program called GED Pathway. This program offers 66 interactive lessons in reading, math, social studies, science, literature and essay to prepare individuals to take and pass the GED high school equivalency examination.

Lentigen Corporation

Web site: www.lentigen.com
Date Entered into Program: 11/3/2005
Amount Invested: $100,000

Lentigen Corporation is a biotechnology company that focuses on harnessing the power of lentiviral vector gene delivery and expression technology. Through its proprietary LV technology, LentiMax, Lentigen has begun development of several preclinical therapeutic programs. Currently, Lentigen is using its lentiviral technology to produce virus-like particles (VLPs). Ultimately, Lentigen expects its VLP program to generate strong product candidates for Influenza, both seasonal and pandemic, and other infectious diseases. Beyond VLPs, Lentigen is also using its technology to generate high-yielding master cell lines. As a proof of concept, and as a potential proprietary program, Lentigen has developed a master cell line that is currently expressing erythropoietin, a biologic currently selling approximately $12 billion worldwide.

Maxion Technologies, Inc.

Web site: www.maxion.com
Date Entered into Program: 4/11/2002
Amount Invested: $100,000

Maxion Technologies, Inc. develops semiconductor lasers specifically designed to enable reliable, broadband and wireless optical communications. The company also develops lasers supporting products for chemical sensing systems and industrial process controls. Based on research commercialized from two institutions, the lasers are able to transmit over free space while preventing components from overheating.

Message Level

Web site: www.messagelevel.com
Date Entered into Program: 6/12/2006
Amount Invested: $50,000

Message Level is the only email authentication solution that prevents impersonation of legitimate email addresses. By restoring trust in email and providing key features like certified delivery to enterprise customers, Message Level enables enterprises to shift to paperless communication without compromising security. Enterprises can now achieve the tremendous cost savings and efficiencies made possible by email. Message Level's target customers include financial services,

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consumer product and other enterprises who are large volume email senders, particularly those who communicate sensitive account or financial information.

Metastatin Pharmaceuticals

Web site: www.metastatin.com
Date Entered into Program: 11/13/2000
Amount Invested: $150,000

Metastatin Pharmaceuticals is a biopharmaceutical research and development company in the field of cancer, specializing in the development of new therapeutic agents for controlling cancer metastasis and angiogenesis. The company's initial efforts are focused on the human protein "Uteroglobin" (UG), which research suggests may have potent cytostatic anti-metastatic and anti-angiogenic activity. Metastatin intends to develop a set of diagnostic and/or prognostic tests based upon measurements of the amount of Uteroglobin in cells and tissues, which may aid in the prediction of tumor aggressiveness and metastatic potential.

MicroEnergy Systems. Inc.

Web site: www.microenergysystems.com
Date Entered into Program: 6/26/1996
Amount Invested: $50,000

MicroEnergy Systems was founded in 1988. The company relies on combustion of activated carbon for DOD and chemical/biological warfare disposal and the company implements microcoal technology that can be used in modular and portable power plants, plus operates more efficiently. Certain military agencies cannot process conventional coal to dispose of chemical weapons, thus the one application. Some utility plants are already employing this technology to produce electricity. Additionally, MicroEnergy Systems has a manufacturing relationship with Beitzel Corporation of Grantsville, MD.

MobileCom Networks, Inc.

Web site: www.mobilecomnetworks.com
Date Entered into Program: 6/30/2004
Amount Invested: $100,000

MobileCom Networks, Inc. (MCN) is building the first and largest mobile marketing and commerce network for the 21st century. MCN's patented mobile marketing network uses intelligent location technology to enable marketers to deliver valuable information to consumers when they most need it and are able to act. For consumers, MCN's LocalBuddy service offers valuable content and location relevant opportunities, providing valuable information and offers where and when they can best take advantage of them.

NeoDiagnostix, Inc.

Web site: www.neodiagnostix.com
Date Entered into Program: 8/12/2005
Amount Invested: $100,000

NeoDiagnostix develops and provides novel cancer diagnostic tests. The Company's tests monitor cancer-specific changes in cells using fluorescence-based technology for detecting genetic abnormalities. By detecting these changes in the cells, NeoDiagnostix's tests identify cancerous cells more accurately and precisely than current testing methods. The Company's first product for cervical cancer has a sensitivity of 98% and specificity of 95%. This is substantially better than existing screening processes for Pap testing. NeoDiagnostix's tests help physicians make better treatment decisions, help patients receive more effective & less invasive treatment, and help reduce healthcare costs

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invasive treatment, and help reduce healthcare costs by identifying the disease faster.

