

MB VENTURE PARTNERS

Private Equity for Life Sciences

January 31, 2014

Commissioner Bill Hagerty
c/o Lamont Price
State of Tennessee
Department of Economic and Community Development
312 Rosa L. Parks Avenue, 27th 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 2013.

- A. At the end of the taxable year 2013, 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 \$4,334,116.59.
- 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 sixteen companies during 2013:
 - a. Hapten Sciences, Inc.
 - i. Investment amount: **\$500,000.00**
 - 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
 - b. S2 Interactive, Inc.
 - i. Investment amount: **\$106,158.00**
 - 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, 2013: **4**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **2**
 - c. Tidal Wave Technology, Inc.
 - i. Investment amount: **\$500,000.00**
 - 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, 2013: **1**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **0**
 - d. Hubble Telemedical, Inc.
 - i. Investment amount: **\$200,000.00**
 - 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **0**
 - e. Restore Medical Solutions, Inc.
 - i. Investment amount: **\$250,000.00**
 - 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **3**

- f. EcoSurg (Randall Surgical), Inc.
 - i. Investment amount: **\$70,000.00**
 - 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, 2013: **2**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **0**
- g. Urova Medical Inc.
 - i. Investment amount: **\$245,000.00**
 - 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, 2013: **2**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **2**
- h. BioNanovations Corporation
 - i. Investment amount: **\$20,000.00**
 - 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, 2013: **1**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
- i. Asclepius Innovative Solutions, Inc.
 - i. Investment amount: **\$25,000.00**
 - 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, 2013: **1**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
- j. Better Walk, 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **2**
- k. Cuff-Gard, Inc.
 - i. Investment amount: **\$25,000.00**
 - 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, 2013: **1**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
- l. Health & Bliss, 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, 2013: **1**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
- m. Mobilizer, Inc.
 - 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, 2013: **2**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **0**
- n. View Medical, Inc. (SurgiLight)
 - 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **2**

- o. iScreen Vision, Inc.
 - i. Investment amount: **\$982,380.00**
 - ii. Number of employees, including minority and women employees, as of initial closing: **6**
 - iii. Number of employees, including minority and women employees, as of Dec. 1, 2013: **10**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **4**
 - p. Focal Point Pharmaceuticals, Inc.
 - i. Investment amount: **\$135,000.00**
 - 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, 2013: **3**
 - iv. Out of total employee count, number of minority and women employees as of Dec. 1, 2013: **1**
- D. Memphis Biomed Ventures Tennessee I did not exit any qualified investments in 2013; however, we did terminate our investment in Asclepius Innovative Solutions, Inc. at which time the company had **3** employees.

Thank you,



Gary Stevenson
Managing Partner
Memphis Biomed Ventures Tennessee I, LLC