



2012  
ANNUAL REPORT

## *From the Chairman*



### **GOOD NEWS for you and Saint Louis!**

As we look back on 2012, there are several observations that can be made about the St. Louis Arch Angels' role in funding local startups, and the news is very good. During 2012, we added \$2.3 million to seven prior deals and invested \$3.3 million in nine new deals for a total of \$5.6 million. Since we were founded eight years ago, we have now invested over \$31.5 million in some 37 companies. It is amazing that we went over the \$30 million mark in 2012.

Over the past year, our membership has grown to 67 members from 47 a year ago. This increase is due to you inviting your friends to join us and also, in part, to the alliance we formed late last summer with local financial services technology angel group, the FinServe Tech Angels. Since the St. Louis area is home to several of our country's largest financial services firms, great potential exists for investment in financial technology startups. Leveraging FinServe's expertise broadens our focus and further strengthens angel investing in the St. Louis region.

I think that all of our members will agree that the high quality of the investment opportunities we're seeing has also contributed to the high number of investments this past year. Companies we've previously funded also continued to mature as they advanced their business models. A case in point is Sequoia Sciences, one of our largest investments, which secured the additional funding necessary to start Phase I clinical trials in 2013, likely accelerating its commercialization timeline.

The entrepreneurial fires that we helped start have turned the St. Louis area into a hotbed of business creation. As the companies are created and begin experiencing technical and business successes, the demand for investment capital continues to grow. Our region's investing infrastructure continues to evolve, providing more funding opportunities to our local startups. But over the next several years, our local and state governments will have to join the investment community in providing the funds needed to continue to grow these companies.

I see a bright future for entrepreneurship and angel investing in our community as we continue to come together to offer the support and resources necessary to keep fueling the fire.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilbert Bickel".

Gilbert Bickel  
Chairman

## MISSION OF THE ST. LOUIS ARCH ANGELS

OUR MISSION IS TO PROVIDE OPPORTUNITIES FOR OUR MEMBERS TO OBTAIN OUTSTANDING FINANCIAL RETURNS BY INVESTING IN EARLY-STAGE COMPANIES WITH HIGH-GROWTH POTENTIAL IN THE ST. LOUIS REGION AND HELPING THEM TO ACHIEVE MARKET LEADERSHIP.

## ■ ABOUT THE ST. LOUIS ARCH ANGELS

Established in January 2005, the St. Louis Arch Angels is an independent, not-for-profit 501c(6) corporation. The network was organized with the support of the St. Louis Regional Chamber. The Arch Angels are a part of the region's seed to later stage equity capital continuum and target an investment range of \$250,000 to \$1,000,000, which is generally underserved by institutional venture capital firms. Because of this, our network is an important addition to the region's capacity to finance innovation emerging from entrepreneurs, universities and technology incubators.

Our members are all accredited investors from the St. Louis region. They have significant experience in a variety of fields as entrepreneurs, CEOs, venture capitalists and business leaders who have founded, funded and built companies. We mentor and coach the entrepreneurs we invest in, serving on their boards, providing contacts and assisting them with team building, strategic planning and fundraising.

Members do not invest in a pooled fund, but rather commit to invest a minimum of \$50,000 a year directly in startup companies with other members of the network. Members always invest under the same terms and conditions. The network's activities are guided by its bylaws and rules of membership.

A network of private investors, the St. Louis Arch Angels is governed by a board of directors composed of the following officers:

Chairman: Gilbert Bickel

President: Dr. Robert J. Calcaterra

Secretary: Thomas M. Walsh

Treasurer: William C. Rusnack

## LIST OF COMPANIES FUNDED

### AISLE411

aisle411 is the first-to-market mobile shopping application that allows consumers to find and map product locations inside retail stores. Think “Google Maps inside the store for products.” In 2010, aisle411 launched its iPhone app, and in 2011, it launched an Android app. aisle411 is now in 10,000 locations in all 50 states across the country and also in Puerto Rico, with pending contracts to grow the company to 20,000+ locations by the end of 2013. aisle411 is generating revenues and believes it is the future of digital and mobile inside retail.

