

ANNUAL REPORT TO THE TEXAS STATE LEGISLATURE ON THE TEXAS EMERGING TECHNOLOGY FUND

January 2012



Office of the Governor
Texas Emerging Technology Fund
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FOREWORD

Innovative ideas have always been abundant in Texas, but we haven't always been adept at keeping them here.

In the past, even though Texas' institutions of higher education were creating some of the nation's top cutting-edge research and technology, entrepreneurs seeking to put that research to work in the marketplace all too often had to leave for other states in pursuit of venture capital.

Texas was losing out big.

In 2005, the Texas Emerging Technology Fund (TETF) was created by the Texas Legislature with the goal of creating more innovative ideas in Texas and keeping them here, from the laboratory to the marketplace.

In the years since, the TETF has been instrumental in shaping the high-tech sectors of the Texas economy, and helped strengthen our State's position as a national leader in business climate and job creation.

With TETF projects selected with unanimous approval from the Governor, Lieutenant Governor and Speaker of the House, the future has been put in motion in Texas. The TETF has drawn researchers to our State, helped secure more matching grant money from outside sources and shepherded promising companies through the early stages of development between discovery and demonstrable product, when traditional sources of financing are few and far between.

The ultimate goal of the Texas Emerging Technology Fund is the diversification and development of Texas' high-tech economy, because the competitive resource of Texas in the future will be our intellectual property and the entrepreneurial expertise of our population.

The TETF seeks to continually develop this resource for the future by providing key expertise and financial resources for the Texas economy.

Jonathan W. Taylor

Director, Texas Emerging Technology Fund

TEXAS EMERGING TECHNOLOGY FUND OVERVIEW

For the preceding four state fiscal years from September 1, 2007, through August 31, 2011:

- The total number of awards made by the TETF under all Subchapters was 167 for a total of \$370,024,067.
- The total number of awards made under Subchapter D, Incentives for Commercialization Activities, was 133 for a total of \$192,710,349.
- The total number of awards made under Subchapter E, Research Award Matching, was 13 for a total of \$84,659,068.
- The total number of awards made under Subchapter F, Acquisition of Research Superiority, was 21 for a total of \$92,654,650.
- The aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with Subchapter D, Incentives for Commercialization Activities Awards, is \$592,373,698.
- The aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with Subchapter E, Research Award Matching Awards, is \$122,939,952.
- The aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with Subchapter F, Acquisition of Research Superiority Awards, is \$639,233,003.
- The aggregate total of investment funds disbursed under Subchapter D, Incentives for Commercialization Activities, as of August 31, 2011 is \$169,309,766.
- The aggregate total value of investments under Subchapter D, Incentives for Commercialization Activities, as of August 31, 2011 is \$173,898,260.
- The aggregate total of jobs actually created under Subchapter D, Incentives for Commercialization Activities, as of August 31, 2011 is 820.
- The aggregate total of jobs actually created under Subchapter E, Research Award Matching, as of August 31, 2011 is 351.
- The aggregate total of jobs actually created under Subchapter F, Acquisition of Research Superiority, as of August 31, 2011 is 712.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the name of each recipient and the amount of the award made to the recipient. Throughout this report, the effective date of the contractual agreement between the Office of the Governor and the award recipient is referred to as the “award date.” The award amount listed is the aggregate funding the award recipient may receive pursuant to contractual terms. The award amount is subject to change between reporting periods based on certain contractual terms.

Table 1: Texas Emerging Technology Fund, All Awards by Subchapter

Award Recipient	Industry Cluster	Project Description	University Collaboration	Region	Award Date	Investment Instrument	Award Amount (\$)
Subchapter D - Incentives for Commercialization Activities Awards							
1st Detect Corporation	Aerospace & Defense	Miniature universal chemical detector	UNT	Central Texas	3/30/10	Investment Unit	1,800,000
21-Century Silicon, Inc.	Energy	Solar-grade silicon manufacturing	UT - Dallas	North Texas	1/30/09	Common Stock	3,500,000
2Cimple, Inc.	Computer & IT	Interactive hyper-coded video	UT - Dallas	North Texas	6/1/09	Investment Unit	1,500,000
ActaCell, Inc.	Energy	Manganese-spinel enhanced Li-Ion battery	UT - Austin	Central Texas	10/5/09	Series A Preferred Stock	1,000,000
Advanced Receiver Technologies, Inc.	Computer & IT	Digital baseband receiver	UT - Dallas	North Texas	10/2/09	Investment Unit	250,000
Advitech, Inc.	Aerospace & Defense	Visual system for spatial disorientation & motion sickness	MD Anderson	South Texas	3/24/09	Common Stock	2,500,000
Agile Planet, Inc.	Advanced Tech. & Manufacturing	Robotic control in advanced manufacturing	UT - Austin	Central Texas	4/2/09	Investment Unit	1,000,000
AgileMesh, Inc.	Aerospace & Defense	Rapidly deployable video surveillance	UT - Dallas	North Texas	5/25/10	Investment Unit	2,000,000
America Stem Cell, Inc.	Biotechnology & Life Science	Fucosyltransferase enzyme treatment	MD Anderson	South Texas	5/27/09	Investment Unit	1,250,000
Analogix Development Corporation	Computer & IT	Motion-sensing 3D game controller	UT - Austin	Central Texas	12/19/08	Investment Unit	250,000
Animal Innovations, Inc.	Biotechnology & Life Science	Animal medication injection system	TAMU	West Texas	11/12/08	Series B Preferred Stock	1,000,000
Apaxis Medical, Inc.	Biotechnology & Life Science	LVAD Implant	Texas Heart Institute	Gulf Coast	6/8/09	Investment Unit	1,000,000
AuricX Pharmaceuticals, Inc.	Biotechnology & Life Science	Drug for Staph infection	MD Anderson	Gulf Coast	12/3/10	Investment Unit	1,000,000
Azaya Therapeutics, Inc.	Biotechnology & Life Science	Liposome encapsulated radiation therapy	UTHSC - San Antonio	South Texas	7/28/09	Series D Preferred Stock	1,045,000
Bauhaus Software, Inc.	Computer & IT	Social networking software	UT - San Antonio	South Texas	7/5/06	Warrant	500,000
Bellicum Pharmaceuticals, Inc.	Biotechnology & Life Science	Cancer vaccine	Baylor College of Medicine	Gulf Coast	9/27/07	Warrant	1,450,000
BetaBatt, Inc.	Energy	Long-life self-charging nuclear battery	Rice	Gulf Coast	6/20/08	Common Stock	500,000
BiO2 Medical, Inc.	Biotechnology & Life Science	Temporary central venous filter	UTHSC - San Antonio	South Texas	11/12/08	Series B Preferred Stock	1,000,000
Biscotti, Inc.	Computer & IT	Communications & services	UT - Dallas	North Texas	2/25/09	Series A Pref. & Common Stock	1,000,000
Blue Box Health, Inc.	Biotechnology & Life Science	Remote monitoring of chronic diseases	University of Houston	Gulf Coast	8/13/10	Investment Unit	1,000,000
Bynari, Inc.	Computer & IT	Tech platform for messaging app integration	UT - Arlington	North Texas	6/2/09	Common Stock	1,500,000
Calxeda, Inc.	Advanced Tech. & Manufacturing	Low-power system-on-a-chip server	UT - Austin	Central Texas	7/1/09	Series A Preferred Stock	1,000,000
CardioSpectra, Inc.	Biotechnology & Life Science	Fiber-optic cardiac catheter	UTHSC - San Antonio	South Texas	5/25/06	Warrant	1,350,000
Castle Biosciences, Inc.	Biotechnology & Life Science	Biomarker test for GBM cancer	MD Anderson	Gulf Coast	3/11/09	Investment Unit	1,000,000

Award Recipient	Industry Cluster	Project Description	University Collaboration	Region	Award Date	Investment Instrument	Award Amount (\$)
Chipotle Business Group, Inc.	Biotechnology & Life Science	Reagent testing system	UT - Arlington	North Texas	2/2/09	Investment Unit	1,000,000
Codekko, Inc.	Computer & IT	Intelligent web optimization software	UT - Dallas	North Texas	7/3/08	Common Stock	1,500,000
Corhythm, Inc.	Biotechnology & Life Science	Implantable treatment for atrial fibrillation	UTSA & UTHSC - San Antonio	South Texas	10/1/10	Series A Preferred Stock	3,113,000
CorInnova, Inc.	Biotechnology & Life Science	Cardiac rekinesis therapy	TAMU	Gulf Coast	5/31/06	Warrant	500,000
Cormedics Corporation	Biotechnology & Life Science	Intrapericardial medical device	Texas Heart Institute	Gulf Coast	9/18/08	Investment Unit	750,000
CryoPen, Inc.	Biotechnology & Life Science	Cryosurgical medical device	UTHSC - Houston	South Texas	8/6/08	Common Stock	2,000,000
DataInfoCom USA, Inc.	Computer & IT	Predictive enterprise decision support systems	UT - Austin	North Texas	7/12/10	Investment Unit	1,600,000
Dentlight, Inc.	Biotechnology & Life Science	Dental diagnostic device	UTHSC - San Antonio	North Texas	7/7/08	Series AA Preferred Stock	250,000
DEP Shape Memory Therapeutics, Inc.	Biotechnology & Life Science	Cerebrovascular aneurysm treatment	TAMU	Gulf Coast	8/3/09	Investment Unit	1,000,000
Device Fidelity, Inc.	Computer & IT	Removable secure transaction chipcards	UT - Dallas	North Texas	10/7/09	Series C Preferred Stock	3,000,000
Diabetica Solutions, Inc.	Biotechnology & Life Science	Diabetes therapeutics	UT - San Antonio	South Texas	5/25/06	Warrant	1,000,000
DNATriX, Inc.	Biotechnology & Life Science	Viral cancer therapy	MD Anderson	Gulf Coast	12/1/08	Investment Unit	500,000
Endothelix, Inc.	Biotechnology & Life Science	Cardiovascular diagnostic	UTHSC - Houston	Gulf Coast	7/18/06	Common Stock	1,000,000
Ensyce Biosciences, Inc.	Biotechnology & Life Science	Carbon nanotube/siRNA cancer therapeutic	Rice	Gulf Coast	6/1/10	Investment Unit	1,500,000
Enthuze, Inc.	Computer & IT	Software tools for data gathering	UT - Austin	South Texas	2/18/09	Series A Preferred Stock	1,650,000
Environmental Quality Management Associates, Inc.	Energy	Fuel ethanol from waste	TAMU	North Texas	11/4/08	Investment Unit	250,000
Falcon International, Inc.	Aerospace & Defense	Ballistic panel technology	UT - Permian Basin	West Texas	10/23/07	Warrant	850,000
Faradox Energy Storage, Inc.	Advanced Tech. & Manufacturing	High-energy capacitors	Texas State	Central Texas	10/30/08	Investment Unit	1,000,000
Fe3 Medical, Inc.	Biotechnology & Life Science	Trans-dermal drug-delivery for iron-deficiency	UTSA & UTHSC - San Antonio	South Texas	10/1/10	Series A Preferred Stock	2,841,000
FibeRio Technology Corporation	Advanced Tech. & Manufacturing	Nanofiber fabrication equipment	UT - Pan American	Rio Grande	8/24/10	Investment Unit	1,500,000
FireFly LED Lighting, Inc.	Energy	Smart LED light bulbs	UT - Austin	Central Texas	11/23/10	Investment Unit	3,000,000
Genprex, Inc.	Biotechnology & Life Science	Nanomolecular cancer therapeutics	MD Anderson	Central Texas	8/13/10	Investment Unit	4,500,000
Gradalis, Inc.	Biotechnology & Life Science	Metastatic cancer therapy	TAMU	North Texas	2/19/09	Series A Preferred Stock	1,750,000
Halsa Pharmaceuticals, Inc.	Biotechnology & Life Science	Clinical obesity therapeutic	TAMU	Gulf Coast	12/19/07	Common Stock	1,000,000
Hanson Robotics, Inc.	Advanced Tech. & Manufacturing	Animatronic robotics	UT - Arlington	North Texas	10/18/06	Warrant	1,500,000
HeatGenie, Inc.	Advanced Tech. & Manufacturing	Self-heating food packaging technology	UT - Austin	Central Texas	11/5/08	Investment Unit	1,000,000
Ideal Power Converters, Inc.	Energy	Solar Power Inverter	UT - Austin	Central Texas	10/1/10	Investment Unit	1,000,000
iLearning Gateway, Inc.	Computer & IT	Automated web-based tutor	UT - Arlington	North Texas	8/7/09	Investment Unit	1,000,000
Image Trends, Inc.	Computer & IT	Digital imaging technology	UT - Austin	Central Texas	5/15/08	Common Stock	1,000,000
Interoperate.biz, Inc.	Computer & IT	Rapid translation-based migration	UT - Dallas	North Texas	7/9/09	Investment Unit	1,000,000

Award Recipient	Industry Cluster	Project Description	University Collaboration	Region	Award Date	Investment Instrument	Award Amount (\$)
InView Technologies Corporation	Computer & IT	High-performance cameras	Rice	Central Texas	8/24/10	Investment Unit	1,500,000
Iridescent Networks, Inc.	Computer & IT	Network comm. node for low-latency switching	UT - Dallas	North Texas	7/19/10	Investment Unit	1,000,000
itRobotics, Inc.	Advanced Tech. & Manufacturing	Oil & Gas pipe inspection	Rice	Gulf Coast	7/5/06	Common Stock	750,000
JC Lads Corporation (dba Biometric Signature ID)	Computer & IT	Identity proofing on the internet	UT System	North Texas	10/6/10	Investment Unit	550,000
KLD Energy Technologies, Inc.	Energy	Advanced electric motor systems	UT - Austin	Central Texas	12/3/10	Investment Unit	2,800,000
Laser Tissue Welding, Inc.	Biotechnology & Life Science	Surgical therapy	St. Luke's Episcopal Hospital	Gulf Coast	7/31/07	Warrant	160,000
LaserGen, Inc.	Biotechnology & Life Science	DNA sequencing system	Baylor	Gulf Coast	9/16/09	Investment Unit	1,000,000
Leonardo Biosciences, Inc.	Biotechnology & Life Science	Mesoporous silicon particles for drug delivery	UTHSC - Houston	Gulf Coast	4/15/10	Investment Unit	2,500,000
MacuCLEAR, Inc.	Biotechnology & Life Science	Topically administered treatment for Dry AMD	TAMU	North Texas	4/20/09	Series A-1 Preferred Stock	1,700,000
Mayan Pigments, Inc.	Advanced Tech. & Manufacturing	Pigment technology	UT - El Paso	Trans Pecos - El Paso	7/25/08	Common Stock	750,000
Merkatum Corporation	Computer & IT	Biometric identity management	UT - Austin	Central Texas	11/10/08	Common Stock	1,000,000
MicroTransponder, Inc.	Biotechnology & Life Science	Neurostimulation medical device	UT - Dallas	North Texas	2/19/08	Warrant	1,380,000
MicroZAP, Inc.	Biotechnology & Life Science	Low-temperature radio frequency food sterilization	Texas Tech	West Texas	4/30/10	Investment Unit	1,500,000
Mirna Therapeutics, Inc.	Biotechnology & Life Science	MicroRNA replacement therapy	MD Anderson	Central Texas	11/11/09	Investment Unit	5,000,000
Modria, Inc.	Computer & IT	Supply chain software	UT - Dallas	North Texas	12/1/08	Common Stock	500,000
Molecular Imprints, Inc.	Advanced Tech. & Manufacturing	Imprint lithography	UT - Austin	Central Texas	5/30/06	Warrant	3,000,000
Molecular Logix, Inc.	Biotechnology & Life Science	Pan-HER anti-cancer ligands	UTHSC - San Antonio	Gulf Coast	3/20/07	Warrant	794,520
Monebo Technologies, Inc.	Biotechnology & Life Science	Heart monitoring device	UT - Austin	Central Texas	10/23/06	Common Stock	500,000
Mystic Pharmaceuticals, Inc.	Biotechnology & Life Science	Ophthalmic and intranasal drug delivery platform	UTMB	Central Texas	4/21/09	Investment Unit	1,568,000
Nano Medical Systems, Inc.	Biotechnology & Life Science	Nanochannel drug delivery device	UTHSC - Houston	Central Texas	9/30/08	Series A Preferred Stock	3,500,000
Nano3D Biosciences, Inc.	Biotechnology & Life Science	3D cell culturing	Rice	Gulf Coast	5/20/10	Investment Unit	1,000,000
NanocComposites, Inc.	Advanced Tech. & Manufacturing	Nanotechnologies	Rice	Gulf Coast	9/20/06	Common Stock	1,500,000
Nanocoolers, Inc.	Advanced Tech. & Manufacturing	Nanoelectronic cooling system	UT - Austin	Central Texas	3/5/07	Warrant	3,000,000
NanoSpectra Biosciences, Inc.	Biotechnology & Life Science	Particle-based thermal ablation of cancer	Rice	Gulf Coast	6/12/06	Common Stock	1,250,000
NanoTailor, Inc.	Advanced Tech. & Manufacturing	Functionalized SWNT	Texas State	Central Texas	3/16/10	Investment Unit	1,250,000
Net Watch Solutions, Inc.	Computer & IT	IT management software	UT - Dallas	North Texas	3/25/08	Warrant	500,000
Net.Orange, Inc.	Computer & IT	Medical information system	Southwestern Med Center	North Texas	7/30/09	Series A Preferred Stock	1,900,000
Neuro Resource Group, Inc.	Biotechnology & Life Science	Neurostimulation	UT - Arlington	North Texas	7/1/10	Investment Unit	1,500,000
Neurolink, Inc.	Biotechnology & Life Science	Implantable drug/device therapy for epilepsy	UTSA & UTHSC - San Antonio	South Texas	10/1/10	Series A Preferred Stock	3,234,000

Award Recipient	Industry Cluster	Project Description	University Collaboration	Region	Award Date	Investment Instrument	Award Amount (\$)
NonInvasix, Inc.	Biotechnology & Life Science	Multiple blood diagnostic measurement	UTMB	Gulf Coast	4/8/09	Investment Unit	1,000,000
Oncolix, Inc.	Biotechnology & Life Science	Treatment for Breast & Ovarian Cancer	MD Anderson	Gulf Coast	10/1/10	Investment Unit	2,400,000
OnTrack Imaging, Inc.	Biotechnology & Life Science	C-scan ultrasound imaging	TAMU	North Texas	10/7/09	Investment Unit	1,000,000
OptiSense Network LLC.	Energy	Electro-optic HV sensor	UT - Arlington	North Texas	3/5/07	Warrant	1,500,000
Ortho Kinematics, Inc.	Biotechnology & Life Science	Spinal diagnostic device	UT - Austin	North Texas	5/8/09	Sereis A-1 Preferred Stock	1,500,000
OrthoAccel Technologies, Inc.	Biotechnology & Life Science	Orthodontic device	UT - Dallas	Gulf Coast	10/26/07	Warrant	750,000
Palmaz Scientific, Inc.	Biotechnology & Life Science	Advanced stent technology	UTHSC - San Antonio	South Texas	4/15/10	Series B Preferred Stock	3,000,000
Patton Surgical Corporation	Biotechnology & Life Science	Double-shielded trocar	UT - Austin	Central Texas	9/4/09	Series B Preferred Stock	3,000,000
Photodigm, Inc.	Advanced Tech. & Manufacturing	Semiconductor diode laser	UT - Dallas	North Texas	4/26/07	Warrant	749,829
Photon8, Inc.	Energy	Algae biofuels	UT - Brownsville	Rio Grande	11/13/09	Investment Unit	1,000,000
PLx Pharma, Inc.	Biotechnology & Life Science	GI safer formulations of NSAIDs	UTHSC - Houston	Gulf Coast	3/27/07	Common Stock	2,000,000
PrincipleSoft, Inc.	Computer & IT	QAM enhancement software	UT - Dallas	North Texas	6/13/07	Warrant	750,000
Pronucleotein Biotechnologies Corporation	Biotechnology & Life Science	Rapid on-site food safety testing	UT - Pan American	South Texas	2/18/09	Investment Unit	1,000,000
Pulmotect, Inc.	Biotechnology & Life Science	Stimulated innate resistance against inhaled	MD Anderson	Gulf Coast	6/8/09	Investment Unit	1,000,000
Qcue, Inc.	Computer & IT	Predictive pricing for ticketing sales	UT - Austin	Gulf Coast	10/20/09	Investment Unit	1,000,000
Quantum Logic Devices, Inc.	Advanced Tech. & Manufacturing	Medical diagnostics platform	UT - Austin	Central Texas	3/27/07	Warrant	600,000
RadioMedix, Inc.	Biotechnology & Life Science	Radiopharmaceuticals for PET imaging	MD Anderson	Central Texas	11/23/10	Common Stock	2,800,000
Receptor Logic, Inc.	Biotechnology & Life Science	Monoclonal antibody technology	Texas Tech	West Texas	6/16/08	Common Stock	2,000,000
Resonant Sensors, Inc.	Biotechnology & Life Science	Optical bio/chemical sensor	UT - Arlington	North Texas	5/18/07	Common Stock	600,000
RFMicron, Inc.	Advanced Tech. & Manufacturing	Self-tuning RFID integrated circuits	UT - Austin	Central Texas	5/22/08	Series A Preferred Stock	925,000
Salient Pharmaceuticals, Inc.	Biotechnology & Life Science	Treatment for cancer therapy-induced diarrhea	MD Anderson	Gulf Coast	12/14/09	Investment Unit	2,000,000
Savara, Inc.	Biotechnology & Life Science	Nanoparticle for lung cancer staging & screening	UT - Austin	Central Texas	6/1/10	Investment Unit	1,900,000
ScanTech Sciences, Inc.	Advanced Tech. & Manufacturing	Food irradiation	TAMU	Rio Grande	7/9/09	Investment Unit	2,000,000
Secure Origins, Inc.	Computer & IT	Freight tracking & logistics	UT - El Paso	Trans Pecos - El Paso	7/5/07	Warrant	2,000,000
Seno Medical Instruments, Inc.	Biotechnology & Life Science	Laser opto-acoustic imaging of cancer	UTHSC – San Antonio	South Texas	7/19/07	Warrant	2,000,000
SeprOx, Inc.	Biotechnology & Life Science	Medical oxygen generator	University of Houston	Gulf Coast	2/17/09	Investment Unit	750,000
Smart Imaging Technologies Corporation	Computer & IT	Automated pathogen detection system	TAMU	Gulf Coast	12/31/08	Investment Unit	1,000,000
SmartField, Inc.	Biotechnology & Life Science	Biotic monitoring and irrigation control system	Texas Tech	West Texas	1/6/10	Investment Unit	1,000,000
SNRLabs Corporation	Computer & IT	Wireless convergence manager	UT - Dallas	North Texas	9/26/07	Common Stock	750,000

