



2013
ANNUAL REPORT

From the Chairman



As we reflect on 2013, I am proud to say that this has been another banner year for the St. Louis Arch Angels Network and our local startup community as a whole. Our members invested a total of \$8.9 million in 25 startup companies in 2013, with \$3.4 million of that invested in 16 new startups. Since our founding in 2005, we've now invested more than \$40 million in 53 companies, helping to fuel the region's entrepreneurial engine.

Arch Angel membership grew to 77 members in 2013, a 64 percent increase in our membership base from just over two years ago. Our members are also more active today than they have been historically. This is a direct function of the quality of the deals we've seen, especially in the MedTech and Information Technology sectors. Our members and the companies receiving investments have also enjoyed an increasingly streamlined due diligence process, with the review time being cut in half – from 90 days to just 45 days.

Another highlight from this past year is the continued strengthening of the financing collaboration within the St. Louis community. Various investment entities share due diligence, background information and resources as they continue to foster the growth of area startups. With funding from multiple sources, such as the Missouri Technology Commission, private equity funds, the BioGenerator, Arch Grants and angel groups such as ourselves, our region is gaining recognition as one in which startups can find the capital and support they need to succeed.

To further build on those successes, we'll need to continue to grow our membership and to work collaboratively. We must further develop St. Louis' startup ecosystem, so that it can support the continuing growth of our early-stage companies. Local and state leaders are gaining a deeper understanding that if we are to be a permanent center of high-growth companies, we must have that permanent financing that will not only attract but also retain talent. We've made real progress, but more must be done.

As we look ahead to 2014 – our 10th year in operation – I must point out that the success of the Arch Angels Network is beyond what any of our original members ever expected. In 2013, we experienced our best year yet, and we're on target to have an even better year in 2014. Our goal is to exceed \$50 million in total investments by the end of 2014, and with your continued support, I have every confidence that we will achieve this goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Gilbert Bickel". The signature is fluid and cursive.

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

ADARZA BIOSYSTEMS, INC.

Adarza BioSystems, Inc., is an early-stage life science tools and platform technology company with market opportunities in the preclinical, IVD and agricultural industries. Adarza delivers industry-leading assay performance, reproducibility, and robustness with class-leading cost per datapoint and a simplified workflow solution. In 2013, the company closed a \$1.4 million Bridge Note, made key hires in business development, completed its first commercial prototype instrument, completed an industry-validated 13-plex assay and signed two corporate agreements. In 2014, Adarza BioSystems plans to launch a 50-Plex Commercial Assay, hire a director of operations and open a manufacturing and business facility in St. Louis.

www.adarzabio.com



Arch Angels Investment: \$800,000



AISLE411

aisle411 is the leading indoor mapping company for retailers in the world. Think "Google Maps inside the store for finding where products are located." The year 2013 proved to be big for aisle411, as it closed a \$6.3 million Series A Investment Round. The company developed new strategic partnerships to expand its technology capabilities, and aisle411 worked to close new targeted retailer deployments across the U.S. in multiple retailer segments. The aisle411 technology is now available in all 50 states and Puerto Rico. In 2014, aisle411 expects to grow the company significantly.

www.aisle411.com



Arch Angels Investment: \$2,220,640

AKERMIN

Akermin is developing environmentally friendly, low-cost solutions to efficiently remove carbon dioxide (CO₂) from industrial gas streams. Akermin's proprietary Biocatalyst Delivery System (BDS) incorporates the enzyme carbonic anhydrase within permeable polymeric films to accelerate CO₂ separation. In 2013, as a final stage in a three-year Department of Energy- supported project, Akermin successfully completed testing of its BDS field pilot at the National Carbon Capture Center, capturing CO₂ from flue gas exhaust for over 1,600 hours. The company also began an additional DOE project and a European project for the biogas upgrading industry. Akermin will use 2014 to focus on these and other projects that support commercial launches in 2015. The company will also be finalizing a Series C financing round.