[www.aisle411.com](http://www.aisle411.com)

*Arch Angels Investment: \$1,220,640*



### AKERMIN

Akermin is developing a new approach to removing carbon dioxide (CO<sub>2</sub>) from large industrial processes using a biocatalyst, the enzyme carbonic anhydrase (CA). CA is nature's perfect catalyst as it is used by all living organisms to assist in the conversion of CO<sub>2</sub>. Akermin is solving the problem of operating life for the enzyme in these harsh industrial environments through its unique Biocatalyst Delivery System. The system results in an economically advantageous solution versus current approaches, while providing a more benign environmental profile for the enzyme. Key near-term target markets include natural gas treating, such as for shale gas production, ammonia production for fertilizers, steam boilers for oil sands production, and eventually flue gas from power plants. The company incorporates a multi-discipline approach, utilizing nanotechnology, biochemistry, and engineering to develop this new disruptive approach. Recently, Akermin delivered its first pilot demonstration plant for long-term testing at the National Carbon Capture Center in Alabama under a Department of Energy grant.

[www.akermin.com](http://www.akermin.com)

*Arch Angels Investment: \$2,750,000*



### APPISTRY

Appistry provides a "Big Data" solution focused on the problems found in analyzing and storing huge amounts of genetic data. The combination of the company's HPC platform and knowledge of genomic analytics is a unique solution that is essential for the world's march to personalized medicine and better patient care. The product is delivered as software as a service or private cloud implementation. Appistry also works with customers to integrate next-generation sequencing data with other medical records. In 2012, Appistry became the exclusive distributor of GATK, a software toolkit used by thousands of genetic researchers worldwide, for the Broad Institute, a joint venture between Harvard and MIT that is focused on transforming medicine using genome based knowledge.

[www.appistry.com](http://www.appistry.com)

*Arch Angels Investment: \$2,300,000*



### BONFYRE

Bonfyre, a free mobile application for iPhone and Android, is a better way to share experiences with the people that matter. Bonfyre provides users with a dynamic, private and more relevant experience by allowing them to privately share photos, coordinate plans and have real-time conversations. Launched at DEMO in October 2012 and named by Techcrunch as one the “Top 14 Startups” from the conference, Bonfyre has already helped NFL teams, charities, concerts, conferences, schools, corporations and families create better social media experiences.

[www.bonfyreapp.com](http://www.bonfyreapp.com)

*Arch Angels Investment: \$535,000*



## ABOUT ANGEL INVESTING

THE ST. LOUIS ARCH ANGELS  
BENEFIT ENTREPRENEURS  
THROUGH EXPOSURE TO A  
LARGE SET OF POTENTIAL  
INVESTORS AND A STRUCTURED  
PROCESS THAT FACILITATES A  
RELATIVELY QUICK INVESTMENT  
DECISION. ANGEL INVESTING  
REPRESENTS A SIGNIFICANTLY  
LARGER AND GROWING PORTION  
OF EARLY-STAGE CAPITAL  
AVAILABLE TO STARTUP  
COMPANIES.

## CAPITAL INNOVATORS

Capital Innovators provides tech startups with the funding, resources, and connections they need to reach the next level. The Capital Innovators Accelerator Program provides

\$50,000 in seed funding and project-based mentorship from a seasoned pool of knowledgeable entrepreneurs and offers stellar perks, networking, and follow-on funding opportunities over the course of 12 weeks.

To date, Capital Innovators has invested in 19 high-growth technology startups and will fund an additional 10 to 12 companies over the next year. Collectively, the companies in the Capital Innovators portfolio have raised \$14.7 million, and account for 246 jobs. Since the program began in September 2011, the internal rate of return of the value of the portfolio is 3.48 times.

