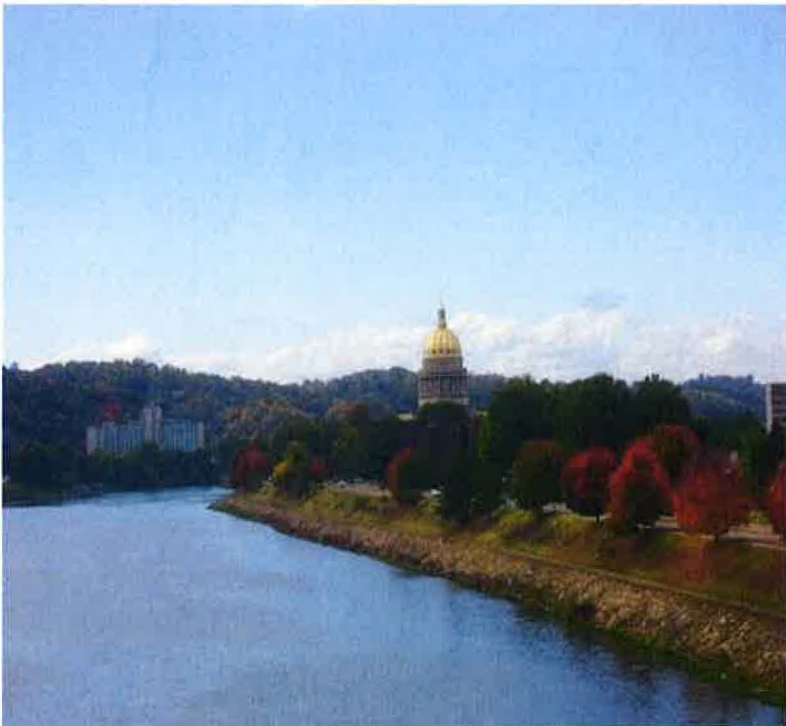




WV JOBS INVESTMENT TRUST BOARD ANNUAL INVESTMENT ANALYSES JUNE 30, 2018



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Message from WVJIT Executive Director

To our WVJIT Board of Directors and State Legislators:

Since our inception in 1992, the WV Jobs Investment Trust Board (WVJIT) has played an instrumental role in our state's economic development. WVJIT was created to develop, promote and expand our state's economy by direct investment in West Virginia's enterprises to create jobs, sustain growth, and provide new opportunities. Our investments touch major sectors within this state's economy such as manufacturing and energy yet we have also been able to invest in emerging sectors that will play a role for our state's future growth such as healthcare, biotechnology, software and education.

As of June 2018, WVJIT has invested over \$11 million dollars across 19 companies in a broad array of industry sectors such as information and financial technology, healthcare, manufacturing, life sciences, educational services, to name a few. Total equity investment and loans provided are \$6.1 million dollars and \$5.3 million dollars, respectively. A total of 329 jobs have been supported from the WVJIT investments which equates to \$34,677 of WVJIT investment for each job supported. State-backed Venture Capital programs have a proven record of providing not only significant financial returns but also high quality, sustainable job creation. The WVJIT, with the support of a dedicated staff and Board of Directors, has developed a proven model, has been recognized nationally for the management of the SSBCI program, and is a significant contributor to the State's economic development efforts.

The upcoming year continues to be challenging for WVJIT as the Fund seeks to raise new sources of capital as well as leading the effort to build a robust business ecosystem. While we are aware of the challenges that lay ahead, I could not be prouder of our accomplishments this past year and could not be more optimistic for our state's economic future. On behalf of the WVJIT staff, I thank you for your assistance and continued support in us to fulfill our economic and entrepreneurial mission to this great state.

Yours Truly,

Andrew Zulauf,
Executive Director

Methodology of Current Evaluation of the Investment

Factors that may be considered in the evaluation of investments in equity and debt securities of startup companies and other securities for which market quotations are not readily available are:

- the amount that might reasonably be expected to be received upon current sale of the securities;
- the fundamental analytical data relating to the investment;
- the nature and duration of restrictions on disposition of the securities;
- an evaluation of the forces that influence the market in which these securities are purchased and sold;
- type of security;
- cost at date of purchase;
- size of holding;
- discount from market value of unrestricted securities of the same class at the time of purchase;
- financial statements;
- special reports prepared by analysts;
- information as to any transactions or offers with respect to the security;
- existence of merger proposals or tender offers affecting the securities;
- price and extent of public trading in similar securities of the issuer or comparable companies;
- the nature of the business and history of the enterprise from its inception;
- the general economic outlook and the condition of and outlook for the specific industry;
- an evaluation of the securities and economic condition of the portfolio company;
- the portfolio company's capacity for earnings;
- the portfolio company's market position;
- competition;
- the portfolio company's goodwill and other intangible values;
- recent sales of securities by the portfolio company;
- market prices of publicly traded securities of corporations of comparable size and earnings in the, or similar lines of, business;
- likelihood of exercise of conversion privileges of convertible securities;
- actual performance compared to expected performance; and
- other relevant matters.

The American Institute of Certified Public Accountants (AICPA) Audit and Accounting Guide, *Audits of Investment Companies*, requires venture capital companies to record their investment portfolios at quoted market prices or, in the absence of quoted prices, at amounts representing estimates of fair value using methods determined in good faith by the board of directors or general partner.

Financial Accounting Standards Board (FASB) Statement No. 114, *Accounting by Creditors for Impairment of a Loan*, excludes all companies that record investments at fair value, in accordance with specialized practice, from the requirements to report loan loss contingencies. In any event, the FASB requires that loan loss provisions be accrued only when it is *probable* that an asset has been impaired and that the amount of the loss be *reasonably* estimable.

The AICPA Investment Companies Special Committee states in its report, *Accounting for Venture Capital Investment Companies*, that "Startup companies generally do not have a record of earnings or operating information. Startup and other early-stage companies generally report losses in the early years, and portfolio companies seeking second-stage financing may not yet be showing profits. An operating loss reported by a portfolio company does not necessarily mean that the venture capital investment company should reduce the carrying amount of its investment. In determining value, the board of directors should also consider such factors as the cost of the investment, actual performance compared to expected performance, and earning potential."

The Investment Companies Special Committee believes that investments in startup companies should be presented at value. Value is usually assumed to be the same as cost during the early stages of such investments unless there is persuasive evidence of a quantifiable increase or decrease in the value of the investment based on consideration of such factors as those discussed above.

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Snapshot:

Company: **Aither Chemicals, LLC**
Website: aitherchem.com
Location: South Charleston, WV
Total Employees: FT/0; PT/0
WV Employees: FT/0; PT/0

WVJIT Investment: \$550,000
WVJIT Loan reserve: \$500,000
WVJIT Ownership: 17.56%
Subject to GASB 62: NO

Background

The genesis of Aither Chemicals began in 2010 as an effort by the Mid-Atlantic Technology, Research & Innovation Center (MATRIC) to evaluate the utilization of unique, demonstrated technologies to create value added chemicals from ethane. Throughout 2010, MATRIC's team of highly experienced technical and management staff worked to evaluate the opportunity created by tremendous supplies of ethane coming from the wet natural gas in shale plays. As a result of this valuation and additional technical work, Aither was officially formed in 2010 by MATRIC. Aither Chemicals technology is based upon a proven, proprietary, patent-pending chemical process that converts a natural gas feedstock (ethane) into higher value chemical products (petrochemicals) in a cost-effective manner. Aither's manufacturing process is the lowest cost production method to make petrochemicals. Using Aither's proprietary process, their facilities have advantages over traditional ethane cracking technologies.

WVJIT Investment History

July 2011:

\$250,000 Convertible Debenture; 10% Interest; Maturity Date of June 26, 2014
Loan put on non-accrual, 100% reserved against outstanding principal

June 2012:

\$300,000 Convertible Debenture; 10% Interest; Maturity date of June 26, 2014

December 2014:

MAH granted 1,756,325 shares to WVJIT – resulting in 17.56% ownership

WVJIT FY2018 Revenue: \$0

Total WVJIT Investment:

\$550,000 (\$300,000 funded through WVCAP)

Warrant Coverage:

100% coverage @ 20% discount expiring June 2019

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June 2012:

100% warrant coverage into Preferred A Units, 7-year term, strike price at a 20% discount of the Series A Preferred price.

Co-Investors/Lenders:

INNOVA

MAH

Board of Directors

Patrick Bond, Mid-Atlantic Holding

Pat Bond brings a wealth of experience in finance, administration, strategic planning, general management and management information systems. Previously, Mr. Bond owned/operated an independent consulting practice, Growth Management Group, that specialized in the areas of business environment assessments, new product development, investment and financial analysis, and strategic planning.

C. Andrew Zulauf, Executive Director, WV Jobs Investment Trust

Andy Zulauf has extensive experience in finance and venture capital, having served as Executive Director and Senior Loan Officer for the West Virginia Capital Corporation, as a Partner and Managing Director of West Virginia operations for Adena Ventures, and as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank.

Guy Peduto, INNOVA Commercialization Group

Guy Peduto joined the INNOVA Commercialization Group in April 2006. Prior to joining INNOVA, he held the position of Director of Commercial Programs at the Institute for Scientific Research, Inc. While there, he developed strategies for the commercial utilization of ISR's technology and research applications in such areas as biomedical research, education, software development, mining safety and communication, VTOL aerial vehicles, and automotive controls and diagnostics.

Products

Aither Chemicals technology is based upon a proven, proprietary, patented chemical process that converts a natural gas feedstock (ethane) into higher value chemical products (petrochemicals) in a cost-effective manner. Aither's manufacturing process is the lowest cost production method to make petrochemicals. Using Aither's proprietary process, their facilities will have the following advantages over traditional ethane cracking technologies:

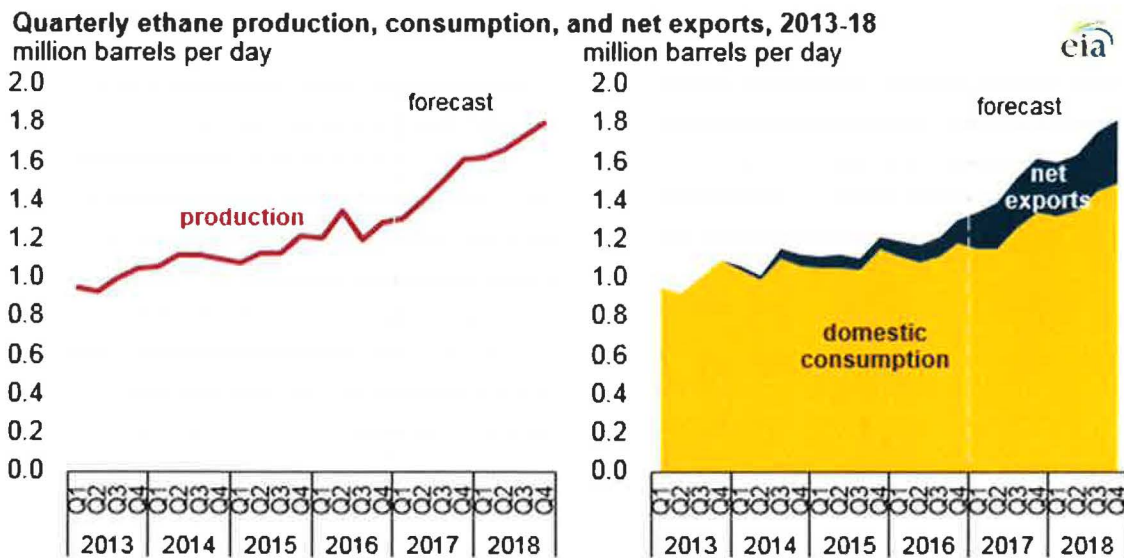
1. Lower capital cost
 2. Lower operating cost
 3. Shorter time to commercial operations
 4. Lower energy input
 5. Lower CO2 output
 6. Smaller plant footprint
 7. Simpler process to product higher-value products
-

Market/Industry Summary

Ethane, a feedstock used by the petrochemical industry, is not set to run out anytime soon in the United States. As long as the oil and gas industry keep humming along, ethane should be plentiful. But where the shortfall lies is in the petrochemical makers not adding capacity fast enough. The shale boom has impacted the U.S. output. In early 2008, the U.S. industry produced a little more than 5 million barrels of oil per day. Late 2017, the U.S. was producing more than 10 million barrels. Over the same 10-year period, U.S. natural gas production was up 40%.

Output of ethane also has risen. The U.S. produced about 750,000 barrels of ethane per day in 2008 and by the end of 2017 the U.S. produced nearly 1.4 million barrels per day. The response to this was new crackers from Dow Chemical and Mexichem that added a combined 2 million metric tons of ethylene capacity. Two large crackers from ExxonMobil and Chevron Phillips Chemical, which combine for 3 million metric tons, are currently in construction. Five more projects will add more than 5 million metric tons by 2020.

On the export side, the U.S. exports more than 245,000 barrels per day. This would support about 4 million metric tons of annual ethylene capacity. This equates to “almost three crackers’ worth of ethane being exported from the U.S.” states Debnil Chowdhury, executive director of the North American NGLs.



Storage

Steve Hedrick, CEO of Appalachia Development Group and MATRIC wants to see more of the ethane stay in Appalachia. ADG is promoting a storage and trading hub for ethane, propane and ethylene. It would help the region establish infrastructure similar to the Gulf Coast’s. The American Chemistry Council stated a hub of this kind could catalyze \$36 billion in investment and 100,000 jobs in the region. Hedrick firmly believes the region could support four or five crackers. “The need for us to utilize locally and therefore create the greatest value out of raw materials in Appalachia is what drives us, otherwise, we limit ourselves to an extraction-based economy only”, states Hedrick.

With a \$3.4 billion investment, backers of the project believe crackers can be attracted to the area. The Department of Energy is reviewing a \$1.9 billion loan guarantee which would leave the outstanding need from investors at \$1.5 billion.





Map depicting Unconventional Shale Plays in the Northeast

This map above depicts the shale plays in the Northeast and their proximity to potential cracker projects.

Significant Events

June 2018: Continuing to work with INNOVA and the scientific team at Aither to sell/license the IP and/or develop other monetization strategies.

September 2017: Aither Chemicals was formally issued the below referenced patent.

June 2017: Aither Chemicals receives notice the official Patent award for its application of “Methods for Integrated Natural Gas Purification and Products Produced” would be issued under USP Number 9,676,695. This patent is only for the U.S. The Company is working to expand the patent to include all of North America.

June 2016: WVJIT and INNOVA work with the IP attorney on outstanding filing issues. Additionally, a consultant reviewed the technology to determine the next steps for the Company.

June 2016: Shell announces its plan to move forward with building a cracker plant in Pennsylvania.

May 2015: MATRIC COO, Greg Clutter, resigns from Aither Board.

January 2015: MAH Holdings received a request from INNOVA and WVJIT for information pertaining to the due diligence process for the evaluation conducted by a new investor.

December 2014: MAH grants 1,756,325 shares to WVJIT. The shares represent 17.56% ownership in Aither.

September 2014: RMG offers to divest its stake in Aither to WVJIT and INNOVA.

June 2014: Aither board of directors submit a draft agreement to a regional energy holding company for a potential investment into the Company.

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March 2014: Aither Chemicals meets with a Taiwanese Petrochemical Company looking to negotiate a joint venture/M&A for rights to the catalyst for their cracker plant.

October 2013: A mutual confidentiality agreement was signed by a regional energy holding company and the Aither board of directors and management team for a potential interest in the Company.

September 2013: WVJIT recommends to its board of directors to reserve 100% of the outstanding principal balance on the existing debentures (\$250,000 and \$300,000) and put the loan on non-accrual. The recommendation was approved.

August 2013: MATRIC and Aither Chemicals put together a plan for a small production plant located at the technology park. The budget for the project was \$2.5M; \$1.56M for the commercial tube, \$350K for the catalyst, \$210K for IP, and another \$200+ in soft costs. WVJIT prepared a \$2.5M term sheet for the Company under the condition that the first domestic plant is built in WV. The Aither board voted to pass on the financing proposal.

May 2013: Aither Chemicals submits a grant application to Tech Connect WV in partnership with the Chemical Alliance Zone for a preliminary study for a potential small-scale plant in the Kanawha Valley.

Overall Conclusion

WVJIT continues to work with the scientific team at MATRIC\Aither Chemicals to develop a strategy to either sell the intellectual property/patent that was recently issued to the company or license the technology under a royalty agreement. WVJIT is cautiously optimistic that given the recent improvement in market conditions for the natural gas industry (prices have increased over the past year which has resulted in more drilling and transportation activities), the Aither technology would be more attractive and economical to potential acquirers of the IP/patent.

Based on the foregoing, the WV Jobs Investment Trust Board finds it most appropriate to record its investment in Aither Chemicals, LLC at value, which is currently presumed to be **\$0.00**, due to a 100% reserve against the loan.



Snapshot:

Company: **American Benefit Corp.**
Website: abcwv.com
Location: Ona, WV
Total Employees: FT/75; PT/0
WV Employees: FT/58; PT/0

WVJIT Investment: \$699,650
WVJIT Ownership: 12.47%
Subject to GASB62: NO

Leadership

C. Ryan Jones, Chief Executive Officer
Jim Kirk, Chief Information Officer
Kimberly A. Wood, Chief Administration Officer

Background

American Benefit Corporation has been in existence for over 60 years having been formed in 1948 as the Raymond Hage Company and was renamed American Benefit Corporation (ABC) in 1976. The Company specializes in managing health plans for hard working Americans and provides best-in-class service to teamsters, plumbers, pipefitters, steel workers, carpenters, electrical workers, operating engineers, miners and laborers, among others. Following a succession of owner-operators, the Company was purchased by Charles W. (Bill) Eastwood, Jr. in 2007. ABC is the only third-party administrator (TPA) in West Virginia that handles Taft Hartley plans. Its principal offices are located in Ona, WV and Charleston, WV with satellite offices in Cincinnati, OH and Chicago, IL. ABC has developed relationships that provide competitive advantages, specifically being able to offer discounts on medical procedures through a relationship with Anthem Blue Cross and Blue Shield. The Company has also established additional advantages such as state of the art information management, wellness program offerings, and consumer-driven healthcare.

WVJIT Investment History

December 2009:

699,650 Series A Preferred Unit Investment
8% Cumulative Monthly Dividend
825 Shares

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Warrants:

<u>Company</u>	<u>Date Iss.</u>	<u>Equity Inv.</u>	<u>Debt Inv.</u>	<u>Coverage %</u>	<u>Type</u>	<u>Term (Yrs)</u>	<u>Exp. Date</u>	<u># Warrants</u>	<u>Cost to Exercise</u>
ABC	Feb - 10	\$700K	-	10%	Pref. A	7	Feb 24	70K	\$63K
ABC	Aug - 11	-	\$100K	10%	Pref. A	7	Aug 18	10K	\$9K

Dividends Received FY2018: \$23,564.79

Co-Investors/Lenders: Fifth Third Bank

Management Team

Charles W. Eastwood, Board of Directors Chairman

With more than 25 years of experience in the sales and service of employee benefit programs, Charles Eastwood was appointed as American Benefit Corporation's CEO in 2007. Over his considerable career, he has performed a variety of roles at such notable companies as Prudential and John Hancock Insurance. Mr. Eastwood served 13 years with Blue Cross and Blue Shield of West Virginia prior to becoming a National Account Executive with Cigna. Mr. Eastwood holds a Bachelor's degree in Political Theory and Philosophy from West Virginia State University.

C. Ryan Jones, Chief Executive Officer

Ryan Jones joined American Benefit Corporation in 2007. Mr. Jones is a CPA who has an extensive background in public practice including a regional firm that concentrated its practice in the healthcare field. Mr. Jones works closely with the IT and Sales departments to achieve the financial goals of the organization. Mr. Jones holds a Bachelor's degree in Business Administration with a concentration in Accounting from West Virginia State University.

Jim Kirk, Chief Information Officer

Mr. Kirk joined American Benefit in 2008 after spending 20 years with Dow Chemical Company as their International Infrastructure Architect. Mr. Kirk is responsible for the design and implementation of information systems and operations. Mr. Kirk earned his Associate's degree in Chemical Technology from West Virginia State University in 1990 and his Bachelor of Science in Business Information Systems from Bellevue University in 1999. Mr. Kirk also holds a MCSE and numerous other certifications.

Kimberly A. Wood, Chief Operations Officer

Ms. Wood joined American Benefit Corporation in 1998 as Assistant Actuary and was named Director of the Actuarial Department in 2005. She now serves the company as an actuary and consultant. She has extensive experience in working with both health and pension funds including administration, plan design, benefit studies, and federal compliance. Ms. Wood's holds a Bachelor of Arts and Master of Arts degrees in Mathematics from Marshall University. She earned the designation of Enrolled Actuary in 2009.

Board of Directors

Charles W. Eastwood, Board of Directors Chairman

With more than 25 years of experience in the sales and service of employee benefit programs, Charles Eastwood was appointed as American Benefit Corporation's CEO in 2007. (See **Management Team**)

C. Ryan Jones, Chief Executive Officer

Ryan Jones joined American Benefit Corporation in 2007. Mr. Jones is a CPA who has an extensive background in public practice including a regional firm that concentrated its practice in the healthcare field. (See **Management Team**)

C. Andrew Zulauf, Executive Director, West Virginia Jobs Investment Trust

Andy Zulauf has extensive experience in finance and venture capital having served as Executive Director and Senior Loan Officer for the West Virginia Capital Corporation as a Partner and Managing Director of West Virginia operations for Adena Ventures, and as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank. Mr. Zulauf is a graduate of Marshall University and the University of Charleston's Executive MBA program.

Products

American Benefit Corporation provides intelligent planning and management on employee health plans. ABC also provides administrative support to ensure efficiency in the life of the benefit plan. Other services include:

1. Benefit plan design assistance
2. Medical, dental and vision claim processing and adjudication
3. Pharmacy Benefits Manager evaluation, implementation and integration
4. COBRA/HIPAA administration
5. Consumer Directed Health Plans:
 - FSA
 - HRA
 - HAS
 - VEBA
6. Comprehensive care management suite of services
7. Network analysis and optimization
8. Claims re-pricing
9. Disability/loss of time processing
10. Coordination of benefits, including Medicare Part D
11. Claim Subrogation



Over the past year, the Company has not introduced any new products or services into the market.

Competition/Market Summary

Aetna

Founded in 1853 in Hartford, CT, Aetna is committed to providing individuals, employers, health care professionals, producers and others with innovative benefits, products and services. Aetna is one of the largest healthcare benefit providers in the country and is constantly growing with many M&A's over recent years. Their latest acquisition, Humana, is an example of their continued desire to grow. In 2013, Aetna acquired Coventry Health Care, Inc., making the combined organization the third-largest health care benefits company in America, based on membership. Aetna was number 43 on the list of the Fortune 500 companies with total revenue exceeding \$60.5 billion and net income per common share was \$5.68 at year-end of 2017. Net income decreased 16% from 2016 to 2017 while total revenue decreased by 4%.

