

# MB VENTURE PARTNERS

*Private Equity for Life Sciences*

January 31, 2013

Commissioner Bill Hagerty  
c/o Lamont Price  
State of Tennessee  
Department of Economic and Community Development  
312 Rosa L. Parks Avenue, 27<sup>th</sup> Floor  
Nashville, TN 37243

Dear Commissioner Hagerty,

The information provided below represents Memphis Biomed Ventures Tennessee I's Report on Remaining Designated Capital for the taxable year 2012.

- A. At the end of the taxable year 2012, the un-invested portion of Memphis Biomed Ventures Tennessee I's designated capital, net of qualified tax credit sale expenses, qualified start-up expenses, qualified expenses, and management fees was \$8,149,700.24
- B. Memphis Biomed Ventures Tennessee I has not invested more than fifteen percent (15%) of its designated capital in any one business.
- C. Memphis Biomed Ventures Tennessee I invested in eleven companies during 2012:
  - a. Veracity Medical Solutions
    - i. Investment amount: **\$225,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **21**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **21**
  - b. Hapten Sciences
    - i. Investment amount: **\$700,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **3**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **3**
  - c. S2 Interactive
    - i. Investment amount: **\$175,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **2**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **3**
  - d. Tidal Wave Technology
    - i. Investment amount: **\$250,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **1**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **1**
  - e. Hubble Telemedical
    - i. Investment amount: **\$550,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **1**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **3**
  - f. Restore Medical Solutions, Inc.
    - i. Investment amount: **\$525,000.00**
    - ii. Number of employees, including minority and women employees, as of initial closing: **2**
    - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **3**

- g. EcoSurg (Randall Surgical)
  - i. Investment amount: **\$75,000.00**
  - ii. Number of employees, including minority and women employees, as of initial closing: **1**
  - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **2**
- h. Urova Medical Inc.
  - i. Investment amount: **\$75,000.00**
  - ii. Number of employees, including minority and women employees, as of initial closing: **3**
  - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **3**
- i. BioNanovations Corporation
  - i. Investment amount: **\$75,000.00**
  - ii. Number of employees, including minority and women employees, as of initial closing: **2**
  - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **2**
- j. Handminder, Inc.
  - i. Investment amount: **\$25,000.00**
  - ii. Number of employees, including minority and women employees, as of initial closing: **1**
  - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **2**
- k. Nanophthalmics, Inc.
  - i. Investment amount: **\$75,000.00**
  - ii. Number of employees, including minority and women employees, as of initial closing: **1**
  - iii. Number of employees, including minority and women employees, as of Dec. 1, 2012: **2**

D. Memphis Biomed Ventures Tennessee I did not exit any qualified investments in 2012.

Thank you,



Gary Stevenson  
Memphis Biomed Ventures Tennessee I, LLC