[www.capitalinnovators.com](http://www.capitalinnovators.com)

*Arch Angels Investment: \$950,000*



## CARDIALEN

Cardialen is developing a revolutionary implantable device therapy to treat Atrial Fibrillation (AF) that will improve the lives of people suffering from AF

by restoring their natural heartbeat. Based on a breakthrough discovery by Dr. Igor Efimov at Washington University, Cardialen Therapy terminates AF in animals through an entirely new low-energy approach, a method that obviates the need for the painful high-energy shocks that hampered the adoption of prior implantable device therapies for AF. Yet a vexing unmet clinical need, AF is the most common sustained cardiac arrhythmia encountered in clinical practice, costing more than \$26 billion dollars and 80,000 lives per year in the United States alone. In 2012, Cardialen completed preparations for the acute human clinical study planned for 2013.

[www.cardialen.com](http://www.cardialen.com)

*Arch Angels Investment: \$613,800*



## CLEARENT, LLC

Clearent is a payment processor that was built to be different. The company combines leading-edge technology with a passion for customer service to help customers maximize the value of their merchant services program. Clearent provides sales agents, financial institutions and merchants with benefits not available from other providers, such as next-day funding with a late cut-off time and graphical, web-based reporting. The company has consistently grown in excess of 100 percent per year and now processes over \$3.2 billion in annual card volume.

[www.clearent.com](http://www.clearent.com)



*Arch Angels Investment: \$1,100,000*

## COGNO

Cogno is a multimedia children's brand that inspires kids, ages 7-13, to think critically and imaginatively in science and math. Cogno's brand position has been described as "Star Wars meets the Magic School Bus." Bill Nye The Science Guy® wrote a foreword for the Cogno novel series, and the business was featured in *The Wall Street Journal*. The company has been recognized with 25 national product awards for its work. It also has paid all of its bank and vendor debt and has published eBook versions of its novels.

Cogno continues to grow its internationally syndicated puzzlers for classrooms, now reaching over 450,000 children weekly.

[www.cogno.com](http://www.cogno.com)

*Arch Angels Investment: \$240,000*



## EDUNN BIOTECHNOLOGY, INC.

Edunn Biotechnology, Inc. is a drug development company developing a compound to treat Alzheimer's disease. Edunn won a National Institute of Health (NIH) – Rapid Access to Interventional Development project award that will utilize NIH contract resources. In 2011, Agilent was contracted to manufacture EDN-OLI by the NIH. In 2012, Agilent had some manufacturing issues which set back the material development schedule. As of December 2012, the issue was rectified and a quality batch of material was produced. The NIH will determine in early 2013 how they would like Edunn to proceed.

[www.edunn.com](http://www.edunn.com)



Edunn Biotechnology, Inc.

*Arch Angels Investment: \$405,000*



## ELEMENTAL ENZYMES

Elemental Enzymes has developed a proprietary method to manufacture a variety of more stable enzymes. Since enzymes are used in a variety of industries including drug discovery, bio-fuels, bio-waste, agriculture and manufacturing, there are a variety of applications for the technology. Elemental Enzymes is currently working with potential partners and a new number of initiatives involving agricultural products, compost accelerants, algae, animal supplementation, waste filtration and vaccine applications. The company was the first to have its Missouri Technology Corporation loan converted to equity. Elemental Enzymes expects to have its first revenue in the spring of 2013.

[www.elementalenzymes.com](http://www.elementalenzymes.com)



*Arch Angels Investment: \$170,000*

## ENDOSTIM, INC.

EndoStim has developed a novel treatment for severe Gastroesophageal Reflux Disease (GERD) by delivering electrical stimulation via a neurostimulator (similar to a pacemaker) to the Lower Esophageal Sphincter. Unlike any other available GERD device, the EndoStim device is individually customizable and can be wirelessly adjusted for changing lifestyles. In a clinical trial, 100 percent of patients reported significant improvement in daily symptoms. Significant improvement was also documented in objective physiological measures, such as sphincter pressure, esophageal acid exposure and healing of esophagitis. EndoStim recently received CE Mark regulatory approval to commercialize its products in Europe and is leveraging the approval to commercialize its product in a number of countries worldwide.