Benefit Assistance Corporation (BAC)

Established in 1992 in Hurricane, WV, BAC has become one of the largest independent regional TPAs servicing the eastern United States. Their client base ranges from 50 to 3,000 employees and the company prides itself for not being tied to the large "national" claim paying systems, and thereby having the flexibility to customize the claims processing service.

Blue Cross Blue Shield

The Blue Cross Blue Shield Association (BCBSA) is a federation of 36 separate health insurance organizations and companies in the United States. Combined, they directly or indirectly provide health insurance to over 106 million Americans. The company is headquartered in Chicago, IL.

Cigna

Cigna is a global health services company providing health care plans as well as administrative services. In addition, Cigna has an expanding international footprint in the health services arena. The company is headquartered in Philadelphia, Pennsylvania. Cigna services 95 million customers around the world and more than 40,000 employees worldwide. Cigna currently has \$41.6 billion in revenues, \$61.8 billion in assets and \$13.7 billion in shareholders equity.

Industry Summary

In 2018, quality, outcomes, and value are the watchwords for health care in the 21st century. Sector stakeholders around the globe are looking for innovative and cost-effective ways to deliver patient-centered, technology-enabled "smart" healthcare, both inside and outside hospital walls. The 2018 outlook reviews the current state of the global health care sector; explores trends and issues impacting healthcare providers, governments, other payers and patients.

Some emerging employee benefits trends for 2018 include:

1. Value Purchasing is gaining traction
 2. Employers are focusing on the employee experience
 3. Interest in engagement platforms is growing
 4. Concerns over specialty drugs costs are mounting
 5. Employers are investing in workforce well-being
-

6. Behavioral health is getting more attention
7. Employers are confronting the opioid crisis
8. Gene-based medicine is entering clinical practice
9. The U.S. healthcare system will continue to be disrupted

According to a recent Aflac Workforce Report, 63% of employees who are satisfied with their benefits are also likely to be extremely or very satisfied with their jobs. Instead of outsourcing benefits administration, new technology is making it possible for mundane or repetitive benefits processes which would normally be done by humans, to be “insourced” entirely by robots.

TPA/Healthcare Industry

Healthcare mergers and acquisitions saw a banner year in 2017, despite economic and political uncertainty. Analysts believe that lower corporate taxes will continue to lure foreign investors into the \$3.3 trillion U.S. healthcare sector. Healthcare M&A values surged globally in 2017, rising 27% to \$332 billion while the deal count increased 16%. That robust activity should continue in 2018, according to a report from Bain & Company. While total corporate deal value in healthcare hasn't quite equaled the 2015 peak, average annual activity over the past four years has been strong. The investment in the healthcare sector in the United States and globally continued in 2017 despite unease about the state of the global economy. Bain noted investors are lured into the \$3.3 trillion U.S. healthcare sector by fundamental drivers that include an aging population, a rising prevalence of chronic disease, the robust development of new drugs and medical devices, and the fragmented and inefficient care delivery system that is ripe for disruption.

Forces that will affect the M&A market this year include evolving laws and regulations, innovation, and changing nature of total shareholder return. According to Bain, companies will face renewed pressure to build total shareholder return through revenue growth, margin expansion or financial leverage. U.S. tax reform will mean lower corporate rates, potentially making healthcare assets attractive to foreign investors. The development of next-generation platforms such as biosimilars and gene therapy will accelerate while they have potential to disrupt the industry and create buying opportunities while putting stress on traditional companies. Rising stock markets have been very generous to the shareholders of public healthcare companies, but 45% of the total shareholder return growth at publicly traded global healthcare companies over the past five years, came from an expansion of price-to earnings multiples.

Union Membership

The Union Membership rate for 2017 was 10.7% which was the same for the previous year. This rate, which is defined as the percent of wage and salary workers who were members of unions by the Bureau of Labor Statistics, has fallen significantly since the first recorded union data in 1983. Around 14.8 million workers belonged to unions in 2017. Of those union members in 2017, around 34.4% of workers were in the public sector, which was more than five times that of the private sector. And of those who belong to a union from private or public, men had a slightly higher rate.

Significant Events

June 2018: ABC continues to work without a replacement CFO and has opted to reassign those duties to the CEO and Controller.

December 2017: ABC's CFO leaves the company to take a position with the State of West Virginia.

June 2017: ABC continues to pursue a buyout of Mr. Eastwood's equity interest in the company.

February 2016: ABC was looking to coordinate an investment firm to work with retirees and active employees considering retirement. The company has been unable to convert on this market and generate ongoing revenue. The company can sponsor retirement and financial planning workshops at the local union hall.

December 2015: ABC loses ones of its biggest clients, Steel of WV. The company continues to pursue new business relations in wake of this loss.

March 2015: Negotiations between ABCH and its possible acquirer were terminated.

December 2014: ABC's holding company, ABCH, completed a Letter of Intent to be acquired by an out-of-state strategic partner.

September 2014: ABC entered into negotiations with a strategic partner for potential acquisition.

January 2014: ABC closed on the acquisition of Stoner & Associates. Company utilizes operational assistance through WVCAP for marketing and website development for the newly formed company.

December 2013: WVJIT and WVCAP Board of Directors approve an investment, which is a closely held company similar to ABC, to assist in the asset purchase of Stoner & Associates and for working capital.

September 2013: ABC announces it will acquire Stoner & Associates, a leading provider of custom benefit plan administration headquartered in Cincinnati. Stoner was founded in 1934 to administer health insurance policies at the local level and has become a sophisticated TPA specializing in complex plans requiring high client and participant levels. The company had 13 employees and administered 14 plans with 100 to 6,000 participants with over \$400 million in assets.

April 2013: ABC relocates its Trust Department from Chesapeake, Ohio to their main office in Ona, WV.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in American Benefit Corporation at value, which is currently presumed to be the same as cost or **\$699,650**.



Company: **ABC Holding Company**
Website: abcwv.com
Location: Ona, WV
Total Employees: FT/2; PT/0
WV Employees: FT/2; PT/0

WVJIT Investment: \$499,230
WVJIT Ownership: 8.20%
Subject to GASB 62: NO

Leadership

Charles W. Eastwood, Board Chairman
C. Ryan Jones, Chief Executive Officer
Jim Kirk, Chief Information Officer
Kimberly A. Wood, Chief Compliance Officer

Background

ABC Holding Company formed in December 2013 following ABC's acquisition of Cincinnati-based TPA, Stoner & Associates. The \$500,000 transaction allowed ABC to have an entry into the Ohio market. Stoner & Associates in comparison to ABC is much smaller in headcount as well as clientele. Stoner provides administrative solutions for benefit plan management for defined contribution and defined retirement plans, long-term and short-term disability plans, medical, dental, cafeteria and medical reimbursement plans.

WVJIT Investment History

January 2014:

\$299,404 Convertible Debenture Investment, 8% interest rate. (\$199,826 from WVCAP for a total of \$499,230)
Converted in April 2014
517 shares of Common Stock

Dividends FY2018:

\$29,700.04

Products

American Benefit Corporation provides intelligent planning and management on employee health plans. The Company also provides administrative support to ensure efficiency in the life of the benefit plan. Other services include:

1. Benefit plan design assistance
 2. Medical, dental and vision claim processing and adjudication
 3. Pharmacy Benefits Manager evaluation, implementation and integration
-

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4. COBRA/HIPAA administration
5. Consumer directed health plans:
 - FSA
 - HRA
 - HAS
 - VEBA
6. Comprehensive care management suite of services
7. Network analysis and optimization
8. Claims repricing
9. Disability/loss time processing
10. Coordination of benefits, including Medicare Part D
11. Claim Subrogation



Over the past year, the Company has not introduced any new products or services into the market.

Management Team

Charles W. Eastwood, Board of Directors Chairman

With more than 25 years of experience in the sales and service of employee benefit programs, Charles Eastwood was appointed as American Benefit Corporation's CEO in 2007. After a 10-year stint with Cigna, Mr. Eastwood took the knowledge and expertise he had gained and opened Eastwood Consulting. Mr. Eastwood holds a Bachelor's degree in Political Theory and Philosophy from West Virginia State University.

C. Ryan Jones, Chief Executive Officer

Ryan Jones joined American Benefit Corporation in 2007. Mr. Jones is a CPA who has an extensive background in public practice including a regional firm that concentrated its practice in the healthcare field. Mr. Jones works closely with the IT and Sales departments to achieve the financial goals of the organization. Mr. Jones holds a Bachelor's degree in Business Administration with a concentration in Accounting from West Virginia State University.

Jim Kirk, Chief Information Officer

Mr. Kirk joined American Benefit in 2008, after spending 20 years with Dow Chemical Company as their International Infrastructure Architect. Mr. Kirk is responsible for the design and implementation of information systems and operations. Mr. Kirk earned his Associate's degree in Chemical Technology from West Virginia State University in 1990 and his Bachelor of Science in Business Information Systems from Bellevue University in 1999. Mr. Kirk also holds a MCSE and numerous other certifications.

Kimberly A. Wood, Chief Compliance Officer

Ms. Wood joined American Benefit Corporation in 1998 as Assistant Actuary and was named Director of the Actuarial Department in 2005. She now also serves the Company as an actuary and consultant. She has extensive experience in working with both health and pension funds, including administration, plan design, benefit studies, and federal compliance. Ms. Wood holds a Bachelor of Arts and Master of Arts degree in Mathematics from Marshall University. She earned the designation of Enrolled Actuary in 2009.

Board of Directors

Charles W. Eastwood, Board of Directors Chairman (See Management Team)

C. Ryan Jones, Chief Executive Officer (See Management Team)

C. Andrew Zulauf, Executive Director, West Virginia Jobs Investment Trust

Andy Zulauf has extensive experience in finance and venture capital, having served as Executive Director and Senior Loan Officer for the West Virginia Capital Corporation, as a Partner and Managing Director of West Virginia operations for Adena Ventures and, as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank. Mr. Zulauf is a graduate of Marshall University and the University of Charleston's Executive MBA program.

Healthcare Payment Outlook

Healthcare stock looks cheap in 2018 compared with their own history and other sectors. The need to care for aging populations means healthcare may be a growth business. The challenge for drug makers right now are politicians, regulators, and consumers increasingly clamoring to curb growth in drug prices. Technological advancements will reduce the costs drastically within the medical field over the next couple of decades.

Industry Summary

The Union Membership rate for 2017 was 10.7% which was the same for the previous year. This rate, which is defined as the percent of wage and salary workers who were members of unions by the Bureau of Labor Statistics, has fallen significantly since the first recorded union data in 1983. Around 14.8 million workers belonged to unions in 2017. Of those union members in 2017, around 34.4% of workers were in the public sector, which was more than five times that of the private sector. And of those who belong to a union from private or public, men had a slightly higher rate.

Significant Events

June 2018: ABCH is in discussion with Anthem Blue Cross Blue Shield regarding possible expansion into their geographical footprint.

June 2017: ABCH continues to be a strategic partner of Anthem Blue Cross Blue Shield. The Company is being considered to "private label" products in the mid-west. ABCH is also developing BICC (administration software) using modern infrastructure such as Microsoft SQL Server and .Net platforms.

March 2016: ABCH closed on the agreement and acquired the full-service management information systems company.

February 2016: ABCH entered into agreement to acquire a full-service management information systems company located in Chicago, IL providing total software solutions.

April 2015: ABCH had discussions to acquire and add a local business consulting company within ABCH. The consulting company specializes in health care and insurance.

March 2015: ABCH and its strategic partner terminated acquisition negotiations.

December 2014: ABCH signed LOI for acquisition by a strategic partner. Terms of the agreement were

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undisclosed and negotiations continued.

May 2014: ABCH reported strong financial 1Q14 performance following the acquisition of Stoner & Associates. Management team announced several prospects the Company was hoping to close by mid-year.

March 2014: ABCH engaged Malone Consulting, Kick-It, LLC and Wolfe Design for marketing and website development. Funds were provided through WVCAP's Operational Assistance Fund.

December 2013: WVJIT Board of Directors approves an investment of up to \$500,000 in ABC Holding Company.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in American Benefit Holding Company at value, which is currently presumed to be the same as cost or **\$499,230**.



Snapshot:

Company: **Billow Global, Inc.**
Website: BillowGlobal.com
Location: Charleston, WV
Total Employees: FT/1; PT/0
WV Employees: FT/1; PT/0

WVJIT Investment: \$50,000
WVJIT Ownership: 13.94%
Subject to GASB 62: NO

Leadership

Marnie Rustemeyer – CEO & Founder

Background

Billow Global, Inc. (“BGI”) is the first premium breast support pillow company for women who have trouble sleeping due to discomfort resulting from surgery, nursing and breast size. It has a patent-pending ergonomic design that can embrace the individual and assist with comfortable sleep. The pillow addresses each element of a woman’s need for perfect breast, back, underarm and neck support.

WVJIT Investment History

February 2016

\$50,000 Promissory Note; 6% Interest Rate
Warrants: 10% coverage; expiring in seven years.
Maturity: November 2022

October 2017

Converted 50% of the 2016 Promissory Note and all accrued interest (\$4,326)

FY2018 Accrued Interest: \$1,609.20

Co-Investors/Lenders/Board Members

INNOVA

Products and Services

The main product produced by BGI is a high-quality pillow called the Billow Pillow, an all-natural breast support pillow for women who have trouble lying on their stomach due to breast pain and discomfort resulting from surgery, nursing, breast size or mastalgia. The Billow Pillow is ergonomically designed to fit to each woman's body shape resulting in an enhanced experience whether she is resting or sleeping. The product is made into two parts. The lower portion is raised and firmer to provide support for the lower back while also supporting the breasts. The underarms have a medium fill to provide underarm support and cushioning.

The product is 100% organic, chemical and cruelty free. The outer shell is organic cotton and the Billow is filled with eco-pure wool, which is naturally lightweight, breathable, flame, dust mite and bug resistant. The Billow Pillow retails for \$200 and at a cost of production, stands at \$85. The manufacturer holds the inventory and ships the order directly from their location.



Competition/Market Summary

In 2018, an estimated 266,000 new cases of invasive breast cancer are expected to be diagnosed in women located in the U.S. As of January 2018, there are more 3.1 million women in the U.S. with a history of breast cancer. That is including women currently treating the disease. Overall, about one in eight women will contract breast cancer at some point in their lives.

Post diagnosis, cancer treatment involves various methods depending upon type and severity of cancer. The cancer treatment market is growing at a significant rate due to increase in the incidence of cancer cases with the growing awareness among people about various stages and availability of treatment of cancer. In addition, government initiatives and improvement in healthcare facilities is driving the global market for cancer treatment. Breast cancer refers to the uncontrolled growth of malignant cells in the breast tissue. Rising prevalence of breast cancer and growing numbers of awareness programs such as the Breast Reconstructive Awareness Campaign, are expected to encourage women to undergo reconstructive surgeries. The breast cancer therapeutics market is a huge industry that targets women who have endured either surgery for cosmetic enhancement or for medical reasons. The industry was valued at over \$18.2 billion in 2017 and expected to grow to \$24 billion by 2024.

The physical therapy industry is also a targeted industry for Billow Global. In 2017, around 19% of women in the U.S. received at least one massage. Billow Global has created several strong relationships with massage therapy and has recently signed a contract with a Spanish massage clinic for a two-year order to supply the organization with all Billow products. Being able to sell the Billow Pillow to therapy clinics will provide the Company with another target market as well as developing a strong link within this industry. This market is currently worth \$35 billion as a whole with a CAGR of 3.9%.

Significant Events

May 2018: BGI has signed an exclusivity agreement to OTI Korea for a commitment of 50 billows a month for 2 years.

October 2017: BGI converted \$25K of the JIT convertible note into equity with the remaining balance being paid back over a 5-year amortization period.

July 2017: BGI was working with an accountant to verify and discuss the financial reports for the past 18 months.

June 2017: BGI secured a two-year contract with a Spanish Therapy Center to provide Billow Pillows and other related products over the period.

January 2016: BGI secured \$6,000 in a Kiva Loan which is an online based lending platform that bears 0% interest. Repayments started in February 2017.

June 2016: BGI continued its marketing effort to medical and spa customers. Company received solid press from Vogue, Vanity Fair, Self and WV Living. Company seeks a new manufacturer and hired a part-time employee.

February 2016: Billow Global, Inc. receives funding from WVJIT and other investors.

Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Billow Global, Inc. at value, which is currently presumed to be the same as cost or **\$54,042**.



Formerly



Snapshot:

Company: Valtari Bio, Inc. (CereDx, Inc)
Website: www.valtaribio.com
Location: Morgantown, WV
Total Employees: FT/3; PT/3
WV Employees: FT/3; PT/3

WVJIT Investment: \$250,000
WVJIT Ownership: 0.00%
Subject to GASB 62: No

Leadership

Tara L. Barr, PhD, RN, FAHA, Co-Founder/Chief Scientific Officer
Richard Giersch MS, Co-Founder/Chief Executive Officer
Valerie M. Gionis, Co-Founder/Chief Operating Officer
Dietrich A. Stephan, PhD, Board/SAB Member

Background Information

Valtari Bio™ Inc. is focused on advancing the treatment of stroke through the development of next-generation precision diagnostics and therapeutics. Currently, there is no simple test to diagnose stroke or time of onset. Patients rely on physician/patient assessment and neuroimaging. Approximately 2.2 million people each year are having unnecessary stroke workups, costing the U.S. Healthcare system at least \$5.5 billion a year. More serious are the patients being misdiagnosed with other conditions that mimic a stroke. Time of stroke is important. Hospitals take, on average, 60-80 minutes to diagnose a stroke. Delay decreases or eliminates a patient's chance to receive lifesaving clot-busting drugs as they cannot be administered past 4 ½ hours of onset. It is estimated only 3-8% of eligible patients receive these drugs due to physicians being unable to determine the time of onset.

WVJIT Investment History

In 2016, WVJIT invested \$250,000 as a senior secured convertible note at a fixed 8% interest rate. The note will accrue simple interest and the maturity date of the note is 24 months from disbursement. Valtari Bio elected in October 2017 to exercise its option to extend the note for an additional 12 months at the new interest rate of 10% per terms of the agreement.

Warrants:

20% Warrant coverage, redeemable at 20% discount of preferred shares in a qualified financing, expiring in 5 years.

Total WVJIT Investment:

\$250,000 investment from WVJIT through the WVCAP.

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Accrued Interest 2018:

\$42,205.50

Co-Investors/Lenders:

INNOVA, WVU Research Group, WV Growth Investment Fund

Board of Directors

Richard F. Giersch (See Bio Below)

Tara L. Barr (See Bio Below)

Valerie M. Gionis (See Bio Below)

Dietrich A. Stephen (See Bio Below)

Guy Peduto (Innova Commercialization Group)

Guy Peduto joined the INNOVA Commercialization Group in April 2006. Prior to joining INNOVA, he held the position of Director, Commercial Programs at the Institute for Scientific Research, Inc. While there, he developed strategies for the commercial utilization of ISR's technology and research applications in such areas as biomedical research, education, software development, mining safety and communication, VTOL aerial vehicles, and automotive controls and diagnostics. Mr. Peduto received a Bachelor's degree in Business Administration with a major in Marketing from West Virginia University.

Michele O'Connor (WVJIT)

Michele O'Connor has more than 25 years of experience in the finance and banking industry. She attained her Certified Financial Planner designation along with the Accredited Investment Fiduciary Manager designation. She was the Portfolio Manager for the Trust Department at First United Bank and managed over \$600 million for the department. Currently, Ms. O'Connor is the Investment Manager for the West Virginia Jobs Investment Trust, a leading venture capital firm focused on turning the innovation of new ideas into successful world-class companies. Ms. O'Connor graduated Magna Cum Laude with a BA in Finance from the University of Maryland College.

Management Team

Tara L. Barr, PhD, RN, FAHA, Co-Founder & Chief Scientific Officer



Dr. Barr is Valtari Bio's Chief Scientific Officer and has an adjunct appointment at the University of Pittsburgh School of Nursing. She is a 2012 inductee to the Robert Wood Johnson Foundation Faculty Nurse Scholars Program and serves on the Chair of the American Heart Association's Cardiovascular and Stroke Nursing Council. Dr. Barr's work has spanned from basic preclinical models of neurological disease mechanism to qualitative research methods to understand the human response to disease and the application of genetics and genomics in clinical research. She received her PhD in Translational Neuroscience Nursing Research from the University of Pittsburgh and the Graduate Partnership Program of the National Institutes of Nursing Research.

Richard Giersch MS, Co-Founder & Chief Executive Officer



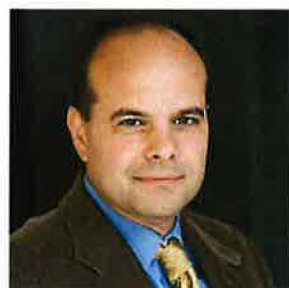
Mr. Giersch currently serves as the Director of Venture Development for West Virginia University. He graduated with a BS from WVU and a received a graduate degree from UNC Chapel Hill. He is a seasoned biotechnology and venture capital executive. After attending UNC Chapel Hill, he became Director of Information at Fusion Ventures, a venture capital firm where he led technology evaluation and due diligence. He then accepted the Chief Operating Officer position with ZenBio, a regenerative medicine company and research tool provider. In that role, he led licensing, manufacturing operations, university partnerships, grant development and sales operations.

Valerie M. Gionis, Co-Founder & Chief Operating Officer



Ms. Gionis has served a broad range of leadership roles in multiple disciplines, including marketing, operations, and grant administration. As most of her career has been spent with small innovation firms in technology and biotechnology spaces, the challenges she faced demanded cross-functional expertise and an ability to do more with less. Ms. Gionis currently serves as the Marketing Programs Manager for Optivia Biotechnology, where she has revamped the firm's brand, market presence, and go-to-market strategy.

Dietrich A. Stephan, PhD, Board & SAB Member

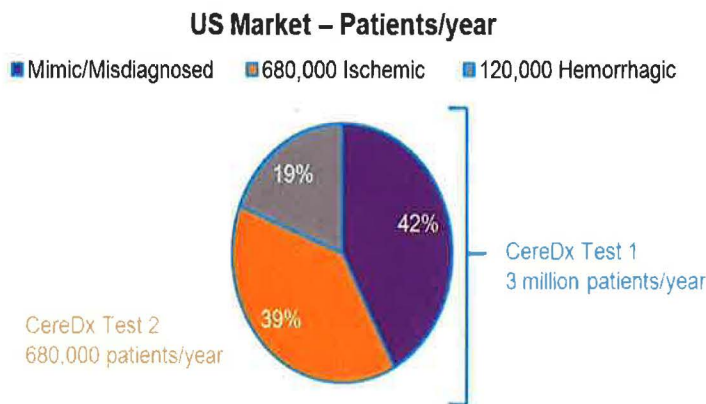


Dr. Stephan has been involved with over 10 start-up companies, two of which had successful exits totaling \$460M. Dr. Stephan has helped these companies raise over \$80M with his involvement. He is a Valtari Bio shareholder committed to the success of bringing its highly innovative stroke diagnostics to market. Dr. Stephan is a human geneticist and entrepreneur who works to positively disrupt the health care system to improve patient outcomes.