Award Recipient	Industry Cluster	Project Description	University Collaboration	Region	Award Date	Investment Instrument	Award Amount (\$)
SolarBridge Technologies, Inc.	Energy	Photovoltaic micro-inverter	UT - Austin	Central Texas	12/30/09	Series B-1 Preferred Stock	1,500,000
Solarno, Inc.	Energy	Carbon nanotube sheets	UT - Dallas	North Texas	3/1/09	Investment Unit	1,000,000
Speer Medical Devices, Inc.	Biotechnology & Life Science	Portable non-invasive vital sign monitor	UT - San Antonio	South Texas	3/31/11	Investment Unit	2,500,000
StarVision Technologies, Inc.	Aerospace & Defense	Optical based guidance & navigation systems	TAMU	Gulf Coast	10/30/07	Warrant	750,000
Stellarray, Inc.	Advanced Tech. & Manufacturing	Flat-panel X-ray technology	TAMU	Central Texas	7/17/08	Investment Unit	750,000
Sunrise Ridge Algae, Inc.	Energy	Algae biofuel	UT - Austin	Central Texas	7/24/08	Common Stock	250,000
Syndiant, Inc.	Advanced Tech. & Manufacturing	Personal media projector	UT - Dallas	North Texas	2/20/09	Series B Preferred Stock	3,500,000
Terapio Corporation	Biotechnology & Life Science	Topical cancer therapy	UT - Arlington	Central Texas	7/21/08	Series A-2 Preferred Stock	1,700,000
Terrabon, Inc.	Energy	Biofuels refinery	TAMU	Rio Grande	7/12/10	Investment Unit	2,750,000
Texas MicroPower, Inc.	Energy	Piezoelectric energy harvesting	UT - Arlington	North Texas	2/15/08	Common Stock	750,000
Thrombo Vision, Inc.	Biotechnology & Life Science	Platelet measuring device	TAMU - Commerce	Gulf Coast	7/5/07	Warrant	1,500,000
TurboTrac USA, Inc.	Energy	Infinitely variable transmission	UT - Permian Basin	West Texas	8/24/09	Investment Unit	2,000,000
TXL Group, Inc.	Energy	Thermoelectric generation technology	UT - El Paso	Trans Pecos - El Paso	2/4/08	Warrant	500,000
Varaha Systems, Inc.	Computer & IT	uMobility solutions	UT - Arlington	North Texas	8/14/09	Investment Unit	1,500,000
Veros Systems, Inc.	Computer & IT	Remote electric motor sensing	TAMU	Gulf Coast	6/14/10	Investment Unit	1,500,000
ViroXis Corporation	Biotechnology & Life Science	Bio-pharma therapy for diseases & cancer	UTSA & UTHSC - San Antonio	South Texas	10/1/10	Investment Unit	2,500,000
Visualase, Inc.	Biotechnology & Life Science	MRI-guided laser cancer treatment	MD Anderson	Gulf Coast	8/9/07	Common Stock	750,000
Vital Art & Science Incorporated	Biotechnology & Life Science	In-home medical monitor for dry or wet AMD	SW Med Center & UNTHSC	North Texas	6/7/11	Investment Unit	1,000,000
Xitronix Corporation	Advanced Tech. & Manufacturing	Nanomanufacturing devices	UT - Austin	Central Texas	1/17/08	Common Stock	500,000
Xtreme Power, Inc.	Energy	Power load leveling	UT - Austin	Central Texas	3/27/07	Warrant	2,000,000
ZS Pharma, Inc.	Biotechnology & Life Science	Oral sorbent technologies	UNT HSC	North Texas	8/13/10	Series C Convertible Preferred Stock	2,000,000
Subchapter D - Incentives for Commercialization Activities Awards Subtotals			Project Total: 133		Award Total:		\$ 192,710,349

Award Recipient	Industry Cluster	Project Description	Collaboration	Region	Award Date	Award Amount (\$)
Subchapter E - Research Award Matching Awards						
Alliance for Higher Education	Advanced Tech. & Manufacturing	Atomically Precise Manufacturing	DARPA, UT - Dallas, UNT, Molecular Imprints, & Zyvex Labs	North Texas	3/7/08	4,700,000
Carbon Nanotechnologies, Inc.	Advanced Tech.& Manufacturing	Single-walled nanotubes	NIST & Advance Technology Program	Gulf Coast	9/1/06	975,000
Center for the Commercialization of Electric Technologies	Energy	21st Century smart grid	Dept. of Energy	Central Texas	10/9/07	500,000
Global Contours Ltd.	Aerospace & Defense	Self-sensing devices	U.S. Army SBIR & NSF	North Texas	4/5/07	950,000
Lynntech, Inc.	Energy	Fuel cells	U.S. Air Force SBIR	Gulf Coast	4/19/07	600,000
National Trauma Institute	Biotechnology & Life Science	Trauma care	U.S. Army Inst. Of Surgical Research & Athena GTX	South Texas	1/28/08	3,800,000
Sematech Corporation	Advanced Tech. & Manufacturing	Immersion lithography	UT - Austin, UT - Dallas, Molecular Imprints, HP, TI, & DARPA	Central Texas	5/22/06	5,000,000
Texas A&M University System	Biotechnology & Life Science	National Institute for Therapeutics Manufacturing	MD Anderson & DARPA	Gulf Coast	1/27/09	50,000,000
Texas Agricultural Experiment Station	Energy	Algae biofuels	U.S. Air Force, DARPA, & NAABB	West Texas	11/29/07	4,025,000
Texas Railroad Commission	Energy	FutureGen	U.S. Department of Energy	West Texas	8/31/06	3,259,095
The University of Texas System	Biotechnology & Life Science	Southwest Alliance for Nanotechnology (SWAN)	DARPA,NSF,NIST, & NRI	Central Texas	1/9/07	1,750,000
The University of Texas at Dallas	Advanced Tech. & Manufacturing	Future Semiconductor Commercialization (FUSION)	COSAR	North Texas	10/6/08	5,000,000
The UT Health Science Center at San Antonio	Biotechnology & Life Science	Comprehensive Facility for Animal Imaging Research (CFAIR)	DARPA, NIH,UT, American Heart Assoc., SA Area Foundation & VA	South Texas	2/22/07	4,099,973
Subchapter E - Research Award Matching Awards Subtotals			Project Total: 13	Award Total:	\$ 84,659,068	
Subchapter F – Acquisition of Research Superiority						
Texas A&M University	Biotechnology & Life Science	Texas Institute for Preclinical Studies (TIPS)	Research Valley Partnership	Gulf Coast	7/20/07	6,300,000
Texas A&M University	Energy	Texas BioEnergy Alliance	TAES, TCES, TEES	Gulf Coast	7/26/07	3,412,500
Texas A&M Health Science Center	Biotechnology & Life Science	Institute for Regenerative Medicine	Scott & White	Central Texas	9/19/08	5,250,000
Texas State University	Energy	Center for Multifunctional Materials	Freescale, Motorola & Sematech	Central Texas	2/9/09	4,200,000
Texas Tech University	Biotechnology & Life Science	International Center for Excellence (ICE) in Agriculture Genomics & Biotechnology	Bayer CropScience	West Texas	5/1/06	2,045,950
Texas Tech University	Computer & IT	Nanotechnology Center	GE & Honeywell	West Texas	2/12/08	2,100,000
Texas Tech University	Energy	National Institute for Renewable Energy	Vestas & Alstom	West Texas	8/20/10	8,400,000
University of Houston	Biotechnology & Life Science	Center for Cell Signaling	Methodist Hospital Research Institute	Gulf Coast	2/5/09	5,775,000
University of Houston	Energy	Superconductivity Applied Research Hub	Superpower	Gulf Coast	11/17/09	3,675,000
UNT Health Science Center at Fort Worth	Biotechnology & Life Science	Center for Commercialization of Fluorescence Technology	Max Planck Institute, University of Ulich, University of Goeteborg, & University of New	North Texas	3/13/07	2,388,750

Award Recipient	Industry Cluster	Project Description	Collaboration	Region	Award Date	Award Amount (\$)
The University of Texas at Austin	Biotechnology & Life Science	Neuroscience Imaging Center	STARS	Central Texas	12/10/07	3,675,000
The University of Texas at Dallas	Computer & IT	Texas Analog Center of Excellence (TxACE)	Texas Instruments & SRC	North Texas	9/1/09	4,725,000
The University of Texas at El Paso	Energy	Center for Inland Desalinization Systems	DOD & City of El Paso	Trans Pecos - El Paso	10/20/08	2,100,000
The University of Texas at El Paso	Advanced Tech. & Manufacturing	3D Integrated Systems Technology	Lockheed Martin	Gulf Coast	7/21/10	3,150,000
The University of Texas at San Antonio	Computer & IT	Institute for Cyber Security Research		South Texas	4/5/07	3,694,950
The University of Texas at Tyler	Energy	Texas Allergy, Indoor Environment & Energy Institute (TxAIRE)	Siemens-Trane	North Texas	7/14/07	3,937,500
The UT Health Science Center at Houston	Biotechnology & Life Science	Alliance for NanoHealth		Gulf Coast	8/23/06	2,625,000
The UT Health Science Center at Houston	Biotechnology & Life Science	Center for Translational Injury Research (CeTIR)	Memorial Hermann Hospital	Gulf Coast	10/6/08	5,250,000
The UT Health Science Center at Houston	Biotechnology & Life Science	Texas Therapeutics Institute	Siemens, Genentech, & Astra Zeneca	Gulf Coast	7/12/10	6,300,000
The UT Health Science Center at Houston	Biotechnology & Life Science	Children's Regenerative Medicine	Memorial Hermann Hospital	Gulf Coast	7/28/11	3,150,000
The University of Texas System	Computer & IT	Southwest Academy of Nanotechnology	Texas Instruments & NERC	Central Texas	3/15/07	10,500,000
Subchapter F – Acquisition of Research Superiority Awards Subtotals			Project Total: 21	Award Total:		\$ 92,654,650

Project Subchapter Totals	Project Totals	Award Totals
Subchapter D - Incentives for Commercialization Activities Awards	133	\$ 192,710,349
Subchapter E - Research Award Matching Awards	13	\$ 84,659,068
Subchapter F – Research Superiority Acquisition of Talent	21	\$ 92,654,650
Texas Emerging Technology Fund Totals	167	\$ 370,024,067

SUBCHAPTER D: INCENTIVES FOR COMMERCIALIZATION ACTIVITIES

Incentives for Commercialization Activities occur when the State utilizes taxpayer funds to make an investment in a privately-owned entrepreneurial business that is seeking to bring a new or enhanced technology to the marketplace. To be eligible for the award, the business must be partnered with one of the State's institutions of higher education.

Priority for funding is given to proposals that involve emerging scientific or technology fields that have a reasonable probability of enhancing the State's national and global economic competitiveness. By strategically investing in industries with high growth potential, these investments help ensure Texas will remain a global leader in key industries.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made under each subchapter, as of August 31, 2011.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the name of each recipient and the amount of the award made to the recipient. Throughout this report, the effective date of the contractual agreement between the Office of the Governor and the award recipient is referred to as the "award date." The award

amount listed is the aggregate funding the award recipient may receive pursuant to contractual terms. The award amount is subject to change between reporting periods based on certain contractual terms.

Table 2: Aggregate Total of Private Sector Investment, Federal Government Funding, and Contributions from Other Sources Obtained in Connection with TETF Subchapter D, Incentives for Commercialization Activities

Industry Cluster	Number of Awards	Award Amount (\$)	Aggregate Total Private Sector Investment, Fed Govt Funding, & Contributions from Other Sources (\$)
Advanced Technology & Manufacturing	19	26,274,829	196,958,918
Aerospace & Defense	5	7,900,000	14,949,491
Biotechnology & Life Sciences	65	102,035,520	209,474,048
Computer & Information Technology	27	31,200,000	37,011,374
Energy	17	25,300,000	133,979,867
Totals	133	\$ 192,710,349	\$ 592,373,698

STATE’S EQUITY POSITION

Texas Government Code Section 490.005 requires the Office of the Governor to provide “a brief description of the equity position that the governor, on behalf of the State, may take in companies receiving awards and the names of the companies in which the State has taken an equity position...”

The Texas Emerging Technology Fund has made awards under Subchapter D, Incentives for Commercialization Activities, to recipients that included the issuance to the Office of the Governor, on behalf of the State, of either:

- a warrant exercisable to purchase shares of common stock of the company receiving the award, subject to the occurrence of certain vesting events; or
- a right to purchase shares of common or preferred stock of the company receiving the award, subject to the occurrence of certain vesting events.

In this latter category, the State secured an Investment Unit in the company, which includes a promissory note whereby the State can potentially collect against the company in an event of default, as well as an equity option that provides the State the ability to purchase, upon certain events, common stock or preferred stock at a later date if certain conditions are met.

Securities issued to the Office of the Governor, on behalf of the State, in connection with an award under subchapter D, Incentives for Commercialization Activities, are classified as: equity securities, warrants, equity options, and promissory notes.

- **Equity Security:** A share of equity interest in an entity such as the capital stock (common and preferred stock) of a company, trust, or partnership.
- **Warrant:** An equity derivative that entitles the holder to buy capital stock (common) of an entity issued at a specified price.

- **Equity Option:** An equity derivative that provides the right, but not the obligation, to purchase a quantity of stock, at a set price, within a certain period of time.
- **Promissory Note:** An instrument, wherein one party makes an unconditional contractual obligation to pay a determinate sum of money to the other, either at a fixed or determinable future time or on demand of the payee.

Table 3: Companies in Which the State Has Taken an Equity Position as of August 31, 2011

Award Recipient	Shares	Class of Stock
21-Century Silicon, Inc.	5,823,610	Common
Advitech, Inc.	2,099	Common
Animal Innovations, Inc.	1,035,667	Series B Preferred
Azaya Therapeutics, Inc.	271,735	Series D Preferred
BetaBatt, Inc.	3,994,896	Common
BiO2 Medical, Inc.	1,434,717	Series B Preferred
Biscotti, Inc.	1,250,000	Series A Preferred & Common
Bynari, Inc.	2,152,075	Common
Calxeda, Inc.	764,696	Series A Preferred
Codekko, Inc.	1,856,250	Common
Corhythm, Inc.	2,486,415	Series A Preferred
Cryopen, Inc.	647,664	Common
Dentlight, Inc.	77,929	Series AA Preferred
Device Fidelity, Inc.	705,715	Series C Preferred
Endothelix, Inc.	5,246,913	Common
Enthuze, Inc.	1,030,734	Series A Preferred
Environmental Quality Management Associates, Inc.	22,497	Common
Fe3 Medical, Inc.	5,659,272	Series A Preferred
Gradalis, Inc.	174,824	Series A Preferred
Halsa Pharmaceuticals, Inc.	520,616	Common
Image Trends, Inc.	1,807,985	Common
InView Technology Corp.	264,382	Series A Preferred
itRobotics, Inc.	742,500	Common
MacuCLEAR, Inc.	177,068	Series A-1 Preferred
Mayan Pigments, Inc.	4,999	Common
Merkatum Corporation	1,749,781	Common
Modria, Inc.	499	Common
Monebo Technologies, Inc.	960,059	Common
Nano Medical Systems, Inc.	1,452,256	Series A Preferred
NanoComposites, Inc.	1,650,709	Common
NanoSpectra Biosciences, Inc.	780,761	Common
Net.Orange, Inc.	474,050	Series A Preferred
Neurolink, Inc.	2,583,060	Series A Preferred
Ortho Kinematics, Inc.	2,773,662	Series A-1 Preferred
Palmaz Scientific, Inc.	14,999	Series B Preferred
Patton Surgical Corporation	2,829,931	Series B Preferred
PLx Pharma, Inc.	1,041,124	Common

Award Recipient	Shares	Class of Stock
RadioMedix, Inc.	4,075,656	Common
Receptor Logic, Inc.	172,014	Common
Resonant Sensors, Inc.	175	Common
RF Micron, Inc.	2,015,128	Series A Preferred
SNRLabs Corporation	78,118	Common
SolarBridge Technologies, Inc.	4,089,391	Series B-1 Preferred
Sunrise Ridge Algae, Inc.	259,738	Common
Syndiant, Inc	1,325,255	Series B Preferred
Terapio Corporation	845,037	Series A-2 Preferred
Texas MicroPower, Inc.	749	Common
Visualase, Inc.	2,765,462	Common
Volcano Corporation	77,499	Common
Xitronix Corporation	178,520	Common
ZS Pharma, Inc.	1,378,359	Series B Convertible Preferred

VALUATION OF INVESTMENTS

Texas Government Code Section 490.006 requires the Office of the Governor to “annually perform a valuation of the equity positions taken by the governor, on behalf of the State, in companies receiving awards under the fund and of other investments made by the governor, on behalf of the State.”

	Investment Funds Disbursed*	Investment Asset Values
<i>August 31, 2011</i>		
Investments		
Equity Securities	\$ 73,319,000	\$ 77,907,494
Warrants	21,984,349	21,984,349
Equity Options	69,506,417	69,506,417
<u>Promissory Notes</u>	<u>4,500,000</u>	<u>4,500,000</u>
Total Investments	\$ 169,309,766	\$ 173,898,260

*Investment Funds Disbursed is the aggregate amount of funds disbursed to Award Recipients in each of the listed security classes.

Security Valuation

Equity security investments with a readily determinable fair market value are valued based on the NASDAQ closing price on August 31, 2011. If not readily determinable, fair value is based on the closing price of the last issuance and sale of capital stock of the entity.

Equity Warrants and Options which do not have a readily determinable fair market value are valued using a cost-based methodology. Prior to exercise by the State of Texas, acting by and through the Office of the Governor Economic Development and Tourism, the value of an equity warrant or option is equal to the aggregate total of funds received by a Company pursuant to the Award Agreement.

Promissory Notes are recorded based on the current principle outstanding; interest revenue is not recorded until received. These notes expire after ten years. Due to the terms of the contracts, the Office of the Governor expects that cash payment for these notes will not be received except under certain circumstances. It is the opinion of management

that recording the value of these notes as assets would severely overstate fund assets. Notes are demanded upon an event of default pursuant to contract terms. When a Note is called, a note receivable is recorded; the Warrant, Equity Option, or Equity value is then reassessed to be valueless.

ANALYSIS OF JOBS CREATED

Texas Government Code Section 490.005 requires the Office of the Governor to provide “the total number of jobs actually created by each project funded under this chapter, an analysis of the number of jobs actually created by each project receiving funding under this chapter; and a brief description regarding: the methodology used to determine the information provided...”

Table 4 provides an analysis of the number of jobs actually created in entities that have received a Subchapter D, Incentive for Commercialization Activities Award. Data provided in Table 4, unless stated elsewhere in this report, were derived from annual reports and direct communication with each entity. Texas average salary data are derived from average weekly wage (2nd Quarter of 2011) for the corresponding North American Industry Classification System (NAICS) codes as provided by the Texas Workforce Commission’s Quarterly Census of Employment and Wages. U.S. average salary data are derived from average weekly wage (2010) for the corresponding NAICS codes as obtained from the Quarterly Census of Employment and Wages from the Bureau of Labor Statistics website.

A retained job represents employment prior to an Award by the Texas Emerging Technology Fund still in existence as of August 31, 2011. Jobs actually created are the reported number of jobs created since the Award Date as of August 31, 2011.

The numbers of jobs impacted in other industries in the Texas economy are derived from the Impact Analysis for Planning (IMPLAN) Input-Output model for Texas. The number of jobs impacted represents, for every job retained and/or actually created in association with the entity receiving funding, the number of additional jobs impacted in other industries in the Texas economy. Data specific to each Award Recipient are calculated based on aggregate retained and/or actual created jobs during the operational life cycle of the Company. These data were developed using multipliers provided by Texas Comptroller of Public Accounts, Economic Development & Analysis Division, on the basis of the following:

1. The industry under consideration is fully operational; and
2. Multipliers were derived based on the number of direct, indirect and induced jobs needed to produce \$1 million worth of output.