[www.endostim.com](http://www.endostim.com)



*Arch Angels Investment: \$1,635,131*

## EUCLISES PHARMACEUTICALS

Euclises Pharmaceuticals, Inc. is developing an orally active cyclooxygenase-2 inhibitor with increased efficacy and reduced side effects. The company will create a robust data package to support use in non-small cell lung cancer, other cancers and pain and inflammation. The market opportunity for this agent is greater than \$1 billion. In 2012, Euclises synthesized target compounds and demonstrated that the proprietary agents functioned as desired in in-vitro studies. Five patent applications were filed on the technology. The company expects to establish proof-of-concept in animal studies in 2013 and begin raising its Series A venture capital round.



*Arch Angels Investment: \$175,000*

AS OF DECEMBER 31,  
2012, THE ST. LOUIS  
ARCH ANGELS NETWORK  
HAS:

- 67 MEMBERS
- FUNDED 37 COMPANIES
- INVESTED OVER  
\$31.5 MILLION

## GALERA THERAPEUTICS, INC.

Galera focuses on oxygen metabolic pathways, and its lead program takes aim at the superoxide pathway, one of the most important pathways. Galera's small molecule "dismutase mimetics" selectively targets this pathway by exactly mimicking the activity of superoxide dismutase enzymes –deficit or overwhelmed in a number of diseases – while avoiding indiscriminate interactions with other oxygen pathways. Its dismutase mimetics have shown impressive activity in multiple pre-clinical disease models, and lead candidate GC4419 has completed initial human safety studies. In November 2012, the company secured Series A funding led by New Enterprise Associates (NEA) and Novartis Ventures, and is now entering the next stage of clinical studies leading to human proof-of-concepts in cancer, radiation protection and fibrotic disease.



[www.galeratx.com](http://www.galeratx.com)

*Arch Angels Investment: \$556,000*

## GLOBAL VELOCITY

Protecting sensitive data and guarding against intellectual property theft are among the greatest challenges in our country today. The Global Velocity (GV) high-speed network appliance and outbound content compliance application is a combination of innovative high-performance hardware and a highly effective set of applications designed to assist organizations in identifying the location of their sensitive data, and controlling the flow of sensitive data across trust boundaries or through network control points. GV has more than doubled its revenues in each of the past two years and has delivered on multiple federal contracts of critical importance to our national security. The company expects additional top line growth in 2013 federal revenue, as well as new revenue from a commercial data loss prevention product directed specifically at cloud operators and their customers.



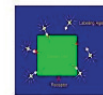
**globalvelocity**  
Next generation networking solutions

[www.globalvelocity.com](http://www.globalvelocity.com)

*Arch Angels Investment: \$579,219*

## IVDIAGNOSTICS

IVDiagnostics is a biomedical diagnostic company focused on molecular diagnostic tests for circulating tumor cells and other blood-borne diseases. In 2012, the company revised its business model and is now offering services that include Laboratory Directed Tests, such as Molecular diagnostics on captured CTCs (Circulating Tumor Cells), performing its IVD CTC assay for regional hospitals, and creating custom aptamers for other biotech companies. The company has also planned a collaboration with Stablebody Technologies which will add to the portfolio of stable biomarkers for use on the IVDxTx platform. IVDiagnostics was named the "Revolutionary Technology Company of the Year" by the Region 5 Northwest Indiana Small Business Development Center.