Products

Valtari Bio's first product will focus on stroke vs. no-stroke diagnostic test. The test has the potential to serve over 3 million people annually, significantly improve patient outcomes, and save billions of dollars in health care system costs. The Company's second product will focus on time of stroke onset test. These diagnostic tests should easily be integrated into current diagnostic treatment paths in ER's, EMS vehicles, urgent cares and primary care offices. These tests are expected to provide a clear diagnosis in 20 minutes or less.

In the U.S. market alone, 3 million people are treated to determine if they are having a stroke. Of those patients, 680,000 tests positive. The first test being developed by Valtari Bio would specifically assist medical personnel to determine if the patient was having a stroke without waiting for neuroimaging results. Worldwide, this number is closer to 15 million annually.



Preliminary data indicates that the Valtari Bio (CereDx) stroke profile performs better than the current standard of care.

	CURRENT STANDARD	Valtari Bio PRELIMINARY DATA
Sensitivity true positive- STROKE	83%	93%
Specificity true negative - NO STROKE	44%	96%

Industry and Market Size

Stroke is the third most frequent cause of mortality after ischemic heart disease and cancer, and the first cause of disability in adults worldwide. In 2005, there were an estimated 15 million strokes per year. One third of these strokes were fatal and another one third of these patients were permanently disabled. Care for stroke survivors in the United States cost an estimated \$18.6 billion in 2008, and lost productivity and premature mortality cost an additional \$15.5 billion. In 2003, only 4% of ischemic stroke patients received TPA. In 2011, this had increased only to 7%. Therefore, there is a significant market need for a biomarker or other additional test that would identify more patients that could benefit from treatment. Although a biomarker for ischemic stroke is currently not used in clinical practice, efforts to develop diagnostic and prognostic indicators for stroke are ongoing.

Each year, around 795,000 Americans experience a stroke and there are approximately 610,000 new stroke cases. The American Heart Association has predicted that the prevalence of strokes is expected to increase by 20.5% by 2030. Around 85% of those patients will suffer an acute ischemic stroke in which bleeding does not occur and treatment can substantially alter disease prognosis. Increases in the number of cases of acute ischemic stroke and technical advancements in medical devices have led to the growth of the global acute ischemic stroke diagnosis and treatment market. The major factor for this is that more patients are surviving the initial injury following stroke and

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are living with significant disabilities. According to a recent report, the global acute ischemic stroke diagnosis and treatment market will grow at a 6.3% CAGR for the period 2014-2020. The report states that the global acute ischemic stroke diagnosis and treatment market was valued at \$1.2 billion in 2013 and is estimated to hit \$1.9 billion by 2020.

Competitive Analysis

Valtari Bio indicates there are no competing products on the market or in development. According to the Company “diagnosis of stroke depends upon expert clinical evaluation and neuroimaging”. These resources are rarely available in the field and are both time consuming and expensive. Even skilled stroke certified centers have difficulty making a definitive diagnosis. In resource-poor geographic areas, diagnosis and treatment times are much longer.”

There have been a number of companies who have tried to develop a similar technology. No company as of yet has been able to effectively and accurately identify the time of stroke onset. A clinical trial at the University of Geneva found that they could only produce an accurate diagnosis 50% of the time using their technology. The current data available from clinical trials is only from a small number of patients. The average time of the first measurement was only within the first 10 hours of the reported onset of symptoms. Further research, specifically for the period within the first 4.5 hours of the onset of symptoms, will be necessary to establish efficacy. The competitive advantage from this technology being developed is a more accurate and thorough assessment of patients who experience a stroke. This technology is also a much lower cost compared to current treatment systems and therefore a more viable effective option for healthcare institutions. This technology requires minimally invasive techniques which involve only a very small sample size. And finally, point-of-care information can be obtained quickly and used to triage treatment and monitor recovery in stroke patients.

	In Development			Commercially Available	
	CereDx Inc. Proteomic focus (also combines genomic, other biomolecules, & cell-based methods)	Ischemia Care genomic only	Roche	Neurologica CereTom “Portable” CT ~5’x5’ weighing ~800 lbs. installed in limited EMS vehicles	Siemens SOMATOM “Portable” CT - Not available in the US
Predictive		X	X		
Stroke v. No Stroke	X			X	X
TIA v. Mimic	X				
TIA v. Stroke	X				
Time of Onset	pipeline				
Ischemic v. Hemorrhagic Differentiation	pipeline				

Significant Events

January 2018: James Langford and Martha Power are brought on as seasoned clinical trialists and consultants.

October 2017: Convertible note maturities extended to January 2019. The University of Texas, Austin is now completing work on the clinical trial.

April 2017: 50+ patients were enrolled in the clinical trial and analysis was on track for 2017.

January 2017: CereDx changed its name in January due to a conflict. New name is Valtari Bio, Inc.

November 2016: CereDx held its first meeting with the FDA. Presentation was very well received with compliments going to the clarity and logical format of the pitch.

June 2016: CereDx achieved \$250,000 in matching funds from INNOVA. WVJIT matched the \$250,000 with WVCAP funds. On June 30, 2016 funds were deployed to CereDx.

May 2016: WVCAP Committee and WVJIT Board of Directors approves an investment in CereDx, Inc. for up to \$250,000 with a 20% warrant coverage pending achievement of matching funds.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in Valtari Bio, Inc. (formerly CereDx, Inc.) at value, which is currently presumed to be the same as cost or **\$250,000**.



Snapshot:

Company: CFOAM, LLC
Website :www.cfoam.com
Location: Triadelphia, WV
Total Employees: FT/20; PT/0
WV Employees: FT/19; PT/

WVJIT Investment: \$1,000,000
WVJIT Ownership: 0.00%
Subject to GASB 62: No

Leadership

Alain Bouruet-Aubertot, Executive Director
Gary Steinepreis, Non-Executive Chairman
Toby Chandler, Non-Executive Director

Background Information

CFOAM, LLC, previously known as Carbon Innovations LLC, is a U.S. based, wholly owned subsidiary of CFOAM, LTD. (“CFO”) founded in 2016 that produces next-generation carbon foam products. CFO is a publicly traded company listed on the Australian Stock Exchange (“ASX”). It was the fourth most successful initial public offering on the ASX in 2016 and floats under the ticker ‘CFO’. The company began trading on October 26, 2016. The IPO raised \$9M AUS or \$7.2M U.S. after a placement of 45M shares. The initial price was 20¢ per share. The current trading price as of October 18, 2017 was 36¢ per share. CFO acquired assets from Touchstone Research Laboratories (“Touchstone”) via an Asset Purchase Agreement that included assets, IP and 27 patents.

CFOAM, LLC changed their name from Carbon Innovations, LLC in October 2017 in order to better align themselves and their identity with their holding company CFO. Although headquartered in Perth, Australia, the company will continue to keep their manufacturing operations headquarters in Triadelphia, WV. Currently, the company is housed in the same building as Touchstone although there has been specific separation of companies. The company will look to formalize the separation from Touchstone in the coming year.

WVJIT Investment History

In January 2018, WVJIT loaned \$1 million as a secured note. Interest on the note is paid quarterly. When the Company closes on its permanent financing with the WVEDA, it will be required to pay down the note by \$600,000. Three succession fees will be due beginning in January 2021. The note matures in January 2023.

Warrants:

None

Co-Investors/Lenders:

WVEDA, Summit Bank

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Total WVJIT Investment:

\$1,000,000

Accrued Interest 2018: \$.00

Board of Directors and Management Team

Alain Bouruet-Aubertot, Executive Director

Mr. Bouruet-Aubertot is a U.S.-based finance and materials executive. He was previously CEO and Managing Director of Minteq International, Inc, a leading global wholly-owned ceramic materials subsidiary company of NYSE-listed Minerals Technologies Inc. (NYSE: MTX) He grew Minteq International, Inc to annual revenues of U.S.\$400M. He also held senior executive roles at other basic materials companies, such as Lafarge North America and Rhone Poulenc SA. Over the last several years, he has worked with private equity and venture capital investors in deal flow activities and executive roles at portfolio companies. Mr. Bouruet-Aubertot holds a Master of Science in petroleum economics from the French Petroleum Institute (ENSPM) and a Master of Science in Chemical Engineering from the National Chemical Engineering Institute in Paris (ENSCP).

Gary Steinepreis, Non-Executive Chairman

Mr. Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He provides corporate, management and accounting advice to a number of companies involved in the resource, technology and leisure industries. He is also currently a director of AVZ Minerals Limited and New Horizon Coal Ltd. Mr. Steinepreis, in his role as a director of Ascent Capital, has previously been appointed as a director to a number of companies which have entered into external administration. In these instances, Mr. Steinepreis was appointed to assist in the restructure and recapitalization processes. He was a director of Central Norseman Gold Corporation Pty Ltd, which is a subsidiary of Norseman Gold Plc. An administrator was appointed to Central Norseman Gold Corporation Pty Ltd in October 2012 to undertake a recapitalization and restructure of the business due to lack of working capital and loss-making operations. A deed of company arrangement for Central Norseman Gold Corporation Pty Ltd was settled in May 2013 and the entity is no longer in administration. Mr. Steinepreis resigned as a director of Central Norseman Gold Pty Ltd and Norseman Gold Plc on March 2016.

Toby Chandler, Non-Executive Director

Mr. Chandler is the managing director of ASX listed, Structural Monitoring Systems Plc. He is Co-Founder and Chief Investment Officer of SEAL Capital Ltd, a global macro hedge fund investing in diverse global markets and financial instruments. Before forming SEAL Capital, Mr. Chandler was a Partner and Portfolio Manager with private equity and macro hedge fund, Seagate Global Advisors, Inc. In prior roles, Mr. Chandler was Managing Director with Morgan Stanley Inc, New York, where he ran the bank's Specialist Hedge Fund, servicing key institutional counterparties in an array of financial products and global markets. Mr. Chandler has also held several other senior bank positions including Managing Director and Head of Global Fixed Income Distribution with HSBC Securities (USA) NA, New York; other previous Executive Director positions with Morgan Stanley, Inc. and Morgan Stanley International Plc, London, as Head of Emerging Markets and Global Fixed Income Distribution; and Vice President with Citigroup NA, New York and Citigroup Australia. Mr. Chandler received his Bachelor of Commerce in Finance from the University of Western Australia and his Masters in Applied Finance and Investment from the Securities Institute of Australia.

Products

CFOAM® is a registered trademark of the company that is used to describe a wide range of products that are produced. Included in their product list is CFOAM20, CFOAM25 and CFOAM30; the differentiating factor between these products is weight. These products are inexpensive, lightweight, fire-resistant, impact-absorbing, and can be fabricated in a variety of shapes, sizes, the property requirements of specific applications. It is this versatility that appeals to a wide range of industries. Carbon foam is in high demand in specific industries such as military, industrial and aerospace markets that require superior materials. This next-generation carbon material is produced from powdered metallurgical coal using a highly proprietary manufacturing process, the result being carbon foam that is far more applicable than current, conventional materials such as balsa wood, ceramic insulation, fiberglass, rubber and various other materials. Carbon foam is used in the military to provide fire resistant ship decking and bulkheads, noise and impact mitigation for aircrafts, and firewalls for cars, amongst other applications.

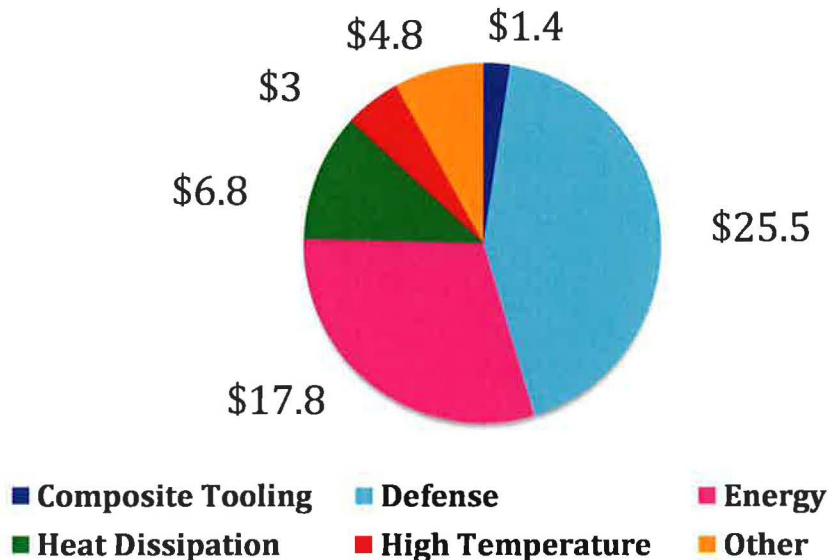


Industry and Market Size

CFO is perfectly situated to take advantage of a growing market and can service a number of different industries with a variety of products. As described above, the demand for a superior product from the defense, transportation and energy sectors is enabling the company to enter this industry. Currently, the composite tooling industry is approximately a \$400 million market and growing. The company has already established relationships with some companies who have a high demand for composite tooling. Coast, Janicki and Boeing are three companies in which the company has established relationships with.

The initial focus will be on the composite tooling application and with the 3-phase expansion plan, the organization will scale up and expand into the other target markets such as the defense industry, which is a \$25.5B market. The company has already established a relationship with the U.S. Navy to provide carbon foam products on their ships. In Q-1 2018, the first commercial ship will be fitted with CFOAM® products with the plan to roll this out into more of its fleet to continue in the coming years. The energy sector which is an \$18B market will also be targeted as the company scales up.

Addressable Markets: >\$50



Competitive Analysis

Current competitors who are operating in this market either provide a less durable product, while materials that can compete with the durability of that of the CFOAM® range, are much more expensive than that of the CFOAM® product price comparison. Examples of other competing products are general plastics, which are used in composite tooling but are very cheap and less accurate. Aluminum and Steel are two other materials that are significantly less accurate than the CFOAM® products due to their chemical properties that expand and contract too much for the material to compare to the CFOAM® product line.

Significant Events

April 2018: CFOAM reported its cash receipts tripled for the first quarter as compared to the 4th quarter of 2017. Start-up of the coal pulveriser is in process.

March 2018: CFOAM reported a significant boost in the sales pipeline.

January 2018: WVJIT closed on its loan to CFOAM, LLC.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in CFOAM, LLC at value, which is currently presumed to be the same as cost or **\$1,000,000**.



Snapshot:

Company: **Core10**
Website: www.core10.io
Location: Huntington, WV
Total Employees: FT/37; PT/0
WV Employees: FT/17; PT/0

WVJIT Investment: \$545,000
WVJIT Ownership: 5.28%
Subject to GASB 62: No

Leadership

Jeff Martin, CEO/Co-Founder
Lee Farabaugh, COO
Jeff Hanson, CEO

Background

Core10, Inc. is a 100% U.S. based Software Development Company that creates financial technology solutions for the banking, healthcare, insurance and retail sectors, among others. Shared between Tennessee and West Virginia, the talent base provided by Core10 is very highly regarded while mitigating problems associated with offshoring. The Company is headquartered in Nashville, TN with an innovation center in Huntington, WV. The new innovation center enables the Company to compete with traditional IT outsourcing by offering high level product design on a very competitive pricing model.

WVJIT Investment History

December 2017:

WVJIT executed the warrants associated with the Core 10 investment at a price of \$8 per share resulting in \$50,000 for an additional 6,250 Preferred A shares.

October 2016:

WVJIT invested \$500,000 as part of a \$1,000,000 Series A Preferred Equity round. Company raised additional 500K via private investors mainly located in Huntington, West Virginia.

Warrant Coverage:

10% Warrant coverage (6,250 Series A Preferred Units). Warrants were exercised at a \$7.20 per unit strike price in January 2018 at a cost of \$45,000.

Total WVJIT Investment:

\$545,000 (\$250,000 funded through WVCAP)

Products and Services

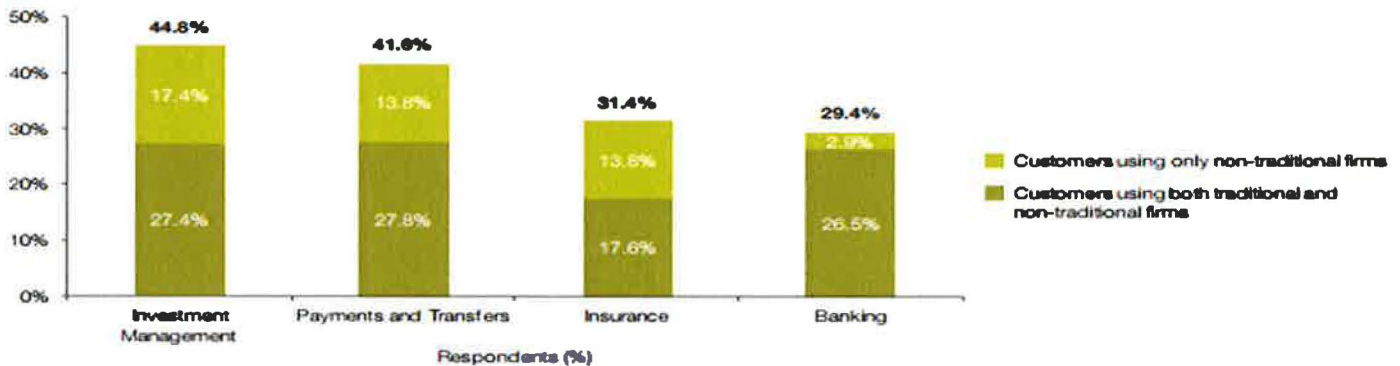
The Core10 team manages the end-to-end software cycle providing an all-around service for their customers. The products and services provided by the Core10 team are of the highest quality built by U.S. developers. The products are built by the developers and integrate with existing company systems to provide seamless technology solutions to the companies. The Core10 service continues after the original software creation and implementation with ongoing services to maintain, support and enhance the applications that have been developed with all this being done at an attractive rate competitive with any existing companies located in the U.S. or abroad. Core10's employees include expert leadership from the existing Nashville team while combining this with local highly skilled software developers who are educated and based in the U.S. This combination allows for a well-rounded service that caters to all of a customer's demands and needs.

Companies who are utilizing this type of software application within their company have been forced to outsource this work to countries that can provide the services at a much lower, affordable rate. Countries such as the Ukraine and India have benefitted from the high prices charged by developers in the tech hubs of the U.S. The need for these types of services provided by Core10 is evident. The growth in the software industry has been dramatic over the past decade. Software drives productivity and innovation in almost every economic sector, helping businesses of all sizes perform better in good times and bad. The solutions offered by Core10 are innovative and in high demand in 2016 in the U.S. Core10 has existing relationships with a number of companies through their previous entity, Synergy Systems. Ingram Barge, IPREO, Iron Solutions and Jack Henry & Associates, who are just a few of their current and former clients that have formally expressed interest in working with Core10.

Market/Industry

Currently, there are a number of large software development companies operating in the U.S. Some of the services provided by these companies are software support, computer systems design and application building. The rise of FinTech has been aided by a perfect storm created by customer demands with higher expectations, the ability for younger companies to secure early stage investing, reduced barriers to entry, and increased technological evolution. By 2020, the global payments industry is expected to reach \$2.2B and has expected a 5% growth rate every year since 2015. Macroeconomic factors affect these figures and will more than likely continue to be a restraint over time.

Figure 1.2: Customers Using At Least One Non-Traditional Firm for Financial Services, by Domain (%), 2016



Jeff Martin, CEO/ Co-Founder

Jeff Martin is a founding partner in Core10 and has worked closely with other influential market leaders to develop and bring the long term technical delivery solution to market. For over 17 years, he has been a successful leader in Technical Recruitment, Talent Management and Organizational Leadership. He was the founder of Synergy Systems, a technical recruiting and staffing company that emerged into a rapidly growing Technical and Management Consulting Firm based in Nashville, TN. Mr. Martin served as CEO of Synergy Systems from 2008 until its merger with Core10. He is currently the co-founder and CEO at Core10, where he is responsible for visionary leadership across all aspects of the business.

Lee Farabaugh, COO

Lee Farabaugh has served in delivery and operations roles in technology for over 15 years and was a founder of the successful health care software development firm, PointClear Solutions. She now serves as co-founder and COO at Core10, responsible for sales and marketing, delivery, recruitment and client retention. Ms. Farabaugh's background in user experience design enables her to focus on the details of Core10's delivery operations, office environments, recruitment, employee relations and customer experience. She understands deep market focus, having spent the past 10 years focused in the healthcare sector.

Jeff Hanson, CEO

Jeff Hanson began his career in Finance with Fortune 50 companies, including GE and Walt Disney and found his passion for technology companies; as a VC, investor, and advisor to early-state and middle-market companies and a b2b SaaS incubator.

Core10 Software Development Team

Core10 plans to hire a team of highly skilled software developers to be based in the West Virginia area. Pulling from a large pool of graduates from well-known Universities in the Tri-State region, Core10 hopes to promote job growth as well as retain talent based in WV by offering competitive salaries for employees in this area. Core10 will look to hire technology experts and will marry the talent in WV with the senior staff in Nashville, TN. Through this model, the Core10 team believes it can deliver an excellent quality product/service at a price that is affordable for clients and enables a viable option for companies who are currently outsourcing. Since their inception year (2016), Core10 had 10 employees, with that number growing to 17 total employees by the end of 2017. The Company anticipates their employee base growing to 60 total employees by the end of 2019, with wage estimates being \$48,000 per year for developers and \$45,000 per year for data analysts.

Board of Directors

Joe Maxwell, Managing Partner, Cultivation Capital

Joe Maxwell is the Managing Partner of the FinTech Growth Fund at Cultivation Capital. He was most recently the EVP and MD of IPreo Inc. where he led the Private Capital Markets, acquiring Clear Momentum Inc. in December 2015, and Ilevel Inc. in August 2015. Prior to its 2014 acquisition by Ipreo, he was Chairman and CEO of Shareholder InSite. He was also founder and CEO of CapControls, Inc., and founder, CEO and Chairman of Investment SCorecard, Inc. Investment SCorecard was the first online performance reporting and analytics technology provider, monitoring over 1,100 investment advisory firms, \$4T in assets and over \$1.8M investment accounts. Investment SCorecard sold to Informa PLC in April 2007.

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Patrick Bond, Representative of Series A Preferred

Managing Director of McCabe-Henley Properties LP since 1998, Pat Bond brings a wealth of experience in finance, administration, strategic planning, general management and management information systems. Previously, Mr. Bond owned/operated an independent consulting practice, Growth Management Group, that specialized in the areas of Business Environment Assessments, new product development, investment and financial analysis, and strategic planning. Prior to that, he was President of a natural gas marketing company and was President and CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. He graduated from WVU where he received both Master and Bachelor Degrees in Industrial Engineering.