www.akermin.com

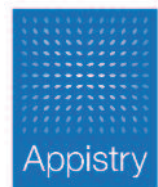


Arch Angels Investment: \$2,962,500

APPISTRY

Appistry, Inc., is powering next-generation, genomics medicine by providing the scale labs needed to capitalize on data generated by next-generation sequencing (NGS). Since 2001, the company's patented fabric technology has helped organizations and researchers transform vast data into actionable intelligence. Appistry is applying its expertise and technology to help organizations develop and deploy robust, scalable, production-ready pipelines for managing and optimizing data-intensive workflows and processes in research and clinical settings. Appistry is also the authorized provider of the Genome Analysis Toolkit (GATK) for NGS analysis, providing guided workflows, integrated toolsets, and commercial-grade support to help easily gain more actionable results from NGS data. In 2013, Appistry was selected by the National Institute of Health's Undiagnosed Diseases program (UDP) to create a commercial version of a genetic analysis pipeline developed at the NIH for studying genetic mutations that underlie many rare and undiagnosed diseases.

www.appistry.com



Arch Angels Investment: \$2,300,000

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.

APSE

Apse is a biotechnology company seeking to commercialize a portfolio of Novel Nanomaterials. Apse's patented applications describe methods to reduce the current cost of RNA production by 100 to 1000 fold, depending on the application. The company has chosen agricultural pest control as its primary initial focus. RNA Interference, or RNAi, can deliver much of the promise of the biotech revolution without having to create genetically modified organisms (GMOs). The simple problem is that with current technology, the cost to make RNA is prohibitively expensive. Apse solves this problem with a special innovation that allows RNA to be manufactured using well-proven, large-scale fermentation manufacturing processes. Apse estimates that by late 2014, it will have entered into industrial collaborations, leading to out-licensing of specific product applications and/or company acquisition.

www.apsellc.com



Arch Angels Investment: \$75,000

BACTERIOSCAN, INC.

BacterioScan has developed, patented, and clinically validated an instrument for rapidly quantifying bacterial infections in bodily fluids, and is initially targeting the rapid testing of urine to diagnose urinary tract infection (UTI). The company was founded in Israel and has relocated to St. Louis as it pursues commercialization and expansion of its product lines. During 2013, BacterioScan made major progress in the engineering and software development for its first diagnostic instrument. This instrument will be introduced to the international microbiology community in early 2014. At that time, the company will be gearing up for initial production and will be setting up international distribution channels. BacterioScan is working toward the formal market launch for its medical diagnostic instrument in May 2014.

www.bacterioscan.com



Arch Angels Investment: \$75,000

BENSON HILL BIOSYSTEMS

Benson Hill Biosystems is an agricultural biotechnology company focused on increasing intrinsic crop yield, principally by enhancing photosynthetic efficiency. The company employs a systems-based approach to trait discovery and development and has integrated into its pipeline numerous promising technologies from leading research institutions. In 2013, Benson Hill commenced internal research and development activities, which were enabled by the recruitment of a strong executive and operational team, as well as an exemplary board of directors and group of advisors. Additionally, the company closed a seed round of financing of more than \$1.1 million and was awarded two federal grants totaling \$450,000, each in its field of improving photosynthetic efficiency.

www.bensonhillbio.com



Arch Angels Investment: \$75,000

BONFYRE

Bonfyre is a social narrowcasting platform that allows people to form private social networks around events, experiences and groups, enabling them to privately share photos, coordinate plans and have real-time conversations. Unlike a noisy newsfeed, content is 100 percent relevant to both the creator and consumer. Launched at DEMO in October 2012, Bonfyre grew steadily in 2013, attracting new clients and investors. MKTG, a publicly traded events management company, led a \$1.7 million investment round in 2013 that has enabled Bonfyre to develop a web application, continue to enhance the mobile applications, add to a growing portfolio of corporate clients and grow revenue. Bonfyre expects to raise capital in 2014 to accelerate growth of both the technology and revenue opportunities.

www.bonfyreapp.com



Arch Angels Investment: \$535,000

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 experts, along with stellar perks, networking, and follow-on funding opportunities over the course of 12 weeks.