New Hope Pharmaceuticals

Web site: www.newhopepharma.com
Date Entered into Program: 10/23/2000
Amount Invested: $150,000

New Hope Pharmaceuticals, Inc. (NHP) has developed certain cell-based response technologies that identifies which FDA approved anti-cancer drug is likely to work on each individual patient — permitting pre-treatment, response-based, personalization of therapy. It will allow drug discovery at the cellular level rather than at the molecular level. Finally, since new diagnostic categories are being defined on the basis of differential drug response, individual genetics and the company's proprietary gene expression mapping creating new knowledge and target gene information on which NHP and its partners can base their design of new drugs.

Phoenix S&T, Inc.

Web site: www.phoenix-st.com
Date Entered into Program: 2/11/2002
Amount Invested: $150,000

Phoenix S&T, Inc. (PST) is an early-stage startup developing and selling micro-molded plastic devices. The first product, the SureSpray nanospray chip, is used in mass spectrometry analyses in drug discovery/proteomics, clinical and homeland security applications. This device is robust, reliable, and produces mass spectrometry results with high sensitivity and nanoscale sample consumption. The device has been automated and can be retrofitted to any existing mass spectrometers of different makes. The company has six issued patents covering the core technology of microfluidic architecture and microinjection molding techniques. The SureSpray nanospray chip has also been integrated with high performance liquid chromatography column as a first step toward a multidimensional separation device that aims to replace the cumbersome and often irreproducible 2-D gel separation for proteins.

Pixelligent Technologies, Inc.

Website: www.pixelligent.com
Date Entered into Program: 12/16/2005
Amount Invested: $50,000

Pixelligent has combined optical lithography and nanotechnology to enable chip manufacturers to print smaller features on semiconductor wafers. Pixelligent's product helps continue Moore's law: the number of transistors on a computer chip doubles every 2 years while the cost to make the chip stays the same. The company has five patents issued and three pending; and has developed a strategic relationship with ATMI (a $300M semi-conductor company). Pixelligent's technology has the potential to drive the future growth of the semiconductor industry.

ReProtect, Inc.

Web site: www.reprotect.com
Date Entered into Program: 10/1/2002
Amount Invested: $50,000

ReProtect, Inc. is the first company to offer a vaginal microbicide that works by maintaining the natural environment of the female reproductive tract. Reprotect's products are among the first to be tested for contraceptive efficacy and to protect from STD infection without the use of hormones or potentially damaging detergents, such as nonoxynol-9. ReProtect has completed Phase 1 clinical trials on the safety of BufferGel™, both in

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the U.S. and internationally and has been chosen by the NIH for further testing in two separate Phase II/III trials, including one which will determine its ability to prevent HIV transmission.

Revelytix, Inc.

Web site: www.revelytix.com
Date Entered into Program: 3/21/ 2006
Amount Invested: $50,000

Revelytix is a software company focused on building semantic tools necessary to enable Ontology-Driven Information Management (ODIM), the next generation of data management technology. They have built or are building a series of technologies in semantics and social computing. Revelytix' technologies are extremely useful in information sharing generally and more specifically data integration, system interoperability, service oriented architecture (SOA), search, data mining and social computing Revelytix currently offers two products; MatchIT, a semantic data mediation and matching tool, and Knoodl.com, a web-based ontology editor, registry and repository.

Royer Biomedical, Inc.

(Formerly Buford Biomedical, Inc.)

Web site: www.royerbiomedical.com
Date Entered into Program: 4/24/1997
Amount Invested: $100,000

Royer Biomedical has a diverse pipeline of products in the areas of anti-infectives, anti-tumor agents, pain management, vaccines, and therapeutic proteins, based on its proprietary, controlled release, drug delivery technologies: Matrix III (a resorbable, inorganic/biopolymer composite) and R-Gels (a recently developed, resorbable, injectable gel). The Company has one product on the market, Silvadex SR, an anti-infective paste used to treat equine white line disease and thrush, and is also developing a novel equine anti-parasitic, Iverdex Equine.