Sarah Biller, Board Member

Sarah Biller is very active in the FinTech community. She is an Entrepreneur, Advisor, Investor and teaches a graduate level course on the evolution of Financial Technology at Brandeis University. She is the Co-Founder of the FinTech Sandbox and currently sits on its Advisory Board. Ms. Biller was also most recently the Head of Innovation Ventures at State Street Bank's Global Exchange division and its Chief Operating Officer for Innovation. Prior to joining State Street, Ms. Biller had been a Principal in the launch of several successful venture-backed start-ups in the FinTech and Life Sciences sectors. Most recently, she was the Co-Founder and President of Capital Market Exchange (CMX), a venture-backed predictive analytics platform utilizing investor sentiment to help bond investors anticipate near-term changes in spreads. Ms. Biller has also held roles at Fidelity Investments, worked on MCI's corporate venture team, and launched and led research divisions for Fortune 500 CFO's and treasurers at the Corporate Executive Board. She is also supportive of the arts and plays tennis competitively. Ms. Biller studied Finance at West Virginia University and George Washington University

Jeff Martin - See Management Team

Lee Farabaugh - See Management Team

Significant Events

May 2018: Core 10 has increased headcount in the WV office to 17 employees since opening in 2016.

January 2018: WVJIT executed the warrants associated with the Core 10 investment at a price of \$7.20 per share resulting in \$45,000 for an additional 6,250 Preferred A shares.

June 2017: Core10 hired 6 new employees for their Huntington location. Currently at 10 new hires since inception in November 2016.

March 2017: Core10 won TechConnect Start-Up of the year award at the WV Spirit of Innovation Awards.

February 2017: Core10 closed large service contract with national company worth \$2.1M.

November 2016: Core10 closed \$1M Series A round by raising \$500K from private investors to match the \$500K equity investment from WVJIT.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in Core10 at value, which is currently presumed to be the same as cost or **\$545,000**.

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Snapshot:

Company: **Cross Cutting Concepts, LLC**
Website: CrosscuttingConcepts.com
Location: Huntington, WV
Total Employees: FT/3; PT/0
WV Employees: FT/3; PT/0

WVJIT Investment: \$215,000
WVJIT Ownership: 37.50%
Subject to GASB 62: YES

Leadership

Scott Moening, General Manager
Darryl Jones, Operation Manager

Background Information

Crosscutting Concepts, LLC formerly known as Vandalia Science Education, was founded as a division of Vandalia Research in 2006. It started with one hands-on laboratory kit on DNA typing. Through a distribution partnership with Fisher, the product line grew to six kits on forensic science and launched in January 2007. In January 2010, an additional six kits were slated for development and were launched in January 2011. Also, in 2011, distribution was dramatically expanded resulting in substantial sales growth. The final two Lyle & Louise modules were launched in the fall of 2011. In 2013, Crosscutting partnered up with EMC Publishing to develop a series of engaging, hands-on laboratory kits.

WVJIT Investment History

October 2012:

WVJIT invested \$150,000 following Crosscutting Concepts achieving matching funds from First Sentry Bank and a private investor. (\$150,000 funded through WVCAP).

Warrants:

10% Warrant Coverage (50,000 units: Series A Preferred Units). Warrants good for 7 years and exercised at a \$1.00 per unit strike price.

September 2017:

WVJIT approved a \$65,000 loan with a one-year maturity with 12 monthly disbursements.

Total WVJIT Investment:

\$215,000 (\$150,000 funded through WVCAP)

Co-Investors/Lenders:

First Sentry Bank
Joan Weisburg

Management Team

Scott Moening, General Manager

Scott Moening is the senior employee of Crosscutting Concepts and has been with the company since September of 2017. Mr. Moening is responsible for the day-to-day operations of the company and staff located in Huntington. Since September, he has increased sales by 10%, reduced production costs, and implemented production techniques to make production more efficient.

Darryl Jones, Operations Manager

Darryl Jones is one of the senior employees of Crosscutting Concepts who has been with the company since 2008. Mr. Jones has a firm understanding of the operations and has worked with the staff to implement production and inventory systems. In addition, he manages customer relations and distribution partners. Mr. Jones graduated from Marshall University in 2013 with a BA in Health Science.

Board of Directors

Derek Gregg, Founder

Derek Gregg is a graduate of Marshall University and formerly served as Chair of the BioScience Association of WV.

Patrick Bond, Mountaineer Capital

Pat Bond brings a wealth of experience in finance, administration, strategic planning, general management and management information systems. Previously, Mr. Bond owned/operated an independent consulting practice, Growth Management Group, that specialized in the areas of Business Environment Assessments, new product development, investment and financial analysis and strategic planning. He graduated from WVU where he received both Master's and Bachelor's Degrees in Industrial Engineering.

C. Andrew Zulauf, Executive Director, WV Jobs Investment Trust Board

Andy Zulauf is the Executive Director of the West Virginia Jobs Investment Trust, a public seed investment fund. He has extensive experience in finance and venture capital, having served as Executive Director and Senior Loan Officer for the West Virginia Capital Corporation, as a Partner and Managing Director of West Virginia operations for Adena Ventures, and as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank.

Products

The Mystery of Lyle and Louise - Premier forensic science curriculum designed for high school and introductory undergraduate education. Comprised of independent hands-on laboratory modules, Lyle and Louise introduces students to a broad range of techniques in forensic analysis, including DNA Typing, Questioned Document Examination, Forensic Entomology, Bite Mark Analysis, Blood Spatter Analysis, Hair and Fiber Analysis, and more.

Desolation: STEM - The latest product from Crosscutting Concepts that compels students to solve problems involving design, development, evaluation and improvement. Students are exposed to the subjects of astronomy, engineering, chemistry, and physics in this unique four-module product.

Biotech by Ellyn - Crosscutting has partnered with EMC Publishing and author Ellyn Daugherty to develop and market *Biotechnology by Ellyn Daugherty™*, a series of engaging, hands-on laboratory kits to accompany the best-selling textbook and laboratory manual *Biotechnology: Science for the New Millennium*. Designed for introductory courses, this program teaches the concepts and hands-on lab procedures required for entry-level careers in the rapidly growing biotechnology industry.



Competition/Market Summary

Carolina Biological Supply Company (Burlington, NC): Supplier of hands-on science and math education products and services that help students of all ages learn and understand science and math.

Edvotek (Washington, D.C.): Supplier of biotechnology kits and equipment designed specifically for education.

Aldon (Hanover Park, IL): Manufactures educational kits for its own Innovating Science brand. Aldon is a subsidiary of Thermo Fisher Scientific.

Ocean Optics (Largo, FL): Offers an educational science kit for teaching STEM labs called a spectroscopy experiment kit.

Nasco (Fort Atkinson, WI): Private company with a variety of different educational kits and an estimated revenue of under \$1 million.

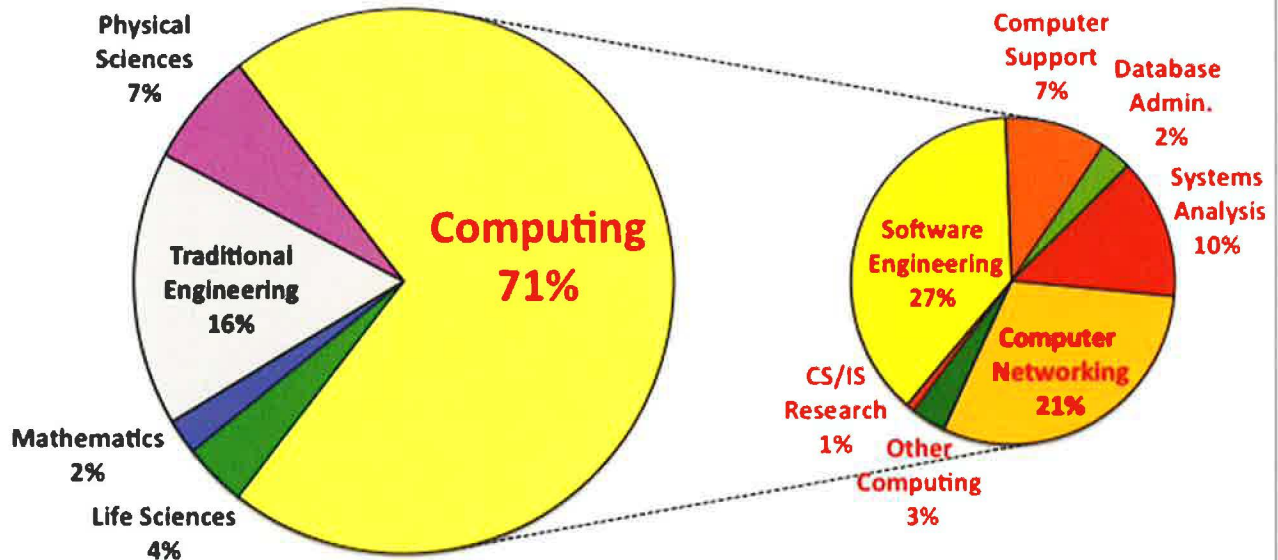
Ward's Science (Rochester, NY): Ward's Science states that they offer materials for every science and every grade level including educational kits.

Industry

The United States has developed as a global leader, in large part, through the genius and hard work of its scientists, engineers, and innovators. In a world that's becoming increasingly complex, where success is driven not only by *what* you know, but by what you *can do* with what you know, it's more important than ever for our youth to be equipped with the knowledge and skills to solve tough problems, gather and evaluate evidence, and make sense of information. These are the types of skills that students learn by studying science, technology, engineering, and math—subjects collectively known as STEM. Yet today, few American students pursue expertise in STEM fields and we have an inadequate pipeline of teachers skilled in those subjects. Adults believe the reason there is a lack of students within STEM fields is because the programs are too hard to understand. Only a third of workers aging 25 and older have an undergraduate degree within a STEM field. STEM is not appealing to the younger crowd and they believe that it will not be useful for their future careers. STEM will have to market their products stronger for younger crowds to become more involved, maybe by using social media as an outlet.

President Trump has also reinforced the funding plan to spend at least \$200 million on STEM education every year. There will also be an additional \$20 million grant program for STEM career and technical education programs.

Percentage Of New STEM Jobs By Area Through 2018



Data Source: US-BLS Employment Projections, 2008-2018 (http://www.bls.gov/emp/ep_table_102.pdf).


STEM Funding in the United States

The White House’s Fiscal 2019 budget proposal reinforces the funding plan outlined in the President’s memorandum on STEM education. President Trump is proposing at least \$200 million for STEM education every year. The administration is proposing \$1.1 billion in support for STEM education, but this is a 9 % decrease below the fiscal year 2017 levels. STEM is under a lot of budget cuts as of now and slowly going into a hard decline. Although STEM does promote substantial services for our youth to better themselves, competition is in the mix with SEED and EIR. SEED, which stands for Supporting Effective Educator Development, has a program worth \$75 million. EIR stands for Education Innovation and Research, and that program is worth \$120 million.


7 AWESOME FACTS ABOUT STEM EDUCATION

- ### 1. At Present


Number of unfilled STEM vacancies are higher than qualified candidates.


- ### 2. Salary


The average Payout of STEM Jobs is 70% more than the national average.


- ### 3. Requirement


Kansas and Missouri will need 185,000 additional people with STEM Education by 2018.


- ### 4. Growth


The department of commerce predicts; between 2008 to 2018 STEM Jobs will grow twice than other Jobs.


- ### 5. Wanted


8 out of 10 most wanted employees listed by US Department of Labor were the ones with STEM education.


- ### 6. Future

The U.S. Bureau of Statistics says; next 20 years, 80% of jobs will require technical skill.


- ### 7. Reality

STEM employees are in charge of building communities and moving the nation forward.



Source: Blocom.org, ed.gov

Significant Events

May 2018: Manuals have been updated and translated into several languages, including Mandarin and Korean. Crosscutting Concepts in the process of developing a new story line product.

September 2017: Scott Moening hired as General Manager.

April 2017: Entered into a consulting agreement with Derek Gregg to identify and hire a GM. A transition strategy is also being delivered in order to grow the Company.

June 2016: Crosscutting Concepts relocated to a new office in Huntington and was managed by Derek Gregg under a management contract negotiated and approved by the company board of directors.

December 2014: Executive team introduced 2015 budget to the Crosscutting Board. Revenues were expected to rise compared to 2013 based upon more projects by existing customers. Company discussed possible new products to be developed. Derek Gregg announced to the board his departure to pursue business school. His expected departure was during 3Q of 2015. Justin Swick also departed from the Company.

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December 2013: Crosscutting Concepts was in preliminary collaboration discussions with NASA Outreach, AquaPhoenix and Texas Instruments.

September 2013: Crosscutting Concepts partnered with EMC Publishing and author Ellyn Daugherty to develop and market, "*Biotechnology by Ellyn Daugherty*," a series of engaging, hands-on laboratory kits.

August 2013: Crosscutting Concepts announces new bundles available for its *Desolation: STEM Series*. The new bundles are Earthbound and Down Mass Driver (astronomy) and High and Dry Solar Water Heating (geology and environment).

February 2013: Two new desolation kits launched; Larry Nitardy was hired as part-time marketing consultant to assist with business marketing. Company also hired its first salesperson for business development.

Overall Conclusion

Over the past year, Crosscutting Concepts has gone through a successful reorganization of its management and operations. All product manuals were updated and new cost control measures were implemented. These initiatives are having a positive impact on the company's 2018 performance. The company continues to have good customer traction/engagement, strong relationship with distributors, and looking to expand into international markets like China, South Korea and Australia.

Due to GASB 62 valuation, a write-down of \$588 will increase the book value of the investment.

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in Crosscutting Concepts, LLC at value, which is currently presumed to be the same as cost or **\$202,956**.



Snapshot:

Company: **Figure 8 Surgical, Inc.**
Website: figure8surgical.com
Location: Morgantown, WV
Total Employees: FT/1; PT/2
WV Employees: FT/1; PT/1

WVJIT Investment: \$250,000
WVJIT Ownership: 8.01%
Subject to GASB 62: NO

Leadership

Dr. Tom McClellan, Founder/CEO
Brian Miller, Operations Manager

Background

Figure 8 Surgical, Inc. is a Delaware Corporation founded in 2009. The company has developed an FDA cleared medical device called the Flatware Sternal Closure System, a simple, cost effective alternative to traditional cerclage used in the primary closure of sternums following heart surgery. This specific technology can reduce the pain experienced by patients following this type of surgery as well as reducing the length of a hospital stay. Ultimately, the Flatware Sternal Closure System will look to create a stronger, more durable method of closure while reducing patient costs.

A median sternotomy involves separating the sternum longitudinally to allow surgical access to the thoracic cavity and associated organs (heart, lungs, aorta). Upon closure, the sternum must be held together to promote bone healing and reduce pain. The wire is susceptible to fracture upon twisting and to metal fatigue during patient movement or the action of breathing or coughing. If the wire breaks, the tissue/bone can separate and results in sternal non-union and/or wound infection. These preventable complications result in longer hospital stays, further surgeries, and in the case of deep infection, a lethality rate of 48% with very high associated costs.

WVJIT Investment History

January 2016:

\$250,000 Series D Preferred. Shares priced at \$.19/share with an 8% annual non-cumulative dividend.

Total WVJIT Investment:

\$250,000 (\$250,000 funded through WVCAP)

Dividend Income FY 2018: \$0.00

Co-Investors/Lenders:

WV Growth Fund
INNOVA Commercialization

Board of Directors/Management

Dr. Tom McClellan, Founder & CEO

Dr. McClellan is Board Certified by the American Board of Plastic Surgery and a Fellow in the American College of Surgeons. He specializes in reconstructive and cosmetic surgery including breast augmentation. Dr. McClellan completed medical school at the University of Alabama at Birmingham, his internship and residency in Internal Medicine at the Hospital of the University of Pennsylvania in Philadelphia, and his fellowship in renal medicine at the University of California in San Francisco.

Brian Miller, Operations Manager

Mr. Miller has an extensive background in manufacturing and management. He worked for Mylan Pharmaceuticals. Based on his background, Dr. McClellan hired him as Operations Manager for the WV headquarters.

Catherine Mott, President/CEO Blue Tree Angels

Catherine Mott is the founder and CEO of BlueTree Capital Group and BlueTree Allied Angels. Ms. Mott is the past Chairman of the Angel Capital Education Foundation, an organization that researches angel capital, tracks angel capital, and provides education to bring professionalism and ethics to the industry. In July 2010, she was named Chairman of the Board of the Angel Capital Association, the professional trade association for Angel Networks and Angel Funds in the U.S., Ms. Mott holds an MBA in Finance.

Michael Green

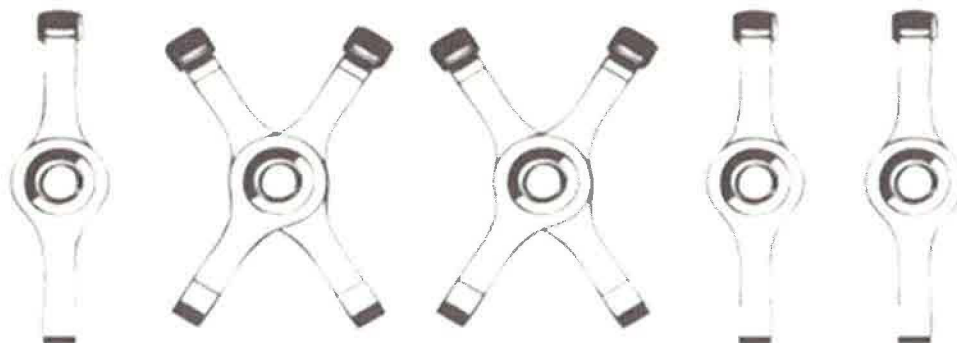
Michael Green, a retired businessman with a background in technology, was appointed to the West Virginia Board of Education in 2009 to a nine-year term. He was elected Vice President in 2013 and President in 2015. Mr. Green is a current resident of Morgantown in Monongalia County. He serves as an adviser, investor and board member for several privately held technology companies, earned a bachelor's degree in mathematics from Boston University, and a master's degree in numerical science from Johns Hopkins University.

Michele O'Connor, WV Jobs Investment Trust

Michele O'Connor has more than 30 years of experience in the finance and banking industry. She attained her Certified Financial Planner designation along with the Accredited Investment Fiduciary Manager designation. She was the Portfolio Manager for the Trust Department at First United Bank and managed over \$600 million for the department. Currently, Ms. O'Connor is the Investment Manager for the West Virginia Jobs Investment Trust.

Products

Figure 8 surgical has developed patented technology to address the sternal closure market. By modifying existing techniques and eliminating the twisting steel wire cerclage, the company has solved many of the problems associated with failure. The Figure 8 FlatWire is made of stainless steel. The Figure 8 FlatWire Sternal Closure System has been specifically developed to replace steel wire in primary sternal closure. It comes as a peel pack unit which contains 6 single stainless-steel devices and 2X devices. A reusable aluminum-tensioning device is provided to the surgeon at no additional cost. A standard needle driver and wire cutters are also used on the application or removal of the devices.



FlatWire is not only stronger but also more rigid in its resistance to lateral separation of the sternal halves. Each device is placed in a similar fashion to steel wire. The devices are reversible until the ends are twisted. Removal is very fast, simple and uses standard wire cutters. There have currently been over 500 patients across the U.S. who have been closed with the FlatWire system. The first FlatWire implantation was at Mon General Hospital in Morgantown. Figure 8 has four issued U.S. Patents that also allow claims in the EU. These patents cover both the implanted device and tool.

Market/Industry

Today, more than 700,000 sternotomies are performed each year in the U.S. The procedure provides excellent access to all mediastinal structures, is quick and easy to perform, and is well tolerated by most patients. Although complications are relatively rare, they are serious when they occur.

The potential market size for Figure 8 is affected by price in relationship to wire and other competitive closure options. The global sternal closure systems market is projected to reach \$2.61 billion by 2023 from \$2.02 billion in 2018, at a CAGR of 5.2% during the forecast period. The market is segmented into median sternotomy, hemisternotomy, and bilateral thoracosternotomy on the basis of procedure. Geographically, the sternal closure systems market is segmented into North America, Europe and Asia Pacific.

Competition

The major players in the sternal closure systems market are DePuy Synthes, Zimmer Biomet Holdings, A&E Medical, and KLS Martin Group. By company type, tier 1 is 45%, tier 2 is 34%, and tier 3 is 21%. The sternal closure market can be unpredictable due to the number of patients receiving surgery within a year. Geographically, it's split up between North America at 40%, Europe at 32%, APAC at 20% and RoW at 8%.



Significant Events

June 2018: Figure 8 Surgical is working with over 10 hospitals across the country for approval through their VAT. Once approved, the company will be cleared to sell its product directly to hospitals.

March 2018: Figure 8 has engaged a part time salesperson to work with existing distributors in the market.

April 2017: Figure 8 cleared all regulatory reviews and engaged a sales rep to begin selling products.

November 2016: Figure 8 closed on funding transaction with WVJIT.

Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Figure 8 Surgical, Inc. at value, which is **\$250,000**.



Snapshot:

Company: **Greenbrier Technical Services, Inc.**

Website: <http://www.greenbrier-tech.com/>

Location: Ronceverte, WV

Total Employees: FT/27; PT/0

WV Employees: FT/27; PT/0

WVJIT Investment: \$250,000

WVJIT Ownership: 0%

Subject to GASB 62: NO

Leadership

Joe McGraw, President/CEO

Tawana Martin, VP/CFO

David Canterbury, VP of Sales & New Development

Background

Founded in 1989, Greenbrier Technical Services, Inc. (GTS) provides engineering solutions to the banking, elevator equipment and mining industries. The company has two major components: manufacturing and repair. GTS manufactures replacement parts, repairs printed circuit boards and modules, provides parts sourcing services, engineering, and reverse engineering services. GTS has a flexible manufacturing facility capable of fulfilling orders in quantities from one to thousands. The company is headquartered in Ronceverte, WV.

WVJIT Investment History

May 2015:

\$250,000, 8% Convertible Note. The Convertible disbursed in two tranches upon meeting predetermined milestones.

Warrant Coverage:

10% priced at \$.01 expiring in five years (April 2020).

Total WVJIT Investment:

\$250,000 (\$250,000 funded through WVCAP)

FY2018 Accrued Interest Balance: \$.00

Co-Investors

Joseph and Susan McGraw

Edward Knight

Vissac, LLC

Angus Peyton

Patrick McGraw

INNOVA Commercialization

Bonnie Brae Farm, LLC

Management Team

Joe McGraw, President/Chief Executive Officer

Joe McGraw began his career as a software engineer for Bendix Corporation, immersing himself in the development of microprocessor software and continuous analyzers to monitor the exposure of toxic substances and control gas chromatographs. He oversaw many projects related to those developments from research and development to execution. In 1983, Mr. McGraw recruited several engineers and raised approximately \$2M to establish Greenbrier Electronics to manufacture and develop the 4400 Portable Universal Tester (PUT) portable electronic tester to troubleshoot technical issues related to industrial electronics. In 1986, the assets were acquired by Temco Instruments, Inc. and Mr. McGraw held roles in Marketing, Sales, and Product Definition for Temco, where he participated in many trade shows and seminars showcasing the company's products to prospective end-market users.

In 1989, Mr. McGraw left Temco to start GTS where he currently serves as President/Chief Executive Officer. He is also 100% owner of Greenbrier River Trading company, which is a dormant company since 2011, and a 90% owner of Greenbrier Floor Care, LLC, which is a ServiceMaster Franchise run by his son, Jonathan McGraw. Mr. McGraw received his B.S. Magna Cum Laude in Electrical Engineering from WVU and M.S. in Electrical Engineering from Virginia Tech.