To date, Capital Innovators has invested in 29 high-growth technology startups and will fund an additional 10 companies over the next year. Collectively, the companies in the Capital Innovators portfolio have raised \$70 million, ranking Capital Innovators second among accelerators globally, and have created nearly 400 new jobs. Since the program began in September 2011, the value of the total portfolio has grown by 3.5 times.

www.capitalinnovators.com

Arch Angels Investment: \$1,175,000



CARDIALEN

Cardialen is developing a revolutionary implantable device therapy that will improve the lives of people suffering from Atrial Fibrillation (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. AF is the most common sustained cardiac arrhythmia encountered in clinical practice, costing more than \$26 billion and 80,000 lives per year in the U.S. alone.



In 2013, Cardialen successfully raised its Series A investment round, achieved five additional patent awards, and was published in the *Journal of the American College of Cardiology*. In 2014, the acute AF human research clinical will be executed.

www.cardialen.com

Arch Angels Investment: \$1,383,800

CLEARENT

Clearent is a payment processing company that was built to be different. The company combines leading-edge technology with a passion for service to help its 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 unrivaled graphical, web-based reporting. Clearent processes nearly \$6 billion in annual card volume and has twice been named to The INC 500/5000. Clearent is ranked by the *St. Louis Business Journal* as one of the fastest growing companies in the area.



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.



Cogno continues to grow its internationally syndicated puzzles for classrooms, now reaching over 450,000 children weekly, and has published eBook versions of its novels.

www.cogno.com

Arch Angels Investment: \$240,000

AS OF DECEMBER 31,
2013, THE ST. LOUIS
ARCH ANGELS NETWORK
HAS:

- 77 MEMBERS
- FUNDED 53 COMPANIES
- INVESTED OVER
\$40 MILLION

COOLFIRE SOLUTIONS

Coolfire Solutions (CFS) develops game-changing mobile solutions that integrate commercially available hardware, such as smartphones and tablets, with CFS-proprietary software and technology. CFS uses an award-winning UX design to simplify complex problems, delivering both a robust technical solution and a user-friendly interface that delights customers. Deep expertise in security, developed through working with the U.S. Military Special Forces, enables CFS to deliver highly secure and beautiful solutions. CFS has extensive experience and intellectual property in the defense, healthcare and satellite communications industries, as well as broad experience across numerous enterprise customers. Leveraging a traditional fee-for-service (FFS) model to fund an ever growing portfolio of products, CFS has developed several products that have achieved multi-million-dollar valuations in less than 12 months.

www.coolfire.com/solutions



Arch Angels Investment: \$133,265

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 formed a joint venture during 2013 with Dean Hendrickson, an Arch Angel member, and his partner Jim Zimmer to market its enzymes to the agricultural industry. Because of their relationships, and the performance of the enzymes, Elemental Enzymes has been in over 100 field trials for corn and soybeans with many of the major seed companies. The company expects to complete several major licensing deals with a select number of these companies in 2014. Elemental Enzymes expects to generate a significant amount of revenue in 2014.

www.elementalenzymes.com



Arch Angels Investment: \$170,000

ENDOSTIM

EndoStim has developed a novel treatment for severe Gastroesophageal Reflux Disease that delivers electrical stimulation via a customizable neurostimulator (similar to a pacemaker) to the Lower Esophageal Sphincter. In a long-term clinical trial, 96 percent of patients reported clinically significant improvement in daily symptoms, and significant improvement was also documented in objective physiological measures. EndoStim received CE Mark regulatory approval to commercialize its products in Europe and is leveraging the approval to commercialize in a number of countries worldwide. The company received initial reimbursement for a limited number of sites in Germany and Switzerland. EndoStim has received conditional approval from the FDA to proceed with a 100-patient, double-blind sham-controlled study.

www.endostim.com



Arch Angels Investment: \$1,635,131

EUCLISES PHARMACEUTICALS

Euclises is a biotechnology company discovering targeted oral drugs to treat late-stage colorectal and non-small cell lung cancer patients using a patient-selection approach. In 2013, the company secured and enhanced intellectual property with the filing of two world patents and the preparation of five provisional patent applications, and discovered novel Euclises pro-drug compounds that work after dosing orally to rodents. The company anticipates finalizing nearly \$1 million of seed round, Series A1 investments in early 2014, as well as establishing in vivo rodent efficacy for selected potential lead candidates in colon cancer and lung cancer xenograft models after oral administration. Euclises also expects to declare a lead drug candidate for IND enabling studies and clinical development.