Table 4: Total Number of Jobs Actually Created by Each Project Receiving Funding and Analysis of the Number of Jobs Actually Created Under TETF Subchapter D, Incentives for Commercialization Activities Awards

Award Recipient	Retained Jobs	Jobs Actually Created	Texas Average Salary (\$) (NAICS - Q2 2011)	U.S. Average Salary (\$) (NAICS - 2010)	Number of Jobs Impacted in Other Industries in the Texas Economy
1st Detect Corporation	5	8	69,396	93,554	25
21-Century Silicon, Inc.	0	0	92,145	67,465	17

Award Recipient	Retained Jobs	Jobs Actually Created	Texas Average Salary (\$) (NAICS - Q2 2011)	U.S. Average Salary (\$) (NAICS - 2010)	Number of Jobs Impacted in Other Industries in the Texas Economy
2Cimple, Inc.	3	1	92,145	96,096	3
ActaCell, Inc.	4	6	46,386	52,386	14
Advanced Receiver Technologies, Inc.	0	4	92,145	96,096	5
Advitech, Inc.	5	0	55,882	73,988	6
Agile Planet, Inc.	3	1	92,145	96,096	3
AgileMesh, Inc.	4	7	79,310	76,179	39
America Stem Cell, Inc.	0	5	95,746	109,824	5
Analogix Development Corporation	3	0	86,249	99,008	3
Animal Innovations, Inc.	3	4	52,491	71,692	10
Apaxis Medical, Inc.	1	2	52,491	71,692	4
AuricX Pharmaceuticals, Inc.	4	0	95,746	109,824	4
Azaya Therapeutics, Inc.	6	3	95,746	109,824	8
Bauhaus Software, Inc.	0	19	92,145	53,976	13
Bellicum Pharmaceuticals, Inc.	1	6	95,746	109,824	6
BetaBatt, Inc.	0	0	99,242	100,911	8
BiO2 Medical, Inc.	3	20	84,997	87,293	47
Biscotti, Inc.	2	7	92,145	96,096	6
Blue Box Health, Inc.	1	1	84,997	87,293	4
Bynari, Inc.	5	2	92,145	96,096	5
Calxeda, Inc.	1	43	109,886	112,129	72
CardioSpectra, Inc.	0	7	84,997	87,293	41
Castle Biosciences, Inc.	3	3	95,746	109,824	6
Chipotle Business Group, Inc.	3	1	69,396	93,554	8
Codekko, Inc.	3	11	92,145	96,096	9
Corhythm, Inc.	0	2	84,997	87,293	4
CorInnova, Inc.	2	2	52,491	71,692	6
Cormedics Corporation	1	0	52,491	71,692	1
CryoPen, Inc.	7	0	50,925	46,490	3
DataInfoCom USA, Inc.	3	1	92,145	96,096	3
Dentlight, Inc.	11	4	57,134	46,332	35
DEP Shape Memory Therapeutics, Inc.	2	0	95,746	109,824	2
Device Fidelity, Inc.	10	14	92,145	96,096	16
Diabetica Solutions, Inc.	3	0	52,491	71,692	4
DNAtrix, Inc.	7	1	95,746	109,824	7
Endothelix, Inc.	4	0	84,997	87,293	8
Ensysce Biosciences Inc.	2	6	95,746	109,824	7
Enthuze, Inc.	2	3	75,657	96,096	3
Environmental Quality Management Associates, Inc.	2	0	105,503	86,667	18
Falcon International, Inc.	3	1	67,987	72,214	3
Faradox Energy Storage, Inc.	3	1	98,824	83,484	3
Fe3 Medical, Inc.	0	2	84,997	87,293	4
FibeRio Technology Corporation	6	14	68,405	61,413	48
FireFly LED, Inc.	1	4	65,952	66,578	6
Genprex, Inc.	0	6	95,746	109,824	6

Award Recipient	Retained Jobs	Jobs Actually Created	Texas Average Salary (\$) (NAICS - Q2 2011)	U.S. Average Salary (\$) (NAICS - 2010)	Number of Jobs Impacted in Other Industries in the Texas Economy
Gradalis, Inc.	13	7	95,746	109,824	19
Halsa Pharmaceuticals, Inc.	3	3	95,746	109,824	6
Hanson Robotics, Inc.	4	9	86,249	99,008	12
HeatGenie, Inc.	1	4	88,128	101,608	5
Ideal Power Converters, Inc.	4	3	50,456	60,161	9
iLearning Gateway, Inc.	3	2	92,145	96,096	3
Image Trends, Inc.	9	1	79,310	76,179	36
Interoperate.biz, Inc.	3	1	92,145	96,096	3
InView Technology Corporation	3	5	55,882	73,988	10
Iridescent Networks, Inc.	4	2	92,145	96,096	4
itRobotics, Inc.	10	1	86,249	109,824	10
J.C. Lads Corporation (dba Biometric Signature ID)	2	4	92,145	96,096	4
KLD Electronics Texas, Inc.	27	24	63,970	68,979	75
Laser Tissue Welding, Inc.	2	0	52,491	71,692	3
LaserGen, Inc.	9	1	95,746	109,824	9
Leonardo Biosystems, Inc.	0	2	86,249	99,008	2
MacuCLEAR, Inc.	2	2	86,249	99,008	4
Mayan Pigments, Inc.	1	0	96,580	73,518	3
Merkatum Corporation	2	0	92,145	96,096	1
MicroTransponder, Inc.	3	8	84,997	87,293	23
MicroZAP, Inc.	2	0	86,249	99,008	2
Mirna Therapeutics, Inc.	7	5	95,746	109,824	11
Modria, Inc.	0	2	92,145	96,096	1
Molecular Imprints, Inc.	75	17	71,587	125,904	348
Molecular Logix, Inc.	5	0	95,746	109,824	5
Monebo Technologies, Inc.	3	0	84,997	87,293	6
Mystic Pharmaceuticals, Inc.	17	2	36,316	51,499	19
Nano Medical Systems, Inc.	6	1	86,249	99,008	6
Nano3D Biosciences, Inc.	2	1	86,249	99,008	3
NanoComposites, Inc.	5	0	86,249	99,008	5
Nanocoolers, Inc.	0	5	98,824	83,484	4
NanoSpectra Biosciences, Inc.	8	0	84,997	87,293	16
NanoTailor, Inc.	1	0	50,038	58,543	3
Net Watch Solutions, Inc.	1	21	92,145	96,096	15
Net.Orange, Inc.	32	18	92,145	96,096	34
Neuro Resource Group, Inc.	17	2	84,997	87,293	39
NeuroLink, Inc.	0	2	84,997	87,293	4
NonInvasix, Inc.	3	0	69,396	93,554	6
Oncolix, Inc.	3	0	95,746	109,824	3
OnTrack Imaging, Inc.	3	0	52,491	71,692	4
OptiSense Network, L.L.C.	5	16	74,927	96,096	20
Ortho Kinematics, Inc.	1	11	52,491	71,692	18
OrthoAccel Technologies, Inc.	2	12	43,516	54,108	13
Palmasz Scientific, Inc.	13	0	86,249	99,008	12

Award Recipient	Retained Jobs	Jobs Actually Created	Texas Average Salary (\$) (NAICS - Q2 2011)	U.S. Average Salary (\$) (NAICS - 2010)	Number of Jobs Impacted in Other Industries in the Texas Economy
Patton Surgical Corporation	4	10	52,491	71,692	21
Photodigm, Inc.	10	0	109,886	112,129	16
Photon8, Inc.	4	18	86,249	99,008	20
PLx Pharma, Inc.	3	4	86,249	99,008	6
PrincipleSoft, Inc.	1	0	92,145	96,096	1
Pronucleotein Biotechnologies Corporation	3	3	95,746	109,824	6
Pulmotect, Inc.	6	1	95,746	109,824	6
Qcue, Inc.	0	6	92,145	96,096	4
Quantum Logic Devices, Inc.	2	3	72,892	98,981	10
RadioMedix, Inc.	2	2	75,762	91,780	12
Receptor Logic, Inc.	3	0	88,128	83,564	3
Resonant Sensors, Inc.	1	4	95,746	109,824	5
RFMicron, Inc.	1	2	95,746	59,169	3
Salient Pharmaceuticals, Inc.	2	3	86,249	99,008	5
Savara, Inc.	4	0	86,249	99,008	4
ScanTech Sciences, Inc.	8	0	75,762	91,780	25
Secure Origins, Inc.	4	1	92,145	96,096	3
Seno Medical Instruments, Inc.	10	3	52,491	71,692	19
SeprOx, Inc.	1	0	86,249	99,008	1
Smart Imaging Technologies Corporation	4	1	92,145	96,096	3
SmartField, Inc.	2	15	42,472	56,821	11
SNRLabs Corporation	7	8	92,145	96,096	10
SolarBridge Technologies, Inc.	24	33	50,456	60,161	76
Solarno, Inc.	2	2	50,038	52,386	6
Speer Medical Devices, Inc.	3	3	84,997	87,293	12
StarVision Technologies, Inc.	0	3	96,685	96,476	5
Stellarray, Inc.	6	10	75,762	91,780	50
Sunrise Ridge Algae, Inc.	1	0	83,171	51,395	3
Syndiant, Inc.	15	14	109,886	112,129	48
Terapio Corporation	3	6	95,746	109,824	8
Terrabon, Inc.	31	27	105,503	67,465	520
Texas MicroPower, Inc.	1	0	95,746	59,169	1
Thrombo Vision, Inc.	0	10	69,396	93,554	19
Turbo Trac USA, Inc.	1	3	54,891	59,013	4
TXL Group, Inc.	5	4	99,242	100,911	35
Varaha Systems, Inc.	21	7	92,145	96,096	19
Veros Systems, Inc.	9	0	92,145	96,096	6
ViroXis Corporation	2	0	95,746	109,824	2
Visualese, Inc.	6	8	52,491	71,692	21
Vital Art & Science Incorporated	1	0	52,491	71,692	1
Xitronix Corporation	2	1	98,824	83,484	5
Xtreme Power, Inc.	20	181	105,816	93,137	777
ZS Pharma, Inc.	3	8	86,249	99,008	10
Totals	686	820	\$ 81,979	\$ 88,916	3,216

INVESTMENT GOALS AND OUTCOMES

Texas Government Code Section 490.005 requires that the Office of the Governor provide the “intended outcomes of projects funded under Subchapter D during each preceding State fiscal year,” as well as “the actual outcomes of all projects funded under Subchapter D during each preceding State fiscal year.” The Office of the Governor will list intended as well as actual outcomes of these projects, along with all projects funded under Subchapter D, Incentives for Commercialization Activities during the fund’s existence from the close of fiscal year 2005 through the close of fiscal year 2011. Each investment is unique with independent expectations for commercialization.

1st Detect Corporation

TETF Award Amount: \$1,800,000

Award Date: March 30, 2010

Region: Central Texas

Higher Education Collaboration: University of North Texas

Intended Outcome:

1st Detect is developing a mass spectrometer for use in the security, health care and industrial sectors to detect explosives, chemical warfare agents, toxic chemicals and volatile organic compounds. The State’s investment went primarily toward finalizing product design and creating working beta models for testing and demonstration.

Actual Outcome:

The company completed several prototypes and anticipates delivery of a beta product to potential customers by the end of 2012. Additionally, the company was awarded a key patent for the company’s unique method to drive a mass spectrometer ion trap used for chemical detection and identification.

21-Century Silicon, Inc.

TETF Award Amount: \$3,500,000

Award Date: January 30, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

21-Century Silicon was developing a process to produce silicon for use in solar cells at half the cost of conventional suppliers. The State’s investment went primarily toward completing final-stage assembly of a silicon furnace, defining optimal operating parameters, integrating the furnace with necessary components and beginning a sample manufacturing process.

Actual Outcome:

The company installed a furnace and demonstrated an ability to produce quantities of solar-grade silicon. The Office of the Governor demanded repayment of the disbursed Award pursuant to the terms of the Note (as defined in the Agreement) for failure to continue commercialization efforts and for failure to provide the required annual

Compliance Verification Report. The Office of the Governor referred this matter to the Texas Office of the Attorney General.

2Cimple, Inc.

TETF Award Amount: \$1,500,000

Award Date: June 1, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

2Cimple is developing online video advertising software that expands interactivity within the online video and can be used for targeted advertising and marketing. The State's investment went primarily toward completing design and production of a prototype. The company was then to conduct field testing.

Actual Outcome:

The company completed design and development of its interactive video advertising platform including analytics and reporting engine. Additionally, the company developed a social media platform and field tested the technology with a Tier 1 technology firm. An interactive video trial with a major media company was also conducted. 2Cimple has reached a research agreement with The University of Texas at Dallas. In addition, 2Cimple signed contracts with a Tier 1 sports franchise and a Tier 1 telecom carrier.

ActaCell, Inc.

TETF Award Amount: \$1,000,000

Award Date: October 5, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

ActaCell is developing high-power, rechargeable lithium ion batteries that can be produced at a lower cost than existing products for use in hybrid electric vehicles. The State's investment went primarily toward testing of the company's initial battery cell, development and testing of the initial battery pack, initiating third-party validation testing and contracting with an outside manufacturer for the production of pilot line cells.

Actual Outcome:

The company has contracted with AVL North America for development, simulation and testing of its battery cells, and has completed initial battery pack testing in medium-duty hybrid vehicles. The company licensed additional lithium ion material from The University of Texas at Austin and, as a result, was awarded a \$6.2 million, 3-year grant from the Department of Commerce's Technology Innovation Program to develop commercial scale production methods. Currently several large automotive suppliers are working with the company in integrating this new high-energy material into a solution for a full electric vehicle. ActaCell's primary technologies are licensed from The University of Texas at Austin in collaboration with the university's Mechanical Engineering Department.

Advanced Receiver Technologies, Inc.

TETF Award Amount: \$250,000

Award Date: October 2, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Advanced Receiver was developing technology to improve cellular phone connectivity, reducing dropped calls and improving Internet access on the 3G cell network. The State's investment went primarily toward developing a single antenna interference cancellation device.

Actual Outcome:

The company successfully completed testing that indicated its antenna improved performance for users located on the edge of a cell, and raised \$2.3 million in grants and other funding. However, Advanced Receiver Technologies has since ceased operations. The Office of the Governor demanded repayment of the disbursed Award pursuant to the terms of the Note (as defined in the Agreement) for the failure to continue commercializing and for failure to provide the required annual Compliance Verification Report.

AdviTech, Inc.

TETF Award Amount: \$2,500,000

Award Date: March 24, 2009

Region: South Texas

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

AdviTech is developing technology for the treatment of spatial disorientation, vertigo and motion sickness. The company's software projects an artificial horizon on specially-developed lenses to control the sensory mismatches that cause motion sickness. The State investment went primarily toward completing product design reviews, planning production with a manufacturer, and delivering 20 of their motion units.

Actual Outcome:

The company has advanced into production of a working prototype, and met with two manufacturers to present their motion sensing unit. Flight testing evaluating the technology's effectiveness was completed in 2009. A collaboration agreement with Southern Methodist University has been ongoing since 2010.

Agile Planet, Inc.

TETF Award Amount: \$1,000,000

Award Date: April 2, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Agile Planet is developing universal operating software to improve human-robot collaboration by streamlining the control process across all robot types. The State's investment went primarily toward filing patents, releasing licensed software for commercial use, completing beta testing and completing an agreement with one major industrial robotics user.

Actual Outcome:

The company successfully released its RLX control software for robotics and has a contract with the world's largest industrial robot maker to deploy robots using the RLX software. In addition, Agile Planet signed contracts with major manufacturers and system integrators who will be deploying RLX-based robots. Agile Planet filed a patent application and also recently released Version 2.0 of RLX, which adds significant new functionalities to the original software released in November 2010.

AgileMesh, Inc.

TETF Award Amount: \$2,000,000

Award Date: May 25, 2010

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

AgileMesh is developing technology that provides portable, easily-deployable wireless communication for onsite video surveillance and security for law enforcement, tactical teams and first-responder units. The State's investment went primarily toward production of materials for testing, product design and an implementation report that identifies functionality and other components.

Actual Outcome:

The company produced materials for testing, completed the implementation report and initiated collaborative research with The University of Texas at Dallas. The Generation 2 technology was developed on schedule. It is currently going through Federal Communications Commission certification process and is being demonstrated to prospects domestically and internationally. The company's first sale of Generation 2-based products was completed, with shipment planned by the end of the calendar year.

America Stem Cell, Inc.

TETF Award Amount: \$1,250,000

Award Date: May 27, 2009

Region: South Texas

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

America Stem Cell (ASC) is developing bone marrow transplant enzyme technology that allows the use of cord blood-derived stem cells rather than attempting to find a compatible donor. The State's full investment was intended to go

towards process development and manufacture of the reagents that comprise ASC-101, and to conduct toxicology studies required for ex vivo treatment of hematopoietic stem cells prior to infusion into patients.

Actual Outcome:

The company developed and initiated manufacturing of sufficient quantities of ASC-101 for the first clinical trial in cancer patients at The University of Texas MD Anderson Cancer Center. ASC completed a toxicology study, submitted a Drug Master File to the Food and Drug Administration, and submitted and received orphan drug designation for the treatment of myeloablation in patients receiving hematopoietic stem cell transplant. The University of Texas MD Anderson Cancer Center plans to apply for permission to conduct cord-blood hematopoietic stem cell transplantation in patients with blood cancers in late 2011. The company failed to submit the required annual Compliance Verification Report by the report deadline.

Analogix Development Corporation, DBA Axelo, Inc.

TETF Award Amount: \$250,000

Award Date: December 19, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Analogix Development Corporation dba Axelo Inc. is an intellectual property technology company focused on developing breakthrough solutions for the emerging 3D motion-sensing market. The company's first patent and application of its technology was a 3D movement-based game controller for the personal computer and gaming market. The State's investment went primarily toward the patent application, production engineering, production of 1,000 units for field testing and marketing, securing a major industry market relationship and completing market research for branding and placement.

Actual Outcome:

The company obtained its patent, produced the planned production quantity of 3D game controller devices and initiated field testing and marketing activities. The company is now focused on the development and commercialization of its patented 3D motion-sensing technology in innovative applications into a wide spectrum of products across numerous marketing arena. The company generated income and focused its efforts on sports medicine applications. It has received two letters of intent from major sports helmet and mouthpiece manufacturers to implant its intellectual property into their products.

Animal Innovations, Inc.

TETF Award Amount: \$1,000,000

Award Date: November 12, 2008

Region: West Texas

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Animal Innovations is developing technology that allows the safe and efficient administration of drugs to animals through its patented, back-filling syringe, ensuring that animals are not over- or under-medicated. The State's investment went primarily toward the creation of several prototypes, establishing large-scale test protocols and conducting testing at Cactus Feeders in Cactus, Texas. The company was also to complete the filing of all provisional patents.

Actual Outcome:

The Company has established an office at the West Texas A&M University Enterprise Center and conducted system testing at Cactus Feeders. Animal Innovations has a collaboration agreement with Texas A&M University, and has received outside investment allowing it to finish developing and begin commercializing the Automated Injection Technology (AIT) device. Currently the Company is in discussions with both animal pharmaceutical companies and animal health product distribution companies regarding partnerships and has filed patents.

Apaxis Medical, Inc.

TETF Award Amount: \$1,000,000

Award Date: June 8, 2009

Region: Gulf Coast

Higher Education Collaboration: Texas Heart Institute

Intended Outcome:

Apaxis is developing a device that will enable surgeons to implant heart-circulatory devices without the traditional need of a heart-lung machine. The State's investment went primarily toward manufacturing, preparation for a Food and Drug Administration application, establishing a marketing presence and completing all patent filings.

Actual Outcome:

The company's drug synthesis and in vitro testing have been completed. In vivo proof-of-concept studies are currently ongoing with completion anticipated at the end of 2011.

AuricX Pharmaceuticals, Inc.

TETF Award Amount: \$1,000,000

Award Date: December 3, 2010

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

AuricX Pharmaceuticals is developing and commercializing novel anti-infectives to treat infections caused by Staphylococcus Aureus, Methicillin-Resistant Staphylococcus Aureus and other drug-resistant pathogens. Its current compound kills bacteria and makes the body's own immune system more effective at warding off these pathogens. The State's investment went primarily toward the completion of the new compound, initiation of in vitro studies, and initiation of proof-of-concept in vivo studies.

Actual Outcome:

The company completed a study protocol allowing acute and chronic animal testing. The protocol was been submitted for initial review to the Texas Heart Institute's Institutional Animal Care and Use Committee. Pending the approval of this protocol and successful delivery of Generation 2 kits, the company will begin chronic animal studies in the fourth quarter of 2011. Apaxis Medical has also filed a Food and Drug Administration 510(k) notification requesting approval to test components in humans.

Azaya Therapeutics, Inc.

TETF Award Amount: \$1,045,000

Award Date: July 28, 2009

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

Azaya is developing technology to deliver cancer therapy drugs via a patented drug delivery system called Protein Stabilized Liposomes (PSL) . The State's investment went primarily toward research to determine dosage range, as well as toxicology tests and filings necessary to secure Food and Drug Administration approval for further research.

Actual Outcome:

The company's lead product, AT-1123, is a new formulation of a marketed product Taxotere® (docetaxel) that is approved for use in breast, lung, prostate, stomach, and head and neck cancers. ATI-1123 has been studied in Phase I clinical trials with 29 patients enrolled. The study was conducted at The Mary Crowley Cancer Center in Dallas and Cancer Therapy and Research Center at The University of Texas Health Science Center at San Antonio.

Bauhaus Software, Inc.

TETF Award Amount: \$500,000

Award Date: July 5, 2006

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio

Intended Outcome:

Bauhaus software was developing Mytoons.com, a social site for 2D animation with free animation tools designed to encourage site participation and community sharing. The State's investment went primarily toward design, testing and implementation of the web site.

Actual Outcome:

The company launched Mytoons.com publicly after four months of private testing in March 2007. After some initial success, Mytoons.com did not generate sufficient revenue to continue operations, and the web site closed in 2009. The company subsequently ceased all operations in 2010.

Bellicum Pharmaceuticals, Inc.

TETF Award Amount: \$1,450,000

Award Date: September 27, 2007

Region: Gulf Coast

Higher Education Collaboration: Baylor College of Medicine

Intended Outcome:

Bellicum Pharmaceuticals is developing a therapeutic cancer vaccine based on research conducted at the Baylor College of Medicine. Bellicum's formula incorporates a pharmacologically-regulated switch designed to generate a tougher and more potent immune response against cancer cells. The State's investment went primarily toward completion of manufacturing and cell processing engineering runs for studies necessary for Food and Drug Administration approval. The company was to begin clinical trials following cell processing engineering studies.

Actual Outcome:

The company completed enrollment of the original Phase I/II clinical trial and is currently preparing to conduct Phase II trials. Results of Phase I/II trial exceeded expectations, with most patients responding to treatment in a positive manner. Bellicum is expected to hire an additional six employees by early 2012.

BetaBatt, Inc.

TETF Award Amount: \$500,000

Award Date: June 20, 2008

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

BetaBatt was developing a long-life, self-recharging battery that captures nuclear decay energy to power defense and medical applications. The State's investment went primarily toward establishing a production process with a semiconductor facility, creating and delivering a prototype to a major industry company, testing packaging and continuing product development.

Actual Outcome:

The company obtained exclusive licensing rights to both betavoltaic and photovoltaic technology aspects from the University of Rochester. The Office of the Governor demanded repayment of the disbursed Award pursuant to the terms of the Note (as defined in the Agreement) for failure to continue commercialization efforts, failure to provide the required annual Compliance Verification Report, and failure to accept and comply with the State's Notice of Purchase.

BiO2 Medical, Inc.

TETF Award Amount: \$1,000,000

Award Date: November 12, 2008

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

BiO2 Medical is developing a temporary filter to trap potentially fatal blood clots before they reach a patient's lungs. The State's investment went primarily toward development of a clinical protocol, product design and creation of a prototype for use in initial testing.

Actual Outcome:

The company was awarded a Federal tax-credit grant of \$244,479 in November 2010. The Angel™ Catheter has undergone extensive bench and animal testing over the last year. The company completed clinical protocol, product design and creation of prototypes for testing.

Biscotti, Inc. (formerly known as Wham!, Inc.)

TETF Award Amount: \$1,000,000

Award Date: February 25, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Biscotti is developing technology that enables high-definition consumer video calling. The State's investment went primarily toward developing and testing system capabilities, and finalization of beta hardware and software for additional testing and regulatory approval.

Actual Outcome:

The company completed initial testing in 2009 and demonstrated the ability to capture, encode, transport, decode and display video in real time. In October 2010, Biscotti closed a round of funding from Palomar Ventures. The State's investment was converted into Common and Series A Preferred Stock. The new investment has allowed Biscotti to undertake additional hiring in the State and maintain its plans to launch product sales in 2011.

Blue Box Health, Inc.

