

183

**MINUTES OF THE MEETING OF THE
HIGH TECHNOLOGY DEVELOPMENT CORPORATION (HTDC)
BOARD OF DIRECTORS
June 2, 2005
Manoa Innovation Center
2800 Woodlawn Drive, 2nd Floor Conference Room
Honolulu, Hawaii**

PRESENT

Jay Fidell, Chair
Brian Goldstein, First Vice Chair
Russell Yamane, Second Vice Chair
Sharon Wong, Secretary/Treasurer
Maurice Kaya, DBEDT Representative
Carl Simons (NELHA Representative)
Stanley Shiraki (B&F Representative; arrived
approx. 9:45 a.m. and departed 11:20 a.m.)

STAFF PRESENT

Philip Bossert
Nancy Hiraoka
Tom Quinn
Steve Sakuda
Kay Yamada

EXCUSED

Ms. Stacey Hee, Dr. Gail Honda, Dr. David
Lassner, Mr. Tony Saguibo,

GUESTS

Margaret Ahn, Deputy Attorney General
John Chock, HSDC
James LaClair, incoming Board Member
John Strom, Enterprise Honolulu
Barry Weinman, Dragon Bridge Capital LLC

1. CALL TO ORDER

The Chair, Mr. Jay Fidell, called the meeting to order at 9:35 a.m.

2. APPROVAL OF MINUTES - MAY 5, 2005 BOARD MEETING

Ms. Sharon Wong moved and Mr. Carl Simons seconded the motion to
approve the May 5, 2005 minutes. The motion passed unanimously
(6-0).

3. INTRODUCTION OF NEW BOARD MEMBER

The Chair introduced Mr. Jim LaClair. The Chair said that officially
Mr. Clair cannot vote at this meeting, but he should not restrain
himself from participating. The Executive Director said when
Mr. LaClair could find two to three hours of time, HTDC will hold an
orientation for him.

**Minutes of the HTDC
Board of Directors Meeting
June 2, 2005**

Mr. LaClair thanked the Board for the nomination and said he was excited to be part of the HTDC Board. He has been a Hawaii resident for 11 years and his wife is from Hawaii. He is currently vice president of network operations for Hawaiian Telecom, and this encompasses such areas as broadband, dial tone, wireless, and engineering functions. He has always been fond of technology and has a background of 26 to 27 years in this area. Prior to the sale of Verizon Hawaii, he handled operations in the Pacific Northwest and provided services to companies such as Microsoft, Nike, and Intel so he has a sense of the requirements for tech companies. He would like to find a niche where he could help out on the Board

The Chair suggested Mr. LaClair meet with Deputy Attorney General Margaret Ahn on the "Sunshine Law" to understand better how it affected both formal and informal discussions between HTDC board meetings.

The Chair said the Board also recognized the departure of Board member, Mr. Russell Yamane. He said Mr. Yamane had served on the Board for eight years and was a fabulous chair from whom we learned a lot. He told Russell he was inscribed forever in the book of the HTDC. The Executive Director presented Mr. Yamane with a certificate of appreciation and a small gift. Mr. Yamane was also asked if he was interested in continuing to be involved with HTDC committees as an "outside" member, and Mr. Yamane responded affirmatively.

4. INTERNATIONAL INCUBATOR PROGRAM REPORT

A. 2005 China Tech Tour Update

The Executive Director reported the 2005 DBEDT Governors Trade mission is up to 150 people with six tracks. Eighteen people are signed up for the tech track, but many delegates are already trying to jump tracks for specific events. The group is visiting three parks, which the Chair and Ms. Wong visited last year so the groundwork was laid for this trip. One of the highlights of the trip is the signing of a cooperative agreement between Zhongguancun International Incubator (ZII) and HTDC, which will give HTDC office space in the Beijing tech park and office space at an HTDC facility for ZII.

B. Beijing Office and International Incubator Program

There was no discussion on this item except as reported in the previous item.

C. Dragon Bridge Program

The Executive Director said one of the reasons HTDC's program is exciting is because of our partner, the new Dragon Bridge Merchant

**Minutes of the HTDC
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Investment Bank. Mr. Barry Weinman, who is managing director for Allegis Capital in California and very active in promoting technology in Hawaii, was present to give a presentation on Dragon Bridge.

Mr. Weinman said the Board should be proud of what they have done so far. Hawaii is ahead of everybody in the nation in working on the Chinese connections and partnerships and that the Executive Director and the Committee deserve a lot of credit.

Mr. Weinman said the merchant bank is being formed to help China companies access U.S. capital markets. Chinese companies are looking for global opportunities for Initial Public Offerings (IPO), acquisitions, joint ventures and generating capital. Companies are also going public on the NASDAQ because they are looking to keep capital and assets outside of China. Mr. Weinman covered some of the statistics of the number of Chinese companies that went public in the 4th quarter as well as last week. Dragon Bridge is targeting the tech parks like Zhongguancun Park for their potential client base. He cited that Zhongguancun has 15,000 companies, of which 6,000 are resident companies involving 25,000 Chinese returnees from the U.S. and EU. Dragon Bridge would target Chinese companies that understand the U.S., high tech, and security laws. Zhongguancun, which is 189 square miles, is like the Silicon Valley of China.

China will become a global player and Dragon Bridge will assist interested companies with venture capital, private equity, JVs, mergers and acquisitions. Dragon Bridge will leverage the Zhongguancun relationship for potential clients, as Zhongguancun has 6,000 companies with 1,500 life science companies in the park. Dragon Bridge's goal is to add five to ten quality Chinese companies in a year as clients. Dragon Bridge will focus on middle market companies in the \$10 to \$100 million sales range and those looking to raise money in capital markets. The HTDC office will screen candidates for Hawaii, and Dragon Bridge will develop a "template" on how to partner with mainland companies. Dragon Bridge will invest "sweat equity" and will only charge the Chinese companies a success fee if it goes public. They will not do a deal unless the company has IPO potential. The companies will be clean companies with no environmental issues. Mr. Weinman thinks there will be a lot of life science companies to partner with the University of Hawaii (UH) JABSOM and the Cancer Research Center.

In the Beijing office, Mr. Weinman said administrative help would be nice, and they will need help regarding due diligence. The Executive Director said Dragon Bridge is looking at office space between 800 to 1,000 square feet in China. It might be possible to fund approximately \$500 a month for a clerical bilingual person.

HTDC could help the Chinese companies with human resources, accounting and marketing for a fee. HTDC could also help Hawaii

companies and some U.S. companies enter into China through the Beijing office.

D. China Delegations in Hawaii

The Executive Director