Arch Angels Investment: \$690,000

GALERA THERAPEUTICS

Galera Therapeutics is focused on the development of drugs targeting oxygen metabolic pathways. The company's lead compounds are small molecule dismutase mimetics, which closely mimic the activity of the human superoxide dismutase enzymes. While the biology of the superoxide dismutase family suggests a broad range of potential applications, Galera is initially focusing its development on the prevention of radiation-induced toxicity, including mucositis, and the treatment of fibrosis and cancer. Following an \$11million Series A round led by NEA and Novartis Ventures, in 2013 Galera's lead dismutase mimetic candidate, GC4419, began a Phase 1b study in head and neck cancer patients undergoing chemoradiation therapy. This study is expected to be completed in 2014, leading the way for continued development in preventing mucositis and Phase 2 studies in one or more additional indications.

www.galeratx.com



Arch Angels Investment: \$556,000



GLOBAL VELOCITY

Based upon years of experience designing cybersecurity solutions for the U.S. Government defense and intelligence operations, Global Velocity (GV) has built its next-generation, cloud-based cybersecurity products from the ground up to leverage the massively scalable architecture of cloud-enabled systems. Global Velocity's Cloud Security Gateway™ provides protection across web, email and mobile Internet traffic to secure sensitive data and intellectual property both within and outside an organization's firewall.



GV is ramping up its sales and marketing efforts to promote the new products and anticipates 2014 revenue growth in both the commercial and federal markets.

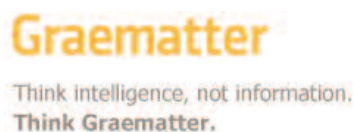
www.globalvelocity.com

Arch Angels Investment: \$579,219

GRAEMATTER, INC.

Graematter has developed the first Regulatory Intelligence System, a patented information analytics system with advanced search capabilities that consolidates information from a large array of FDA-related data sources into a single database. This system addresses a major unmet need experienced by regulatory staffs in medical device, pharmaceutical and other companies. FDA hurdles for new product approvals have increased significantly, and regulatory professionals must go through a laborious, complex research process to successfully develop the technical, medical, statistical and regulatory elements of a new product submission. It is exacerbated by the fact that this public information is scattered over more than 100 databases. The Graematter System launched in fourth quarter 2013.

www.graematter.com



Arch Angels Investment: \$90,000

HATCHBUCK

Hatchbuck (formerly Systematic Revenue) provides growing businesses with an easy-to-use and affordable sales and marketing software that automates their sales and marketing efforts overnight. With Hatchbuck, a business can send highly targeted marketing communications and monitor the activity of each contact. In May 2013, Systematic Revenue rebranded as Hatchbuck and launched a new version of its software. In December 2013, Hatchbuck closed on a \$1.5 million round of investment to further drive marketing and sales. In 2014, the company will continue to develop the Hatchbuck software and build a strong network of marketing agency partners, and it expects to grow its customer base by five times.

www.Hatchbuck.com



Arch Angels Investment: \$1,225,000

IN THE SPOTLIGHT

NEWSY.COM

THE ARCH ANGELS WERE AMONG THE EARLY INVESTORS IN MEDIA CONVERGENCE GROUP, NOW KNOWN AS NEWSY.COM, AND PROVIDED A TOTAL OF \$175,000 IN ANGEL FUNDS TO HELP FUEL THE COMPANY'S GROWTH. AFTER FIVE YEARS OF SUCCESSFULLY REACHING TENS OF MILLIONS OF VIEWERS THROUGH ITS DIGITAL NEWS PLATFORM AND GENERATING SUBSTANTIAL REVENUE, NEWSY WAS ACQUIRED BY MEDIA GIANT E.W. SCRIPPS IN 2013 FOR \$35 MILLION.

WWW.NEWSY.COM

ISLAND RADAR COMPANY

Island Radar Company has introduced a radar-based solution for detecting vehicles and trains at railroad crossings to maximize vehicle safety. The system is also used for detecting trains at track crossovers, where normal track circuits cannot be established.