David Canterbury, VP of Sales/New Product Development

David Canterbury started his career with Appalachian Electronic Instruments as a draftsman and was later promoted to Head Mechanical Designer for textile defect detection equipment where he worked closely with internal engineers to enhance the mechanical aspect of the design process. In 2003, Mr. Canterbury accepted a Mechanical Engineering role with GTS handling all engineering related responsibilities within the company and eventually was promoted to Engineering Manager. During his initial role with GTS, the company's product line doubled.

After several years with an engineering role at America in Motion (AIM) in Charlotte, Mr. Canterbury returned to GTS in August 2010 where he currently serves as VP of Sales/New Product Development. Mr. Canterbury received his Associate of Science in Mechanical Engineering Technology from WVU Institute of Technology and a B.S. in Mechanical Engineering from Kennedy Western University.

Tawana Martin, VP/Chief Financial Officer

Tawana Martin began her career with GTS in 1999 serving as the Marketing and Public Relations Director. In 2004, she was promoted to General Manager where she oversaw both business development as well as business operations. In 2009, Ms. Martin was promoted to VP and Chief Financial Officer where she implements and defines the long/short-term company objectives, policy implementation, and strategic direction. She also administers the company budget and internal cost controls for the company. Ms. Martin received her B.S. in Health Care Administration and Business Administration from the College of WV as well as an MBA from WVU concentrating in Management and Technology.

Board of Directors

Guy Peduto, INNOVA Commercialization Group

Guy Peduto joined the INNOVA Commercialization Group in April 2006. Prior to joining INNOVA, he held the position of Director, Commercial Programs at the Institute for Scientific Research, Inc. While there, he developed strategies for the commercial utilization of ISR's technology and research applications in such areas as biomedical research, education, software development, mining safety and communication, VTOL aerial vehicles, and automotive controls and diagnostics. Mr. Peduto's background includes 20 years of strategic planning experience with an emphasis on product introduction, leadership for early stage and start-up companies as well as market and business development. This experience includes business formation, product development, go-to-market and market development strategies for industrial and commercial manufacturers, consumer goods, advanced research and development, health care, financial institutions, Internet start-ups and retail chains. Mr. Peduto received a Bachelor's degree in Business Administration with a major in Marketing from West Virginia University.

Michele O'Connor, West Virginia Jobs Investment Trust

Michele O'Connor has more than 25 years of experience in the finance and banking industry. She attained her Certified Financial Planner designation along with the Accredited Investment Fiduciary Manager designation. She was the Portfolio Manager for the Trust Department at First United Bank and managed over \$600 million for the department. Currently, Ms. O'Connor is the Investment Manager for the West Virginia Jobs Investment Trust, a leading venture capital firm focused on turning the innovation of new ideas into successful world-class companies. Ms. O'Connor graduated Magna Cum Laude with a BA in Finance from the University of Maryland College.

Joe McGraw, President/ CEO

(See Bio Above)

Ron Magruder

Ron Magruder spent his entire career in the hospitality business. His first job was as a dishwasher in a Big Boy restaurant while in high school. After a number of jobs managing different types of restaurants he joined the Darden group as an Assistant Manager for Red Lobster. He worked his way up to the position of Vice President of Operations for that brand and was sent to Japan to develop the brand there. In 1985, he was appointed President of The Olive Garden. At that time there were four restaurants. During the next ten years he led the team in growing the chain to over 500 restaurants. His last position with Darden was Vice Chairman and in 1995 he changed categories and joined Cracker Barrel as its President. In 1999 he was named Chairman of the National Restaurant Association. He then moved to Canada and was President of the Swiss Chalet and Harvey's brands for Cara Operations. Mr. Magruder has since retired and has happily chosen Greenbrier County, West Virginia as his home. He has served on a number of University and Community Boards over the years. He currently is President of the Greenbrier Valley Theatre in Lewisburg, WV.

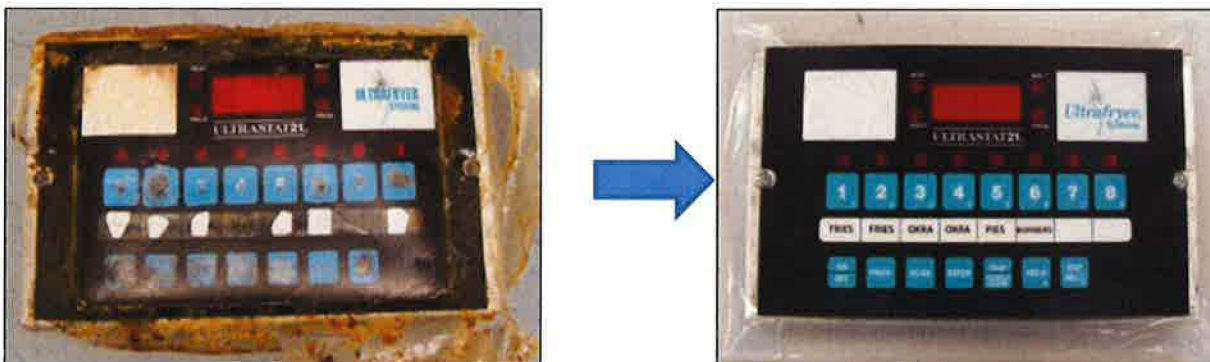
Product/Services

GTS manufactures parts and components for companies within the defense/military, elevator/escalator, financial, HVAC, instrumentation, pharmacy, petroleum, mining, food service and vending. Examples of OEM replacement parts include the electronic components found in ATMs, freight elevators and industrial machinery. GTS has staff engineers and technicians to develop OEM microelectronic parts such as card readers, industrial printers, blower assemblies and printed circuit boards (PCBs) that are more durable and offer a longer useful life.



The second operating segment for GTS is in repair and support. Currently, GTS provides depot repair, electronic/electromechanical repair services, end of life machinery support services, and other custom services. The company commenced its penetration in the commercial food equipment market in 2013. Soon after forming relationships with notable restaurant operators and food equipment providers, GTS pursued and was later awarded the ISO 9001-2008 quality system management certification.

GTS prides itself on being the only ISO 9001-2008 certified commercial food service repair company in the country. The ISO 9001 is a policy that assures proper and safe quality controls and tests those products upon its completion for accuracy and excellence. The management team stresses the importance of holding a high standard of quality and accountability on all its new and senior employees. Unlike its competitors, the company's 14,000 square foot facility gives the capacity to handle both the repairing of circuit boards as well as the manufacturing of overlays and membrane switches typically used in commercial food equipment. GTS utilized the funds it received from the Newtek loan to purchase additional equipment to expand its operating repair capacity. The picture below shows the before-and-after repair of malfunctioned and poorly maintained circuit boards for QSRs and commercial equipment companies. Turnaround time for GTS is usually two weeks upon receipt. The company can minimize that time upon the hiring of additional employees.



Industry/Market Summary

GTS covers a wide variety of industries with their electronic repair service. The global outlook for this industry is currently experiencing an upward swing driven by the large number of innovative electronic equipment that is now becoming more and more integrated within businesses and households across the U.S. and the rest of the world. The dependency for electronic equipment is fueling the demand for repair services that allow organizations to keep

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costs at a minimum. The demand for refurbished products is growing at a faster rate as companies battle with cost effectiveness. As more and more electronic equipment becomes installed in organizations, this will only grow this industry to continue on its upward momentum. In the U.S., the global electronic repair service market is expected to reach \$147.24 B by 2024 with the CAGR of 8.5% during the period from 2016-2024.

In 2017, Panera Bread was involved in a mega \$7.5B takeover by European investment firm JAB. Panera has since indicated a keen desire to focus on repairing electrical equipment used in Panera stores in place of purchasing new equipment. This cost saving measure will serve to benefit the electronic repair industry and companies like GTS.

Significant Events

June 2018: GTS continues to find additional customers in the food service industry.

February 2018: GTS sold commercial property and the proceeds were used to pay down outstanding debt.

February 2017: GTS landed a sizable contract which has increased sales and production significantly. Due to the increase, the company will begin hiring additional employees.

June 2016: GTS Sales Manager shifted to more outside sales efforts and with the new push increased sales in the restaurant sector. Additionally, the sales mix continued to shift to more repair versus manufacturing.

December 2015: GTS sold a condo and the net sale proceeds were used to pay down the Newtek loan.

June 2015: GTS closed on its loan from WVJIT and INNOVA to expand its commercial food equipment service repair segment.

Overall Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Greenbrier Technical Services, Inc., at value, which is currently presumed to be the same as cost or **\$259,804**.



Snapshot:

Company: **Liberty Hydro, Inc.**
Website: libertyhydro.com
Location: South Charleston, WV
Total Employees: FT/3; PT/0
WV Employees: FT/3; PT/0

WVJIT Investment: \$0
WVJIT Inv. write down: \$514,500
WVJIT Loan: \$425,000
Loan reserve: \$425,000
WVJIT Ownership: 35.9%
Subject to GASB 62: YES

Leadership

Mark Kropilak, Chief Executive Officer
Dr. John Taylor, Chief Technology Officer
Phil Farina, Sales Executive

Background

Liberty Hydro, Inc. is a Delaware C Corporation formed in 2009 based on the application of technology developed by MATRIC that was engineered to remove selenium and other contaminants from coal mine discharge water. The Company also engaged in additional product developments, the most promising of which is an aspect of the ZVI technology that involves the brine concentrator, which is based on a new technology that the company calls the CounterFlow ROTM Process. In addition, the company has made progress on its pH Controller for acid mine drainage and its Dissolved Air Floatation (DAF) units. Liberty Hydro has developed additional products for contaminant removal in water supply and has completed several case studies both domestically and internationally such as the John Amos Power Plant in West Virginia, the Ambatovy Mine in Madagascar, and the Tannery Market in India. The company has several strategic partnerships with Meidlinger Partners, LLP, and MATRIC.

WVJIT Investment History

2011:

\$500,000 Series A-2 Preferred Units Investment.

February 2012:

Exercised Warrants for 400,000 shares of common equity at \$0.01 per share.

June 2012:

\$100,000 Convertible Debenture; WVCAP; Maturity Date: June 30, 2016.

\$250,000 Convertible Debenture; WVCAP; 14% interest; Maturity Date: June 30, 2016.

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October 2012:

Exercised Warrants for 1,050,000 shares of common equity at \$0.01 per share

July 2013:

\$75,000 investment, convertible debenture, 10% interest rate

Maturity date: June 30, 2016/ Funded using WVCAP Seed Co-Investment Fund

Valuation based on GASB 62: \$.00

Equity Investment Balance: \$.00

Board of Directors

Mark Kropilak, Chief Executive Officer

Mark Kropilak holds degrees in Economics and Accounting from Saint Vincent College, a JD from Columbia University, and an Executive MBA from Villanova University and a lecturer at their business school. He worked for Aqua America (a publicly-traded water utility holding company) for 23 years serving in various roles. He was on assignment to fill the CEO vacancy at Liberty and stabilize the company prior to becoming CEO in March 2012.

Tami Fratis, CEO of IPR International

Tami Fratis is an internationally experienced CEO and investment professional of fund managers, family offices, accredited investors and business owners by offering, negotiation, capital raising, business development, marketing and strategic, structural and operational expertise. Industry expertise includes: impact investing, water technologies, behavioral health, education, software, services, media, consumer focused enterprises and multifamily real estate.

Bill Goode, Representative of Mid-Atlantic Holdings

Bill Goode currently occupies a Common Shareholder seat. He is President of the financial services group HL Goode & Son located in Hurricane, WV providing surety bonding, insurance and offtake financing to U.S. coal producers. Mr. Goode holds a BS in Accounting from the University of Kentucky and is a licensed insurance and real estate agent. He serves on the Boards of MATRIC, MAH Holdings, Liberty Hydro and SGA Polymers.

C. Andrew Zulauf, Executive Director of WV Jobs Investment Trust

Andy Zulauf has extensive experience in finance and venture capital, having served as Executive Director and Senior Loan Officer for the West Virginia Capital Corporation, as a Partner and Managing Director of West Virginia operations for Adena Ventures, and as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank. Mr. Zulauf is a graduate of Marshall University and the University of Charleston's Executive MBA program.

Competition/Market Summary

The global water treatment technologies market had an estimated value of USD \$5,342.73 million in 2017 and is expected to grow at a CAGR of 9%. Water treatment applications have been increasing lately owing to the strong demand for freshwater resources. Competition includes Aecom, Aquatech, Atkins Xylem and many more. In areas where traditional wastewater treatment methods cannot be used, some alternative technologies evolved for both residential and commercial water and wastewater treatments. There are some parts of the globe that these water treatment technologies cannot be used due to short supply of water. The equipment and operations costs are a major pain point within this industry due to high maintenance costs.

Industry Summary

The water treatment chemicals and technology markets are valued at \$147 billion and is projected to reach \$202.8 billion by 2024, growing at a CAGR of 4.2 percent from 2017 to 2024. The industrial sludge treatment chemicals market is expected to exceed \$7.5 billion by 2024 due to growing industrialization and an increase in manufacturing and chemical industries, which lead to waste and sludge generation. The primary sludge segment will rise at a significant CAGR from 2017 to 2024 to surpass \$1.5 billion by the end of the forecast period. Conditioning and stabilization processes segment will display growth at a maximum CAGR in the forecast period and is expected to be valued close to \$3 billion by 2024. Dewatering and drying treatments segment is expected to grow with a CAGR of more than 6 percent in the forecast time span to capture close to 30 percent of the industrial sludge treatment chemicals market share in 2024.

The food and beverage industry is one of the major end users of the industrial sludge treatment chemicals market and is likely to generate close to \$1.5 billion by 2024. Chemicals and personal care segment will grow with the fastest CAGR in the forecast period. The disposal of sludge as fertilizer, which is useful to agricultural production, will also further boost the industrial sludge treatment chemicals market demand in the coming years. Membrane bioreactor systems market expected to reach \$5.59 billion by 2026, even though it was only valued at \$1.54 billion at the end of 2017 which is a 15.46 percent increase from 2018 to 2026.



Significant Events

June 2018: Liberty Hydro receives an order for a product from a Chinese company.

October 2017: Liberty Hydro attends the U.S. China Innovation Conference and wins a trip to China to generate investment/sales interest.

September 2017: Liberty Hydro will be reaching back out to coal companies to address selenium issues.

June 2017: Liberty Hydro enters into an MOU with a private company granting it a non-exclusive license to promote ZVI Media as a selenium solution to its customers.

December 2016: Liberty Hydro reviews feedback received on pilot units and moves forward with interested companies.

June 2016: Liberty Hydro projects converting four pilot units into revenue producing projects by year-end.

January 2016: Liberty Hydro pilot unit does well at solar panel manufacturing company. Company anticipates converting it to a paying pilot unit within the year.

December 2015: Liberty Hydro continued with pilot unit testing at TVA power plants.

October 2015: Liberty Hydro explored environmental remediation relationships with coal companies.

September 2015: The LOI submitted by the regional energy company was pulled and did not result in an acquisition. Pilot unit placed with a large solar panel manufacturing company. A test unit was also sent to a large energy company to remediate coal ash pond.

March 2015: Regional energy company submitted an LOI to Liberty Hydro with contingencies to be met. The company continued to maintain its current projects and technology development.

September 2014: Liberty Hydro continued to build its pipeline and gathered interest from several companies. The pilot plant at John Amos planned to proceed and will be part of an EPRI contract extension. In addition, another pilot project was underway at Wateree, SC. The Company was also in discussions with a regional energy company to acquire Liberty.

February 2014: Liberty Hydro was awarded a \$20,000 CAM Grant for a portable water-filtration pilot unit needed for customer-site demonstrations of Liberty Hydro's clean-water technology.

December 2013: Liberty Hydro received notice of allowance for the ZVI product/technology from the U.S. Patent and trademark office.

July 2013: WVJIT Board of Directors approved a \$75,000 convertible debenture investment in Liberty Hydro with a 10% interest rate. The Government Accounting Standards Board ("GASB") came out with a ruling in 2012 – GASB 62 – which requires state or federal venture capital funds that have 20% or more of the total voting stock in a portfolio to value its holdings according to the equity method. This applied to Liberty Hydro, where WVJIT has 36% of the voting stock. Therefore, WVJIT recognized its proportionate share of operating losses of Liberty Hydro and reflected the adjusted value on its internal and external financial statements.

June 2013: The Patent Security Agreement was amended. The Secured Creditors were given a security interest in any patents currently owned and any acquired in the future.

June 2013: ZVI Blue pilot unit installed at ATI and John Amos power plant in West Virginia arranged for a pilot unit to be installed. Company also received a grant from CAM to build a trailer unit.

Overall Conclusion

Liberty Hydro continues to struggle with generating revenues to cover operating costs. Management has indicated the sales prospect pipeline is good and they have bid on a number of projects they believe can be won, but the sales cycle for these projects tend to be long. There is concern that if one or more of these contracts are not awarded to Liberty Hydro, the company could be faced with filing for bankruptcy protection. Based on the foregoing, the WV Jobs Investment Trust Board finds it most appropriate to record its investment in Liberty Hydro, Inc. at value, which is currently presumed to be **\$0.00**, due to previous year's write-downs and loan loss provisions.



Snapshot:

Company: **MATRIC**
Website: Matricinnovates.com
Location: South Charleston, WV
Total Employees: FT/48; PT/45
WV Employees: FT/48; PT/39

WVJIT Investment: Balance: \$1,268,000
WVJIT Ownership: 0.0%
Subject to GASB 62: NO

Leadership

Steve Hedrick, President/CEO
Greg Clutter, COO
Dr. John P. “Jack” Dever, Vice President/CTO
Parvez Wadia, VP of Strategic Initiatives
Dr. George Keller, Director Chief Engineer
Dr. B. Duane Dombek, Director of Process and Product R&D
Mark Dehlin, Director of Advanced Software Technologies

Background

MATRIC is a West Virginia non-profit organization headquartered in South Charleston, West Virginia. MATRIC has three wholly owned subsidiaries performing various services; Mid-Atlantic Commercial Research, LLC (MCR), which provides for-profit commercial R&D; Mid-Atlantic Technical Engineering, LLC, which is a full service professional engineering firm; and, Mid-Atlantic Technical Consulting, LLC, (MATC). MATRIC also has a majority interest in Mid-Atlantic Holding, Inc. (MAH) which holds and commercializes the intellectual property portfolio of MATRIC through licensing and the creation of technology-based companies.

MATRIC is focused on conducting life-changing research and development and commercializing related products and services. The Company currently employs over 40 people, a bulk of whom have doctorates in the fields of science and technology. MATRIC’s scientific staff performs research and development in chemical and environmental technologies, advanced engineering, and health and life sciences.

MATRIC develops its own intellectual property through internally funded research as well as pre-negotiated “field of use” agreements with customers to allow the Company to advance discoveries in domains that are not of interest to the customer organization and further exploring commercialization opportunities.

MATRIC is managed by individuals with extensive research and development experience. The Company is headquartered within a 650-acre site that includes research and development buildings, engineering buildings, a data center, and laboratories that house other companies such as Dow Chemical, Bayer, and the laboratories of West Virginia State University. The location and experience of MATRIC’s scientists and engineers provide a substantial long-term competitive advantage.

Investment/Loan History

The WV Legislature authorized \$2M in funds to be made available to MATRIC. It was determined that the most appropriate method to invest those funds was through WVJIT. WVJIT negotiated with MATRIC a transaction whereby WVJIT would loan \$2 million to MATRIC. In turn, WVJIT secured its loan with accounts receivable, inventory, fixtures and equipment. In addition, WVJIT secured its loan with “reserved” shares in MAH. WVJIT has the option to convert its loan into shares of MAH. If the full loan proceeds were converted at WVJIT’s option, it would convert to 20,000 or 20% of MAH. If MATRIC is unable to meet its debt obligations then WVJIT, in a default circumstance, may convert its loan in up to 40,000 shares of common stock, or 40%. MAH is currently authorized to issue up to 100,000 shares and initially issued all 100,000 shares to MATRIC. MATRIC sold 1,000 shares to American Electric Power; 5,000 shares to the Clay Foundation; and, 2,000 shares were issued to the Charleston Area Alliance in exchange for previously issued debt.

May 2009:

Convertible Loan: \$2,000,000

Current Loan Balance: \$1,268,000

FY2018 WVJIT Interest Received:

\$73,357.23

Board of Directors

Thomas A. Heywood, Chairman

Bowls Rice, Managing Director

Stephen A. Kawash, Treasurer

Gibbons & Kawash

William B. Goode

HL Goode & Son

Dr. George Keller

MATRIC, Chief Engineer

Kevin DiGregorio

Chemical Alliance Zone

Joe W. Gollehon

TSG Solutions

Duane Dombek

R&D Director

Dr. John Dever

CTO

Greg Clutter

MATRIC, COO

John Miesner

MATRIC, General Counsel

Bob Welty

Fifth Third Bank

Steve Hedrick

President, CEO

Parvez Wadia

MATRIC

L. Newton Thomas Jr.

ITT Carbon Industries, SVP

Mark Dehlin

Technology Director

Products

MATRIC offers research and development support and services in the following specialties: Chemical Process Technologies, Technical Engineering and Software Technologies.

Chemical Process Technologies: Provides R&D support as well as Catalysis, Scale-up and Technology Verification, Solids Processing, Green Technologies, Techno-Economic Assessments and Emerging Technology Evaluations, Safety Engineering Services, Environmental Services, and other strategic programs.

Technical Engineering: Provides mechanical, civil, electrical engineering, instrumentation control systems design and programming personnel, as well as other project services areas of expertise including: project management, detailed engineering, procurement and operations training. The staff specializes in Natural Gas, Water and Chemical Industry.

Advanced Software Technologies: Provides customers with unique offerings such as GIS Applications, Modeling Simulation, Software Engineering, and Development Servers to specifically meet the needs of their market offerings.

Industry Summary

Global Health and Life Sciences Research in 2017:

1. **Navigating Market Dynamics:** Fluctuating economic conditions continue to challenge many of the regions in which life science companies operate. Sanctions and falling oil prices, stagnating economies, significant growth slow-down, rising debt levels, currency devaluation, recession and inflation, and political uncertainty may impact parts of the world. At the same time, aging populations, the growing prevalence of chronic diseases, rising consumer wealth and other changing demographics, are expected to boost health care spending and the demand for life sciences products for 2017 and beyond.
 2. **Countering Pricing and Cost Pressures:** Amid the reform-driven shift to outcomes-focused, value-based payment and reimbursement systems, pharma companies may continue to bear the brunt of efforts to control costs. Companion diagnostics should continue to rapidly increase in number and application though. Organizations of all sizes are also struggling with issues that span development, manufacturing, and distribution – pressure to reduce the cost of early-stage research and development without reducing output, reduce clinical development risks while also producing high-quality data, need to reduce asset bases, optimization of outsourcing strategies, difficulty operationalizing and optimizing acquisitions, talent and leadership issues, and supply chain risks.
 3. **Promoting Innovation:** Companies are facing dual imperatives to deliver innovative therapies that address unmet patient needs and treat life-threatening conditions but also deliver profitable growth. Achieving these often conflicting objectives is likely to require that companies transform their business and operating models and embrace disruptive technology advancements that can concurrently reduce costs and speed time to market for new products and services. From product development through manufacturing and distribution, life sciences companies are evolving their business models to engage more fully with providers and patients. Personalized medicine also continues to drive business model transformation.
-

Significant Events

December 2017: MATRIC opens Morgantown location and continues to show growth.