Salar, Inc.

Web site: www.salarinc.com
Date Entered into Program: 8/30/2004
Amount Invested: $100,000

Salar, Inc., founded in 1999, provides IT solutions for physicians and medical institutions to make them more productive by automating onerous, redundant, error-prone business processes. Salar's lead product, Compliance+, is an enterprise application accessible via Tablet PCs that enables physicians to improve the efficiency of inpatient documentation, while enabling Hospital Information Management departments to access in-patient documentation remotely and in real-time.

Sequella, Inc.

Web site: www.sequella.com
Date Entered into Program: 4/11/2002
Amount Invested: $150,000

Sequella, Inc. is a clinical stage biopharmaceutical company focused on commercializing improved treatment paradigms for diseases of epidemic potential. Sequella develops products to improve the diagnosis and treatment of infectious diseases that pose a serious risk to public health and have significant market opportunities and clear commercialization pathways. The company leverages its global influence, R&D platforms and infectious disease expertise to proactively address emerging health threats. Sequella initiated its business model targeting tuberculosis (TB) and the company is now identifying and developing drug candidates for SARS, candidiasis, ulcers (Helicobacter pylori) and other diseases with known

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(Helicobacter pylori) and other diseases with known or potential infectious etiology.

Sitek Research Lab

Web site: www.siteklabs.com
Date Entered into Program: 2/27/1997
Amount Invested: $50,000

SITEK Research Laboratories has been providing high quality genetic toxicology testing services for safety evaluation of chemicals and pharmaceuticals for regulatory submissions since 1984. SITEK is a fully compliant GLP laboratory having JMAFF certification and AAALAC accredited animal facilities.

TeleContinuity, Inc.

Web site: www.telecontinuity.com
Date Entered into Program: 1/22/2004
Amount Invested: $50,000

TeleContinuity provides its customers with continuity of telephone service during an emergency, disaster, evacuation or a com-munication outage. Through access to its patent pending Survivable Communication Network, TeleContinuity can guarantee that every company or government agency executive and employee will be able to receive all inbound calls to their original telephone number. Incoming calls will be routed to each subscriber wherever they are and over any talking device (telephone, cell phone, IP phone, laptop, PC or PDA) that has access to either the Public Telephone Network or the Public Internet. During the emergency, TeleContinuity also provides subscribers with a full range of telephone features such as messaging, voice mail, conference calling and speed dialing along with full outbound call capability. The TeleContinuity solution is vital to all Continuity of Operations plans for business enterprises and government agencies.

Tenable Network Security, Inc.

Web site: www.tenablesecurity.com
Date Entered into Program: 6/30/2003
Amount Invested: $100,000

Tenable Network Security, Inc. is a leading developer of security management solutions and is also the creator of the popular and award-winning Nessus vulnerability scanner. Tenable is a leading provider of network security software solutions for vulnerability, security event, and compliance management. Tenable's award-winning products are utilized by many Global 2000 organizations and Government agencies to discover, unify and manage known vulnerabilities and log data to proactively minimize network risk.

Tri-Kor Alloys, LLC

Web site: www.tri-kor.com
Date Entered into Program: 4/13/1998
Amount Invested: $150,000

Tri-Kor develops and commercializes novel, ultra-high strength aluminum alloys. The alloys are innovated and then sold to OEMs in the sports equipment and transportation industries. Alloys are sold in various semi-finished product forms as well as in fabricated components.

Trufina, Inc.

Web site: www.trufina.com
Date Entered into Program: 12/15/2005
Amount Invested: $50,000

Trufina's unique approach to identity verification and management infuses online experiences with confidence and integrity because people no longer have to guess whether others across the Internet are being truthful about themselves. Consumers can use a single sign-on to establish their identity across multiple Web sites. For e-commerce, Trufina is the best way to establish credibility and trust on a Web site or online community. Offering identity verification services shows its members that it takes security seriously, and it gives individuals with no credibility a good reason to stay away. Some of Trufina's partners even require it for membership, thereby setting the highest possible standard for trust within their communities.

TX2 Systems, Inc.