Island Radar's disruptive technology provides cost, reliability, and safety improvements over prior methods. Four patents have been applied for, the first of which was granted in December 2013. Early adopter railroads include BNSF, Amtrak, and Norfolk Southern. The company expects to significantly expand its installations in 2014 and pursue integration partnerships with major railroad equipment suppliers. Conservative market penetration over six years will yield revenues exceeding \$30 million and net earnings of \$9 million.

www.islandradar.com

Arch Angels Investment: \$125,000

IVDIAGNOSTICS

IVDiagnostics is a biotech company focused on the delivery of real-time, non-invasive systems for monitoring diseases such as metastatic cancer. The IVD CTC assay has been used clinically to determine the effectiveness of treatment in cancer patients, and the next generation of the IVDxTx platform will optically scan tagged cells without taking blood. Another application the company is developing may soon be used to monitor glucose cells in vivo in the same manner - without taking blood. IVDiagnostics won the Olin Cup in 2011 for its life science business plan.



www.ivdiagnostics.com

Arch Angels Investment: \$117,400

KATALYST SURGICAL, LLC

Katalyst Surgical is a designer, manufacturer and distributor of ophthalmic surgical instruments and devices. In 2013, Katalyst achieved revenues of over \$2 million, filed 31 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 disposable Posterior Ophthalmic surgical instruments expanded dramatically during 2013. In 2014, Katalyst is introducing a line of fiber optic illuminators that will be more cost-effective than the competition. In 2012, Katalyst formed a strategic relationship with a highly respected Swiss-based manufacturing/distribution partner. 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, with distribution set for late 2014.



www.katalystsurgical.com

Arch Angels Investment: \$140,000

KINGDOM SCENE

Kingdom Scene has launched the Lightgliders virtual world for kids ages 7 to 13. A website filled with innovative gameplay, adventures and activities for

reflection, Lightgliders was strategically designed to encourage teachable moments between kids and those who care about them in a fun, culturally relevant and global manner. Families choose the setting that is best for their kids - gameplay only, character and values, or biblical faith and values. Kids create characters, go on quests, connect with parents and mentors, and reflect in their customizable journals. The company raised \$1.6 million in 2013, bringing total angel investments to \$3.3 million. While it's free to sign up for Lightgliders, the virtual world utilizes a subscription-based model for increased features and functionality. It is currently live in the United Kingdom and is set to launch in the United States in late 2014.

www.kingdomscene.com

www.lightgliders.com



Arch Angels Investment: \$18,000

KOAGENT

Kogent is a company focused on the design, manufacturing and worldwide sale of neurosurgery instruments,

devices and equipment. The company's first high-volume product, single-use and truly "non-stick" bipolar forceps used to coagulate and seal bleeders during skull base surgery, received FDA 510k approval in 2013. Kogent's first piece of capital equipment, an RF Generator, should receive FDA 510k approval in spring of 2014. The second piece of capital equipment, an Ultrasonic Aspirator, should receive FDA 510k approval by early 2015. The performance of these devices in initial testing shows Kogent's designs are solid. When they hit the market, they will become the new "Gold Standards" for the intended procedures.

www.kogentneuro.com



Arch Angels Investment: \$81,000

KYPHA

Kypha is a medical diagnostics company developing clinically useful products to improve the way autoimmune and inflammatory disorders are monitored and treated. In 2013, the company continued advancing its rapid point-of-care diagnostics platform, COMP ACT™, toward regulatory clearance and market launch. Product development was nearly completed, and transfer of manufacturing was initiated for the COMP ACT tests and portable reader in support of FDA-enabling studies and 510(k) submissions in 2014. Clinical development efforts led to three new lupus studies and three neuro ICU studies. The go-to-market team and commercial plan was enhanced with a professional market analysis and the addition of diagnostic industry expertise, positioning Kypha for a focused product launch in 2014.

www.kypha.net



Arch Angels Investment: \$180,000

LOCKERDOME

LockerDome is a social media platform built around what you like, as opposed to who you know. More than 20 million people per month use LockerDome to consume content and interact with like-minded people around their favorite sports interests. Thousands of the top publishers in the world, from Defy Media to *The Telegraph*, use LockerDome to activate and engage their digital audience. This list includes media properties, brands, celebrities, professional sports teams and many others. In 2013, LockerDome doubled the company's headcount, opened an office in New York City and raised a Series A round of financing with 20 percent more capital invested than targeted, at a post-money valuation that was 50 percent higher than the high-end of its target range. LockerDome also increased traffic by over four times and launched "LockerDome 3.0," a complete re-write of its entire platform, positioning the company as the leader in the interest-based social media arena.