TETF Award Amount: \$1,000,000

Award Date: August 13, 2010

Region: Gulf Coast

Higher Education Collaboration: University of Houston

Intended Outcome:

Blue Box Health is developing a home-health disease management device that sends doctors key readings on the heart function and condition of patients at home after being discharged from the hospital. The State's investment went primarily toward securing a pilot agreement with a hospital, enrolling patients, and manufacturing products for a National Science Foundation-sponsored pilot program.

Actual Outcome:

The company has reached agreement with two major hospitals to host pilot programs in 2011 with regulatory approval in place. Manufacturing of the device is on schedule. Blue Box Health has ongoing sponsored research at the University of Houston.

Bynari, Inc.

TETF Award Amount: \$1,500,000

Award Date: June 2, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Bynari is developing messaging integration software to allow interoperability between all versions of Microsoft Outlook and third-party email providers, creating a seamless collaboration that promotes sharing and groupware functions. The State's investment went primarily toward product development and operational expansion.

Actual Outcome:

The company completed development and product expansion plans and launched its Bynari Collaboration Suite, a cloud messaging solution for businesses, services providers and the OEM market. Bynari's platform enables interoperability for users without having to purchase an exchange server. Bynari's platform is scalable in size, and powers email and messaging systems in several countries.

Calxeda, Inc. (formerly known as Smooth-Stone, Inc.)

TETF Award Amount: \$1,000,000

Award Date: July 1, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Calxeda is developing powerful, energy-conserving computer server technology. The State's investment went primarily toward adding to the company's research and development staff, validation testing and marketing efforts to potential customers.

Actual Outcome:

The company has hired 43 new staff members, including full-time engineering staff, completed validation testing and has otherwise successfully met milestones associated with the State's investment. Calxeda raised \$48 million in venture backed funding.

CardioSpectra, Inc.

TETF Award Amount: \$1,350,000

Award Date: May 25, 2006

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

CardioSpectra is developing a cardiac Optical Coherence Topography (OCT) catheter that will provide diagnostic capabilities unavailable through existing technologies, leading to better prediction of heart attacks, along with detection, monitoring and treatment of diseases such as cancer and diabetes. The State's investment went primarily toward establishing operational engineering facilities and hiring qualified engineers, designers and professionals to develop a functional prototype.

Actual Outcome:

The company successfully completed milestones associated with the State's \$1.35 million investment. In 2007, CardioSpectra was acquired by Volcano Corporation, which integrated the OCT catheter into its proprietary imaging system, for \$25 million in cash with an additional \$38 million available upon the achievement of certain milestones. The State's investment in CardioSpectra immediately returned \$2,277,792 in addition to common stock shares of Volcano Corporation that, at the time of this report, are valued at \$1,984,749. CardioSpectra was founded by Dr. Milner and Dr. Feldman, professors at The University of Texas at San Antonio.

Castle Biosciences, Inc.

TETF Award Amount: \$1,000,000

Award Date: March 11, 2009

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Castle Biosciences is a molecular diagnostic company commercializing proprietary tests for rare cancers. The State's investment went primarily toward acquiring intellectual property rights from The University of Texas MD Anderson Cancer Center, purchasing specialized equipment, building product awareness and completing evaluation studies.

Actual Outcome:

The company licensed intellectual property for tests from The University of Texas MD Anderson Cancer Center and acquired the necessary laboratory equipment in 2008. The company completed evaluation studies and has built product awareness.

Chipotle Business Group, Inc.

TETF Award Amount: \$1,000,000

Award Date: February 2, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Chipotle Business Group Inc. is developing its patented water testing technologies which will reduce the time and cost of water testing. The State's investment went primarily toward the development of additional biological and chemical assays and the construction of an advanced optical instrument that will make up the company's initial product line.

Actual Outcome:

The company entered into four collaboration agreements with The University of Texas at Arlington. Proof-of-concept of an advanced optical instrument was completed in November 2010 and construction of a prototype instrument began immediately thereafter. Development of four additional biological assays, one complex chemical assay, and one multiple parameter biological assay was completed in April 2011. A comprehensive market analysis was completed by university researchers in June 2011.

Codekko, Inc.

TETF Award Amount: \$1,500,000

Award Date: July 3, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Codekko is developing technology to improve the function and performance of computer servers by changing the compilation, execution and delivery of web-based applications, improving performance, scalability and delivery speed by up to 10 times. The State's investment went primarily toward product development.

Actual Outcome:

The company completed design and programming specifications for several of its products, has collaborated with The University of Texas at Dallas and currently has a product in beta testing.

Corhythm Inc.

TETF Award Amount: \$3,113,000

Award Date: October 1, 2010

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio & The University of Texas Health Science Center at San Antonio

Intended Outcome:

Corhythm is developing an implantable treatment for atrial fibrillation which detects early onset of atrial fibrillation, restores normal sinus function and delivers targeted pharmacotherapy. The State's investment went primarily toward selection of anti-arrhythmic pharmacological agents, developing prototypes and completion of proof-of-concept studies to lead to clinical studies.

Actual Outcome:

The company has completed selections of anti-arrhythmic pharmacological agents for analysis, created a prototype of the drug delivery system and is working on a prototype to monitor multi-electrode recordings.

CorInnova, Inc.

TETF Award Amount: \$500,000

Award Date: May 31, 2006

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

CorInnova is developing a heart therapy device licensed from Texas A&M University that promises to reduce instances of congestive heart failure by at least 60 percent in patients who have suffered a severe heart attack. The State's investment went primarily toward developing prototypes, preparing for clinical trials, seeking Food and Drug Administration pre-market approval and taking steps toward commercial sales.

Actual Outcome:

The company's heart therapy device to treat congestive heart failure is targeting the treatment of end-stage congestive heart failure patients who may need a heart transplant. CorInnova has successfully manufactured prototypes of the device, leading to improved designs. They are presently pursuing pre-clinical development of the device. Corinnova continues to work with Texas A&M University.

Cormedics, Inc.

TETF Award Amount: \$750,000

Award Date: September 18, 2008

Region: Gulf Coast

Higher Education Collaboration: Texas Heart Institute

Intended Outcome:

Cormedics is developing a minimally-invasive instrument that provides safe access to the pericardial cavity around the heart for quick delivery of drugs and other therapeutic procedures. The State's investment went primarily toward completion of pig cadaver studies, contracting with designers and developing precise product plans. The company was also working to develop additional heart access products.

Actual Outcome:

The company has designed, tooled and is testing the final form of the product. Cormedics designed and tested the ancillary product and is submitting new patent applications. Additionally, Cormedics contracted with a business partner for the design of a variant of the primary product.

CryoPen, Inc.

TETF Award Amount: \$2,000,000

Award Date: August 6, 2008

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at Houston

Intended Outcome:

CryoPen is developing a device that provides doctors with a simple, non-invasive and effective means to perform cryosurgery, a surgical technique that uses freezing to destroy unwanted or harmful tissue. The State's investment went primarily toward design and testing of a prototype and a market-ready device.

Actual Outcome:

The company completed the commercial design for manufacturing of their gynecological device, CT2000. Ready-to-sell GYN systems should be available by December 2011, pending Food and Drug Administration acceptance in October 2011. CryoPen's Food and Drug Administration 510(k) submission has been proceeding through the Food and Drug Administration as expected, with approval anticipated September 2011.

DataInfoCom USA, Inc.

TETF Award Amount: \$1,600,000

Award Date: July 12, 2010

Region: North Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

DataInfoCom USA is developing software that enables enterprise customers to predict future outcomes of their critical business processes, prescribe decision options, and understand the impact of each decision option. The State's investment went primarily toward the release of an improved version of DataInfoCom's software, along with marketing to build its customer base. The company was also to generate revenue.

Actual Outcome:

The company met its technological and revenue milestones in association with the State's investment, and upon receipt of second tranche will fill key positions in its management team to pursue additional equity financing.

DentLight, Inc.

TETF Award Amount: \$250,000

Award Date: July 7, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

DentLight is developing advanced treatment and diagnostic technology that integrates LEDs, advanced optics and digital electronics into devices to improve and advance the care of dental patients. The State's investment went primarily toward the development and launch of the FUSION II Curing Light and the Exam Light, securing international intellectual property rights, as well as private funding and collaborating with a university. The company was to expand its management, sales and marketing teams.

Actual Outcome:

The company developed several products, including FUSION II and Exam Light, both of which have received high clinical ratings in the dental industry. The company secured patents and private funding, and collaboration with The University of Texas Health Science Center at San Antonio is ongoing.

DEP Shape Memory Therapeutics, Inc.

TETF Award Amount: \$1,000,000

Award Date: August 3, 2009

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

DEP Shape Memory is developing technology to improve the treatment of cerebral aneurisms, allowing surgeons a less-invasive method of delivering treatment directly to the aneurism through a catheter. The State's investment went primarily toward developing a plan to gain Food and Drug Administration approval, implementing a global intellectual property strategy, and establishing research facilities in the Biomedical Engineering Department at Texas A&M University.

Actual Outcome

The Company developed an intellectual property strategy and through a contract with North American Science Associates and its affiliate, Alquest, developed a regulatory plan. The company has office and laboratory space at the Texas Institute for Preclinical Studies at Texas A&M University and the equipment necessary for prototype fabrication is currently operational.

DeviceFidelity, Inc.

TETF Award Amount: \$3,000,000

Award Date: October 7, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

DeviceFidelity is developing technology that enables secure payment transactions via mobile phone. The State's investment went primarily toward the development and commercial production of the software, and the securing of financial agreements with a financial institution, payment network, vendor, sales channel partner, and a development partner.

Actual Outcome:

The company was granted a Mobile Near Field Communication (NFC) patent on May 2011. DeviceFidelity was chosen by Isis to power its NFC mobile wallet. The product has Visa approval worldwide and MasterCard approvals to launch MasterCard versions of the solution. The company has customers utilizing the product both in the US and internationally.

Diabetica Solutions, Inc.

TETF Award Amount: \$1,000,000

Award Date: May 25, 2006

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio

Intended Outcome:

Diabetica Solutions is developing a dermal thermometer that will help patients with diabetes monitor their limbs for possible problems, helping prevent amputations due to the disease. The State's investment went primarily toward establishing contract manufacturing for the device, expanding the management team and securing one additional major customer. The company was working to bring another product, the GlideSoft insole, into compliance with new Medicare guidelines.

Actual Outcome:

The company reached agreements with contract manufacturers for the TempTouch thermometer. In 2007, the Company completed follow-on financing of \$4 million. They secured a second major customer and completed modifications on the GlideSoft insole. Company management presented TempTouch to the Center for Medicare and Medicaid Services (CMS) for Medicare patient reimbursement, stressing its high level of effectiveness at preventing diabetic ulceration and amputation. Unfortunately, CMS did not rule in the company's favor. This has had a serious impact on the company's ability to grow without requesting more funding. The financial downturn has further restricted growth by limiting additional access to investment capital.

DNATrix, Inc.

TETF Award Amount: \$500,000

Award Date: December 1, 2008

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

DNATrix is developing a genetically-altered virus that is expected to safely and effectively target and attack up to 95 percent of all cancers. The State's investment primarily went toward drug development, as well as the recruitment of a full-time CEO. The company was to secure additional funding and begin patient enrollment for clinical trials, as well as, conduct a Phase I clinical study of company's first product, Delta-24-RGD.

Actual Outcome:

The company hired a CEO, and in September 2008 secured Series A financing. The Food and Drug Administration approved clinical trials to begin in August 2008, and on February 26, 2009, the first Group A patient was treated with DNATrix's therapeutic virus Delta 24-RGD at The University of Texas MD Anderson Cancer Center. The first Group B patient was enrolled and treated in August 2010. To date, the ongoing clinical study has completed about 25 patients.

Endothelix, Inc.

TETF Award Amount: \$1,000,000

Award Date: July 18, 2006

Region: Gulf Coast

Higher Education Collaboration: The University of Texas Health Science Center at Houston

Intended Outcome:

Endothelix is developing diagnostic technology that will allow physicians to more accurately, quickly and inexpensively assess patients' cardiovascular health. The State's investment went primarily toward conducting and evaluating all clinical trials necessary to obtain Food and Drug Administration regulatory approval. Following approval, the company would work to design and manufacture the initial product and begin sales. At that point, additional capital would be sought and the management team expanded.

Actual Outcome:

The company received Food and Drug Administration approval in September 2007, and raised additional capital in 2008 and 2009. The company is continuing to develop the home version of its product. It's currently marketed throughout the United States, Europe and Canada. Endothelix is commercializing technology discovered at The University of Texas Health Science Center at Houston.

Ensysce Biosciences, Inc.

TETF Award Amount: \$1,500,000

Award Date: June 1, 2010

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

Ensysce Biosciences is developing carbon nanotube technology as a delivery platform for cancer therapeutics. The State's initial investment was designated to support leasing lab space, hiring personnel and completing a pilot study to evaluate toxicity in an animal model. The second tranche of funds was designated to support additional studies to identify a final product to carry through to clinical evaluation. Once an optimized product is identified, the second tranche of funds will also support the GLP toxicology testing of this material in one animal species and the GMP manufacture of material for the future clinical trial in humans.

Actual Outcome:

The company leased a laboratory, hired two research scientists, one of which has project management experience and completed the initial toxicity study in animals. This toxicity study allowed the company to move forward with additional testing. Laboratory studies are ongoing to optimize the product. The company, which collaborated with The University of Texas MD Anderson Cancer Center and Rice University, is continuing its collaborations with nanotube experts at Rice University. The company has raised \$2.57 million in equity financing.

Enthuze, Inc.

TETF Award Amount: \$1,650,000

Award Date: February 18, 2009

Region: South Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Enthuze is developing new research methods for data-mining tools and a next-generation social networking platform available online and on mobile devices. The State's investment went primarily toward developing a platform for beta testing, with additional goals of loading the platform online for client testing and using test results to further improve the product.

Actual Outcome:

The company created a beta version that underwent integration, function, and stress and load testing, before being further tested in environments hosted by Amazon and Slicehost. Based on these tests, improvements were incorporated into an updated version. Enthuze completed an initial collaboration with The University of Texas at Austin and is collaborating with Southern Methodist University. The company experienced the loss of its most important customer during 2011 and is not generating any revenue at the time of this report.

Enviromental Quality Management Associates, Inc.

TETF Award Amount: \$250,000

Award Date: November 4, 2008

Region: North Texas

Higher Education Collaboration: Texas A&M AgriLife Research

Intended Outcome:

EQMA is developing technology that transforms waste from Confined Animal Feed Operations (CAFO) into fermentable sugars for alternative fuel sources. The company's business plan is to develop the technology and process and then license it to outside parties while providing a consulting role. The company plans to build small plants near CAFO to utilize their large manure production. The State's investment went primarily to engineering developments, process establishment, and cost and revenue analysis.

Actual Outcome:

The company established facilities and is marketing to potential customers. The absence of a third party market led to the hiring of a CFO and the creation of a new contracting and fund raising company to facilitate EQMA's expansionary needs. EQMA has been successful in transforming small quantities of manure into fuel with CAFO plant partners.

Falcon International, Inc.

TETF Award Amount: \$850,000

Award Date: October 23, 2007

Region: West Texas

Higher Education Collaboration: The University of Texas of the Permian Basin

Intended Outcome:

Falcon International is developing composite ballistic panel technology for armor plating. The State's investment went primarily toward building a manufacturing facility, hiring the management team, obtaining National Institute of Justice certification and beginning full-scale production and rollout.

Actual Outcome:

The company completed a manufacturing facility in Odessa in 2008, secured further financing and completed the management team later that year. Falcon also secured National Institute of Justice certification and is currently testing and preparing for full production. Falcon is working with a potential multi-national, multi-billion-dollar joint venture partner and intends to have a finalized deal within months.

Faradox Energy Storage, Inc.

TETF Award Amount: \$1,000,000

Award Date: October 30, 2008

Region: Central Texas

Higher Education Collaboration: Texas State University

Intended Outcome:

Faradox is developing high-performance electrical capacitors. The State's investment went primarily toward manufacturer contracting, construction of sample capacitors, obtaining third-party performance validation and delivery of the first set of commercial capacitors to a customer.

Actual Outcome:

The company is in the process of seeking a partnership and an investment from a larger capacitor company. Additionally, Faradox constructed sample capacitors, acquired third party test data, and accomplished one commercial sale.

Fe3 Medical, Inc.

TETF Award Amount: \$2,841,000

Award Date: October 1, 2010

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio & University of Texas Health Science Center at San Antonio

Intended Outcome:

Fe3 Medical is creating a trans-dermal drug delivery system to combat anemic iron-deficiency without damaging the skin. A dual-patch device will safely pass a non-toxic iron formulation across the skin to increase iron levels within the body. The State's investment primarily went to prototype development and pre-clinical testing of the product.

Actual Outcome:

The company has completed the selection of iron compound candidates, created a the dual-path device, and generated positive pre-clinical efficacy data. Fe3 will seek Food and Drug Administration approval for clinical trials within the next few years.

FibeRio Technology Corporation

TETF Award Amount: \$1,500,000

Award Date: August 24, 2010

Region: Rio Grande

Higher Education Collaboration: The University of Texas-Pan American

Intended Outcome:

FibeRio is developing technology to manufacture nanowires, nanofibers and nanotubes without the use of electrostatic force, allowing for simpler and more versatile nanofiber production. The State's investment went primarily toward completing product design and testing, establishing manufacturing operations and completing initial sales.

Actual Outcome:

The company developed its initial model with the first commercial model targeting advanced research markets. Initial sales have been completed and the company is expanding its collaboration with international research centers.

Manufacturing operations and application labs, including equipment and personnel, have been established in Texas. Lab and industrial systems are being demonstrated and providing samples of nanofiber to prospective customers. Lab scale systems have been sold and the industrial scale system has been recently introduced.

Firefly LED Lighting, Inc.

TETF Award Amount: \$3,000,000

Award Date: November 23, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Firefly is developing into a large growing company providing Light Emitting Diode (LED) lighting products to customers in North America. Firefly has created a line of LED replacement lamps and fixtures with an innovative thermal solution. These LED lamps replace incandescent and compact fluorescent bulbs with solid state electronics devices. LED lights produce greater light output with an 80 percent reduction in energy costs and five-time increase in life span. The State's investment went to product production, patent filing, marketing and future developments.

Actual Outcome:

The company met initial milestones and has been awarded second tranche funding. Firefly announced demonstrations with Austin Energy and large real estate owners. Firefly is also in the process of deploying additional projects and rolling out marketing plans.

Genprex, Inc. (formerly known as Convergen Lifesciences, Inc.)

TETF Award Amount: \$4,500,000

Award Date: August 13, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Genprex is developing nanomolecular therapies that target cancer cells without harming normal cells. The State's investment went primarily toward initiating a toxicology study with the MD Anderson Cancer Center, preparing for clinical trials, obtaining Food and Drug Administration approval for further testing and finalizing product formulation for trials.

Actual Outcome:

The company announced two key U.S. patents for its licensed drug candidate CNVN202 and underlying technologies in June and July 2011. Data from a CNVN202 Phase I clinical trial, conducted at The University of Texas MD Anderson Cancer Center, were presented at the April 2011 American Association for Cancer Research conference. Genprex is currently negotiating with manufacturers for the production of materials for us in the Phase I/II clinical trial.

Gradalis, Inc.

TETF Award Amount: \$1,750,000

Award Date: February 19, 2009

Region: North Texas

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Gradalis is developing targeted therapeutic drugs to fight cancer. The State's investment went primarily toward developing a manufacturing facility, entering into collaborations with the UNT Health Science Center at Fort Worth and Texas A&M University for testing and research, as well as preparing to apply for Food and Drug Administration approval for further testing.

Actual Outcome:

The company has completed initial studies and has entered into collaborations with UNT Health Science Center at Fort Worth, Department of Lab Animal Medicine, for testing and research. Gradalis is currently preparing to apply for Food and Drug Administration approval for further testing.

Halsa Pharmaceuticals, Inc.

TETF Award Amount: \$1,000,000

Award Date: December 19, 2007

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Halsa Pharmaceuticals is developing therapeutics for the treatment of obesity, diabetes, cancer cachexia and other metabolic diseases. The State's investment went primarily toward product development and initial testing using the therapeutic agent.

Actual Outcome:

The company has successfully produced therapeutics that have been purified by Food and Drug Administration-approved methods, and has completed non-clinical and long-term effect studies. Halsa is continuing to develop its lead compound for treatment of obesity and diabetes.

Hanson Robotics, Inc.

TETF Award Amount: \$1,500,000

Award Date: October 18, 2006

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Hanson Robotics is developing technology that creates more lifelike robots, both in appearance and speech recognition, for use in the entertainment industry and potentially as prosthetic devices. The State's investment went primarily toward the design and completion of the first prototype. The company was then to raise additional capital and begin making sales.

Actual Outcome:

The company completed design of the HumanKind product, and sold robots to customers around the world, particularly universities. Sales steadily increased and a new product release is expected within months.

HeatGenie, Inc.

TETF Award Amount: \$1,000,000

Award Date: November 5, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

HeatGenie is developing self-heating food packaging, which allows customers to heat the contents of a container at the push of a button. The State's investment went primarily toward creation of a prototype, establishment of a collaborative agreement with a commercial partner and the strengthening of the company's patent portfolio.

Actual Outcome:

The company partnered with an industry-leading metal container manufacturer to produce and market containers suitable for prepared foods and beverages and is negotiating with a consumer products company to manufacture the heater. The company has four patents pending. HeatGenie has had its first small sales of samples to the U.S. Army and is seeking licensing agreements with food brands. The company is raising additional capital from private investors.

Ideal Power Converters, Inc.

TETF Award Amount: \$1,000,000

Award Date: October 1, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Ideal Power Converters developed and patented a new electronic power converter technology for photovoltaic inverters and other applications. The State's investment went primarily toward prototype design and development, industry certification and production and company staffing.

Actual Outcome:

The company met its initial milestones and was awarded second tranche funding. IPC sold and installed five early commercial inverters at UT-San Antonio, and will complete industry certifications and begin general sales. The product will be manufactured in high volume using Central Texas contract manufacturing.

iLearning Gateway, Inc.

TETF Award Amount: \$1,000,000

Award Date: August 7, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

iLearning Gateway is developing tutoring software for K-12 students that provides affordable, one-on-one, web-based tutoring in a variety of subjects. The State's investment went primarily toward launching iLearning Gateway's product in Texas, identifying new features, exploring alternative sources of revenue and conducting advanced product promotion.

Actual Outcome:

The company has completed product development, fully implemented new features and adapted the software for use in all states. iLearning Gateway has launched the product in Texas and identified key partners for conducting advanced product promotion.