June 2017: MATRIC note was refinanced beginning July 2017 with a maturity of date of June 30, 2024. Interest rate is a variable rate based upon WSJ rate + 1%.

January 2017: MATRIC announces Thomas Heywood to succeed Gregory Babe as Board Chairman effective January 1, 2017. Heywood brings more than 30 years of experience in corporate, finance and commercial law.

June 2016: WVJIT Board approved MATRIC loan extension of the note from June 30, 2016 to June 30, 2017.

May 2016: MATRIC expanded its social media targeting campaign to lift its brand. Business development continued to bring in new customers and expand existing relationships.

November 2015: MATRIC University is created. Recruitment of team members resulted in three new hires at the Morgantown location.

April 2014: Chemical Alliance Zone launched Chemception, the nation's only incubator focused solely on commercializing chemistry-based technologies and helping entrepreneurs, start-ups, and small companies launch their businesses. MATRIC is a strategic partner for the incubator and hoped to attract entrepreneurs starting their chemistry-based businesses in Charleston. Tenants included Liberty Hydro and Polyplexx, LLC.

February 2014: MATRIC announced Gregory S. Babe replaced Paul Arbogast as Board Chairman. He brings more than 30 years of experience in the chemical and manufacturing industries.

November 2013: Charleston Area Alliance announced MATRIC to be the recipient of the "Forward to the Future" award. The award is presented monthly to a business, individual or community group whose innovative work is propelling the Alliance's vision 2030 plan forward.

February 2013: Steven Hedrick joins MATRIC as President and CEO.

August 2012: MATRIC Board approved a motion to enter into a \$350K 60 month-term loan at a rate not greater than 4.75% for the purchase of boilers for the pilot plant activities. MAH fully divested from Europa ownership with projected final expense approximating \$143,500. Expense treated as a note from MAH to MATRIC and as of 2013, WVJIT seed fund obligation payment.

July 2012: MATRIC executives authorized the dissolving of a European subsidiary, MATRIC Europa, at a cost of €68,500 which translates to about \$84,000.

June 2012: President and CEO of MATRIC, Keith Pauley, resigned from his position to take a job overseas with ChemChina. Greg Clutter is named interim-CEO.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in MATRIC, Inc. at value, which is currently presumed to be the same as cost or **\$1,268,000**.



Snapshot:

Company: **MightyTykes, LLC**
Website: mightytykes.com
Location: Safety Harbor, FL
Total Employees: FT/1; PT/0
WV Employees: FT/0; PT/0

WVJIT Investment: \$100,000
WVJIT Ownership: 0.0%
Subject to GASB 62: NO

Leadership

Isabella Yosucio, President

Background

Poor muscle tone (hypotonia) or muscle weakness are impairments common to several physical conditions found in children, including Down Syndrome, prematurity, Autism-spectrum disorders, Cerebral Palsy and Muscular Dystrophy. These physical limitations impair a child's timely mobility and the ability to fully explore their environment and in turn, learn and socialize. With input from parents, physical therapists and occupational therapists from some of the nation's leading children's hospitals, Down Syndrome mom, Isabella Yosucio, developed MightyTykes™ Infant and Child Weights to meet this important unmet need. MightyTykes, LLC estimates that nearly three million children from birth to age five in the United States alone are affected by these conditions, many of which are on the rise. Worldwide, the incidence and prevalence of these conditions is comparable.

Carefully and thoroughly researched, MightyTykes™ weights are designed to be visually aesthetic, affordable, user-friendly and easy to manufacture. They are made in the U.S. from high quality materials, meeting the high standards of institutional settings while still being affordable to parents, caregivers and independent therapists in a home setting.

For children with Down Syndrome, a weight training program using ankle weights in progressive resistance exercises for lower limbs and balance training is an effective treatment to improve strength and balance. In addition, children with certain conditions may also have other impediments that can be effectively treated by ankle or wrist weights including tremors, poor coordination, or simple sensory issues. According to the Company and INNOVA's research, there is currently not a wrist or ankle weight designed for the early intervention market and the Company's product—MightyTykes™ Infant and Child Weights—fill that gap.

WVJIT Investment History

March 2014:

\$100,000 - 9% Convertible Note accruing 9%. The Convertible Note was disbursed in two tranches upon meeting pre-determined milestones. No Warrant Coverage.

Total WVJIT Investment as of June 30, 2016:

\$100,000 (\$50,000 funded through WVCAP)

Co-Investors/Lenders:

Isabella Yosuico
Raymond Yosuico
INNOVA Commercialization

Board of Directors

Guy Peduto, INNOVA Commercialization Group

Guy Peduto joined INNOVA Commercialization Group in April 2006. Prior to joining INNOVA, he held the position of Director of Commercial Programs at the Institute for Scientific Research, Inc. Mr. Peduto's background includes 20 years of strategic planning experience with an emphasis on product introduction, leadership for early stage and start-up companies, as well as market and business development. Mr. Peduto received a Bachelor's degree in Business Administration with a major in Marketing from West Virginia University.

Michele O'Connor, West Virginia Jobs Investment Trust

Michele O'Connor has more than 25 years of experience in the finance and banking industry. She attained her Certified Financial Planner designation along with the Accredited Investment Fiduciary Manager designation. Currently, Ms. O'Connor is the Investment Manager for the West Virginia Jobs Investment Trust, a leading venture capital firm focused on turning the innovation of new ideas into successful world-class companies. Ms. O'Connor graduated Magna Cum Laude with a BA in Finance from the University of Maryland College.

Isabella Yosuico, Founder

Isabella Yosuico is the mother of a child with Down Syndrome. Isabella is an accomplished communications professional with an extensive background in health-care related marketing and communications in a variety of settings including Fortune 1000 healthcare companies, hospital systems, biotech companies, management consulting firms and non-profits. At different times in her career, Isabella has also played a key role in organizational development and administration.

Products and Services

MightyTykes, LLC, based on feedback, developed a ½ lb., ¼ lb. and ⅛ lb. weight.



Industry/Market Overview

Hypotonia or poor muscle tone, is usually detected at birth or during infancy. The infant will appear limp at birth and won't be able to keep their knees and elbows bent and the child may struggle with feeding and motor skills as they grow. Hypotonia can be triggered by a problem with the nervous system or muscular system. Treatment will vary depending on how the child is affected. Children with severe conditions may need wheelchairs for mobility.

The long-term outlook depends on underlying cause, age, severity and what muscles are affected. The goals of treatment include address proximal strength and support in order to facilitate distal strength and function, improve postural control, facilitate motor development and foundations of motor planning, improve postural responses and protective reactions, address fluidity and efficiency of movements, and improve functional strength.

Physical Therapy for Children

A physical therapist may recommend:

- **Massage and Compression:** This will stimulate blood flow to the joints and improves muscle tone and joint compression wraps are also recommended.
- **Weight Training:** This is where MightyTykes will come in with weight training that allows the infant or child to increase their strength.
- **Stimulation:** Stimulating areas through a different variety of therapeutic options increases blood flow to the area and helps wake up nerve fibers.
- **Developing Fine Motor Skills:** These exercises can be used at any age. It is recommended to rub hands and feet together to improve coordination.

Significant Events

January 2018: Legal action initiated against MightyTykes due to loan default.

March 2017: Lenders continue to work with MightyTykes on moving the Company forward. The Company relocated to Florida.

June 2016: MightyTykes and Lenders explore options on how to move the Company forward; including conversion of debt.

January 2016: Dario Campolattaro steps down from the Board. MightyTykes launches on Amazon International which includes five European markets. The Company was approved to sell on WalMart.com.

November 2015: MightyTykes signed an agreement with its first reseller "Explore Your Senses" (sensamart.com)

October 2015: With input from a media consultant, MightyTykes expanded its social media campaign and updated its website.

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June 2015: MightyTykes used all of its cash and started exploring potential investment options with a WVSBDc coach. As such, the Company stopped all new paid marketing campaigns until the cash flow situation could be addressed.

March 2015: MightyTykes received funding from INNOVA to solicit consultants for marketing and social media campaigns. Company updated its products on Amazon to offer free shipping. With the change, Company tripled its sales. Comparing May, June and July of 2014 with the first quarter of 2015, MightyTykes sold 175 units versus 358 respectively.

December 2014: MightyTykes received its second disbursement of funding.

September 2014: MightyTykes reviewed SEO campaign by marketing consultant as well as potential application to "Shark Tank." WVJIT finalized the second tranche distribution and loan modification. The Company, based on feedback, was developing a ¾ and 1lb. weight. Sales doubled as of September 2014 and the Company continued to push with an aggressive marketing campaign and approved the Phase 2 textile and manufacturing prototype.

June 2014: MightyTykes products were sold directly through its website as well as Amazon.com and another separate distributor. The Company completed most of Phase 1 of production and began the process of Phase 2. A significant cost savings was created during Phase 1 that helped offset any unexpected costs which the Company encountered during Phase 2.

May 2014: MightyTykes was featured in the WV State Journal. The Company also received \$3K in grant funding from TechConnect to attend the New York Metro Abilities EXPO.

March 2014: WVJIT Board of Directors approved a \$100,000 convertible debenture investment in MightyTykes.

Conclusion

MightyTykes is in default and legal action has been initiated.

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to reserve 100% against the outstanding principal and record its loan to MightyTykes, LLC at **\$0.00**.



MOUNTAINEER TROUT FARM

Snapshot:

Company: **Mountaineer Trout Farm, LLC**
Website: N/A
Location: Josephine, WV
Total Employees: FT/3; PT/0
WV Employees: FT/3; PT/0

WVJIT Investment: \$65,000
WVJIT Ownership: 0.0%
Subject to GASB 62: NO

Ownership

S.E. Thompson, Owner
Colleen Miller, Owner

Management

Paul Rowe, General Manager
Tony Matherly, Operations Manager

Background

Mountaineer Trout Farm, LLC is an aquaculture business formed in March 2007 as a joint partnership run by the late Ted Miller of Birch Creek Deer Farms located in Pennsylvania and S.E. Thompson, Jr., of Gainesville, Florida. Operations are located at the Lillybrook Aquafarm site located in Josephine, West Virginia. The site uses water from the former Lillybrook Mine. The water is ideal in temperature, chemistry, and is free of water-borne disease. The site is gravity-fed, thus eliminating redundant pumping systems which significantly reduces operating costs and gives the Company a major cost advantage. Mountaineer Trout Farm leases the property by Lillybrook Mine and pays a leasehold payment based on a percentage of gross sales. The lease began after the assets reverted back to WVJIT in 2007.

Mountaineer Trout Farm was formed to take advantage of a natural resource – mine water used to supply an aquaculture project. The Company now has two parallel raceways each measuring 100 feet by 20 feet width. The raceways were constructed with Company funds and borrowed funds from Farm Credit. The raceways are estimated to have a maximum capacity of 400,000 in future years. The lease gives Mountaineer Trout Farm the right of first refusal on any future lease for the McAlpin Farm site.

The project was initially funded as Minaqua in 1995, with the goal of becoming a major supplier of Arctic Char to the Mid-Atlantic and South-Central regions of the United States. At the date of the formation of Mountaineer Trout Farm, WVJIT had a depreciated value of \$573,387 to its lease household interest in the facility which in turn is subleased to Mountaineer Trout. WVJIT wrote off the 2007 investment in Mountaineer Trout Farm.

WVJIT Investment History

2007:

\$1,573,794 Debt Investment

\$ 280,000 Equity Investment

October 2017:

\$65,000 loan granted at 8% with a 2021 maturity.

Royalty:

5% on gross sales

FY2018 WVJIT Royalty Received:

\$38,372.12

Management

Paul Rowe -Acting General Manager

Products

Mountaineer Trout Farm sells a variety of trout on their farm in Josephine, WV. During the past year, no new products or services were created by Mountaineer Trout. Their continued growth and sales numbers continue to retain unprecedented status and Mountaineer Trout will continue on their same path as their future looks bright.

Competition/Market Summary

Rainbow Trout are produced in more than 16 states across the U.S., however, certain states are known for their high level of production. For example, Idaho is responsible for over 65% of all production in the U.S. North Carolina, Pennsylvania, California, and West Virginia are some other big producers of this popular fish. The U.S. is not a large exporter of fish due to the high demand at a domestic level. In recent years, the exports have remained in line with previous production levels in the U.S. Imports of trout are much more significant than exports and have been increasing steadily reaching a value of over \$104M in 2015, surpassing the value of domestic production (\$96.4M). The majority of these imports are from Chile and secondarily from Norway, accounting for USD \$65.2 and \$19.4M, respectively, in 2016.

Industry Summary

Rainbow Trout is a fast growing, cold water fish that typically grows to sizes of 3-6lbs, however, there are many trout that exceed this sizing and reach weights of up to 20lbs. Rainbow Trout is very popular for sporting purposes as well as a food. Rainbow Trout has been introduced all over the world and can be found in all continents bar Antarctica. In North America, Rainbow Trout can be found throughout the country in many fish farms as well as being common in Canada. In the U.S. the most common method for trout production is to grow them in raceways for which about 90% of the production occurs in this way. By aligning a series of raceways one after another, it allows for monitoring the growth of fish while continuing to bring new eggs into the production system. The scale of a farm's production is limited by the amount of freshwater available and the source of water depends on the geography of the farm site. In Idaho, the largest producer state, responsible for approximately 67% of production, groundwater is used while in North Carolina, the second-largest producer, responsible for approximately 6% of

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production, surface water is diverted from nearby water bodies. Global annual production had consistently increased from 2004 to 2013 and peaked at 580,066 MT in 2013 before falling to 2014 levels. This production occurs in over 70 countries but is dominated by a few large producers. In 2016, the top three—Iran, Turkey, and Italy—produced 126,515, 107,533, and 34,400 MT, respectively, accounting for approximately 47% of global production. In that same year, the U.S. produced 21,979 MT, or just under 4% of global production, making it the eighth-largest producer of Rainbow Trout in freshwater systems.

Significant Events

June 2018: WVJIT successfully concluded its Receivership as the two owners agreed to a settlement where Ms. Miller will be the sole owner of MTF. WVJIT is in final negotiations with MTF regarding a new lease agreement wherein MTF will pay the higher of (1) 5% of total sales or (2) \$5,000 monthly lease payment.

July 2017: Maintenance work began on Raceway 2B and Water Tower #1. Improvements are being made to several other areas of the farm such as the workshop and the repurchase of the stocking truck.

June 2017: MTF opens a new bank account that is controlled and operated by WVJIT. Site visits are carried out and deferred maintenance is evaluated. The relationship between WVJIT and MTF employees continues to strengthen.

May 2017: WVJIT is appointed special receiver of MTF by the circuit court of Raleigh County, WV. This role has no defined time period and will go on until the ownership dispute is resolved. In the receiver capacity, WVJIT manages the operations of MTF, collects receivables, operates and open bank accounts, pays AP, manages sales and employment matters.

March 2017: WVJIT files subsequent motion to intervene and appoint a receiver in this case.

February 2017: On February 21, 2017, owner initiated civil action seeking temporary restraining order and further injunctive relief.

February 2017: The General Manager of MTF is fired and leaves the farm in possession of the stocking truck.

June 2016: Fiscal year 2016, Mountaineer Trout sold 439,878 pounds of trout, an increase of over 9% year over year.

December 2015: During 2015, Mountaineer Trout changed oxygen distributors which decreased their cost by 50%. The Company also bought a new stocking truck. The local trout processor continued to increase orders which they provided to Tamarack, The Greenbrier and other local restaurants. The Company is in the planning stage of expanding production capacity with additional raceways.

December 2014: During 2014, Mountaineer Trout Farm sold 400,599 pounds of Rainbow Trout with the overall production cost remaining constant at \$1.42 per pound. These costs were expected to increase during 2015. The lease payment percentage reverted back to the original 5%. The Company planned to expand its production capabilities during the Spring/Summer of 2015, maybe looking for funding for the project.

June 2014: Mountaineer Trout Farms requested the lease be amended to reflect the 3% royalty lease payment which it has been sending in lieu of the 5% royalty lease payment.

April 2013: Mountaineer Trout Farm plans to upgrade the property by installing a new roof to the feed room and various other leasehold improvements.

Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Mountaineer Trout Farm, LLC at value, which is currently presumed to be \$129,602 which is the net asset value of the property and the loan balance per the WVJIT financial reports as of June 30, 2018.



Company: **PolyPlexx, LLC**
Website: PolyPlexx.biz
Location: South Charleston, WV
Total Employees: FT/1; PT/1
WV Employees: FT/1; PT/1

WVJIT Investment: \$271,560
WVJIT Ownership: 11.37%
Subject to GASB 62: NO

Leadership

Jon C. Pauley, President/Chief Commercialization Officer
Dr. Richard M. Gerkin, Sr. Technical Advisor

Company

Formerly known as Transparent Armor, LLC (a MATRIC spin-off), it was renamed PolyPlexx, LLC in 2005. The Company was founded by former Union Carbide scientists: Jon C. Pauley, Edmond J. Derderian and Richard Gerkin. Scientists are developing new chemistry for making high-performance polyurethane and/or urethane hybrid polymers which are easier to process relative to the existing polymers such as polycarbonate. In addition, these polymers are well-known for their extremely broad formulation latitude and can be designed to meet a wide variety of application needs in industries such as Ophthalmic, Safety and Defense. The Company is located at the Research Technology Park in South Charleston, WV.

Investment History

May 2014:

\$271,560 Series C Equity Investment. (Funded through WVCAP).
No Warrant Coverage

Co-Investors/ Lenders in Series C Round:

Crimson Hill
INNOVA Commercialization Group

Management Team

Jon C. Pauley, President/Chief Commercialization Officer

Jon Pauley's responsibilities focus on leading the commercialization efforts of the organization. Mr. Pauley also provides the interface between commercial activities and the Research and Development activities. He received B.S. degrees in Biology and Chemistry from West Virginia State College in 1983 and has spent the largest portion of his career working as a small business start-up specialist.

Dr. Richard M. Gerkin, Sr. Technical Adviser

Dr. Gerkin is the co-inventor (with Dr. Derderian) of the technology. Dr. Gerkin received a Ph.D. in Chemistry from the University of California at Santa Barbara in 1968 and a B.S. in Chemistry from Wheeling Jesuit College in

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1965. He began his technical career in industrial research with Union Carbide Corporation at the South Charleston Technical Center in 1969. His work continued with OSi Specialties when it was spun off from Union Carbide in 1993, and with the successor companies Witco Corporation and Crompton Corporation. He retired in June 2002 as a Corporate Research Fellow. Dr. Gerkin's technical focus throughout his career has been the development of new products for use in polyurethane systems, including polyols, catalysts and silicone surfactants. He has authored numerous technical papers and holds 22 patents.

Board of Directors

Tim Appleberry	Crimson Hill, LLC
Jon Pauley	PolyPlexx
Doug Malcolm	Board Member
Eric Nelson, Jr.	Nelson Enterprises
Michele O'Connor	WVJIT
Dr. Richard Gerkin	Polyplexx
Tim Fogarty	Crimson Hill, LLC

Products

Viziplexx is a developed and patented net urethane-based technology platform that provides industries with new high-performance optical/impact resistant materials.

PolyPlexx has developed and patented three products through the technology platform. Primary business model will be through licensing the technologies with private and public entities and institutions.

<u>Patent/Trademark</u>	<u>U.S. Patent Number/Serial Number</u>	<u>Issue Date</u>	<u>European/World Patent Number</u>
Impact Resistance Polyurethanes	US8178644 B2	February 2012	EP2227500 B1, WO2009088456A2
Transparent Polyurethanes	US8372939 B1	February 2013	International patents to be filed.
Viziplexx (Safety & Security)	8584788	February 2013	N/A
Viziplexx (Ophthalmic Lense)	77652104	January 2009	N/A



Competition

<u>Company</u>	<u>Public/Private</u>	<u>Location</u>	<u>Most Recent Revenue</u>
Chemtura Corp.	Public (NYSE: CHMT)	Philadelphia, PA	\$414M (3/31/16)
PPG Industries	Public (NYSE: PPG)	Pittsburgh, PA	\$3.67B (3/31/16)
Dow Chemical	Public (NYSE: DOW)	Midland, MI	\$10.7B (3/31/16)

Market Summary

The global eyewear market was valued at \$109 billion in 2017. The market projects the value to rise to \$167 billion by 2023, growing at a CAGR of 7.4% during 2018-2023. The rising standard of living and exposure to electronic gadgets are expected to boost the demand for spectacles and contact lenses. Region-wise, Europe represents the largest market followed by North America and Asia Pacific. Other major regions include the Middle East, Africa and Latin America. The leading players in the global eyewear market include Luxottica, Essilor, Johnson & Johnson Vision Care, Safilo and Alcon.

Ophthalmic Instrumentation

The Ophthalmic market is projected to reach \$58.44 billion by 2023 from \$49.30 billion in 2018, at a CAGR of 3.5%. Growth in this market is attributed to the growing number of people with eye diseases, technological advancement in ophthalmic equipment, and the rising adoption of contact lenses and spectacles across the globe.

Solar

In 2018, most homeowners are paying between \$2.71 and \$3.57 per watt to install solar. The average gross solar panel cost before tax credits is \$18,840. The cost will run from as low as \$0.85 per watt to \$1.25 per watt with output ranging from 150W to 350W for a typical solar panel. Homeowners in California can save up to \$50,000 over 20 years using solar as a source of energy. The global solar market also grew 26 percent from 2017 to 2018 and it is anticipated that 106 gigawatts of PV will be coming online.

Ballistics

The global Bulletproof Glass Market is going to be worth \$4.5 billion by 2023, developing at a CAGR of 13.90%. North America is currently leading the Bulletproof glass market. However, the ballistic protection market will be worth \$11.03 billion by 2020, its CAGR expected to grow 5.11%. Targeted audiences include government departments and agencies, heads of strategic department, manufacturers of bulletproof glass, asset managers and chief executive officers of glass companies, polycarbonate manufacturing companies, aftermarket/replacement glass companies, defense procurement departments, raw material suppliers/distributors, and consultants/glass associations.

Significant Events

January 2018: A Strategic Advisor was hired to focus on monetizing near-term commercial opportunities and the underlying intellectual property.

June 2017: Jon Pauley and Crimson Hill continue to look for replacement COO.

April 2017: Small purchase order received from solar panel company. Jon Pauley notified the Board he would be stepping down from his role as soon as a replacement could be found.

January 2017: New technician hired to work on Quality Control.

December 2016: PolyPlexx is reviewing manufacturing options which would allow it to meet expected demand.

August 2016: PolyPlexx completed milestone for next round of funding in Series C. Company was also negotiating a 50,000-lb. order of ViziPlexx II to a European solar panel company.