www.lockerdome.com

lockerdom
Your sports life



Arch Angels Investment: \$2,276,404

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. Exclusive collections can also be found through several brands, including Soft Surroundings, Cintas and Bra Smyth. The company continues to partner with department stores, specialty chains and catalog retailers to design and manufacture private label and branded swimwear, active wear and dresses. Rooted in technology and fashion, Lori 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

Lori Coulter
made-to-order swimwear

Arch Angels Investment: \$360,000



IN THE SPOTLIGHT

GAINSIGHT

RECIPIENT OF \$685,000 IN ARCH ANGELS FUNDING, GAINSIGHT INC. (FORMALLY JBARA SOFTWARE) HAD A TRANSFORMATIONAL YEAR IN 2013. WHILE THE IDEA BEHIND ITS CUSTOMER SUCCESS MANAGEMENT (CSM) PRODUCT REMAINS THE SAME, THE SOFTWARE CONTINUES TO EVOLVE, AND THE SELLING PRICE CONTINUES TO INCREASE. MILESTONES INCLUDED A LIQUIDITY EVENT AS THE COMPANY COMPLETED A CAPITAL RAISE OF \$29 MILLION, AND EMPLOYMENT CONTINUED TO GROW. FORBES MAGAZINE RECENTLY NAMED GAINSIGHT AS THE 63RD MOST PROMISING COMPANY IN AMERICA.

WWW.GAINSIGHT.COM

MOBIUS THERAPEUTICS

Mobius Therapeutics is a commercial-stage company that is venture focused on ophthalmic surgery solutions. Its first product, Mitosol®, is a system for delivering antifibrotic agents in glaucoma, refractive and corneal surgery. The glaucoma indication is in active commercialization; the pterygium and refractive indications are awaiting approval by the Food and Drug Administration. In 2013, Mobius closed a Preferred Series "C" offering that was led by Cultivation Capital and received pass-through reimbursement for Mitosol at 106 percent of the ASP with assurance of continuation until 2016. The company also filed two new U.S. patents and two new Japanese patents and achieved increased revenues and improved brand equity. In 2014, Mobius will continue to invest in its sales force and clinical support staff and improve its supply chain to optimize packaging, reduce manufactured cost, and improve gross margins. The company will also initiate a clinical trial for refractive surgery indication.

www.MobiusTherapeutics.com



Arch Angels Investment: \$600,000

MOLECULERA

Moleculera Labs is a fully-accredited CLIA/COLA clinical laboratory that performs proprietary testing to identify children with PANDAS/PANS, a treatable neurologic condition associated with OCD, motor tics, and sometimes Autism Spectrum Disorder. Currently, no other tests are available to identify this condition. These children suffer from an auto-immune condition triggered by an infection, often strep. Children who are identified and treated with anti-infective and immune modulators have experienced remission of symptoms. Moleculera's clinical laboratory began operations in April 2013 and has received approximately 1,000 requests for testing from over 200 different physicians in the U.S. and overseas. The company provides these services under an exclusive technology license from the University of Oklahoma.

www.moleculera.com



moleculera labs

Arch Angels Investment: \$160,000

NAWGAN PRODUCTS, LLC

Nawgan Products, LLC is a health and wellness beverage company founded by Dr. Rob Paul, a Professor of Psychology at the University of Missouri- St. Louis. The company launched its first beverage, Nawgan, in 2009 in St. Louis, and it is currently sold in each consumer channel in the St. Louis region. The company obtained strategic funding from Kirin Holdings to support expanded distribution and sales of Nawgan and to further develop the product portfolio. In 2014, the company will launch a second product to capture a broader population of consumers.