Web site: www.tx2systems.com
Date Entered into Program: 7/11/2005
Amount Invested: $150,000

TX2 Systems, Inc. is the leading provider of merger and acquisition (M&A) management software for enterprises with active M&A initiatives and for service providers that support M&A activities. TX2 provides software solutions that bring together the many integral components of a merger, acquisition, divesture, IPO, special financing event and more. TX2's clients include Fortune 500 companies, middle-market companies, major law firms, boutique M&A advisory firms, private equity firms and more. In the wake of market consolidation, fierce competition and an emerging economy, TX2 can help speed the M&A process including integration, decrease cost, lower risk and ultimately drive deal value - the value that caused the M&A activity in the first place.

XTS, Inc.

Web site: www.XTSInc.com
Date Entered into Program: 4/20/2006
Amount Invested: $100,000

XTS products bring business intelligence concepts to the datacenter by offering turnkey systems management reporting and analysis products for virtualization and access infrastructure platforms. XTS fills a gap left open by more complex enterprise management suites by leveraging business intelligence to provide a straight forward method to deliver unique perspectives on critical systems metrics – for planning and enterprise management, compliance, security audits, and IT governance.

Zenoss, Inc.

Web site: www.zenoss.com
Date Entered into Program: 5/26/2006
Amount Invested: $50,000

Zenoss offers IT monitoring via an open source platform that is continuously being upgraded. A cadre of developers both internal and external to the organization respond to demands from the user community. This software can replace tools that are seen as overly sophisticated and expensive. System-level management is easily deployed on enterprise-grade networks. As a result of feedback from users, many plug-ins have been built, event management has been expanded, and availability monitoring has been improved.

ENTERPRISE VCLP FUND

The Maryland Venture Fund (MVF) has invested as a limited partner in a total of nine venture funds since 1995. These venture funds were selected based on their investment philosophy and performance as well as a commitment to consider investments in the State of Maryland. All of the private funds emphasize investing in early stage, high technology and life sciences companies. DBED's involvement as a limited partner complements the Enterprise Investment Fund's existing initiatives, improving the flow of information between public and private sectors and providing opportunities to co-invest. The following is a summary of the venture funds in which DBED is a limited partner:

Anthem Capital I, founded in 1994, is an SBIC fund based in Baltimore, Maryland. The firm invests in rapidly growing technology and life science companies in the Mid-Atlantic region. The MVF has invested $500,000 in the fund to date. The total fund size is $42M.

CIP Capital invests in communications and life science companies. The MVF made a $500,000 investment in CIP Capital in fiscal year 1995. The total fund size is $20 M.

Meridian Management Group (MMG) was founded in 1998 as a spin-off from DBED to create a minority private sector fund. DBED made a $5 million investment to MMG in invest in minority businesses in economically challenged portions of the state.

Boulder Ventures III, LP is an $85M fund based in the Baltimore region. Boulder Ventures seeks opportunities in enterprise software, internet-based business applications and services, communications infrastructure and services, and life sciences tools and services. The MVF committed $1.5M to this fund beginning in 1998.

Grotech Partners V, LP is a $287M fund that originates and leads investments in emerging and traditional industries. These include com-munications, technology and consumer, health-care, and business products and services. The MVF committed $1.5M to Grotech Partners V, LP in fiscal year 2000.

Walker Ventures is a $90M SBIC fund. Walker Ventures invests in technology companies, with a bias towards Internet infrastructure and software technologies in the Mid-Atlantic region. The MVF committed $1.5M to Walker Ventures in fiscal year 2000.

Inflection Point Partners provides venture capital to early stage telecommunication, information technology and electronic commerce companies. The MVF committed $1.25 million to Inflection Point Ventures I and $250,000 to Inflection Point Ventures II. Inflection Point Ventures II is an SBIC with approximately $100M under management.

Toucan Capital is a $120 million SBIC fund focused on seed and early-stage life science and advanced technology investments. As a result of the TEDCO legislation a $4M investment was made in Toucan Capital in 2002.

The New Markets Growth Fund (NMG) is a $20 million private venture capital fund that makes equity investments and provides operational assistance to both early-stage ventures and small-to mid-sized growth companies located in the Greater Baltimore-Washington and Northern Virginia Area. The MVF made a $500,000 commitment to the fund in fiscal year 2003.

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