Image Trends

TETF Award Amount: \$1,000,000

Award Date: May 15, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Image Trends is developing digital photography software products that efficiently copy film to high-definition DVD and automatically correct visual flaws. The State's investment went primarily toward securing partnerships with major technology companies and launching Image Trends' products in the U.S. and Japan.

Actual Outcome:

The company has cancelled the launch of the retail boxed version of products due to the increase in required capital and investment in finished goods. Additionally, the company suspended its development of the Japanese language version of the product as the conversion to support the Japan market requires modifying the application. The company completed port applications for the Macintosh platform.

Interoperate.biz, Inc.

TETF Award Amount: \$1,000,000

Award Date: July 9, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Interoperate is developing software that rapidly translates computer language from obsolete legacy code to modern language, reducing the time and cost associated with translation. The State's investment went primarily toward completing the company's initial translator program and developing a beta version for testing. Interoperate was also to generate orders and begin collecting revenue.

Actual Outcome:

The company's translator program was launched in February 2009 and is in operation. The company has orders placed from customers and is generating revenue. The technology was developed at The University of Texas at Dallas. Currently, Interoperate is developing its second translator program for another market segment.

InView Technology Corporation

TETF Award Amount: \$1,500,000

Award Date: August 24, 2010

Region: Central Texas

Higher Education Collaboration: Rice University

Intended Outcome:

InView is developing high-performance cameras with non-visual infrared, ultraviolet and terahertz capabilities, with applications including surveillance and security to food and drug inspection. The State's investment went primarily toward developing an initial prototype and demonstration model, establishing a working laboratory for product development and evaluation, and collecting performance data.

Actual Outcome:

The company made significant progress in the commercialization of the compressive sensing technology. The company's \$2 million in research and development contracts from InQTel, the Air Force and Raytheon led to improving the performance of the compressive sensing cameras. A working prototype has been assembled. InView was featured on the cover of a leading optical-systems trade magazine, Laser Focus World (June 2011).

Iridescent Networks, Inc.

TETF Award Amount: \$1,000,000

Award Date: July 19, 2010

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Iridescent Networks is developing software that allows high-quality video delivery over the Internet to any device at a lower cost than currently available. The company intends to close a contract with at least one customer for a trial in their labs and deliver its first customer product into a customer's lab with the first tranche of ETF funding. The company was also to complete an extension to the sponsored research agreement with a Texas institution of higher education, and provide evidence of the collaboration research and product development.

Actual Outcome:

The company has made significant progress on the completion of its first commercial product, based on the prototype developed in collaboration with The University of Texas at Dallas. Iridescent Networks, Inc., is currently on track to deliver into its first customer's lab, and to expand into multiple customers labs.

itRobotics, Inc.

TETF Award Amount: \$750,000

Award Date: July 5, 2006

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

itRobotics is developing pipe-inspection robots to enable, for the first time in many cases, the inspection of significant portions of pipe infrastructure, including gas, nuclear plant, power plant, and non-energy pipelines. The State's investment went primarily toward design completion, prototype testing and product marketing.

Actual Outcome:

The company progressed toward the commercialization of its first products. Coiled tubing inspection tools have been designed, prototyped, introduced and are proving profitable and successful in the market place, with additional sales and a five-year contract with a large oil field service company. The tools are currently deployed internationally and there is continuing development of a robotic pipe inspector and a contract for its use in the Middle East being finalized. itRobotics has an ongoing collaboration with Rice University.

JC Lads Corporation (dba Biometric Signature ID)

TETF Award Amount: \$550,000

Award Date: October 6, 2010

Region: North Texas

Higher Education Collaboration: The University of Texas System

Intended Outcome:

JC Lads is developing a Biometric Signature ID (BSI) using just a mouse, finger, touchpad, or other pointing device. It measures what is written as well as the way it is written and is capable of identifying users as they log in to their computer's or smart devices. BSI will be used for online contracts as a truly personalized identifier. The State's investment went primarily to third party testing, product development, lab expansion and patent filing.

Actual Outcome:

The company completed testing with a near perfect level of accuracy, has two new customers, purchased equipment to further company capabilities to serve customers, and is testing for further product/service development.

KLD Energy Technologies, Inc.

TETF Award Amount: \$2,800,000

Award Date: December 3, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

KLD Energy Technologies is developing advanced electric propulsion and generation systems for high-frequency operations in many industries. The State's investment went primarily toward the expansion of the company's Austin facilities, hiring additional personnel, commercializing its electric propulsion system for its first application in the two-wheel electric vehicle market, and ongoing research and development.

Actual Outcome:

The company completed construction of its Austin Facilities, hired additional personnel, made intellectual property and patent filings and signed international licensing and customer agreements, beginning to ship the first commercial application of its electric propulsion system. In addition, KLD has is in discussions with companies outside of the two-wheel electric vehicle market for potential sales and development.

Laser Tissue Welding, Inc.

TETF Award Amount: \$160,000

Award Date: July 31, 2007

Region: Gulf Coast

Higher Education Collaboration: St. Luke's Episcopal Hospital

Intended Outcome:

Laser Tissue Welding is developing a laser-assisted tissue welding device that closes and repairs incisions without sutures or staples, leading to faster healing and better results. The State's investment went primarily toward gaining Food and Drug Administration approval of its device, and equipment purchases.

Actual Outcome:

The company is continuing development of its products. The company secured a grant and Investigational Review Board approval for clinical trials, for which the company has reached an agreement with St. Luke's Episcopal Hospital and The University of Texas Health Science Center at Houston for pilot and clinical studies. Laser Tissue Welding operates a 1100-square-foot facility in Humble, TX.

LaserGen, Inc.

TETF Award Amount: \$1,000,000

Award Date: September 16, 2009

Region: Gulf Coast

Higher Education Collaboration: Baylor University

Intended Outcome:

LaserGen is developing technology that can reduce the cost and time necessary for DNA sequencing. The State's investment went primarily toward establishing a partnership with a leading biotechnology tool company, signing a purchase agreement for the product, demonstrating production-scale manufacturing feasibility and creating an operating plan that includes production timelines and cost-reduction initiatives.

Actual Outcome:

The company has developed a new collaboration with Austin-based National Instruments, Inc., to develop a next-generation sequencing (NGS) system. The companies aim to place prototype instruments in genome centers in 2012. Production scale manufacturing processes have been established and approved, and will be used for larger-scale manufacturing. LaserGen is collaborating with the Baylor College of Medicine and Rice University. The company recently closed a \$5 million financing round with multiple investors.

Leonardo Biosystems, Inc.

TETF Award Amount: \$2,500,000

Award Date: April 15, 2010

Region: Gulf Coast

Higher Education Collaboration: The University of Texas Health Science Center at Houston

Intended Outcome:

Leonardo Biosystems is developing a cancer treatment that targets small-molecule therapeutics to specific tissues on a molecular level. This targeted delivery potentially allows for the use of more powerful and effective chemotherapy drugs with fewer side effects. The State's investment went primarily toward optimizing the drug delivery system, completing initial trials, conducting toxicology studies and initiating production of materials with a contracted manufacturer.

Actual Outcome:

The company continues to broaden the number and diversity of small molecules that it is able to deliver successfully in animal models of cancer. In addition, significant progress has been made in developing a scalable manufacturing approach, using Texas-based resources, that can provide sufficient material for progressing to toxicology and, eventually, clinical studies. Collaborative work with Leonardo's particles continues at the Methodist Research Institute and The University of Texas MD Anderson Cancer Center.

MacuCLEAR, Inc.

TETF Award Amount: \$1,700,000

Award Date: April 20, 2009

Region: North Texas

Higher Education Collaboration: Texas A&M University

Intended Outcome:

MacuCLEAR is developing a proprietary drug to treat dry age-related macular degeneration (AMD), a major cause of blindness. MacuCLEAR's drug is delivered through a topical eye drop that restores blood flow, and fosters normal cell

function in the eye. The State's investment went primarily toward production of quantities of the drug, a delivery system, and a safety/proof of concept clinical trial in humans.

Actual Outcome:

The company contracted with Mystic Pharmaceuticals, another TETF portfolio company, to manufacture both the eye-droppers and the drug. Ora Clinical Research conducted clinical trials in August 2009, with results indicating the desired increase in blood flow with no side effects or discomfort. MacuCLEAR is continuing its pursuit of an NDA for its lead compound to treat dry Age Related Macular Degeneration, and is gearing up for a Phase 3a human clinical trial to demonstrate efficacy. This study is expected to begin treating patients around the end of 2011, and will last at least a year.

Mayan Pigments, Inc.

TETF Award Amount: \$750,000

Award Date: July 25, 2008

Region: Trans Pecos – El Paso

Higher Education Collaboration: The University of Texas at El Paso

Intended Outcome:

Mayan Pigment is developing cost-efficient, stable and adaptable pigments made with both organic and inorganic molecules that do not emit hazardous waste byproducts in the production process. The State's investment went primarily toward production of samples, securing interested customers and the development of a branding strategy.

Actual Outcome:

The company has expanded its sampling of MayaCrom® pigments in a broad spectrum of market applications. These products are now commercially available in large retail stores and museums. Mayan Pigments is currently sampling and testing at a colorant distributor where application in plastics, paints, and coatings are anticipated by the beginning of 2012.

Merkatum Corporation

TETF Award Amount: \$1,000,000

Award Date: November 10, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Merkatum is developing a fingerprint and facial recognition identity system that is useful for biometric identity management. The product is less expensive and easier to configure, deploy and maintain than those currently available in the marketplace. The State's investment went primarily toward commercial deployment and identification of design improvements, as well as evaluation of the best opportunities for wider product launch.

Actual Outcome:

The company worked with the Austin Police Department on a series of projects through June 2009. In March 2009, Merkatum and IBM signed a three-year collaboration agreement to co-develop technology. Research assistance with the company has been provided by The University of Texas at Austin. Merkatum has improved and launched its advanced facial recognition identification system. The company also closed on new project and program deals domestically and internationally.

MicroTransponder, Inc.

TETF Award Amount: \$1,380,000

Award Date: February 19, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

MicroTransponder is developing a wireless neurostimulation device to treat patients with diabetes suffering from nerve damage. The State's investment went primarily toward design and production of a prototype for testing and steps toward securing Food and Drug Administration approval and larger-scale trial studies.

Actual Outcome:

The company produced a prototype that proved effective in early testing. The final device design is being manufactured at Southwest Research Institute in preparation for biocompatibility testing, scheduled for third quarter 2011. MicroTransponder, Inc. anticipates closing a round between \$3 million -7 million in 2012 to finance operations.

MicroZAP, Inc.

TETF Award Amount: \$1,500,000

Award Date: April 30, 2010

Region: West Texas

Higher Education Collaboration: Texas Tech University

Intended Outcome:

MicroZAP is developing technology that sterilizes food and kills bacteria, including MRSA. The State's investment went primarily toward designing and building a commercial prototype that would enable the company to conduct a trial with an industry partner. The company was also to conduct research into its product with Texas Tech University.

Actual Outcome:

The company conducted testing with Texas Tech University on its product's effectiveness dealing with salmonella, as well as MRSA, and had three abstracts selected to present at major industry associations, including the American Society of Microbiology. The company prepared a Food and Drug Administration Guidance Document regarding food processing requirements, completed a new commercial prototype, and is conducting commercial trials with a regional wound care center. MicroZap filed a new patent application, amended its license agreement with Texas Tech to combine technologies for a modified royalty and is currently working with Texas Tech to retrofit the Italian-designed and fabricated prototype. The company has secured additional outside funding.

Mirna Therapeutics, Inc.

TETF Award Amount: \$5,000,000

Award Date: November 11, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Mirna Therapeutics is developing a cancer treatment that introduces synthetic micro RNA, or miRNA, back into tumors to trigger their deaths. Research shows that the use of this therapy has reduced or eliminated cancerous tumors in mice. The State's investment went primarily toward performing initial studies and manufacturing clinical-grade material for further testing.

Actual Outcome:

The company made progress in developing mimics for two lead miRNA and in characterizing a proprietary systemic delivery technology, obtaining new patents on treatments of different types of cancer. Mirna is in preparation for Phase 1 clinical trials.

Modria, Inc.

TETF Award Amount: \$500,000

Award Date: December 1, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Modria is developing supply chain management software that allows a business to manage all stages of its supply chain efficiently and at a lower cost. The State's investment went primarily toward developing beta software for testing and customer validation, and partnering with an institute of higher education. The company was also to secure letters of intent from customers, raise \$1 million from outside investors and develop a detailed strategy road map.

Actual Outcome:

The company successfully worked with researchers at The University of Texas at Dallas to evaluate their product's ability to solve supply chain problems. Modria entered beta testing and worked with a U.S.-based metals fabricator to implement its software on a larger and personalized scale. In addition, Modria has raised \$225,000 in a private convertible debt offering, created a web-based sandbox application, revised the company's intellectual property, and identified key sales channels.

Molecular Imprints, Inc.

TETF Award Amount: \$3,000,000

Award Date: May 30, 2006

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Molecular Imprints develops a technology product line for nanomanufacturing of devices and components with applications such as semiconductors, light-emitting diodes, disk drives, displays, digital cameras and biodevices. Potential markets are semiconductor memory and hard disk drives, with additional opportunities in displays, solar energy and nanopharmaceuticals. The State's investment went primarily toward the creation of a demonstration unit for use in sales, and obtaining customer feedback for future improvements.

Actual Outcome:

The company successfully completed its demonstration unit and closed the company's first sale. The company developed its proprietary technology into new product lines. The demonstration unit continues to be used as major customers continue to evaluate the technology and build their production processes around the tools of the new technology. Full production is expected in the 2013/2014 time frame.

Molecular Logix, Inc.

TETF Award Amount: \$794,520

Award Date: March 20, 2007

Region: Gulf Coast

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

Molecular Logix was developing a cancer treatment using naturally-occurring growth hormones that block the cell receptors necessary for growth of tumor cells. The State's investment went primarily toward matching of a Small Business Innovation Research grant and directed the company to create a lead compound for testing prior to clinical trials. After Food and Drug Administration approval, the company was slated to seek further financing and complete further clinical trials by the end of 2011.

Actual Outcome:

The company has designed a lead compound for testing in animals and completed preclinical development. The company continues to seek additional financial support, which is necessary to further work. Molecular Logix is collaborating with several institutions in Texas, including The University of Texas Health Science Center at San Antonio, Texas A&M University, Baylor University, and The University of Texas MD Anderson Cancer Center.

Monebo, Technologies Inc.

TETF Award Amount: \$500,000

Award Date: October 23, 2006

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Monebo is developing heart-monitoring technology that enables patients to conduct their own electrocardiogram at home and wirelessly transmit the information to their doctor. The State's investment went primarily toward obtaining FDA market clearance, contracting with a qualified manufacturer in Texas, and launching sales.

Actual Outcome:

The company obtained 510(k) clearance from the Food and Drug Administration on its single-lead CardioBelt, and has been cleared to market its Automatic ECG Analysis and Interpretation Software Library. Additionally, the company has executed a contract for CardioBelt with AMD Telehealth. Company has met all milestones as of August 2007.

Mystic Pharmaceuticals, Inc.

TETF Award Amount: \$1,568,000

Award Date: April 21, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas Medical Branch at Galveston

Intended Outcome:

Mystic is developing ophthalmic and intranasal delivery platforms for a wide range of drugs and biologics. Ophthalmic applications include macular degeneration (the leading cause of blindness in adults), glaucoma, dry eyes, allergy and infections. Nasal applications include pain management, anti-convulsives, hormones and vaccines for pandemic flu, anthrax, plague and other infectious diseases. The State's investment went primarily toward completing the installation of a system for product manufacturing, initiating the preliminary design of a larger commercial scale production system, completing testing of the ophthalmic delivery platform and preliminary testing of the intranasal delivery platform.

Actual Outcome:

The company successfully completed installation of a manufacturing system at its pilot facility in Austin, preliminary design specification of a commercial manufacturing system, and testing of its ophthalmic delivery platform, which included successful completion of a clinical trial for macular degeneration and initial testing of its nasal delivery platform. The company has also entered into technical evaluations with potential pharmaceutical and biotech partners for both its ophthalmic and nasal delivery platforms.

Nano Medical Systems, Inc.

TETF Award Amount: \$3,500,000

Award Date: September 30, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas Health Science Center at Houston

Intended Outcome:

NanoMedical Systems is developing a small drug delivery device that is implanted under the skin and releases a drug over many weeks or months, eliminating the need for a long series of injections or frequent clinical visits. The State's investment went primarily toward collaborative university research in Texas, engineering the nanochannel chip and implant device, and seeking a pharmaceutical partner to complete the product and conduct Food and Drug Administration clinical testing.

Actual Outcome:

The company has worked continuously with The University of Texas Health Science Center at Houston and several other institutions to conduct extensive laboratory and animal research studies. The company is negotiating with several pharmaceutical companies on specific product development efforts and plans to begin Food and Drug Administration clinical trials within three years.

Nano3D Biosciences, Inc.

TETF Award Amount: \$1,000,000

Award Date: May 20, 2010

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

Nano3D is developing 3D in vitro cell culturing, which will have significant implications for life science research and development, as well as applications in drug discovery, toxicology and regenerative medicine. The State's investment went primarily toward creating production plans for the product line and completion of beta testing of its equipment. The company was also to establish its first commercial sale.

Actual Outcome:

The company has met milestones and completed its first commercial sale. Nano3D has introduced additional cell culturing products since first commercializing its original "single-well" Bio-Assembler kit. The company is formalizing distribution partnership with a company to distribute products in Japan and continues to evaluate other potential distribution as well as licensing partnerships. The company, which has raised \$400,000 in equity financing, is collaborating with The University of Texas MD Anderson Cancer Center, Rice University, and The University of Texas Health Science Center at Houston.

NanoComposites, Inc.

TETF Award Amount: \$1,500,000

Award Date: September 20, 2006

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

NanoComposites Inc. is developing high-performance materials employing nanotechnology. The State's investment went primarily toward completing a Houston-based laboratory, conducting research, determining scaling feasibility and producing prototypes. The company also was to partner with an o-ring manufacturer and commence sales.

Actual Outcome:

The company occupied office and laboratory space in the Woodlands since 2007. The company has conducted research, determined scaling feasibility and completed prototypes of four different types of elastomer seals. NanoComposites has executed two joint development agreements with corporate partners, and started generating revenue. The company continues to develop its technology for higher value applications, and has recently begun working in collaboration with The University of Texas at Dallas to develop a novel sensing technology.

Nanocoolers, Inc.

TETF Award Amount: \$3,000,000

Award Date: March 5, 2007

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Nanocoolers was developing a solid-state cooling system for improved system performance and power efficiency in refrigerators, air conditioners and other thermoelectric devices. The coolers were projected to save energy and eliminate the need for Freon-based chemicals. The State's investment went primarily toward the development of working prototypes and thermal packaging. A reliability test was to be completed by May 2007. Nanocoolers was also slated to begin the sales process and find a manufacturing partner.

Actual Outcome:

The company successfully completed prototype development by May 2007. However, citing technical problems and the need for more money, Nanocoolers informed the Office of the Governor in December 2007 that it had ceased business operations.

Nanospectra Biosciences, Inc.

TETF Award Amount: \$1,250,000

Award Date: June 12, 2006

Region: Gulf Coast

Higher Education Collaboration: Rice University

Intended Outcome:

Nanospectra is developing a cancer treatment that selectively kills solid tumors without significantly damaging healthy tissue. The State's investment went primarily toward the filing of an Investigational Device Exemption with the Food and Drug Administration, as well as the beginning of a pilot clinical study.

Actual Outcome:

The company finalized the initial safety and efficacy study with the possibility of enrolling additional patients. The company is also conducting an overseas study in prostate cancer and completing additional animal studies for Food and Drug Administration approval in order to gain approval to move the prostate study back into the US. Nanospectra also plans on initiating a lung cancer and melanoma study in 2012.

NanoTailor, Inc.

TETF Award Amount: \$1,250,000

Award Date: March 16, 2010

Region: Central Texas

Higher Education Collaboration: Texas State University

Intended Outcome:

NanoTailor is developing licensed technology from NASA to manufacture single-walled carbon nanotubes without the use of a metal catalyst for the aerospace, energy, defense, chemical manufacturing and pharmaceutical industries. The State's investment went primarily toward relocating staff to Texas, filing patents and finalizing design of the company's nanotube production machine.

Actual Outcome:

The company relocated employees and operations to Texas, filed patent applications, and began work on the nanotube production machine. As of August 31, 2011, the company failed to demonstrate continued commercialization efforts and failed to provide the required annual Compliance Verification Report.

Net Watch Solutions, Inc.

TETF Award Amount: \$500,000

Award Date: March 25, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Net Watch is developing a commercial software program to predict the consequences of information technology (IT) change, as well as methods for modeling the sources and causes of IT downtime. The State's investment went primarily toward filing patent claims and beginning software development.

Actual Outcome:

The company terminated agreements with The University of Texas at Dallas in 2008. A lack of funding and revenue halted the progress which was initially targeted for 2008.

Net.Orange, Inc.

TETF Award Amount: \$1,900,000

Award Date: July 30, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas Southwestern Medical Center

Intended Outcome:

Net.Orange is developing software that allows health care providers to easily analyze, monitor and act on patient information for better medical care and treatment. The technology will initially be used to monitor oncology, diabetes and women's health issues. The State's investment went primarily toward accelerating development of the operating system and integration of the product into university acute care devices.

Actual Outcome:

The company agreed to develop an oncology version of its system for use at the Mary Crowley Cancer Research Center, and also delivered a version to U.S. Oncology. Net.Orange completed its collaboration with The University of Texas Southwestern Medical Center.

Neuro Resource Group, Inc.

TETF Award Amount: \$1,500,000

Award Date: July 1, 2010

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Neuro Resource Group, Inc. (NRG) is developing a non-drug, post-operative and chronic pain management therapy (The InterX) that reduces pain and the need for medication while improving range of motion. The State's investment went primarily toward completion of a low-cost single-patient product that complies with Medicare reimbursement as well as to complete a clinical study comparing the InterX vs. Transcutaneous Electrical Nerve Stimulation.

Actual Outcome:

The company successfully completed the low-cost single-patient system and has begun successfully selling it to orthopedic distributors on the East Coast. In addition, the clinical trial showed statistically significant results. Moreover, the company is now raising funds to expand distribution domestically and worldwide.

Neurolink, Inc.