**IVDiagnostics**  
"The Future is Non-Invasive Diagnosis"

[www.ivdiagnostics.com](http://www.ivdiagnostics.com)

*Arch Angels Investment: \$107,400*

## JBARA SOFTWARE

JBara is the first cloud application that monetizes the existing customer base by providing better visualization and alerts on customers, as well as actionable insights into the customer experience. The application provides sales teams with more customer intelligence to renew customer contracts and provides executives with the analysis and best practices to maximize recurring revenues. JBara plugs right into a company's Customer Relationship Management (CRM) software to make it smarter and provides a single 360-degree view of the customer. Companies receive a huge return on investment through the increased ability to identify and remediate "at-risk" customers and from increased optics on customers that are likely to purchase "add-on" business. JBara launched the first Customer Success Management Suite in early 2012. In Q4 2012, JBara increased customers by 4 times over the previous quarter and expects to double bookings in Q1 2013 over Q4 2012. This new market segment and JBara's aggressive growth have attracted several top tier venture capital firms as well as strategic interest for acquisition.



[www.jbarasoftware.com](http://www.jbarasoftware.com)

*Arch Angels Investment: \$685,000*

## KATALYST SURGICAL, LLC

Katalyst Surgical is a designer, manufacturer and distributor of ophthalmic surgical instruments and devices. In 2012, Katalyst achieved revenues of \$1.5 million, filed 23 patent applications and developed a major new product line for disposable laser probes. Its Anterior Ophthalmic surgical line is complete, with new products coming out monthly, and its line of Posterior Ophthalmic surgical instruments is also expanding. The company continued developing a unique high-power light source with an early 2014 target introductory date. It's 1/3 the size of the original prototype and is much more durable and cheaper to manufacture than expected. In 2012, Katalyst formed a strategic relationship with a highly respected Swiss-based manufacturing/distribution partner who is now selling Katalyst Posterior products throughout Europe, the Middle East, Asia and China. Katalyst is in the process of bringing the partner's equipment to the U.S. for the first time, and the FDA approval process has been started.

[www.katalystsurgical.com](http://www.katalystsurgical.com)



*Arch Angels Investment: \$164,000*



## KYPHA

Kypha is a life science company developing products to improve the way immunologic and inflammatory disorders are monitored and treated. In 2012, the company raised \$2 million to advance its lead product, the Comp Act™ Test, toward regulatory clearance in 2013 and market launch by 2014. Comp Act is a rapid point-of-care test uniquely able to monitor immune activity and inflammation in real-time. The test can help predict or early-detect adverse immune reactions and inflammatory events to enable earlier, more effective clinical intervention. With a clinical focus on autoimmune disease (lupus) and trauma, Kypha established formal collaborations in 2012 with Harvard, Washington University in St. Louis, Columbia University, Vanderbilt, National Jewish Health (Denver) and Johns Hopkins.

[www.kypha.net](http://www.kypha.net)



*Arch Angels Investment: \$180,000*

## LANGLEARNER

LangLearner produces the world's highest-rated and most downloaded applications for language learning and foreign communication. These applications include multimedia flashcards, games, translators, and dictionaries. The company also provides cutting-edge HD broadcasting to mobile phones, with several applications for remote teaching, collaboration and campus security.

[www.langlearner.com](http://www.langlearner.com)



*Arch Angels Investment: \$50,000*

## LOCKERDOME

LockerDome is a social media platform for sports and is the fastest growing online sports property in the world. More than five million people use LockerDome to consume content and interact with like-minded people around their favorite sports interests. LockerDome's meteoric rise is fueled by the unique value it offers as a publishing platform for the 1,400 professional athletes, brands, media personalities, and other sports properties that use LockerDome as a social hub to amplify their overall social media strategy. By leveraging LockerDome, publishers are able to reach a more engaged, targeted sports audience and increase their overall social media footprint across Facebook, Twitter, and other social platforms. LockerDome's platform has delivered 50% average growth across Facebook and Twitter for its properties over an average period of just 4.5 months.