www.nawgan.com



Arch Angels Investment: \$173,000

NEUROLUTIONS

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 is a unique rehabilitation device that directly connects intention to move, detected from the brain by an EEG (electroencephalography) headset, with hand movement, executed by a wearable robotic hand exoskeleton. The company is currently conducting a clinical trial at Washington University to demonstrate improved hand function from rehabilitation with the IpsiHand.

www.neurolutions.com



Arch Angels Investment: \$100,000

NEWLEAF SYMBIOTICS

In early January 2013, TrophoMax received Series A funding totaling \$7 million. Upon funding, the company was renamed NewLeaf Symbiotics and established its research lab in the Bio-Research and Development Growth (BRDG) Park next to the Danforth Science Center in St. Louis. During 2013, NewLeaf built its core R&D team and conducted research, laboratory tests and field trials primarily on corn, soy and lettuce using PPFMs, naturally occurring beneficial bacteria found on all plants. The company also filed patents on the discoveries it had made. In December 2013, NewLeaf announced the acquisition of Intuitive Genomics, a St. Louis- based bioinformatics company.



In 2014, NewLeaf will be tripling its laboratory space at BRDG Park and continuing to build out the team. The company will be raising its series B funding in Quarter 2 of 2014 and intends to use the proceeds to continue its R&D and field trials using PPFMs and focus on developing a product line suitable for commercialization.

www.newleafsym.com

Arch Angels Investment: \$100,000



PIXEL PRESS

Pixel Press is a technology platform that enables anyone to create and share their interactive ideas - without learning to write code - using a proprietary visual symbolic language. The company's first product, Floors, is a unique mobile app that allows players of all ages to design their own video game levels. With just paper and pencil, players can create a level that can be played and shared with friends next door, or around the world. With Floors and future game titles, Pixel Press will bring players closer to creating interactive gameplay content than ever before by providing tools that spark their imagination.



Pixel Press started in 2013 on the success of a Kickstarter campaign, raising over \$100,000 and has since raised an additional \$305,000. Pixel Press will release Floors in spring 2014.

www.projectpixelpress.com

Arch Angels Investment: \$100,000

PULSE THERAPEUTICS

Pulse Therapeutics has developed a platform medical technology with a wealth of potential applications. The company's first focus will be to tackle Acute Ischemic Stroke (AIS) by significantly increasing the effectiveness of the clot-busting drug t-PA. In 2013, Pulse Therapeutics concluded a first-in-human feasibility study in Australia on seven patients with very positive efficacy outcomes. The outcomes validated the early pre-clinical animal studies, which demonstrated that intravenously administered iron particles, controlled by a compact external rotating magnet, substantially accelerates blood diffusion. During 2014, the company will focus on preparing for its first interaction with the Food & Drug Administration and begin the process of preparing for an eventual clinical trial and approval to market the device. In addition, the company received its third granted patent with a fourth soon to follow. Finally, the company has brought on Sean Morris, an experienced early stage medical device executive, as its Chief Executive.



www.pulsetherapeutics.com

Arch Angels Investment: \$825,000

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.

RADIALOGICA

Radialogica is a healthcare IT company focused on radiation oncology for cancer patients. Its fullAccess software platform was cleared by the FDA in 2010 and features automation tools to streamline clinical workflow, communication tools that facilitate coordination and collaboration across the oncology care team, and evidence-based decision support to ensure quality and consistency of care. In 2013, Radialogica continued to expand its customer base, generating an increase in bookings of more than three times the levels seen in 2011 and 2012, and entered into a strategic distribution agreement with Philips Healthcare. The company also directed significant focus on opportunities to apply its analytics and decision-support tools to strategic markets outside of the clinic, with an emphasis on quality benchmarking solutions for healthcare payers and large integrated delivery networks.

www.radialogica.com



Arch Angels Investment: \$500,000

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 has begun clinical trial for its UTI vaccine and will begin marketing the program later in the year. It has optimized its lung cancer compound to a point that it appears to be superior to the taxanes, the most widely prescribed drug class for solid tumors. After large animal toxicity studies in the spring, Sequoia will begin marketing the cancer program for sale this summer.

www.sequoiasciences.com



Arch Angels Investment: \$6,717,000

SIXTHIRTY

SixThirty is a St. Louis-based financial technology accelerator program. The company provides fintech startups with \$100K in funding, mentors and connections to the top financial services companies in the country. SixThirty invests in eight startup companies each year - four in the fall and four in the spring. Those companies that are selected to take part in this intensive accelerator program will receive hands-on training and networking opportunities with the top financial services companies in the country. SixThirty represents both the height and width of the Gateway Arch measured in feet and was selected as the name of the accelerator to highlight the strength of St. Louis' financial services sector.

www.sixthirty.co



Arch Angels Investment: \$300,000

SYNERZ MEDICAL, INC.