TETF Award Amount: \$3,234,000

Award Date: October 1, 2010

Region: South Texas

Higher Education Collaboration: The University of Texas San Antonio & The University of Texas Health Science Center at San Antonio

Intended Outcome:

Neurolink is developing a seizure detection and prevention system that will be implanted into a patient to detect pre-epileptic conditions and locally deliver an anticonvulsant drug, which can prevent the onset of a seizure. The State's investment went primarily toward accelerated prototype development and pre-clinical testing.

Actual Outcome:

The company created a prototype drug delivery device which has yielded successful results, is continuing designs and drafted a protocol for preclinical studies and is progressing toward clinical trials. Neurolink has also closed their first qualifying financial transaction.

NonInvasix, Inc.

TETF Award Amount: \$1,000,000

Award Date: April 8, 2009

Region: Gulf Coast

Higher Education Collaboration: The University of Texas Medical Branch at Galveston

Intended Outcome:

NonInvasix is developing a device that relies on sound waves to measure hemoglobin and other blood components without requiring blood from a patient. The State's investment went primarily toward developing a disposable patient interface cable, preparing an application for Food and Drug Administration approval, filing patents and producing a prototype for testing.

Actual Outcome:

The company designed a patient interface, cable, and sensor cover for its probe. NonInvasix has filed for a provisional patent application, and is working with the Food and Drug Administration to follow guidelines for device approval. NonInvasix is continuing its research at The University of Texas Medical Branch at Galveston.

Oncolix, Inc.

TETF Award Amount: \$2,400,000

Award Date: October 1, 2010

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Oncolix is developing Prolanta, a drug to treat ovarian and other gynecological cancers. Prolanta targets prolactin receptors in gynecological cancer cells and triggers a response that results in the destruction in cancerous cells with fewer side effects than chemotherapy. The State's investment went primarily toward completing preclinical development and commencing a human test trial in ovarian cancer.

Actual Outcome:

The company has performed preclinical development studies, toxicology/safety studies, optimized the manufacturing process and developed its Phase I clinical trial design. Oncolix continues to work with The University of Texas MD Anderson Cancer Center under a sponsored research agreement and expects to soon file its application to the Food and Drug Administration to approve human trials.

OnTrack Imaging, Inc.

TETF Award Amount: \$1,000,000

Award Date: October 7, 2009

Region: North Texas

Higher Education Collaboration: Texas A&M University

Intended Outcome:

OnTrack Imaging is developing a high-definition ultrasound imaging system that can detect soft-tissue defects that can lead to catastrophic injuries in the performance of horses and humans. The State's investment went primarily toward development of the system, along with efforts to secure two letters of support indicating intent to purchase. The company was also to raise \$300,000 in private capital.

Actual Outcome:

The company tested the camera on a horse's leg, improved the ease of focus for image capture and is in the 2nd stage of software refinement to capture a 3D image. OnTrack has raised \$150,000 in private capital and acquired two letters of support stating an interest in purchasing the camera at the suggested selling price when available. The company is collaborating with Texas A&M University via the Texas Institute for Preclinical Studies facility.

Optisense Network LLC.

TETF Award Amount: \$1,500,000

Award Date: March 5, 2007

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Optisense is developing "intelligent grid" technology that enables utility companies to monitor feeder circuits more cost-effectively, enhance system operations, optimize power flows, and provide greater grid security and reliability. The State's investment went primarily toward finalizing testing units, designing procedures for lab testing certification, setting up production equipment and delivering customer units.

Actual Outcome:

The company completed research on current sensor technology, resulting in a patented product being added to Optisense's existing voltage sensor technology. Another method's patent is currently pending. Lab testing procedures were completed in collaboration with the University of North Texas.

Ortho Kinematics, Inc.

TETF Award Amount: \$1,500,000

Award Date: May 8, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Ortho Kinematics is developing a spinal diagnostic imaging system to improve diagnosis and surgical management of severe back and neck pain. The State's investment went primarily toward relocation of operations from California to Texas, finalizing test protocols and establishing collaboration with a Texas university. The company was also to submit an application to the Food and Drug Administration for device testing approval.

Actual Outcome:

The company's product development is complete, and the company applied for Food and Drug Administration approval in July 2011, with clearance expected in the fourth quarter 2011 or first quarter 2012. Large-scale market launch is anticipated to follow immediately upon Food and Drug Administration clearance. A clinical trial has enrolled more than 185 patients, and the performance of the technology has been significantly superior to the current standard of care. Multiple revenue-generating deals have been signed. Technology is installed and operational at 7 sites (6 US / 1 UK).

OrthoAccel Technologies, Inc.

TETF Award Amount: \$750,000

Award Date: October 26, 2007

Region: Gulf Coast

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

OrthoAccel Technologies is developing and commercializing orthodontic devices that safely reduce treatment for braces and works as a complement to all existing orthodontic technologies. The State's investment went primarily toward attracting additional management talent, completing device prototyping, and launching the first human trial. The company was also to raise additional financing and conduct a market launch in 2009.

Actual Outcome:

The company's product has been successfully introduced to the United Kingdom, Australia, France, Italy and many other countries. OrthoAccel holds at least three issued patents and filed several patent applications. AcceleDent™ secured additional outside financing and recently received several awards, including the MDEA for "excellence in industrial design" and BioHouston's Michael E. DeBaakey Life Science Award for outstanding commercial/clinical

opportunity. Clinical trials have been collaborated on with The University of Texas at Houston, The University of Texas at San Antonio, and the University of Connecticut, with positive results. An application for Food and Drug Administration clearance was filed in July 2011, with approval anticipated late in the year.

Palmaz Scientific, Inc.

TETF Award Amount: \$3,000,000

Award Date: April 15, 2010

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

Palmaz Scientific is redesigning and improving cardiovascular stents through advancements in nanotechnology and metallurgy. The State's investment went primarily toward preparation of a stent design dossier for regulatory approval, acquisition of specialized equipment and fabrication and bench testing of prototypes.

Actual Outcome:

The company integrated ultrafast laser technology to cut stent development cycle time from weeks to days and low profile stent prototypes have been bench tested. Follow-up animal studies were completed at The University of Texas Health Science Center at San Antonio, validating the effectiveness of the company's patented micro-groove technology.

Patton Surgical Corporation

TETF Award Amount: \$3,000,000

Award Date: September 4, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Patton is developing a medical device that will help make abdominal laparoscopic surgeries less invasive. The State's investment went primarily toward completing research and development of the product, building inventory for future demand, creating molds for new surgical products and finalizing plans for the assembly and sterilization processes.

Actual Outcome:

The company performed additional research and development to complete a full product line, which launched in 2010. After building up inventory and hiring a sales and marketing team, the company tripled the number of facilities where Patton Surgical products were used. A leading NYSE-traded medical device company purchased the company's Trocar line in 2011, and the company is in the process of completing technical milestones to finalize this transaction.

Photodigm, Inc.

TETF Award Amount: \$749,829

Award Date: April 26, 2007

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Photodigm is developing advanced laser technology for more affordable and efficient laser systems to be used in communications, digital imaging, medical devices and defense. The State's investment went primarily toward purchasing manufacturing equipment, recruiting senior sales and marketing personnel and producing prototypes. The company would use these steps to prepare for the introduction of a variety of high-power laser products.

Actual Outcome:

The company introduced a wide product line of single frequency precision semiconductor lasers used in scientific instruments, metrology, and industrial processing. Customers include defense contractors; government and academic research laboratories; and industrial equipment manufacturers.

Photon8, Inc.

TETF Award Amount: \$1,000,000

Award Date: November 13, 2009

Region: Rio Grande

Higher Education Collaboration: The University of Texas at Brownsville

Intended Outcome:

Photon8 is developing technology to genetically enhance algae to boost its performance as a source of biofuel. The State's investment went primarily toward completing laboratory tests, securing university testing, completing its seawater collection and sterilization procedure, and demonstrating the genetic capabilities of the technology.

Actual Outcome:

The company announced that it has succeeded in producing "drop-in" fuel components from its "genetically improved" algae, and the latest test results from October 2010 support the company's plan for the production of jet and diesel fuel. Photon8 is currently patenting its technology.

PLx Pharma, Inc.

TETF Award Amount: \$2,000,000

Award Date: March 27, 2007

Region: Gulf Coast

Higher Education Collaboration: The University of Texas Health Science Center at Houston

Intended Outcome:

PLx Pharma is developing gastrointestinal non-steroidal anti-inflammatory drugs that are safer than those currently on the market, such as aspirin and ibuprofen. The State's investment went primarily toward development of a commercial formulation and a trial of a safer aspirin to assess its bioequivalence compared with regular aspirin.

Actual Outcome:

The company successfully completed a pivotal trial for PL2200 Aspirin 325 mg, essential for a New Drug Application, and began compiling a New Drug Application for submission in 2012.

PrincipleSoft, Inc.

TETF Award Amount: \$750,000

Award Date: June 13, 2007

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

PrincipleSoft is developing technology that creates a high-speed data connection directly to targeted individuals and information, allowing for the delivery of real-time video to a variety of wireless devices. That State's investment went primarily toward completion of digital transceiver design and its integration with analog/radio frequency subsystems. The company was also to develop a demonstration unit and prototype, and file for additional patents.

Actual Outcome:

The company completed the design of both the digital transceiver and analog frequency subsystems, successfully integrating them in a field-programmable gate array board. An omnibus patent was filled with the U.S. Patent and Trade Office. While testing and some development has not been completed due to lack of equity funding, the company is pursuing a new application in the area of microwave backhaul and is in the process of solidifying patents for a new revenue model based on licensing of the patent.

Pronucleotein Biotechnologies Corporation

TETF Award Amount: \$1,000,000

Award Date: February 18, 2009

Region: South Texas

Higher Education Collaboration: The University of Texas-Pan American

Intended Outcome:

Pronucleotein (PnB) is developing products for rapid onsite food-safety testing using technology that can detect pathogens such as E. coli and salmonella in food and water. The State's investment went primarily toward research involving Food Safety Net Services and The University of Texas-Pan American. The company also was to develop product prototypes for testing and evaluation.

Actual Outcome:

The company produced its prototype in-house and coupled the prototype with PnB firmware in order to detect bacteria in foods. The improved second-generation reader has been completed and tested successfully.

Pulmotect, Inc.

TETF Award Amount: \$1,000,000

Award Date: June 8, 2009

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Pulmotect is developing products to boost the immune system to protect against a wide range of airborne diseases, including pneumonia, influenza, anthrax and staphylococcus. The State's investment is to help support the development of a prototype of an aerosol lung stimulant for initial testing, securing a manufacturing partner, preparing for Food and Drug Administration review and completing preclinical studies at M. D. Anderson Cancer Center.

Actual Outcome:

The company conducted safety, efficacy, and product development research at M.D. Anderson, demonstrating effectiveness and identifying the optimal combination of molecules for production. The optimum dose and formulation has been identified and preclinical studies have been presented to the Food and Drug Administration. Pulmotect has manufactured materials suitable for the final IND-enabling studies and human use and is taking steps to prepare for clinical trials. TETF funds have been leveraged with additional numerous investors to accelerate the development of this technology.

Qcue, Inc.

TETF Award Amount: \$1,000,000

Award Date: October 20, 2009

Region: Gulf Coast

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Qcue is reinventing the primary ticket marketplace with dynamic pricing and inventory management solutions for live entertainment events. Sports teams, concert promoters and venues use Qcue's patent-pending technology to set the right price at the right time and provide the best value for fans, from the date of on-sale to the date of the event. The State's investment went primarily toward filing patents, hiring software developers and business development executives, acquiring new clients and deploying the product, conducting market research and retaining a public relations firm.

Actual Outcome:

The company raised \$225,000 in funding from private investors and met its second round of milestones. The company filed patent applications, hired a software developer and hired a public relations firm to further business

development. Customers and partners include leading franchises across Major League Baseball, Major League Soccer, the National Basketball Association, the National Hockey League, and NASCAR.

Quantum Logic Devices, Inc.

TETF Award Amount: \$600,000

Award Date: March 27, 2007

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Quantum Logic is commercializing its patented nanoelectronic platforms, which allow hospitals, clinics, physicians and consumers to perform simple medical tests to immediately identify possible illnesses. The State's investment went primarily toward continuing development of Quantum Logic's technology. The company was also to finalize designs and produce a first generation unit.

Actual Outcome:

The company finalized its designs and has a manufacturing agreement in place. Prototypes of its technology have been completed and delivered to NASA's Johnson Space Center for further evaluation. Quantum Logic Devices collaborated with The University of Texas at Austin for the use of facilities at the Microelectronics Research Center.

RadioMedix, Inc.

TETF Award Amount: \$2,800,000

Award Date: November 23, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

RadioMedix is developing a new radiopharmaceutical platform and automated synthesizer unit to assist in the manufacturing of radiopharmaceuticals for positron emission tomography (PET). This unit, when coupled with a small generator, will produce PET Gallium-68 radiopharmaceuticals, onsite. This alleviates the need for separate cyclotron facilities, saving time and money.

Actual Outcome:

The company is working on software upgrades and design improvements of the product system based on testing results. Beta site trials have been planned for early 2012. Radiopharmaceuticals have been synthesized and pre-clinical animal studies are in progress. The first in-human trial is scheduled for mid-2012.

Receptor Logic, Inc.

TETF Award Amount: \$2,000,000

Award Date: June 16, 2008

Region: West Texas

Higher Education Collaboration: Texas Tech University

Intended Outcome:

Receptor Logic is developing technology for the treatment of cancer and chronic diseases in the field of immunology. The State's investment went primarily toward finalizing production designs, completing technical assays, assembling a research and development team and launching a web-based catalog.

Actual Outcome:

The company has demonstrated the therapeutic potential of TCRm antibodies for treatment of oncology conditions and infectious disease. The company is collaborating with academic and industry partners, including Texas Tech University, to move the technology into the clinic with licensing and evaluation discussions underway with leading companies.

Resonant Sensors, Inc.

TETF Award Amount: \$600,000

Award Date: May 18, 2007

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Resonant Sensors is developing a new class of sensors for use in the production of biomedical compounds and drugs, allowing researchers to rapidly and accurately evaluate the performance of experimental new drug compounds. The State's investment went primarily toward development of both product and business strategy, as well as development and production of sensor plates. The company also was to establish high-volume production of the sensors, and enter into a partnership for high-throughput system production.

Actual Outcome:

The company completed strategy development goals in early 2007, with a sales and marketing plan that extends through 2013. Joining with university research partners, Resonant Sensors is conducting various projects utilizing a commercial prototype. The company established a means for commercial production of the sensor plates, and a partnership has been established for the production of the high-throughput sensor system. The company continues to focus on quality control in manufacturing and has established a strategy for regulatory approvals.

RFMicron, Inc.

TETF Award Amount: \$925,000

Award Date: May 22, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

RFMicron is developing self-tuning Radio Frequency ID circuits to be used as tags for faster, more accurate tracking of a company's inventory and other assets. The State's investment went primarily toward design, development and testing of hardware and software, expansion of patents and finding initial vendors.

Actual Outcome:

The company completed its design and development of "Chameleon," which adapts to any product and automatically compensates for any interference from the product's packaging. RFMicron began having its designs manufactured and tested. The company filed for several patents, with two issued. The company collaborated with the Austin Technology Incubator (ATI), a division of The University of Texas at Austin. RFMicron successfully graduated from the ATI and has moved into its own facility located in Austin. RFMicron started its commercialization with tier one customers with dominant positions in the industry and has successfully raised significant funds.

Salient Pharmaceuticals, Inc.

TETF Award Amount: \$2,000,000

Award Date: December 14, 2009

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Salient is developing therapeutic products for the prevention and treatment of gastrointestinal side effects caused by disease, chemotherapy or radiation. The State's investment went primarily toward enrolling new patients in clinical trials, expanding trials to sites outside The University of Texas MD Anderson Cancer Center, designing and securing a provider for drug-to-drug interaction testing and completing stability testing of the product.

Actual Outcome:

The company expanded enrollment in trials, which today are active across multiple sites throughout the country with nearly 80 patients enrolled. In 2010, Salient completed the drug-to-drug interaction studies at Austin-based PharmaForm and also completed a drug stability study. Salient also continued to work with Texas-based institutions.

Savara, Inc.

TETF Award Amount: \$1,900,000

Award Date: June 1, 2010

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Savara is utilizing its advanced nanoparticle-based platform technologies to create a pulmonary focused, pharmaceutical product development company aimed at such fields as oncology and the treatment of asthma and cystic fibrosis. The State's investment went primarily toward formulation development, conducting studies and developing standard operating procedures for the production of a clinical supply. The company was also slated to take steps toward approval of clinical studies.

Actual Outcome:

The company completed formulation development, developed standard operating procedures for the manufacturing of its clinical supply. Savara will initiate a clinical trial in the fourth quarter of 2011 for its lead product. Savara is engaged in collaborations with several large pharmaceutical companies, as well as The University of Texas at Austin via the Austin Technology Incubator.

ScanTech Sciences, Inc.

TETF Award Amount: \$2,000,000

Award Date: July 9, 2009

Region: Rio Grande

Higher Education Collaboration: Texas A&M University

Intended Outcome:

ScanTech Sciences, Inc (STS) is developing technology that will improve phytosanitary treatment and prolong the useable shelf life of fresh fruits and vegetables. The State's investment went primarily toward research and development of STS' Electron Beam Food Treatment System, as well as ongoing research into the effects of irradiation on produce quality. The company also was to complete design on a facility and apply for approval of the facility from U.S. Department of Agriculture (USDA).

Actual Outcome:

The company completed the studies and schematics regarding its facility and has located a potential site and partnered with a local business to build the facility in McAllen, Texas. The company has petitioned USDA for an amendment that will allow the construction of the facility on the Texas side of the Mexican border.

Secure Origins, Inc.

TETF Award Amount: \$2,000,000

Award Date: July 5, 2007

Region: Trans Pecos – El Paso

Higher Education Collaboration: The University of Texas at El Paso

Intended Outcome:

Secure Origins is developing software to more effectively and intelligently monitor company supply chains. The State's investment went primarily toward establishing a monitoring laboratory in El Paso, creating a fully-functional

networked operation, and establishing a public-private partnership in the El Paso-Juarez region. The company was also to complete development tools for programmers.

Actual Outcome:

On August 29, 2011, El Paso Commissioners Court approved the final Secure Border Trade Demonstration Project (SBT) contract with TransCore Inc., SecureOrigins , and OnAsset, Inc.. A technical committee comprised of State and regional representatives selected the company's cross-border technology solution. The company's SBT contract is pending, and the company expects the contract to be completed in early September 2011.

Seno Medical Instruments, Inc.

TETF Award Amount: \$2,000,000

Award Date: July 19, 2007

Region: South Texas

Higher Education Collaboration: The University of Texas Health Science Center at San Antonio

Intended Outcome:

Seno Medical Instruments is developing acoustic imaging technology for the detection and diagnosis of various cancers. The State's investment went primarily toward design and development of imaging probe prototypes, final device development as well as steps toward conducting Food and Drug Administration clinical trials.

Actual Outcome:

The company completed the design and prototype development of a small animal research imaging system, and subsequently licensed the system to a worldwide market leader. Development of a cancer imaging system is ongoing, with a prototype system installed at the Cancer Therapy and Research Center at The University of Texas Health Science Center at San Antonio. The clinical trial at The University of Texas Health Science Center at San Antonio is ongoing.

SeprOx, Inc.

TETF Award Amount: \$750,000

Award Date: February 17, 2009

Region: Gulf Coast

Higher Education Collaboration: University of Houston

Intended Outcome:

SeprOx is developing a medical oxygen generator that separates pure oxygen from air for patients with breathing problems. The device is lighter and less expensive than existing home oxygen generators. The State's investment went primarily toward establishing testing methods and equipment, creating an agreement to fabricate the device for samples and on a commercial scale, and locating a strategic partner to help SeprOx products reach the marketplace.

Actual Outcome:

The company was not able to complete the fabrication of pin-hole-free thin film composites required to create a prototype device. Without a prototype, SeprOx could not apply for the final tranche of from TETF or raise outside investments.

Smart Imaging Technologies Corporation

TETF Award Amount: \$1,000,000

Award Date: December 31, 2008

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Smart Imaging is developing a system to automatically identify water-borne pathogens during analysis tests mandated by the Environmental Protection Agency and the Safe Drinking Water Act. The technology will significantly reduce the amount of time needed to perform critical analysis and increase the number of tests that can be completed in a given day. The State's investment went primarily toward device design, securing commercial partners and completion of a pilot program.

Actual Outcome:

The company developed a cloud based software platform for high-performance biomedical image analysis. In order to accelerate the adoption of the technology in multiple markets, the company developed as a joint venture with the Texas A&M University Office of Technology Commercialization.

SmartField, Inc.

TETF Award Amount: \$1,000,000

Award Date: January 6, 2010

Region: West Texas

Higher Education Collaboration: Texas Tech University

Intended Outcome:

Smartfield is developing and commercializing technology that uses sensors to remotely monitor crop canopy temperatures and stress levels, helping keep track of irrigation needs, product performance, intervention signals and fertility programs. The State's investment went primarily toward bringing systems online and establishing industry and institutional collaborations for testing and evaluating results across a variety of crops.

Actual Outcome:

The company partnered with global and regional agricultural retailers, crop consultants, and landowners and has distributed approximately 300 base station units and 2,000 sensors.

SNR Labs Corporation

TETF Award Amount: \$750,000

Award Date: September 26, 2007

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

SNR Labs is developing a convergence manager that would allow wireless devices to transition seamlessly between various services, including conventional cellular, WiFi and WIMAX networks. The State's investment went toward technical development, business development, finance, and product integration.

Actual Outcome:

The company expanded business development resources to target other service providers for the SNRLabs Vergere product line, which provides device-based solutions for traffic management of heterogeneous networks including 3G and WiFi. SNR Labs has a contract pending with a leading wireless service provider in the U.S. for delivery of products, anticipated mid-September 2011.

SolarBridge Technologies, Inc.

TETF Award Amount: \$1,500,000

Award Date: December 30, 2009

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

SolarBridge is developing technology to improve the efficiency and reliability of solar panels. The State's investment went primarily toward completing prototype designs and securing a round of outside financing. The company was to then build a prototype and begin testing while securing regulatory certification.

Actual Outcome:

The company completed its first generation microinverter for the solar industry, obtained required regulatory approvals, is in volume production, and has begun shipments to customers. The company raised a significant amount of funds from several sources. SolarBridge is now in the design and development stage for its next generation microinverter, which will improve performance and lower cost.

Solarno, Inc.