[www.lockerdome.com](http://www.lockerdome.com)

**lockerdome**  
Your sports life



*Arch Angels Investment: \$976,404*



■ "THE ST. LOUIS ARCH ANGELS FILLS THE VERY IMPORTANT NEED OF STARTING MORE SMALL COMPANIES WITH POTENTIAL FOR ADDING WEALTH AND JOBS TO OUR COMMUNITY. INNOVATORS HAVE AN OPPORTUNITY TO SHARE THEIR HOPES AND DREAMS WITH PEOPLE WHO MIGHT HELP THEM. INVESTORS HAVE A CHANCE TO HEAR THE STORIES AND SHARE IN CAREFUL EVALUATIONS OF BUSINESS POTENTIALS. THESE INTERACTIONS GREATLY BRIGHTEN THE ECONOMIC FUTURE OF ST. LOUIS."

DR. WILLIAM H. DANFORTH,  
CHANCELLOR EMERITUS,  
WASHINGTON UNIVERSITY  
AND CHAIRMAN OF THE  
DONALD DANFORTH PLANT  
SCIENCE CENTER

## LORI COULTER, LLC

Lori Coulter works closely with resorts to design chic, elegant image apparel and uniforms for the country's trendiest hotels, including Wynn and Encore Las Vegas, The Cosmopolitan Hotel & Casino, and The Fontainebleau Miami Beach Resort, among others. In 2012, Lori Coulter launched exclusive collections with several brands, including Soft Surroundings, Cintas and Bra Smyth, and began working with department stores, specialty chains and catalog retailers to design and manufacture private label and branded swimwear, activewear and dresses. Rooted in technology and fashion, Coulter's line features apparel utilizing the TrueMeasure fit system. The technology-based approach to fashion offers automated customization and rapid turnaround times for both consumers and businesses.

[www.loricoulter.com](http://www.loricoulter.com)

**Lori Coulter**  
made-to-order swimwear

*Arch Angels Investment: \$360,000*

## MEDIA CONVERGENCE

### GROUP, INC. (NEWSY.COM)

In 2012, Newsy continued to generate substantial visibility and revenue, reaching profitability in Quarter 3. Newsy now reaches tens of millions of viewers per month and continues to receive 4+ out of 5 star ratings across all major mobile platforms. The decision to headquarter the company in Columbia, Mo., in partnership with the Missouri School of Journalism and the Reynolds Journalism Institute, has proven to be a good one as Newsy continues to attract the best and the brightest and its employment numbers have tripled in size.

[www.newsy.com](http://www.newsy.com)



*Arch Angels Investment: \$175,000*

## NAWGAN

Nawgan is an innovative alertness beverage scientifically formulated to enhance concentration and focus. The proprietary formula was developed by Dr. Rob Paul, a Professor of Psychology at the University of Missouri- St. Louis. The company successfully expanded distribution in the St. Louis region to include all Walgreens and grocery outlets. Nawgan has begun distribution and marketing in Arizona, California, New York and Boston.

[www.nawgan.com](http://www.nawgan.com)



*Arch Angels Investment: \$173,000*

## NEUROLUTIONS, INC.

NeuroLutions, Inc., is focused on commercializing a motor rehabilitation device, the IpsiHand, which will be used to treat hemiparesis in stroke survivors. Every year in the U.S., approximately 318,000 people are diagnosed with chronic hemiparesis after a stroke, representing an annual market of \$1.3 billion. The IpsiHand offers the unique benefit of restoring hand function immediately, through proprietary EEG- (electroencephalography) based robotic assistance, and in the long-term, hand function can be restored without robotic assistance through neuroplasticity and continued use. The company closed its Series A financing in the fall of 2012 and will use the proceeds for a proof-of-concept clinical trial at Washington University beginning in early 2013.



*Arch Angels Investment: \$100,000*

## NEWLEAF SYMBIOTICS, INC

NewLeaf Symbiotics is a development stage company. Formerly known as TrophoMax LLC, NewLeaf is commercializing Pink Pigmented Facultative Methylootrophs (PPFMs) for broad applications to the agriculture and horticulture industries. PPFMs are microorganisms that supply

several essential nutrients that all plants need to grow. When applied to plants in a prescribed manner, the plants have been shown to grow faster, and stronger, and to generate higher yields. Utilizing symbiotic microorganisms, such as PPFMs, to enhance plant growth and health can reduce the need for synthetic chemicals and other treatments, resulting in more profitable and sustainable farming. Series A financing for \$7 million will be completed in January 2013. Investors include RockPort Capital Partners, Pangaea Ventures, Open Prairie Ventures, along with a few individuals.