SynerZ Medical, Inc. is a medical device company focused on the treatment of obesity and type 2 diabetes. SynerZ is developing a unique approach to addressing this disease through the use of its proprietary, stent-like device, Aegis™. Aegis is being designed to take advantage of the clinically proven principles and actions of Roux-en-Y gastric bypass surgery and, as currently conceived, would be implanted and removed under conscious sedation via a minimally invasive endoscope. Aegis intends to offer patients (both clinically obese and overweight), specialists and payers a comparably effective, simpler, safer, less-invasive and less morbid alternative to current bariatric surgical procedures and existing single-action devices, while also significantly reducing costs.



Arch Angels Investment: \$25,000

TRAXSSON

Traxsson is developing cancer diagnostic technologies, initially for prostate and kidney cancer and, subsequently, a broad-cancer screening test for multiple cancers. The global revenue potential for the prostate cancer diagnostic is \$1 billion and for the kidney cancer diagnostic, it is \$300 million. Traxsson's prostate cancer diagnostic is a serum test used to differentiate between aggressive and indolent cancer. There is a significant unmet need among patients, clinicians and payers for this type of test. Currently there is no test for kidney cancer. Traxsson is developing the first kidney cancer test that can detect early-stage kidney cancer with high accuracy. To accelerate commercialization, Traxsson will offer both the kidney and prostate cancer tests as CLIA Laboratory Developed Tests.

www.traxsson.com



Arch Angels Investment: \$270,000



TUNESPEAK

Tunespeak is a loyalty platform for musicians. The company's mission is to help bands and artists engage and grow their fan bases. Tunespeak launched in January 2013, raised \$500,000 (led by Cultivation Capital) and ran over 800 campaigns with more than 150 artists, including Kings of Leon, John Mayer, My Morning Jacket, Darius Rucker, Matisyahu and the Zac Brown Band. Tunespeak has had hundreds of thousands of unique visitors with an average time-on-site of approximately nine minutes. Tunespeak is already in discussions with major international brands about advertising.

www.tunespeak.com



Arch Angels Investment: \$275,000

VENITI

Veniti is a medical device company that is strategically focused on the management and treatment of venous insufficiency. The company was very busy in 2013. It became ISO 13485 certified for R&D, manufacturing, and distribution in both its St. Louis and California facilities; implanted its first vena cava filter in humans; received CE marking for its steam ablation and venous stent systems and closed \$11 million in series B funding. In 2014, the company will commercialize its venous stent in Europe, and initiate its venous stent and vena cava filter IDE clinical trials at sites in the U.S. and outside the U.S.

www.venitimedical.com



Arch Angels Investment: \$320,000

UPDATE ON OTHER COMPANIES IN WHICH THE ARCH ANGELS NETWORK HAS INVESTED:

Cervimark ceased operations in 2009

Divergence was acquired by Monsanto in 2011

Edunn Biotechnology ceased operations in 2013

Gainsight, formerly JBara, had a liquidity event in 2013

GameRail ceased operations in 2008

Gridlogix was acquired by Johnson Controls in 2009

LangLearner suspended operations in 2013

Media Convergence Group, Inc. (Newsy.com) was acquired by E.W. Scripps in 2013

Somark was acquired by Two Oceans Pty Ltd. in 2013

TeraVista Systems ceased operations in 2011

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

TO LEARN MORE ABOUT
THE ST. LOUIS ARCH
ANGELS:

■ VISIT US ONLINE AT:
STLOUISARCHANGELS.COM

■ EMAIL:
[CWALSH@
STLREGIONALCHAMBER.COM](mailto:CWALSH@STLREGIONALCHAMBER.COM)

■ CALL:
314-444-1151

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.

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.

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.



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