TETF Award Amount: \$1,000,000

Award Date: March 1, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Solarno is developing nanostructured carbon materials for a number of applications. The first product, SolarnoFlex, is a transparent flexible carbon nanotube sheet that can be used as a collector electrode in thin film solar panels , a charge-injection electrode in light weight Organic Light Emitting Diodes, and as a charge combination interlayer in tandem solar cells. The product line is being expanded to include electrospun carbon nanofibers for electrodes in supercapacitors. The State's investment went primarily toward product production, IP filing, additional funding proposals and securing commercial collaborative arrangements.

Actual Outcome:

The company filed patents and began selling samples. The company acquired additional grant funding, with final negotiations on another grant currently in progress.

Speer Medical Devices, Inc.

TETF Award Amount: \$2,500,000

Award Date: March 31, 2011

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio

Intended Outcome:

Speer is developing and testing a portable, lightweight vital sign monitor that utilizes pulse oximetry technology to noninvasively monitor eight vital signs, including total hemoglobin. Speer is designing the monitor for battlefield trauma victims with possible hemorrhaging, which is the leading preventable cause of trauma-related deaths. The new monitor will save time and lives by bypassing the slow clinical analysis and give first responders an immediate response.

Actual Outcome:

The company is currently designing the product and is working toward clinical trials. The company is in discussions for field trials and research agreements with the University Medical Center Brackenridge in Austin, among other institutions.

StarVision Technologies, Inc.

TETF Award Amount: \$750,000

Award Date: October 30, 2007

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

StarVision was developing an altitude-determination sensor system to improve satellite performance and reduce costs. The State's investment went primarily toward completing the design and testing of the system prior to flight qualification performance tests. The company was also to build cleanroom facilities, purchase manufacturing equipment and add to its engineering, marketing and sales staffs.

Actual Outcome:

The company completed initial testing and development of its technology; however the company then filed for bankruptcy in October of 2010. The State filed a Proof of Claim in the bankruptcy.

Stellarray, Inc.

TETF Award Amount: \$750,000

Award Date: July 17, 2008

Region: Central Texas

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Stellarray is developing a new type of flat-panel X-ray source for use in the sterilization of mail, food and medical products, as well as medical imaging and various industrial applications. The State's investment went primarily toward co-funding a large federal contract for development of manufacturing tools and processes, as well as testing radiation panels ranging in size from 5 to 20 inches.

Actual Outcome:

The company successfully created manufacturing processes and tested panel arrays ranging up to 10 inches in size. Development of 20 inch panels was postponed due to the company's decision to focus on applications using the smaller panels. Stellarray is now using one version of the x-ray panels to develop an irradiator for use in blood transfusion safety, and to replace dangerous radioactive isotopes. Other x-ray panels are being used to develop next generation CT systems, where the company is collaborating with The University of Texas MD Anderson Cancer Center.

Sunrise Ridge Algae, Inc.

TETF Award Amount: \$250,000

Award Date: July 24, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Sunrise Ridge is developing algae biomass technology that uses algae to convert waste water and carbon dioxide into renewable energy and animal feeds. The State's investment went primarily toward a pilot plant operation with the goal of producing 1 kg of algae biomass and 1 kg of extracted algal oils for delivery and testing, and a sponsored research agreement with The University of Texas at Austin.

Actual Outcome:

The company worked with The University of Texas at Austin to research algae culture collection and was able to produce algae biomass for additional research and development. However, Sunrise Ridge Algae ceased operations. The Office of the Governor demanded of repayment of the disbursed Award pursuant to the terms of the Note (as defined in the Agreement) for failure to pursue commercialization efforts. The Office of the Governor referred this matter to the Texas Office of the Attorney General.

Syndiant, Inc.

TETF Award Amount: \$3,500,000

Award Date: February 20, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Dallas

Intended Outcome:

Syndiant is developing smart-panel projection display technology that enables production of the world's smallest high-resolution light modulators. The technology enhances the small-format projector market for cell phones, personal computers and accessory products. The State's investment went primarily toward expanding the engineering team, preparing for mass production, filing patents applications and conducting two research projects with The University of Texas at Dallas.

Actual Outcome:

The company established itself as a leader in high-resolution microdisplays for pico projectors, winning commercial orders to supply several customers, including 3M and Philips projectors. Syndiant is in mass production with those products and recently completed the design of its flagship 2nd generation products for the fast growing market in battery-powered pico projectors that enable mobile users to share high resolution images.

Terapio Corporation

TETF Award Amount: \$1,700,000

Award Date: July 21, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Terapio is developing treatments for radiation poisoning and other toxicities that use the naturally-occurring protein RLIP76 to transport toxins out of cells before major damage occurs. The State's investment went primarily toward testing the stability of the protein, testing for toxicity and completing process development and associated production runs to provide the foundation for commercial manufacturing.

Actual Outcome:

The company reported that stability testing is complete and toxicity tests indicated clinically-relevant dosages were feasible. Terapio successfully conducted each phase of protein production using a commercially-scalable process.

Terrabon, Inc.

TETF Award Amount: \$2,750,000

Award Date: July 12, 2010

Region: Rio Grande

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Terrabon is developing technology that converts materials such as municipal solid waste, sewage, forest product residues and non-edible energy crops into chemicals and secondary alcohols that can be further refined to produce non-ethanol gasoline, jet fuel or diesel. The State's investment went primarily toward building a demonstration facility in Bryan, Texas, to convert municipal waste into hydrocarbons. The company was also to expand its research agreement with Texas A&M University.

Actual Outcome:

The company's processing facility in Bryan was completed in July 2010, and Terrabon raised more than \$16 million in grants and equity funding. In July 2010, Terrabon entered into a new master research agreement with Texas Engineering Experiment Station, a component of Texas A&M University, and is currently restructuring that master research agreement to include other components and departments within Texas A&M University. Terrabon continues to expand its capabilities at its demonstration plant towards the goal of producing 6,000 liters of jet fuel by the second or third quarter of 2012.

Texas MicroPower, Inc.

TETF Award Amount: \$750,000

Award Date: February 15, 2008

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Texas Micropower is developing innovative materials, structures and systems for efficient, cost-effective energy harvesting for mobile and embedded systems. The State's investment went primarily toward product design, evaluating and optimizing materials, completing prototypes and engaging potential customers.

Actual Outcome:

The company sponsored research and collaborated with The University of Texas at Dallas, Virginia Polytech, and the Center for Energy Harvesting, and developed several progressive versions of prototypes of thin-film miniature MEMS and designs of more efficient structures. Texas Micropower attracted several potential customers.

Thrombo Vision, Inc.

TETF Award Amount: \$1,500,000

Award Date: July 5, 2007

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University-Commerce

Intended Outcome:

ThromboVision was developing a platelet function monitor that would measure the effectiveness of anti-platelet therapies in preventing heart attacks, strokes, stent occlusions and other cardiovascular crises. The State's investment went primarily toward completion of device design improvements, submission of an application for Food and Drug

Administration approval, and the establishment of manufacturing capabilities for clinical trials and market introduction.

Actual Outcome:

The company completed design and prototype development of a 5th generation monitor in 2007. These devices were used to conduct several clinical trials, including at Methodist Hospital in Houston. An application for Food and Drug Administration approval was filed in August 2008, however after five rounds of questioning and additional clinical testing; the Food and Drug Administration denied approval of the drug. ThromboVision filed for bankruptcy in September 2010. The State filed a Proof of Claim in the bankruptcy.

Turbo Trac USA, Inc.

TETF Award Amount: \$2,000,000

Award Date: August 24, 2009

Region: West Texas

Higher Education Collaboration: The University of Texas of the Permian Basin

Intended Outcome:

Turbo Trac is developing energy conservation technology for automotive, industrial and wind energy markets. This technology increases efficiency in industrial motors while reducing energy consumption for industrial systems. The State's investment went primarily toward development and assembly of the company's first prototype for use in field and laboratory testing.

Actual Outcome:

The company's prototype program has been completed and has been tested broadly in both laboratory and field conditions meeting or exceeding all performance expectations. Production design for the first product family has been completed to include four models and seven variants. Pre-production units are currently in the manufacturing process, a production facility is being readied and production is scheduled to start in January 2012.

TXL Group, Inc.

TETF Award Amount: \$500,000

Award Date: February 4, 2008

Region: Trans Pecos – El Paso

Higher Education Collaboration: The University of Texas at El Paso

Intended Outcome:

TXL Group is developing thermoelectric solutions for capturing heat energy from waste heat. The State's investment went primarily toward establishing pilot tests for lighted raised pavement markers and recovering heat energy in an industrial application. The company was also responsible for expanding patent protection, securing additional equity and grant capital, and generating sales.

Actual Outcome:

The company filed four U.S. Patent applications and received \$700,000 through two NASA contracts. In 2009, the company began selling a development kit for thermoelectric devices. In 2011 it released a thermoelectric converter circuit for enabling energy capture from environmental sources. NASA sponsored work for developing a low-cost, high-efficiency thermoelectric material. TXL Group continues an ongoing collaboration with The University of Texas at El Paso for research support and is presently engaged with UTEP as a subcontractor on the NASA sponsored project. TXL Group is presently preparing a collaborative proposal for a DOE sponsored project to develop thermoelectric generation technology for heat exchanger applications.

Varaha Systems, Inc.

TETF Award Amount: \$1,500,000

Award Date: August 14, 2009

Region: North Texas

Higher Education Collaboration: The University of Texas at Arlington

Intended Outcome:

Varaha is developing technology that allows users to extend voice, data and video applications to mobile devices while maintaining security and network accessibility. The State's investment went primarily toward expanding distribution channels, improving market reach, increasing sales staff and completing a university collaboration survey article.

Actual Outcome:

The company's uMobility application is now approved for major smartphone and Blackberry devices. The app is sold worldwide and Varaha published a joint survey article with The University of Texas at Arlington.

Veros Systems, Inc.

TETF Award Amount: \$1,500,000

Award Date: June 14, 2010

Region: Gulf Coast

Higher Education Collaboration: Texas A&M University

Intended Outcome:

Veros Systems is developing software-based technology that monitors and assesses the condition of electrically-driven industrial machines to detect developing anomalies or faults, allowing plant managers time to make repair/replace decisions before machine failure. The State's initial investment went primarily toward meeting FCC requirements, securing initial purchase orders and commercial release of the product.

Actual Outcome:

The company met its initial milestones. The company met FCC requirements, released the commercial version of its product and accomplished first sales. Veros is working toward enhancing its marketing and product distribution capabilities while continuing to use feedback from pilot installations to improve product functionality and develop new product features.

ViroXis Corporation

TETF Award Amount: \$2,500,000

Award Date: October 1, 2010

Region: South Texas

Higher Education Collaboration: The University of Texas at San Antonio & The University of Texas Health Science Center at San Antonio

Intended Outcome:

Viroxis is developing a medication for warts, caused by the Human Papilloma Virus (HPV), called albuterpenoid, utilizing a botanical extract from sandalwood oil. The State's investment went primarily toward gaining Food and Drug Administration approval to conduct further clinical studies of its lead drug candidate, a topical albuterpenoid formulation.

Actual Outcome:

The company obtained Food and Drug Administration approval for a Phase II study, which will be initiated pending completion of Series B equity financing. Viroxis successfully met milestones requirements to receive the second funding tranche from the TETF.

Visualase, Inc.

TETF Award Amount: \$750,000

Award Date: August 9, 2007

Region: Gulf Coast

Higher Education Collaboration: The University of Texas MD Anderson Cancer Center

Intended Outcome:

Visualase is developing technology using an MRI-guided laser interstitial thermal therapy system for treatment of cancerous tumors, particularly small focal metastatic tumors. They expected to perform multiple clinical studies involving bone and brain tumors. The State's investment went primarily toward completing design improvements of the first prototype and software, securing regulatory approvals, completing production designs, commencing clinical trials, and commercial sales.

Actual Outcome:

The company received six regulatory approvals for Visualase-related products and began commercial sales in 2009. The company completed its bone tumor study that demonstrates the procedure can be done both safely and easily with little pain to the patient. The brain tumor study is being conducted at various centers, including The University of Texas MD Anderson Cancer Center with positive results relating to safety, feasibility, and patient discomfort.

Vital Art & Science Incorporated

TETF Award Amount: \$1,000,000

Award Date: June 7, 2011

Region: North Texas

Higher Education Collaboration: The University of Texas Southwestern Medical Center and UNT Health Science Center at Fort Worth

Intended Outcome:

Vital Art and Science developed myVisionTrack™, a smartphone app that monitors vision loss caused by age-related Macular Degeneration and Diabetic Retinopathy. The app implements a shape discrimination test that a patient can take at home to quickly and accurately monitor their own disease progression in-between doctor visits. This replaces the current unreliable and hard to use paper tests to ensure patients get timely treatments to minimize permanent vision loss. The State's investment went primarily toward product development and international patent filings.

Actual Outcome:

The company signed a collaboration agreement and currently has a model in clinical trials, the results of which will be used in Food and Drug Administration and international regulatory filings. The company filed patent applications and was awarded a grant which will fund additional product development and clinical studies.

Xitronix Corporation.

TETF Award Amount: \$500,000

Award Date: January 17, 2008

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Xitronix develops powerful measurement systems that are used to measure nanoscale electronic properties of semiconductors during production. The State's investment was primarily utilized to complete development, design and alpha build of the XP700 measurement system.

Actual Outcome:

The company has completed engineering design and tool development and conducted a trial with consortium partners. In February 2011, it won a 28-month patent case against a company that halted commercialization of Xitronix's groundbreaking technology. Headquartered in Austin, Xitronix is now turning its focus to fully bringing its XP700 system to market and plans to add seven positions to its roster in Texas during 2011.

Xtreme Power, Inc.

TETF Award Amount: \$2,000,000

Award Date: March 27, 2007

Region: Central Texas

Higher Education Collaboration: The University of Texas at Austin

Intended Outcome:

Xtreme Power is developing a large-scale energy load-leveling system capable of efficiently and cost effectively storing and delivering large quantities of electric power. The State's investment went primarily toward designing and developing a prototype. The company was also to raise additional capital and reach agreement with a Fortune 1000 company to test one of its systems.

Actual Outcome:

The company is currently selling systems, including the largest energy storage system in North America which will be installed at Duke Energy's Notrees Wind Farm in West Texas. Xtreme Power has also secured additional capital investment, including venture capital. The company employs over 200 people, including over 130 people in Texas, and in 2011 will exceed \$30 million in revenue, up from \$1.5 million in 2009 and \$16 million in 2010. The company established research collaboration with the Advanced Power Systems and Control Laboratory at The University of Texas at Austin.

ZS Pharma, Inc.

TETF Award Amount: \$2,000,000

Award Date: August 13, 2010

Region: North Texas

Higher Education Collaboration: UNT Health Science Center at Fort Worth

Intended Outcome:

ZS Pharma is developing a therapy for the treatment of complications associated with liver and kidney failure, using zirconium silicate crystals to specifically target excess toxins that have built up in the body. The State's investment went primarily toward establishing Food and Drug Administration pre-clinical protocols, completing toxicology studies, submitting applications for necessary Food and Drug Administration approvals and conducting pilot trials with humans. The company is to raise additional capital to complete the needed Food and Drug Administration safety and efficacy trails required to commercialize our product line.

Actual Outcome:

The company established the Food and Drug Administration preclinical protocols, completed the toxicology studies, submitted an IND package to the Food and Drug Administration, and received an IND assigned number. In 2011, the company continued to work with the Food and Drug Administration, seeking agreement on the design of human efficacy and safety clinical trials. These trials are planned to be initiated in the fourth quarter of this 2011.

SUBCHAPTER E: RESEARCH AWARD MATCHING

The goal of the TETF Research Award Matching program is to create public-private partnerships to leverage the unique strength of universities, federal government grant programs and industry. This enables Texas to secure additional research funds from outside the State in key technical and scientific areas that contribute to the growth of our emerging-technology economy.

Priority is given to emerging-technology research and development that will have a significant impact on Texas' future economy or may result in a major medical or scientific breakthrough. Preference is also given to research activities that involve collaboration among multiple Texas institutions of higher education and private entities.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made under each subchapter, as of August 31, 2011.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the name of each recipient and the amount of the award made to the recipient. Throughout this report, the effective date of the contractual agreement between the Office of the Governor and the award recipient is referred to as the "award date." The award amount listed is the aggregate funding the award recipient may receive pursuant to contractual terms. The award amount is subject to change between reporting periods based on certain contractual terms.

Table 5: Aggregate Total for Federal Government, Private and Other Sources of Funding Obtained in Connection with TETF Subchapter E, Research Award Matching Awards

Award Recipient	Industry Collaboration & Funding Source	Award Date	Award Amount (\$)	Aggregate Total Private Sector Investment, Fed Govt Funding, & Contributions from Other Sources (\$)
Alliance for Higher Education	DARPA, The University of Texas at Dallas, University of North Texas, Molecular Imprints, & Zyvex Labs	3/7/08	4,700,000	5,489,172
Carbon Nanotechnologies, Inc.	NIST & ATP	9/1/06	975,000	975,000
Center for Commercialization of Electric Technologies	Dept. of Energy	10/9/07	500,000	14,000,000
Global Contours Ltd.	U.S. Army SBIR & NSF	4/5/07	950,000	1,280,000
Lynntech, Inc.	U.S. Air Force SBIR	4/19/07	600,000	1,438,237
National Trauma Institute	U.S. Army Inst. Of Surgical Research & Athena GTX	1/28/08	3,800,000	3,800,000
Sematech Corporation	UT Austin, UT Dallas, Molecular Imprints, HP, TI, & DARPA	5/22/06	5,000,000	5,000,000
Texas A&M University System	MD Anderson & DARPA	1/27/09	50,000,000	51,734,979
Texas Agricultural Experiment Station	U.S. Air Force, DARPA, & NAABB	11/29/07	4,025,000	14,408,472
Texas Railroad Commission - FutureGen	U.S. Department of Energy	8/31/06	3,259,095	-

Award Recipient	Industry Collaboration & Funding Source	Award Date	Award Amount (\$)	Aggregate Total Private Sector Investment, Fed Govt Funding, & Contributions from Other Sources (\$)
University of Texas System - Southwest Alliance for Nanotechnology (SWAN)	DARPA, NSF, NIST, & NRI	1/9/07	1,750,000	7,300,000
The University of Texas at Dallas - Future Semiconductor Commercialization (FUSION)	COSAR	10/6/08	5,000,000	4,810,000
The University of Texas at San Antonio - Comprehensive Facility for Animal Imaging Research (CFAIR)	DARPA, NIH, UT, American Heart Assoc., SA Area Foundation & VA	2/22/07	4,099,973	12,704,092
Totals			\$ 84,659,068	\$ 122,939,952

ANALYSIS OF JOBS CREATED

Texas Government Code Section 490.005 requires the Office of the Governor to provide “the total number of jobs actually created by each project funded under this chapter; an analysis of the number of jobs actually created by each project receiving funding under this chapter; and a brief description regarding: the methodology used to determine the information provided...”

Table 6 provides an analysis of the number of jobs actually created in entities that have received a Subchapter E, Research Award Matching Award. Data provided in Table 6, unless stated elsewhere in this report, were derived from compliance reports, direct communication with award recipient and other verified sources.

The numbers of jobs impacted in other industries in the Texas economy are derived from the Impact Analysis for Planning (IMPLAN) Input-Output model for the specific region in which the entity is located. The number of jobs impacted represents, for every job actually created in the institution, the numbers of additional jobs impacted in other industries in the Texas economy. These data were developed using multipliers provided by Texas Comptroller of Public Accounts, Economic Development & Analysis Division, on the basis of the following assumptions:

1. The industry under consideration is fully operational; and
2. Multipliers were derived based on the number of direct, indirect and induced jobs in all industries in the Statewide coverage Area that are impacted by a \$1 Million of Scientific Research and Development output.

Table 6: Total Number of Jobs Actually Created by Each Project Receiving Funding and Analysis of the Number of Jobs Actually Created Under TETF Subchapter E, Research Award Matching Awards

Award Recipient	Industry Collaboration & Funding Source	Jobs Actually Created	Average Salary (\$)	Number of Jobs Impacted in Other Industries in the Regional Economy
Alliance for Higher Education	DARPA, UT - Dallas, UNT, Molecular Imprints, & Zyvex Labs	25	73,150	29
Carbon Nanotechnologies, Inc. ¹	NIST & Advance Technology Program	5	87,500	6
Center for Commercialization of Electric Technologies	Dept. of Energy	10	45,761	11

Award Recipient	Industry Collaboration & Funding Source	Jobs Actually Created	Average Salary (\$)	Number of Jobs Impacted in Other Industries in the Regional Economy
Global Contours Ltd.	U.S. Army SBIR & NSF	1	40,000	1
Lynntech, Inc.	U.S. Air Force SBIR	1	51,367	1
National Trauma Institute	U.S. Army Inst. Of Surgical Research & Athena GTX	6	101,500	7
Sematech Corporation ²	UT - Austin, UT - Dallas, Molecular Imprints, HP, TI, & DARPA	165	12,305	193
Texas A&M University System	MD Anderson & DARPA	6	136,600	6
Texas Agricultural Experiment Station	U.S. Air Force, DARPA, & NAABB	8	26,550	9
Texas Railroad Commission - FutureGen	U.S. Department of Energy	0	-	-
UT System - Southwest Alliance for Nanotechnology (SWAN) ^{3 4}	DARPA, NSF, NIST, & NRI	70	232,274	82
The University of Texas at Dallas - Future Semiconductor Commercialization (FUSION)	COSAR	40	40,000	47
The University of Texas at San Antonio - Comprehensive Facility for Animal Imaging Research (CFAIR)	DARPA, NIH, UT, American Heart Assoc., SA Area Foundation & VA	15	62,850	18
Totals		351	\$ 69,989	411

¹ Merged with Unidyn, Inc. April 2007.

² Includes employment data for 163 interns hired during program operations.

³ Award Recipient also received a Subchapter F, Acquisition of Research Superiority award. Data provided is identical to Table 8. See footnote 1 of table 8.

⁴ The University of Texas System did not report average salary information. The average salaries in Table 8 are derived from the Texas Tribune Government Employees Salaries Database (updated June 8, 2011) and reflect only the average salaries of individuals recruited by the terms of the Award agreement, not the average salaries of all jobs created.

RESEARCH AWARD MATCHING PROJECT DESCRIPTIONS

Alliance for Higher Education (Atomically Precise Manufacturing Corporation)

TETF Award Amount: \$4,700,000

Award Date: March 7, 2008

Industry: Nanotechnology

Industry Collaboration & Funding Source: Defense Advanced Research Projects Agency, The University of Texas at Dallas, the University of North Texas, Molecular Imprints, and Zyvex Labs

The award went toward developing the basic tools and techniques necessary to enable accelerated commercialization and market adoption of nanotechnology-enabled devices and systems, including biosensors, pharmacological processing, deep-tissue medical imaging and low-powered sensors for defense and environmental monitoring.