[www.newleafsym.com](http://www.newleafsym.com)

*Arch Angels Investment: \$100,000*

## PULSE THERAPEUTICS

Pulse Therapeutics has developed a breakthrough medical device designed to significantly increase the effectiveness of the clot busting drug t-PA for the ER-based treatment of ischemic stroke. In 2010, Pulse Therapeutics concluded pre-clinical animal studies, which demonstrated that intravenously administered biocompatible iron particles, when controlled by a compact external magnet, substantially accelerate blood diffusion. The company believes that this will allow t-PA to reach the clot more quickly and at higher concentrations, resulting in dramatically faster dissolution of the clot as compared to standard IV t-PA delivery and ultimately faster reperfusion. During 2012, the company commenced human clinical studies in Australia and was granted two patents.



[www.pulsetherapeutics.com](http://www.pulsetherapeutics.com)

*Arch Angels Investment: \$575,000*

## SEQUOIA SCIENCES

Sequoia Sciences is a pharmaceutical company commercializing new medicines to treat bacterial infections and certain cancers. Programs include targeting MRSA infections, the lung infections of cystic fibrosis patients and vaccines for the treatment of recurrent urinary tract infections (UTI).

Sequoia also has an unparalleled collection of structurally diverse natural product compounds isolated from plants collected by the Missouri Botanical Garden. Sequoia will begin its clinical trial for its UTI vaccine early in 2013 and will begin marketing the program later in the year.



[www.sequoiasciences.com](http://www.sequoiasciences.com)

*Arch Angels Investment: \$6,630,000*

## SOMARK INTERNATIONAL GROUP

At the end of 2012, Somark, Inc. merged with Labstamp International Pty Limited, an Australian privately held entity. The company has been renamed Somark International Group and holds 100% ownership of Somark Innovation, Inc. The company plans to raise even more funds to take the Labstamp technology and put it at the centre of Chain of Custody solutions on a global basis for the In Vivo research environment. Even though Somark is now based out of Australia, it will continue to invest in and develop the U.S. market since it is the biggest world market. Somark is now also developing international markets with initial success in Japan, Taiwan, Korea, Australia and in some European countries. The company continues to invest in the development of additional products and the integration of these products with software platforms. Somark anticipates that 2013 will be a breakthrough year for the company.



[www.somarkinnovations.com](http://www.somarkinnovations.com)

*Arch Angels Investment: \$561,060*



## SYSTEMATIC REVENUE



Systematic Revenue provides growing businesses with an easy-to-use and affordable marketing automation solution to consistently follow up with all of their prospects and customers in a meaningful and relevant way. With Systematic Revenue, a business can send highly targeted marketing communications via email and text messaging and monitor the activity of each contact. In June 2012, Systematic Revenue launched the initial product and signed 99 subscribers. In 2013, the company will release a new version and build out functionality for companies to seamlessly transition from their existing e-mail newsletter systems to Systematic Revenue's marketing automation software.

[www.systematicrevenue.com](http://www.systematicrevenue.com)

*Arch Angels Investment: \$350,000*

## TRAXXSSON



Traxxsson is a diagnostic company focused on noninvasive cancer screening tests. As such, the company has continued development of its cancer screening panel. The panel provides an efficient, cost-effective way to screen for the most common types of cancer in men, including those for which no simple test is available.

Traxxsson also demonstrated that its ProState™ test identifies prostate cancer patients that require treatment. Although 60 percent of patients need no treatment, existing tests cannot determine which ones those are. The company is working with major research universities to complete commercial validation of its tests. Moreover, it is establishing its certified clinical lab to provide commercial testing services, bypassing the need for FDA approval of its tests.