June 2016: Updates to the Polyplexx Board indicate sample manufacturing capabilities have been expanded by engaging a contract-casting partner. PolyPlexx continues to close the expanded Series C round. The second tranche of funding was secured with only the third tranche left. Each tranche was milestone based; either sales

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revenue or additional capital injection. The Company was in the final negotiating rounds of its first commercial order of 50,000 pounds of ViziPlexx II with shipments of product beginning September 2016.

June 2015: Jon Pauley provided the Board updates relating to the business development evaluations with major companies PolyPlexx had been in negotiations with for the past few months. PolyPlexx also gained the interest of a potential outside investment as well.

December 2014: PolyPlexx was working with Crimson Hill and INNOVA to transfer financials to an accounting firm and were working with the South Charleston Technology Park to secure a build out to begin manufacturing.

September 2014: PolyPlexx satisfied the requirements for the third closing of the Series C round. WVJIT and INNOVA finalized the documents to close and disburse.

June 2014: PolyPlexx updated their Board on recent developments surrounding ViziPlexx I and ViziPlexx II Formulation, laboratory operations, and its opportunities with several Japanese companies.

April 2014: PolyPlexx closes Series C investment round.

December 2013: WVJIT Board approves \$271,500 of Series C investment in PolyPlexx, LLC.

Conclusion

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in PolyPlexx, LLC at value, which is currently presumed to be the same as cost or **\$271,560**.



Snapshot:

Company: **Protea BioSciences Inc.**
Website: proteabio.com
Location: Morgantown, WV
Total Employees: FT/35; PT/1
WV Employees: FT/35; PT/1

WVJIT Investment: \$2,993,438
WVJIT Loans: \$590,000
WVJIT Ownership: 1.56%
Subject to GASB 62: NO

Leadership

President
Chairman/CEO
Matthew Powell, Chief Science Officer/ Head of R&D
Gregory W. Kilby, Ph.D., Chief Bioanalytics Officer

Background

Protea Biosciences Group, Inc., located in Morgantown, West Virginia, began as a Delaware corporation in July 2001 and became an emerging biotechnology Company. Protea is engaged in developing and commercializing proprietary life science technologies and products and services that are used to recover and identify proteins in biological samples. Protea applies its expertise to the development of products, instruments and services that seek to improve the discovery and identification of proteins, metabolites and other biomolecules. The Company's products and services are purchased primarily by pharmaceutical and academic/clinical research laboratories.

Protea's commercial focus is on its LAESI Instrument platform and proprietary software. The focus remains on either the sale of the LAESI Instrument to the end user or providing access to the LAESI technology through a services unit lab recently opened. The LAESI unit allows the researcher to study the biochemical landscape of a sample without destroying the sample. The sample is studied in its natural form. In addition, the Company offers an expanding line of consumable products that are used in bio-analytical mass spectrometry. These consumable products include Progenta surfactants that can rapidly remove proteins out of samples to prepare them for analysis by mass spectrometry; single use products including pipette tips; and, an extensive line of protein mass spectrometry standards.

WVJIT Investment History

September 2011:

Outstanding Convertible Debt Converted.

January 2012:

\$100,000 investment in Common Stock. (Funded through WVCAP)

March 2012:

\$290,000 Convertible Debenture, 6% monthly payment maturing 8/29/14. Loan was extended to 12/31/15.

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April 2012:

\$400,000 Convertible Debenture (\$200,000 was funded through WVCAP), 10% Interest, monthly payments maturing 5/15/13. The maturity date was extended to 12/31/15.

Warrants/Warrant Coverage:

<u>Date Issued</u>	<u>Expiration Date</u>	<u>Type</u>	<u>Price</u>
1/31/2012	1/31/2017	Common	\$2.25
3/15/2012	3/15/2017	Common	\$2.25
4/18/2012	4/18/2017	Common	\$2.25
2/03/2016	2/03/2021	Common	\$.40

Total WVJIT Investment:

\$3,583,438 (\$200,000 Funded from WVCAP)

WVJIT FY2018 Revenue:

\$11,850.00

Accrued Interest FY2018:

\$15,800.00

Total Outside Investment:

\$81,123,483 (Paid-in Capital – Common Stock)

Sales and Issuances of Securities:

As of May 13, 2016, Protea has 136,058,595 shares of Common Stock outstanding.

Management Team

President

Chief Executive Officer and Chairman of the Board

Matthew Powell, Ph.D., Research & Development and Chief Science Officer

Dr. Powell received his Ph.D. in Analytical Chemistry from West Virginia University in 2005. His expertise is in the field of biological mass spectrometry and is co-inventor of certain technologies developed by Protea. Dr. Powell has presented several scientific talks and seminars to international audiences.

Greg W. Kilby, Ph.D., Chief Bioanalytics Officer

Dr. Kilby has over 18 years of experience in applying advanced biological mass spectrometry to areas of research including structural biology, protein characterization and proteomics to support drug discovery and development and to support the sales of liquid chromatography mass spectrometry (LCMS) analytical equipment into the life sciences, government, academic, and applied markets in the Americas. Prior to joining Protea, Dr. Kilby held a position as Director in Thermo Fisher Scientific, North America Life Sciences Mass Spectrometry Application and Demonstration Laboratories, leading a team responsible for providing product demonstrations and application services to support quota performance and business growth of the Thermo Scientific life sciences mass

spectrometry portfolio in North America. Before joining Thermo Fisher Scientific in 2012, he held several positions in Agilent Technologies, starting as a senior Proteomics and BioPharma applications scientist as well as being responsible for developing and implementing two state of the art Demonstration Centers of Excellences (COE) in Wilmington DE and Santa Clara CA, showcasing Agilent's entire breadth of analytical technologies portfolio. In 2007, Dr. Kilby moved to a management position within Agilent responsible for managing the two COE facilities and two satellite laboratories across North America and the respective mass spectrometry applications scientist, administrative and logistics staff. Prior to his work at Agilent, Dr. Kilby held, from 1998 to 2004, several senior positions in the Discovery Technologies Department with Pfizer Global Research & Development, culminating in Research Associate, responsible for leading a team of scientists to provide advanced mass spectrometry support for structural biology and therapeutic area projects and as part of Pfizer's global proteomics center of emphasis (COE). Dr. Kilby received his Ph.D. in Analytical Chemistry from the University of Wollongong, Australia in 1996.

Board of Directors

CEO and Chairman of the Board of Directors (See Management Team)

Leonard Harris

Leonard Harris has been on Protea's Board of Directors since April 2003. Since 1977, he has been the founder and CEO of Southern Computer Consultants, Inc., located in Frederick, Maryland. This company provides products and services to the United States government and Fortune 500 corporations. Mr. Harris was appointed to serve based on his extensive experience in technology-based corporate development.

Ed Roberson

Ed Roberson has been on Protea's Board of Directors since September 2009. From July 2006 to June 2010, Mr. Roberson served as Chairman of the Board of Directors of Methodist Healthcare System. He received his MBA in accounting in 1972 from the University of Georgia. From 2006 to 2011 he was President of Beacon Financial in Memphis, Tennessee, and from 2006 to 2007 he was President of Conwood, LLC. He has been Director of Paragon National Bank from 2004 to present. From 1972 to 1992, Mr. Roberson was employed by KPMG as a partner. Mr. Roberson was asked to serve based on his experience with KPMG, as a partner and then CEO.

Scott Segal

Scott Segal has been on Protea's Board of Directors since February 2008. Mr. Segal is a practicing attorney specializing in the fields of personal injury, product liability and related matters, and is President of Segal Law Firm in Charleston, West Virginia. He received his JD from the West Virginia University School of Law in 1981 and has been a member of the American Bar Association since that date. Mr. Segal was asked to serve based on his relationships within the State of West Virginia and is considered, by the Company, to be an expert in several areas, including forensics and occupational health.

Josiah T. Austin

Josiah Austin has been on Protea's Board of Directors since 2013. Mr. Austin serves as the managing member of El Coronado Holdings, LLC. He and his family own and operate agricultural properties in the states of Arizona, Montana, and northern Sonora, Mexico through El Coronado Ranch & Cattle Company, LLC and other entities. Mr. Austin previously served on the Board of Directors of New York Bancorp, Inc. and North Fork Bancorporation. He has served as Director of Goodrich Petroleum, Inc. since April 2002 and Novogen Limited since September 2010. Mr. Austin serves as trustee of the Cuenca Los Ojos Foundation Trust. Mr. Austin graduated from the University of Denver with a Bachelor of Science in Finance in 1971.

Products/Services

Protea's principal product is a bio-analytical instrument platform known as, "LAESI" (laser ablation electrospray ionization). This technology enables the direct identification of proteins, lipids and metabolites in tissue, cells and bio-fluids, such as serum and urine, without any sample preparation prior to analysis. LAESI is intended to meet the broad need of the biologist for the direct, unbiased identification and characterization of biomolecules in biological samples, which can remain untouched prior to their analysis.



Protea also has a bio-analytical services unit that specializes in services including biomarker discovery, absolute quantitation of large molecules, MRM-based assays, and global proteome characterization. In March 2012, the Company expanded its facility into an 11,000-square foot state-of-the-art facility. In October 2012, Protea opened a mass spectrometry imaging center, which offers access to the most advanced bio-molecular imaging capabilities including ultra-high-resolution mass spectrometry coupled with Protea's LAESI Platform.

Protea entered into a MOU with Agilent Technologies to develop new bioanalytical workflows in order to meet the emerging needs of the growing biopharmaceutical industry. The Company has also announced new workflows to support the bioanalytical needs of immuno-oncology, an emerging frontier of cancer treatment that utilizes the body's own immune system to fight diseases. The Company has commercialized a consumable product out of the DARPA research grant that is sold to research labs performing small molecule analysis. This product, called REDchip, enables researchers to rapidly profile small molecules and metabolites utilizing a MALDI platform. This product does not require the addition of a traditional chemical matrix but is able to detect and quantitate small molecules due to the highly structured nanopost array. These products are being used with researchers investigating metabolites and small molecule drugs, and they have potential application within clinical mass spectrometry pain panel management operations.

Competition/Market Summary

Eurofins Scientific, the global leader in bioanalytical testing, and one of the world leaders in genomic services, has opened a \$12.5M state-of-the-art manufacturing and services facility in Louisville, KY, that will include up to 110 new employees, including lab technicians, chemists and biologists as well as positions in customer service, logistics, information technology, administration, finance and accounting.

The 65,800 square foot facility functions as the Eurofin's central genomics laboratory in North America, focusing on the custom production of DNA and RNA oligonucleotides synthetic gene synthesis, and genomics services including DNA sequencing, synthetic biology, and next generation sequencing.

1. *Life Technologies (Carlsbad, CA)* – Life Technologies is a publicly traded company and a broad-based supplier of products for protein research.
 2. *Advion (Ithaca, NY)*–Advion is a private company, a supplier of mass spectrometry-related instrumentation.
 3. *Bruker Corporation (Billerica, MA)* – Publicly traded company focused on mass spectrometry and magnetic resonance technology. The company has strong business focus on molecular mapping done with mass spectrometry.
 4. *JEOL Ltd (Tokyo, Japan)* – Public company that developed mass spectrometry systems for direct analysis of samples.
-

5. *Prosolia (Indianapolis, IN)* – Private company and a supplier of mass spectrometry-related instrumentation.

Industry Summary

New product development, mergers and acquisitions along with venture capital investments owing to challenging economic conditions of the developed and developing nations are some major strategies adopted by these players. The global molecular diagnostics market is projected to grow at a CAGR of 10.38% during the period 2016-2020. Factors such as high prevalence of infectious diseases and various types of cancer, increasing awareness and acceptance of personalized medicine and companion diagnostics, development of biomarkers, and advancements in molecular techniques, proteomics, and reformations in the reimbursement system are driving the growth of the market. However, increased cost of molecular diagnostics tools, dearth of skilled labor to handle new and complex platforms, and the complex regulatory framework are the major factors restraining the growth of the molecular diagnostics market.

Molecular diagnostics (MDx) has emerged as one of the largest and fastest growing segments in the In Vitro Diagnostic (IVD) industry. In the span of a few years, molecular diagnostics has prospered from a non-existent market to a significant market. PCR tests such as the one from Roche for CT/NG and other tests such as HIV qualitative and HIV quantitative (viral load) are the key factors driving the expansion of the molecular diagnostics market. The private reference laboratories developed tests for infectious diseases and cancer mutations due to the rising incidences and the non-availability of FDA approved assays. The market began to expand due to the existence of different diagnostic kits for genetic diseases and the blood screening for various infectious diseases. The demand for molecular testing increased and the FDA approved molecular diagnostic tests for determining genetic variation responses against cancer drugs. As a result, molecular diagnostic testing is growing at a rapid rate due to the rising adoption of rapid and quick diagnosis.

Significant Events

January 2018: U.S. Bankruptcy Court approves motion for the assets sale of Protea Biosciences to Summit Resources for \$1.3M in cash.

January 2018: WVJIT hires Bowles, Rice, McDavid, Graff & Love to represent the Fund in the bankruptcy proceedings.

December 2017: Summit Resources, whose principal is Steve Antoline, provides post-petition financing to the company as approved by the Court.

December 2017: David Halverson resigned as President of Protea Biosciences.

December 2017: Protea files Chapter 11 Bankruptcy and the Court approves petition to appoint Compass Advisory Partners as Chief Restructuring Officer. Company will continue to operate at a reduced level as a Debtor-In-Possession under the jurisdiction of the Court.

November 2017: Patrick Gallagher resigned from the Protea Board.

November 2017: George Washington University terminated its patent licensing agreement with Protea Biosciences.

October 2017: Steve Turner resigned as Protea Biosciences CEO. Steve Anoline resigned as a member of the Board.

June 2017: Stan Hostler passed away. Mr. Hostler served as Vice President, Secretary and Director. He was a Director of Protea Biosciences in January 2006 and Vice President and Secretary in June 2006.

June 2017: On June 9, 2017, Maged Shenouda resigned as a Director of Protea Biosciences.

January 2017: Protea announces that it signed a renewal of its collaboration with California-based Protein Metrics Inc. for further applications development of their advanced analytical software for Protea's molecular information

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services. Protea and Protein Metrics plan to create co-authored presentations to highlight the benefit of the combined analytical workflows with data processing and reporting capabilities.

November 2016: Protea announces the appointment of David Halverson as its President.

April 2016: Protea announces that it entered into an exclusive license agreement with Yale University for new technology to improve the differential diagnosis of malignant melanoma. Protea announced the use of its proprietary bioanalytical technology to achieve the molecular profiling of live tumor cells while they are under treatment. A common problem in the treatment of cancer is that the tumors become resistant to the drug with which they are being treated. The earlier the resistance is detected, the sooner the patient can be switched to a different therapy, thus increasing their chances of treatment success and cure.

February 2016: Protea collaborated with Protein Metrics, Inc., a premier provider of software solutions for the comprehensive characterization of proteins, to advance new analytical capabilities for use in the development of protein biotherapeutics.

December 2015: Protea obtained shareholder approval to seek discretionary authority to affect a reverse stock split of the outstanding Common Shares within a range of between 1:15 to 1:25.

May 2015: Steven O' Loughlin resigned as VP, Corporate Finance of Protea.

April 2015: Maged Shenouda and Patrick Gallagher were appointed to the Protea Board of Directors, replacing Andy Zulauf and Thjis Spoor. In addition, Protea entered into an employment agreement with Steve Turner for a three-year term.

March 2015: Protea entered into a share repurchase agreement to acquire VivoPharm Pty. Ltd., an Australian company. The purchase price for the shares were \$11,153,000.

January 2015: Protea announces it has developed a new software platform called the "Histology Guided Mass Spec Imaging (HG-MSI)" which enables pathologists to combine traditional microscopy and histology with high resolution mass spectrometry molecular imaging.

December 2014: A loan modification agreement was submitted to Protea for signature to extend their loans to December 2015.

June 2014: Protea announces that it would be expanding its existing mass spectrometry based molecular imaging by offering Ion Mobility on a Waters Synapt® G2S High Definition Mass Spectrometer as a powerful extension to Protea's portfolio of mass spectrometry based molecular imaging services. In addition, Protea would also offer High Resolution and Accurate Mass Analysis, as well as a service to enhance the ability for rapid processing of microbial samples with the LAESI DP-1000 system, coupled with new software that enables the processing of large, complex LAESI-MS data files with downstream statistics programs, provided by Gubbs, Inc.

May 2014: Protea announces that it has received approval from the Depository Trust Corporation (DTC), providing the Company with DTC eligibility, permitting stockholders to hold Company securities in electronic form on the books of its transfer agent. In addition, the DTC approved its Common Stock for DWAC/FAST transfer through Island Stock Transfer, the Company's transfer agent.

April 2014: Greg Kilby, Ph.D. joins Protea as its Chief Bio-analytics Officer (CBO) and Director of Bio-molecular Information Services.

March 2014: Protea enters into an Option Agreement among ProteaBio Europe and BioPharma d'Azur, Inc. in which BioPharma was granted a 90-day option to acquire the business of Protea Europe in exchange for a non-refundable fee of \$300,000. BioPharma was to provide evidence of raising an additional \$300,000.

January 2014: Protea announces it is a part of a team led by George Washington University (GWU) that was awarded up to \$14.6 million for a cooperative agreement spanning five years from the Defense Advanced Research Projects Agency (DARPA).

September 2013: University of Oklahoma's Institute for Natural Products Applications and Research Technologies (INPART) acquired a LAESI DP1000 bio-molecular imaging system. The instrument will be used for the Institute's natural products-based drug discovery operations. It entered into a Collaborative Research Agreement

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with Virginia Commonwealth University ("VCU") and its Center for Molecular Imaging. Focusing on the combination of LAESI, Protea's ex vivo molecular imaging mass spectrometry technology platform, with VCU's in vivo molecular PET, SPECT and MRI/MRS imaging capabilities, in hopes of developing new methods to better elucidate the molecular basis of cancer, Alzheimer's and other human diseases. Protea planned on marketing and selling additional LAESI units to pharmaceuticals as well as educational institutions throughout North America in the fourth quarter as well as 1Q14. The Company had a LAESI backlog for 1Q14, with pending LAESI sales with Dow Agrosiences, George Washington University, Monsanto and University of Prince Edward Island.

July 2013: Protea receives issuance of two patents. The first patent is titled "Laser Ablation Electrospray Ionization (LAESI) for Atmospheric Pressure, In Vivo, and Imaging Mass Spectrometry" (U.S. Patent #8,487,244) and the second patent is titled "Three-Dimensional Molecular Imaging by Infrared Laser Ablation Electrospray Ionization Mass Spectrometry" (U.S. Patent # 8,487,246).

March 2013: LAESI production starts. Two units are completed. Four additional units are in production. The first unit shipped in March.

February 2013: Protea adds Thijs Spoor and Josiah T. Austin to its Board of Directors.

Overall Conclusion

Protea Biosciences Group is currently working through bankruptcy proceedings and has sold all of its assets.

Based on the foregoing, the WV Jobs Investment Trust finds it most appropriate to record its investment in Protea Biosciences Group, Inc. with a reserve of the outstanding principal balance of the loans and a write down of the investment, resulting in a portfolio value of **\$0.00**.

SIOX

Snapshot:

Company: Siox, LLC
Website: N/A
Location: Morgantown, WV
Total Employees: FT/1; PT/0
WV Employees: FT/1; PT/0

WVJIT Investment: \$200,000
WVJIT Ownership: NA
Subject to GASB 62: NO

Leadership Team

Tim Fogarty, Crimson Hill
Tim Appleberry, Crimson Hill

Background

SIOX, LLC is a Delaware Limited Liability Corp. that is developing a simple low-cost process for acquiring manufacturing high purity synthetic magnetite. Magnetite is one three common naturally occurring iron oxides and is the most magnetic of all the naturally occurring minerals on earth. Applications for magnetite include, but are not limited to, automotive brakes, batteries, fertilizer and paints. SIOX will be working closely with the National Energy Technology Laboratory (NETL) in Morgantown to develop the manufacturing process.

WVJIT Investment History

April 2016:

\$200,000 Investment - \$100,000 disbursed on the first tranche; second \$100,000 milestone-based tranche was disbursed July 2017. Convertible Debenture, 8% interest maturing March 2019.

Warrant Coverage:

Up to 10% of the Company at \$.01 a unit.

Total WVJIT Loan Balance:

\$200,000 (\$100,000 from WVCAP)

Accrued Interest FY2018:

\$12,416.94

Co-Investors/Lenders:

INNOVA Commercialization

Board of Directors

Tim Fogarty

Tim Fogarty was Vice President of Energy Programs at Innovation Works (“IW”) in Pittsburgh, PA where he managed a pool of over \$10M dedicated to energy technology investments. There, he reviewed over 150 opportunities over a three-year period and closed on over 30 investments across a broad cross-section of energy sectors. Those investments include existing seed stage companies and newly formed entities. Mr. Fogarty was a managing director of MHI Energy Partners, a venture capital firm focused on energy technology seed stage investing in North America. Mr. Fogarty also served as Vice President of Finance for INI Power Systems, a fuel cell company in Cary, North Carolina developing portable power solutions for military applications. Previously, Mr. Fogarty was the Power Technologies Equity Research Analyst at Thomas Weisel Partners, LLC in New York City. Prior to entering the financial sector, Mr. Fogarty spent four years in the U.S. Marine Corps as an infantry officer. Mr. Fogarty received an A.B. from Harvard University.

Tim Appleberry

Tim Appleberry founded Omega Holding Company, a company that specializes in industrial facilities decommissioning and commercial recycling. The company does business under the name Omega Industrial Decommissioning and Recycling and in its first year of operation expected to generate nearly \$5M in sales revenue. Prior to Clover Technologies, Mr. Appleberry was the COO, CEO, co-founder of Thoroughbred Technologies, a recycling and remanufacturing company. Thoroughbred Technologies was twice named to Entrepreneur Magazine’s “Hot 100” fastest-growing companies in the U.S. Under Mr. Appleberry’s direction, the company quickly became the industry leader in quality and reliability. Mr. Appleberry was responsible for much of the design of the production equipment and processes and built a product/engineering team that initiated industry-changing processes and proprietary intellectual property and was a regular contributor to industry publications and standardization committees. Thoroughbred Technologies was acquired by Clover Technologies as a result of the company’s dynamic growth and reputation for quality. Mr. Appleberry holds a M.A. from the University of Wisconsin – Madison.

Guy Peduto, INNOVA Commercialization Group

Guy Peduto joined INNOVA Commercialization Group in April 2006. Prior to joining INNOVA, he held the position of Director of Commercial Programs at the Institute for Scientific Research, Inc. While there, he developed strategies for the commercial utilization of ISR’s technology and research applications in such areas as biomedical research, education, software development, mining safety and communication, VTOL aerial vehicles, automotive controls and diagnostics. Mr. Peduto’s background includes 20 years of strategic planning experience with an emphasis on product introduction, leadership for early stage and start-up companies as well as market and business development. This experience includes business formation, product development, go-to-market and market development strategies for industrial and commercial manufacturers, consumer goods, advanced research and development, healthcare, financial institutions, Internet start-ups and retail chains. Mr. Peduto received a Bachelor's degree in Business Administration with a major in Marketing from West Virginia University.