Carbon Nanotechnologies, Inc.

TETF Award Amount: \$975,000

Award Date: September 1, 2006

Industry: Nanotechnology

Industry Collaboration & Funding Source: National Institute of Standards and Technology and Advanced Technology Program

The project's goals were to create a robust business in micro-fuel cells that power portable and wireless electronic devices, and to supply single-wall nanotubes in broad enough numbers to support nanoelectronic component development and commercialization efforts. In April 2007, Carbon Nanotechnologies Inc. merged with Unidyn Inc, a California- based subsidiary of Arrowhead Research Corporation. Arrowhead subsequently sold Unidyn.

Center for Commercialization of Electric Technologies

TETF Award Amount: \$500,000

Award Date: October 9, 2007

Industry: Energy

Industry Collaboration & Funding Source: Department of Energy

The project involved the improvement of the Texas power grid, using innovative data processing technology to make it more reliable, secure and efficient than any grid in the nation.

Global Contours Ltd.

TETF Award Amount: \$950,000

Award Date: April 5, 2007

Industry: Defense

Industry Collaboration & Funding Source: U.S. Army Small Business Innovation and Research and the National Science Foundation

The company is developing its patented Smart Concrete™, a material capable of sensing infrastructure conditions when used to construct new buildings, bridges, highways, dams, levees and tunnels. For example, instead of embedding a sensory device in roads at weigh stations, future roads built with Smart Concrete will become the sensory mechanism. This technology also has the potential to detect infrastructure breaches in buildings and other major infrastructure.

Lynntech, Inc.

TETF Award Amount: \$600,000

Award Date: April 19, 2007

Industry: Energy

Industry Collaboration & Funding Source: U.S. Air Force Small Business Innovation and Research

The company is developing hydrogen fuel cell technology, which will be used for electrical power generation in machines such as wheelchairs, forklifts, pallet jacks, as well as military and commercial aircraft support vehicles.

National Trauma Institute

TETF Award Amount: \$3,800,000

Award Date: January 28, 2008

Industry: Life Sciences

Industry Collaboration & Funding Source: US Army Inst. Of Surgical Research and Athena GTX

The award went toward development of the next generation of intelligent medical care systems, including systems that allow medical personnel to remotely monitor and assess medical conditions in the field. Applications of this technology include military and first responder usage.

Sematech Corporation

TETF Award Amount: \$5,000,000

Award Date: May 22, 2006

Industry: Semiconductor

Industry Collaboration & Funding Source: Defense Advanced Research Projects Agency, University of Texas Austin, University of Texas Dallas, Molecular Imprints, Inc., Hewlett Packard, and Texas Instruments

Sematech is developing the Advanced Processing and Prototyping Center, dedicated to prototyping new nanoscale manufacturing processes and accelerating the commercialization of new nanoelectronic products. Sematech and the Advanced Technology Development Facility (ATDF) purchased six semiconductor processing and metrology equipment units in support of the Texas Workforce Commission grant establishing the Nano Scholars program. 163 interns completed the program. According to the Nanoelectronics Project Activities and Performance Measures Report provided to the Texas Workforce Commission - February 2008 "At least 2 students were directly hired by Sematech at the completion of their internship; a third student was offered a position. Most returned to their studies but felt confident in their prospects for employment on graduation."

Texas A&M University System (National Center for Therapeutics Manufacturing)

TETF Award Amount: \$50,000,000

Award Date: January 27, 2009

Industry: Life Sciences

Industry Collaboration & Funding Source: The University of Texas MD Anderson Cancer Center and the Defense Advanced Research Projects Agency

The center will be an international destination for research and development of medications to combat diseases such as cancer, diabetes and influenza, and will serve as a model for future national facilities that will protect the nation from bioterror threats and attacks.

Texas Agricultural Experiment Station (Algae Biofuels)

TETF Award Amount: \$4,025,000

Award Date: November 29, 2007

Industry: Energy

Industry Collaboration & Funding Source: U.S. Air Force, Defense Advanced Research Projects Agency, and National Alliance For Advanced Biofuels and Bio-Products

The mission of this project is to demonstrate the economical production of algae-derived transportation fuels and commercialize the technology in Texas.

Texas Railroad Commission (FutureGen)

TETF Award Amount: \$3,259,095

Award Date: August 31, 2006

Industry: Energy

Industry Collaboration & Funding Source: U.S. Department of Energy

FutureGen is a public-private partnership. The funding went toward completing a proposal to establish the nation's first near-zero emission coal-fired power plant in Texas. While Texas was one of two finalists, the project was awarded to Illinois.

The University of Texas System (SWAN)

TETF Award Amount: \$1,750,000

Award Date: January 9, 2007

Industry: Nanotechnology

Industry Collaboration & Funding Source: Defense Advanced Research Projects Agency, National Science Foundation, National Institute of Standards and Technology, National Research Institute

The investment helped establish the Southwest Academy of Nanotechnology (SWAN), a prestigious nanoelectronics research center funded by the National Science Foundation and the Semiconductor Research Corporation.

The University of Texas at Dallas (FUSION)

TETF Award Amount: \$5,000,000

Award Date: October 6, 2008

Industry: Semiconductor

Industry Collaboration & Funding Source: COSAR

The funding established the Future Semiconductor Commercialization (FUSION) consortium, which focuses on promoting research and development of applications of semiconductor technology and accelerating resulting projects into the marketplace.

The University of Texas at San Antonio (CFAIR)

TETF Award Amount: \$4,099,973

Award Date: February 22, 2007

Industry: Life Science

Industry Collaboration & Funding Source: Defense Advanced Research Projects Agency, NIH, UT, American Heart Association, San Antonio Area Foundation and VA

The investment went toward establishing a Comprehensive Facility for Animal Imaging Research, where scientists will use imaging to evaluate new drugs and medical devices prior to and during human trials.

SUBCHAPTER F: ACQUISITION OF RESEARCH SUPERIORITY

The TETF Acquisition of Research Superiority goal is to bring the best and brightest researchers in the world to Texas. This enables our Texas academic institutions to continue to build expertise in key research areas, attract and inspire students to pursue advanced degrees in math, sciences, and engineering, and provide an invaluable resource to the community by fostering innovation and commercialization in our State. Priority is given to proposals that involve scientific or technical fields that have a reasonable probability of enhancing the State's national and global economic competitiveness, as well as proposals that may result in a medical or scientific breakthrough. Added consideration is also given to proposals that are interdisciplinary, are eligible for federal and other outside funding for research superiority, and are likely to create a nationally or internationally recognized locus of research superiority.

To be eligible for this award, an applicant must be a Texas public institution of higher education, commit to acquiring new research superiority talent from outside the State, and be sponsored by the institution's leadership.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the aggregate total of private sector investment, federal government funding, and contributions from other sources obtained in connection with awards made under each subchapter, as of August 31, 2011.

Texas Government Code Section 490.005 requires that the Office of the Governor provide the name of each recipient and the amount of the award made to the recipient. Throughout this report, the effective date of the contractual agreement between the Office of the Governor and the award recipient is referred to as the "award date." The award amount listed is the aggregate funding the award recipient may receive pursuant to contractual terms. The award amount is subject to change between reporting periods based on certain contractual terms.

Table 7: Aggregate Total for Federal Government, Private, and Other Sources of Funding Obtained in Connection with TETF Subchapter F, Acquisition of Research Superiority Awards

Award Recipient	Project Description	Award Date	Award Amount (\$)	Aggregate Total of Private Sector Investment, Fed Govt Funding, & Contributions from Other Sources (\$)
Texas A&M University System				
Texas A&M University	Texas Institute for Preclinical Studies (TIPS)	7/20/07	6,300,000	74,155,715
Texas A&M University	Texas BioEnergy Alliance	7/26/07	3,412,500	33,182,174
Texas A&M Health Science Center	Institute for Regenerative Medicine	9/19/08	5,250,000	46,665,421
Texas State University System				
Texas State University	Center for Multifunctional Materials	2/9/09	4,200,000	22,705,088
Texas Tech University System				
Texas Tech University	International Center for Excellence (ICE) in Agriculture Genomics & Biotechnology	5/1/06	2,045,950	30,095,357
Texas Tech University	Nanotechnology Center	2/12/08	2,100,000	15,983,777
Texas Tech University	National Institute for Renewable Energy	8/20/10	8,400,000	14,593,738
University of Houston System				
University of Houston	Texas International Center for Cell Signaling & Nuclear Receptors	2/5/09	5,775,000	22,437,951
University of Houston	Superconductivity Applied Research Hub	11/17/09	3,675,000	12,125,029
University of North Texas System				
UNT Health Science Center at Fort Worth	Center for Commercialization of Fluorescence Technology	3/13/07	2,388,750	3,376,074
University of Texas System				
The University of Texas at Austin	Neuroscience Imaging Center	12/10/07	3,675,000	64,000,684
The University of Texas at Dallas	Texas Analog Center of Excellence (TxACE)	9/1/09	4,725,000	15,686,719
The University of Texas at El Paso	Center for Inland Desalination Systems	10/20/08	2,100,000	5,536,436
The University of Texas at El Paso	Integrated 3D Systems Technology	7/21/10	3,150,000	4,868,090
The University of Texas at San Antonio	Institute for Cyber Security Research	4/5/07	3,694,950	6,073,806
The University of Texas at Tyler	Texas Allergy, Indoor Environment & Energy Institute (TxAIRE)	7/14/07	3,937,500	2,499,311
The UT Health Science Center at Houston	Alliance for NanoHealth	8/23/06	2,625,000	45,529,927
The UT Health Science Center at Houston	Center for Translational Injury Research (CeTIR)	10/6/08	5,250,000	73,360,000
The UT Health Science Center at Houston	Texas Therapeutics Institute	7/12/10	6,300,000	5,988,145
The UT Health Science Center at Houston	Children's Regenerative Medicine	7/28/11	3,150,000	4,220,000
The University of Texas System	Southwest Academy for Nanotechnology	3/15/07	10,500,000	136,149,561
Totals			\$ 92,654,650	\$ 639,233,003

ANALYSIS OF JOBS CREATED

Texas Government Code Section 490.005 requires the Office of the Governor to provide “the total number of jobs actually created by each project funded under this chapter, an analysis of the number of jobs actually created by each project receiving funding under this chapter; and a brief description regarding: the methodology used to determine the information provided...”

Table 8 provides an analysis of the number of jobs actually created in entities that have received a Subchapter F, Acquisition of Research Superiority Award. Data provided in Table 8, unless stated elsewhere in this report, were derived from annual reports and direct communication with each award recipient.

The numbers of jobs impacted in other industries in the Texas economy are derived from the Impact Analysis for Planning (IMPLAN) Input-Output model for the specific region the entity is located in. The number of jobs impacted represents, for every job actually created in the institution, the numbers of additional jobs impacted in other industries in the Texas economy. These data were developed using multipliers provided by Texas Comptroller of Public Accounts, Economic Development & Analysis Division, on the basis of the following assumptions:

1. The industry under consideration is fully operational; and
2. Multipliers were derived based on the number of direct, indirect, and induced jobs in all industries in the Statewide coverage area that are impacted by a \$1 million of Scientific Research and Development output.

Table 8: Total Number of Jobs Actually Created by Each Project Receiving Funding and Analysis of the Number of Jobs Actually Created Under TETF Subchapter F, Acquisition of Research Superiority Awards

Award Recipient	Project Description	Jobs Actually Created	Average Salary (\$)	Number of Jobs Impacted in Other Industries in the Regional Economy (\$)
Texas A&M University System				
Texas A&M University	Texas Institute for Preclinical Studies (TIPS)	33	91,888	39
Texas A&M University	Texas BioEnergy Alliance	14	68,689	16
Texas A&M Health Science Center	Institute for Regenerative Medicine	42	40,038	49
Texas State University System				
Texas State University	Center for Multifunctional Materials	3	98,000	4
Texas Tech University System				
Texas Tech University	International Center for Excellence (ICE) in Agriculture Genomics & Biotechnology	13	50,000	15
Texas Tech University	Nanotechnology Center	26	27,019	30
Texas Tech University	National Institute for Renewable Energy	17	59,853	20
University of Houston System				
University of Houston	Texas International Center for Cell Signaling & Nuclear Receptors	121	79,050	142
University of Houston	Superconductivity Applied Research Hub	22	70,909	26

Award Recipient	Project Description	Jobs Actually Created	Average Salary (\$)	Number of Jobs Impacted in Other Industries in the Regional Economy (\$)
University of North Texas System				
UNT Health Science Center at Fort Worth	Center for Commercialization of Fluorescence Technology	4	121,500	5
The University of Texas System				
The University of Texas at Austin ¹	Neuroscience Imaging Center	22	187,466	26
The University of Texas at Dallas ¹	Texas Analog Center of Excellence (TxACE)	68	202,809	80
The University of Texas at El Paso ¹	Center for Inland Desalinization Systems	4	152,710	5
The University of Texas at El Paso ¹	Integrated 3D Systems Technology	6	112,611	7
The University of Texas at San Antonio ¹	Institute for Cyber Security Research	35	215,282	41
The University of Texas at Tyler ¹	Texas Allergy, Indoor Environment & Energy Institute (TxAIRE)	37	55,138	43
The UT Health Science Center at Houston ²	Alliance for NanoHealth	100	300,000	117
The UT Health Science Center at Houston ³	Center for Translational Injury Research (CeTIR)	65	95,489	76
The UT Health Science Center at Houston ¹	Texas Therapeutics Institute	8	188,333	9
The UT Health Science Center at Houston ⁴	Children's Regenerative Medicine	2	125,000	2
The University of Texas System ¹	Southwest Academy for Nanotechnology	70	232,274	82
Totals		712	\$ 144,659	832

¹ The University of Texas System did not report average salary information. The average salaries are derived from the Texas Tribune Government Employees Salaries Database (updated June 8, 2011) and reflect only the average salaries of individuals recruited under the terms of the Award agreement, not the average salaries of all jobs created.

^{2,4} Average salary derived from recruitment offer letters.

³ Independently reported.

ACQUISITION OF RESEARCH SUPERIORITY PROJECT DESCRIPTIONS

TEXAS A&M UNIVERSITY SYSTEM

Texas Institute for Preclinical Studies (TIPS)

TETF Award Amount: \$6,300,000

Award Date: July 20, 2007

Award Recipient: Texas A&M University

The award was used to recruit researchers to TIPS to research and develop innovative advancements in biotechnology, helping new discoveries, particularly medical devices and therapies, move more quickly from concept to the marketplace to treat and prevent diseases.

Texas BioEnergy Alliance

TETF Award Amount: \$3,412,500

Award Date: July 26, 2007

Award Recipient: Texas A&M University

The alliance was developed to attract superior talent in order to accelerate research and development of preferred feedstock for converting biomass conversion and production of biofuels and related bioproducts.

Institute for Regenerative Medicine

TETF Award Amount: \$5,250,000

Award Date: September 19, 2008

Award Recipient: Texas A&M Health Science Center

Regenerative medicine focuses on the functional restoration of damaged organs and tissues, through use of adult stems, rather than treatment to decrease or moderate symptoms through therapies such as dialysis, implanting replacement devices or organ transplant.

TEXAS STATE UNIVERSITY SYSTEM

Center for Multifunctional Materials

TETF Award Amount: \$4,200,000

Award Date: February 9, 2009

Award Recipient: Texas State University

The award helped operate and staff a center for the research, development and commercialization of multifunctional materials. Uses include information processing and high-density, light-weight information storage, more efficient solar power generation and new approaches to computing and communication.

TEXAS TECH UNIVERSITY SYSTEM

International Center for Excellence (ICE) in Agriculture Genomics and Biotechnology

TETF Award Amount: \$2,045,950

Award Date: May 1, 2006

Award Recipient: Texas Tech University

The center uses cutting edge genomics and biotechnology to develop new agriculture products that will serve as the foundation for new business ventures. The award helped lure Dr. Thea Wilkins, an acclaimed cotton geneticist, from the University of California at Davis to become director of genomics.

Nanotechnology Center

TETF Award Amount: \$2,100,000

Award Date: February 12, 2008

Award Recipient: Texas Tech University

The award went to recruit experts in nanophotonics, which involves the creation and manipulation of advanced materials at the nanoscale that can produce and sense light. The research has significant implications in the fields of defense, telecommunications and homeland security.

National Institute for Renewably Energy

TETF Award Amount: \$8,400,000

Award Date: August 20, 2010

Award Recipient: Texas Tech University

Texas Tech is partnering with the National Institute for Renewable Energy (NIRE), which will support the National Wind Resource Center (NWRC). NWRC is a nonprofit organization formed by Texas Tech University that focuses on wind power research and education through collaboration with national laboratories, academic institutions and trade organizations. Alstom Power, Inc. broke ground on a wind turbine assembly facility in Amarillo in May 2010 that will ultimately create 275 full time engineering production and technical support jobs in Amarillo when the plant is at full capacity. Additionally, six Panhandle area economic development corporations reported, on average, 100 new wind related jobs since the creation of NIRE.

UNIVERSITY OF HOUSTON SYSTEM

Texas International Center for Cell Signaling and Nuclear Receptors

TETF Award Amount: \$5,775,000

Award Date: February 5, 2009

Award Recipient: University of Houston

Preliminary research will focus on the use of nuclear hormone receptors as therapies for an array of diseases, including cancer. The center is led by Dr. Jan-Ake Gustafsson of Sweden, working with longtime research partner Margaret Werner, also of Sweden, and a 10-member support staff from Sweden's Karolinka Institute.

Superconductivity Applied Research Hub

TETF Award Amount: \$3,675,000

Award Date: November 17, 2009

Award Recipient: University of Houston

The hub's initial focus was to develop and commercialize a second generation superconducting wire that will improve the efficiency, security, stability and environmental compatibility of the electric power grid. The hub is led by Dr. Venkat Selvamanickam, a world-renowned expert in superconductivity.

UNIVERSITY OF NORTH TEXAS SYSTEM

Center for Commercialization of Fluorescence Technology

TETF Award Amount: \$2,388,750

Award Date: March 13, 2007

Award Recipient: UNT Health Science Center at Fort Worth

The objective of the Center for Commercialization of Fluorescence Technology is to merge modern fluorescence with nanotechnology to develop new biomedical tools and laboratory technology for medical diagnostics, biotechnology, genomics, and proteomics.

THE UNIVERSITY OF TEXAS SYSTEM

Neuroscience Imaging Center

TETF Award Amount: \$3,675,000

Award Date: December 10, 2007

Award Recipient: The University of Texas at Austin

The center is studying how the human brain goes about its activity. The award will help the center study how human brains interact with non-biological systems, such as information storage devices and computer systems.

Texas Analog Center of Excellence (TxACE)

TETF Award Amount: \$4,725,000

Award Date: September 1, 2009

Award Recipient: The University of Texas at Dallas

The center will focus on research in analog and radio frequency technologies to meet the increased demand for electronics enabled by analog and mixed-signal chips and help address issues such as energy efficiency, health care and public safety. Texas Instruments, a major TxACE industry partner reports creating five PhD engineering positions with a starting salary of \$95,000 and one Masters engineering position with a starting salary of \$90,000 for Texas Analog Center graduates.

Center for Inland Desalination Systems

TETF Award Amount: \$2,100,000

Award Date: October 20, 2008

Award Recipient: The University of Texas at El Paso

The award was to create a world-class research center, applying current desalination technology to address immediate water needs, as well as researching ways to capture and recycle the by-product of the process. Desalination expert Dr. Thomas A. Davis was recruited from the University of South Carolina to lead the effort.

Integrated 3D Systems Technology

TETF Award Amount: \$3,150,000

Award Date: July 21, 2010

Award Recipient: The University of Texas at El Paso

The award is helping establish a research and development center focused on 3D macroscale and nanoscale systems development and integration, with particular application in the aerospace and defense industry.

Institute for Cyber Security Research

TETF Award Amount: \$3,694,950

Award Date: April 5, 2007

Award Recipient: The University of Texas at San Antonio

The award went to recruit Dr. Ravi Sandhu, a nationally recognized leader in cyber security. Dr. Sandhu became the founding executive director and chief scientist of the institute, the first in Texas designated as a National Security Agency Center for Infrastructure Assurance and Security by the federal government.

Texas Allergy, Indoor Environment and Energy Institute (TxAIRE)

TETF Award Amount: \$3,937,500

Award Date: July 14, 2007

Award Recipient: The University of Texas at Tyler

Funding went to the recruitment of researchers in the development of residential indoor environmental-quality technology and commercialization for the institute, which studies indoor air quality.

Alliance for NanoHealth

TETF Award Amount: \$2,625,000

Award Date: August 23, 2006

Award Recipient: The University of Texas Health Science Center at Houston

The alliance was created as an interdisciplinary, multi-institutional organization aimed at bridging gaps between medicine, biology, engineering, public policy and nanotechnology. The fund award provided support to hire Dr. Mauro Ferrari to head the alliance.

Center for Translational Injury Research (CeTIR)

TETF Award Amount: \$5,250,000

Award Date: October 6, 2008

Award Recipient: The University of Texas Health Science Center at Houston

The award went toward recruiting leading scientists and surgeons in trauma care and next-generation medical technologies to the center, which researches and improves the level of critical care patients receive in an emergency.

Texas Therapeutics Institute

TETF Award Amount: \$6,300,000

Award Date: July 12, 2010

Award Recipient: The University of Texas Health Science Center at Houston

The award went to the recruitment of researchers and the formation of a research pipeline between The University of Texas Health Science Center at Houston, The University of Texas MD Anderson Cancer Center, and The University of Texas at Austin. The institute will coordinate and oversee collaborative drug development at these three institutions.

Children's Regenerative Medicine

TETF Award Amount: \$3,150,000

Award Date: July 28, 2011

Award Recipient: The University of Texas Health Science Center at Houston

The award funded the recruitment of researchers to establish a new interdisciplinary collaborative research team between The University of Texas Health Science Center at Houston and Children's Memorial Hermann Hospital that will focus on innovative cell and tissue engineering techniques (therapeutic methods or agents, such as surgery, chemotherapy, or electrotherapy, involving the physical treatment of a disorder) to reconstruct malformed and/or damaged tissues and organs in infants and children.

Southwest Academy for Nanotechnology (SWAN)

TETF Award Amount: \$10,500,000

Award Date: March 15, 2007

Award Recipient: The University of Texas System

The award will enable the academy to attract globally-recognized researchers and their teams to Texas to develop breakthrough nanoelectronics research, benefiting the semiconductor, energy, life sciences, aerospace, and defense industries.