[www.traxxsson.com](http://www.traxxsson.com)

*Arch Angels Investment: \$100,000*

## VENITI



Veniti is a medical device company that is strategically focused on the management and treatment of venous insufficiency. The company is anchored by three novel technologies that will have a profound impact on the treatment of venous disease. All three of Veniti's technologies will enter clinical trials and or commercialization in 2013. Unique in the marketplace, VENITI will meet the increasing needs of the venous disease patient.

[www.venitimedical.com](http://www.venitimedical.com)

*Arch Angels Investment: \$220,000*

### *Update on other companies in which the Arch Angels Network has invested:*

Cervimark ceased operations in 2009

Divergence was acquired by Monsanto in 2011

GameRail ceased operations in 2008

Gridlogix was acquired by Johnson Controls in 2009

TeraVista Systems ceased operations in 2011

U.S. Spine was acquired by Amedica Corporation in 2010

## ANGEL INVESTORS TYPICALLY:

- INVEST BETWEEN \$25,000 AND \$250,000 PER TRANSACTION INDIVIDUALLY AND FROM \$250,000 TO \$1,000,000 AS A GROUP.
- INVEST IN ONE TO FOUR TRANSACTIONS PER YEAR.
- ARE PATIENT, WITH AN AVERAGE HOLDING PERIOD OF THREE TO EIGHT YEARS.
- SEEK RETURNS IN THE RANGE OF 30 TIMES THEIR INVESTMENT DUE TO THE HIGH RISK OF ANGEL INVESTING.

## FUNDING OPPORTUNITIES

Before seeking funding through the St. Louis Arch Angels, entrepreneurs are encouraged to gain a greater understanding of who we are, how we operate, what we look for in potential investments and our expectations for return on investment.

We receive many business plan submissions each month. Our funding process involves a thorough screening of each opportunity and results in approximately two companies per month being selected to present to our members for funding consideration.

## INVESTMENT CRITERIA

Those seeking funds must make sure that they meet our investment criteria and that they are fully prepared with a complete business plan and presentation. We evaluate a company based on its management team, market opportunity, growth potential and other important factors, including:

*Use of proceeds* - Funds must be used to accelerate a company's achievement of key milestones that increase the company's value.

*Competitive advantage* - The company must have some proprietary features that distinguish it from potential competitors or provide barriers to entry that prevent other companies from capturing its customers with a similar offering.

*Fit* - One of the benefits of working with the St. Louis Arch Angels is the active coaching and contact network. There must be a fit between members of our group and the company seeking funding.

*Technology* - We prefer to invest in first-of-a-kind ideas, rather than incremental enhancements to common products and services. The concept behind the technology must be proven and verifiable.

*Exit strategy* - A clearly articulated exit strategy is very important.



TO LEARN MORE ABOUT  
THE ST. LOUIS ARCH  
ANGELS:

- VISIT US ONLINE AT:  
[STLOUISARCHANGELS.COM](http://STLOUISARCHANGELS.COM)
- EMAIL:  
[CWALSH@  
STLREGIONALCHAMBER.COM](mailto:CWALSH@STLREGIONALCHAMBER.COM)
- CALL:  
314-444-1151

## APPLICATION PROCESS

We are eager to hear from companies that are seeking funding to help take them to the next level. Additional details about the Arch Angels' investment criteria and funding process are available online at [www.stlouisarchangels.com](http://www.stlouisarchangels.com).

## BECOMING A MEMBER

Membership in the St. Louis Arch Angels is extended to individuals who share our vision and will actively contribute to our process. Our unique network of private investors includes many entrepreneurs who have founded and built their own companies and understand the unique challenges faced by entrepreneurs. Our goal is to grow the membership with individuals who are willing to invest both their dollars and their expertise.

If you are interested in learning more about joining the Arch Angels, please call Christine Walsh at 314-444-1151.

## CONTACT INFORMATION

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