Michele O'Connor, West Virginia Jobs Investment Trust

Michele O'Connor has more than 25 years of experience in the finance and banking industry. She attained her Certified Financial Planner designation along with the Accredited Investment Fiduciary Manager designation. She was the Portfolio Manager for the Trust Department at First United Bank and managed over \$600 million for the department. Currently, Ms. O'Connor is the Investment Manager for the West Virginia Jobs Investment Trust, a leading venture capital firm focused on turning the innovation of new ideas into successful world-class companies. Ms. O'Connor graduated Magna Cum Laude with a BA in Finance from the University of Maryland College.

Products

Magnetite is a common mineral that is also one of the three common naturally occurring iron oxides and a member of the spinel group. It is a black, opaque, submetallic to metallic mineral. Magnetite is sometimes found in large quantities in beach sands in various places ranging from the West Coast of the United States to the North Island of New Zealand. Most recently, larger deposits have been found in Chile, Sweden, and Western Australia.

Applications

Magnetite is a leading material used in scrubbing of H₂S (Sulfur) removal from streams near the Marcellus Shale gas reserve. Magnetite (iron oxide) is a leading material used in the scrubbing of H₂S from these streams. The Company's discussion with one customer has indicated that their demand alone for the H₂S application should grow to 4,000 tons per year by 2020. Magnetite also offers several consumer applications as well such as paints, coatings, water filtration, iron phosphates, semi-metallic brakes, food additives and fertilizer. Magnetite is also a compound found in the manufacturing of audio recording tapes and is a catalyst for the industrial synthesis of ammonia. Its properties have been able to serve as a sorbent to remove arsenic from drinking water.

Competition/Market Summary

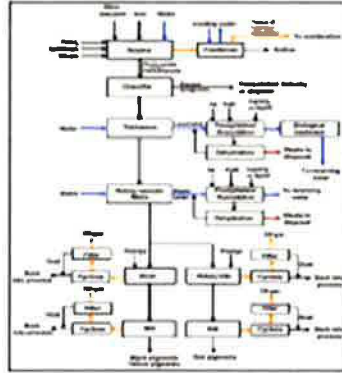
PIROX-Pittsburgh, PA

PIROX, founded in 2005, is a manufacturer of high purity synthetic magnetite as Pirox LLC, a distributor of natural mined magnetite and synthetic red iron oxides. Synthetic iron oxides are produced in the facility in New Brighton, PA., while the natural magnetite sources are located in various places throughout the U.S.

Competition stems from three sources:

1. Synthetic manufacturers using a chemical process: The biggest player in this market is *Lanxess*. This company manufactures material that has high purity and small particle size though their product is sold at about \$1.50/lbs., which is roughly four times the projected price sold to SIOX's customers. The Laux Magnetite process has been known to be environmentally destructive with low quality control.

Laux Magnetite



- Environmentally hazardous & energy intensive chemical reduction process
- High quality control
- Highest price
- Smallest particle size
- Cost prohibitive for almost all applications

SIOX

2. Mined Magnetite: Magnetite is naturally occurring in nature and is mined by many mining companies. Reiss Viking is an example of a mined magnetite supplier. Mined Magnetite is typically of lower purity compared to SIOX material and as a result it is sold at between \$0.20 and \$0.50/lbs. Mined Magnetite is not suitable for all applications due to the presence of mineral impurities and the generally coarser product size.

Natural Magnetite



- Environmentally destructive mining process
- Low quality control
- Low cost
- Unusable in many applications

SIOX

3. Synthetic manufacturers using a heat treatment process: There are some magnetite manufacturers that use a heat treatment process to manufacture synthetic magnetite. However, it's believed that those processes use higher heat which can result in courser particles and are more expensive than the proposed SIOX process. The Pirox magnetite process, though environmentally sound, at producing a refined byproduct of steel manufacturing, it can be quite cost prohibitive for some applications.

Key purchasing decisions vary by market, yet in general the most common factors are the purity, particle size in choice of materials, and cost. SIOX is developing a simple low-cost process for manufacturing high-purity synthetic magnetite. This process compares extremely favorably with the traditional Laux process that is used to manufacture synthetic magnetite that's both cost effective and environmentally friendly. There are three distinct advantages that SIOX has over its competition:

1. SIOX's manufacturing process is simple and relatively manageable versus the current process used by its competitors.
2. SIOX's magnetite is as pure or of higher purity than the synthetic magnetite manufactured by its competition.
3. SIOX's low manufacturing costs allow it to sell its product at a price that meets the market demand.

Industry Summary

Magnetite is a salt that has a variety of different uses including: building materials, dentistry as a cast or die to being used in the casting phase of operations. It exists in many forms and can be combined with other elements to create different materials.

Key application areas of Magnetite Iron Ore are assessed on the basis of performance in terms of consumption and growth rate. Market predictions along with the statistical nuances presented in the report render an insightful view of the Magnetite Iron Ore market.

The Magnetite Iron Ore market value is provided for 2016 in USD millions, an expected CAGR % as well as USD million worth of industry in 2022. Regionally, the globe is segmented into United States, China, Europe, Japan, Southeast Asia and India to study their market size and local analysis.

Significant Events

June 2018: SIOX has a location in Morgantown selected for the pilot plant. Additional testing was needed but after meeting NETL, it is anticipated the pilot plant should be ready to build by fourth quarter 2018. SIOX is in the process of raising the needed funds to complete the pilot plant.

July 2017: SIOX received second tranche of funding from WVJIT.

June 2017: SIOX was finalizing testing and planned to have the small pilot plant in Morgantown running and producing product by fourth quarter 2017. The Company has not needed to expand to the WV Tech Park, but if extra space is needed, a lease can be signed.

June 2016: SIOX was in negotiations with the WV Tech Park about moving into the complex. Although nothing had been signed, they were looking to transition from their Morgantown location to the TechPark within the year.

May 2016: NETL is progressing with the cold flow unit using a fluid bed design. SIOX was seeking additional space to manufacture once the unit had been finalized by NETL.

April 2016: WVJIT closed its Convertible Debenture and disbursed first tranche of funding to SIOX.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in SIOX, LLC at value, which is currently presumed to be the same as cost or **\$200,000**.



Snapshot:

Company: Troy, LLC
Website: troyllcww.com
Location: Harrisville, WV
Total Employees: FT/45; PT/0
WV Employees: FT/45; PT/0

WVJIT Investment: \$673,039
WVJIT Ownership: 16.67%
Subject to GASB 62: NO

Leadership Team

Martin Ballen, CEO/ Director of Sales
Richard Kerns, Chief Operating Officer/Chairman BOD
Linda Golden, Materials Control Manager

Background

Troy Mills, Inc., a New Hampshire based Company, was established in 1865. It owns an 85,000-square foot facility located in Harrisville, West Virginia and supplies needle punched textile products to niche markets. The Harrisville facility is a Tier-One and Tier-Two supplier to the automotive industry and is also a supplier to the apparel industry. The facility produces automotive interior fabrics and apparel linings. Troy Mills filed for bankruptcy protection in 2001. Mountaineer Capital, WVJIT, and two individuals purchased the West Virginia operation in March 2002. The Company has been organized as a Limited Liability Company known as Troy, LLC.

WVJIT Investment History

February 2002:

\$500,000 Investment

\$60,000 in Series A Convertible Preferred Membership Units
\$440,000 in Convertible Subordinated Term Loan

May 2013:

\$840,000 Loan

Closed June 2013 - convertible 5.5% loan. WVCAP Seed Capital Co-Investment funds accessed for \$420,000 of loan. WVCAP portion was repaid in 2014.

Total WVJIT Loan Balance:

\$581,037

Total WVJIT Equity Balance:

\$60,000

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WVJIT FY2018 Interest Revenue Received:

\$39,998.22

Co-Investors/Lenders

WVEDA: \$252,737 – Debt

MOVRC: \$197,631 – Debt

WUB: \$358,177 Term Loan; \$515,003.78 LOC

Warrants

Date	Equity	Debt	Covg.	Type	Price	Term	Exp.	# Warrants	Exer. Cost
May-11	-	\$400K	10%	Pref. A	\$1,000	7	June 20	36	\$36K

Board of Directors

Richard Kerns, Chief Operating Officer/Chairman of the Board of Directors

Richard Kerns is a military veteran having served from 1965 to 1967. He was the Production Supervisor of FMC Corporation located in Parkersburg, West Virginia from 1968 to 1974. Mr. Kerns has been with Troy since 1974 where he has served in such positions as Production Supervisor and Manager of the Harrisville, WV facility. Since March of 2002, Mr. Kerns has been COO and part owner.

Martin Ballen, Chief Executive Officer

Martin Ballen completed a four-year materials engineering program at General Motors Institute. After completion of the program, he joined GM's engineering department staff. Later, he would continue in the automotive field and join Chrysler Corporations' engineering staff. Through the years, Mr. Ballen has held various management positions with both GM and Chrysler. In 1970, he joined Troy Mills Inc. as a sales engineer. Since then, Mr. Ballen helped develop new applications for Troy's capabilities for various automotive customers at OEM, Tier One and Tier Two levels. In 1990, he became the VP of Automotive Business Group with responsibility for marketing, sales, and R&D, customer service and manufacturing. In 2000, he started the Prestwick Group, LLC, a representative for several manufacturers of materials for the automotive industry. In 2002, with Richard Kerns and an investment group, the purchase of Troy Mills was made and the name was changed to Troy, LLC. Mr. Ballen currently serves as CEO.

Patrick Bond, Mountaineer Capital

Pat Bond joined McCabe-Henley Properties LP as Managing Director in early 1998. Mr. Bond brings a wealth of experience in finance, administration, strategic planning, general management, and management information systems. Previously, Mr. Bond owned/operated an independent consulting practice, Growth Management Group, that specialized in the areas of business environment assessments, new product development, investment and financial analysis, and strategic planning. Prior to that, he was President of a natural gas marketing company and was President and CEO of Atlantic Financial Federal, a \$750 million savings and loan institution and all its business units. He graduated from WVU where he received both Master's and Bachelor's Degrees in Industrial Engineering.

Sam Sommerville, CPA

Sam Sommerville is currently VP of Northeast Natural Energy and a former partner of the Simpson & Osborne Accounting firm. He is a graduate of Glenville State College, a certified public accountant (CPA), and is active in various professional, trade, and civic organizations.

C. Andrew Zulauf, Executive Director, WV Jobs Investment Trust Board

Andy Zulauf is Executive Director of the West Virginia Jobs Investment Trust Board, a public seed investment fund. He has extensive experience in finance and venture capital having served as Executive Director and Senior Loan officer for the West Virginia Capital Corporation, as a Partner and Managing Director of West Virginia operations for Adena Ventures, and as Vice President and Upper Middle Market Commercial Relationship Officer for Fifth Third Bank.

Products

Automotive	Produces needle punch synthetic fabrics for applications that include seating trim, luggage compartments, molded door carpets and inserts, package trays and headliners.
Apparel	Recycle fibers for printed lining materials for work jackets and western theme clothing, saddle pads, gun cases, custom luggage and baseball caps.
Industrial	Produces felts, absorbency and shoddy materials using fine and coarse denier polyester, polypropylene and nylon fibers, coupled with a wide variety of support scrims and backings.



Competition/Market Summary

Formed Fibers (Auburn, Maine)

Specializes in Polyester Fiber, Fabric, Substrates, and Custom formed parts. The Company has three locations (Auburn, ME; Sydney, OH; Sumter, SC). FFT is the only auto supply Company that is vertically integrated from fiber to fabric to finished part. Each product manufactured is custom designed for its intended use.

Foss Manufacturing (Hampton, New Hampshire)

Established in 1954 and has six business units (Automotive, Specialty Fibers, Kunin Group, Technical Products, Eco-Fi, and Ozite). They are a vertically integrated producer of engineered, non-woven fabrics and specialty synthetic fibers.

IAC (Troy, NC)

Specializes in plastics, fibers and other manufacturing components.

Oxco Incorporated (Charlotte, NC)

Since 1994, Oxco has built a reliable reputation for delivering quality nonwoven products with the most reliable service in the industry.

Industry Summary

The global textile chemicals market was valued at \$21.8B in 2017 and is expected to reach more than \$30.2B by 2025, expanding at a CAGR of 3.7% between 2018- 2025.

Textile chemicals are used in the process of fabric processing including pretreatment chemicals, textile dyeing chemicals, printing chemicals, finishing chemicals, antistatic agents, and other specialty chemicals. There has been a sustained shift in the geographic location of the world's textile production from Southeast Asia to China and India since the last 30 years. Sizing chemicals are used increasingly in the apparel applications industry in order to increase the absorption rate of the fabric.

Asia Pacific was the largest consumer of textile chemicals in 2017 led by the high demand for coating and sizing chemical products in China and India. Asia Pacific accounted for more than 50% share of the global textile chemicals market in 2017. It was also the fastest growing market in the year due to the significant demand for textile chemicals in various applications industries. Europe was the second-largest consumer of textile chemicals in 2017, owing to the rising demand for these chemicals in technical textile applications in Turkey and Germany. The market in North America is anticipated to expand at a modest rate during the forecast period. Concern of regulatory bodies regarding harmful effects of textile chemicals on environment and emergence of bio-based textile chemicals are estimated to hamper market growth, however, technological innovation and development of new textile chemicals is projected to act as the opportunity for the manufacturers of textile chemicals during the forecast period. Growth in the apparel and industrial industry is anticipated to propel the textile chemicals market during the forecast period. Furthermore, rising number of products of textile chemicals in various applications is likely to act as a major opportunity for the textile chemicals market in the near future.

Significant Events

June 2018: Troy continues to work on cutting fixed costs and sales are projected to be lower.

July 2017: Troy paid off its loan to the WVEDA and received title to the property.

June 2017: Troy and WVJIT agreed upon a refinance of the existing loan. The annual interest rate was fixed at 7% with a 5-year amortization and a balloon payment at maturity.

June 2016: Troy Comptroller resigned. Company is actively seeking a replacement.

May 2016: WVJIT modified existing Troy loan. New maturity date was June 2017.

March 2016: New labor contract approved.

February 2016: Existing labor contract extended until month-end.

October 2015: Troy began to renegotiate labor contract expiring January 2016.

July 2015: Troy worked with two major automotive manufacturers on trunk and other components.

April 2015: Troy picked up new customer with automotive customer, Lear Corporation.

April 2014: Mr. Kerns noted the refinancing of the WVJIT loan was complete. The annual interest rate was fixed at 5.5% with a 10-year amortization and a 3–5-year balloon.

March 2014: Troy entered into discussions with Oxco, Inc., a Charlotte-based textile manufacturer looking to expand its exposure to the automotive market.

December 2013: During a Board of Directors meeting, Mr. Kerns provided an update on the refinancing of Troy's debt with West Union Bank. Troy had hoped to close the loan by December 31, 2013, however, the loan closed mid- January 2014. Mr. Kerns communicated this to WVJIT. There were no expected issues with closing the loan.

September 2013: West Union Bank approved a loan of \$680K (\$420K to pay down the WVJIT loan and \$260K to

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refinance the equipment loan). The proposed loan was amortized over 9 years with interest at 5.25% for 4 years, and thereafter at prime plus 2.5%, but not less than 5.25%. WVEDA to guarantee the loan for four years and there was a 1% fee on new funds, pending an affirmative at its meeting on September 2013. Mr. Kerns mentioned that United Bank would try to utilize an SBA or some other type of guarantee for the Company's request of a \$1.3M line of credit and a \$680K term loan.

May 2013: WVJIT and WVCAP approved an \$840,000 investment into Troy, LLC. Use of Proceeds were used for working capital as well as payment of outstanding debt held by Mountaineer Capital.

July 2012: Troy, LLC was featured in the July edition of "55 Good Things About West Virginia," which is a supplement to the "West Virginia State Journal." This article entailed Troy's continued success with car manufacturers and Carhartt apparel.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in Troy, LLC at value, which is currently presumed to be the same as cost or **\$581,037**.



Snapshot:

Company: USGlass, Inc.
Website: Usglss.com
Location: Williamstown, WV
Total Employees: FT/0; PT:0
WV Employees: FT/0; PT:0

WVJIT Investment: \$100,000
WVJIT Write down: \$100,000
WVJIT Ownership: 40.0%
Subject to GASB62: YES

Leadership

Gene Bem, Chief Executive Officer

Background

USGlass, Inc. formed in 2012, acquired the 107-year-old Fenton Art Glass Company. As part of the acquisition, USGlass acquired the intellectual property, molds, color formulas, and name. The goal for USGlass is to produce new, modern design functional tableware in the "Made in America" tradition that cannot be replicated in China or anywhere else in the world.

WVJIT Investment History

March 2013:

Provided an initial investment of \$100,000 in Series AA Preferred Units.

Total WVJIT Investment:

\$100,000 funded through WVCAP

GASB 62 Valuation: \$.00

Co-Investors (Shares)

Interactivity Foundation
Parimal Patel/Kinequity Group
Peter Walsh
Guillame Gauthereau
Jeff Rich
Robert Tanko
Callann Wolff
Bill Maloney

Management Team

Gene Bem, Chief Executive Officer

With over 20 years of experience as a Management Consultant and Investment Advisor to senior executives, Gene Bem has worked with clients of all sizes from Fortune 500 to start-ups. He has held senior partner positions in two Boston based boutique strategy firms and Oliver Wyman (formerly Mercer Management Consulting), one of the largest consultancies in the world. His expertise is primarily in crafting and implementing winning strategies for corporations using sound customer analysis combined with innovative portfolio valuation.

Board of Directors

Gene Bem, Chief Executive Officer

Peter Walsh

Products

USGlass plans to manufacture housewares, figurines and tabletop items utilizing the Fenton molds with some updated designs from local and national artisans. The Company will distribute the items to major retail outlets such as Williams-Sonoma, Bed Bath & Beyond, Neiman-Marcus, among others. USGlass hopes to be part of the strong consumer trend of being one of the few “Made In America” glass manufacturers.



Competition/Market Summary

Competitors for USGlass range from local West Virginia glassware companies such as Blenko and Homer-Laughlin to global manufacturers such as Lalique, Baccarat, and Daum. The Company’s competitors in the ultra-high-end crystal and glass functional and decorative items are a variety of general home décor manufacturers and distributors. Those ultra-high-end manufacturers are Waterford Wedgwood, Swarovski, and Rogaska. The top five glass fabricators are Viracon, Hartung, Prelco, Saand, and Cristacurva.

Industry Summary

The building and construction sector is anticipated to lead the global flat glass market in terms of revenue share, estimated to hold more than 70% value share in the global flat glass market throughout the forecast period. The building and construction segment is projected to create a total cash opportunity of about \$22 billion between 2018 and 2025.

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The automotive sector is expected to witness good progress in coming years as well. This segment is anticipated to hold about 14 % value share of the global flat glass market throughout the forecast period. A rapid increase in production of automobiles in the world is the key reason for the utilization of flat glass. Aftermarket replacement glass for automotive is also expected to contribute to the growth of the global flat glass market in coming years.

Flat glass is expected to be in high demand due to the increase of solar panels. The furniture industry is also likely to impact the flat glass market as furnishings and other products use flat glass for several applications. The electronics industry is on a steady growth at the global level as well.

Significant Events

June 2018: Kanawha County Court still undecided on the summary judgement petition by WVJIT despite several attempts to bring this matter to a conclusion.

August 2017: WVJIT filed a lawsuit seeking summary judgement against the Company and Mr. Bem for Breach of the Stock Purchase Agreement and presents its case to Kanawha County Court.

December 2016: USGlass notifies WVJIT preferred shares issued were not valid. WVJIT reviews with legal counsel validity of claim.

June 2016: USGlass continues to negotiate with WalMart for an order of vases to be shipped mid-2017.

May 2016: Bill Maloney resigns from USGlass Board.

February 2016: Bill Maloney was elected to USGlass Board.

December 2015: Michele O'Connor, WVJIT representative, resigns from the USGlass Board.

November 2015: Ed White resigns from USGlass Board and sells his shares to a new investor.

June 2015: USGlass presented its samples at the Walmart "Made in the USA" Summit Presentation in Bentonville, AR. The Company also announced that Iphimedia Group intends to make a tender offer on preferred shares and debt of USGlass, Inc. on or about August 15, 2015.

March 2015: In USGlass March Annual report to shareholders, Company was able to develop its product line for 2015, develop sample pieces for road and tradeshows, as well as start relationships with several target customers including Walmart.

December 2014: Denver-based real estate investment firm dropped out from potentially investing in the Williamstown facility. In a conference call, Mr. Bem updated the shareholders and the Board of the notice and requested the hire of Troy Smith to serve as consultant to manage the 12 property and environmental issues needing to be resolved.

September 2014: USGlass hired Elizabeth Haggarty as VP of Sales. The Company also continued to work through the Uranium issues at the Fenton Facility. Mr. Bem was in negotiations with the WVDEP to resolve the outstanding issues.

June 2014: USGlass Board met to vote the hiring of Jaci Volles, marketing and retail consultant. Ms. Volles laid out in the June board meeting the revised marketing plan for the Company which the Board decided to implement. USGlass was notified of signed LOI by George Fenton for the Williamstown facility.

May 2014: USGlass met with Walmart to discuss product orders, sourcing, and appropriate product positioning as well as discussions with manufacturers for production.

March 2014: It was discovered that the facility contained a number of issues relating to the corrosive natural gas line, storm water permit compliance, landfill, and depleted uranium permits compliance. Given the environmental concerns related to the facility site, the Wood County Board of Education voted not to consider the site.

February 2014: Wood County Board of Education met to discuss proposed site for the new elementary school at the Fenton Facility. The Board of Education voted to enter into talks to buy the Fenton Glass property.

January 2014: Baceline Investments provided a letter of intent to George Fenton for the acquisition of the

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Williamstown facility. The investment firm, along with Kinequity Group and USGlass, were in negotiations with George Fenton and his advisors.

November 2013: USGlass, in collaboration with Kinequity group and Baceline Investments, started the process to acquire the Williamstown Facility under a new company.

September 2013: USGlass was in negotiations with Everware Global Inc., to potentially license the brand for the Company's table top tier chain. This joint venture also contained the possibility of Everware making a Series A investment. Everware Global is partially owned by Monomoy Capital Partners, a NY-based private equity firm specializing in Consumer Retail companies.

July 2013: Fenton Glass Society Convention gathered at the Williamstown facility. Mr. Bem updated the collectors on the status of USGlass efforts to rebuild the Fenton brand and to restart full scale glass production at the factory in Williamstown.

June 2013: USGlass terminated its relationship with iGNTIATE and continued to solicit investors for the Series A Common Round.

March 2013: WVJIT invested \$100,000 through WVCAP for 100,000 Series AA Preferred Units in USGlass.

November 2012: USGlass investment approved by WVJIT Board of Directors and WVCAP Committee following term sheet signature and completion of due diligence.

Overall Conclusion

Based on the foregoing, WV Jobs Investment Trust finds it most appropriate to record its investment in USGlass, Inc., at **\$0.00**, per GASB 62 adjustment.

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