



### Helping grow the Knowledge Economy in South Carolina

This first edition of the SC Launch! electronic newsletter focuses on activities and results from fiscal year 2007. FY '07 comprised the first full year of formal operation. SC Launch! was incorporated in April 2006; sometimes it seems like yesterday, and sometimes it seems like a long time ago. Since this is the first time we have circulated this type of electronic publication, we'd appreciate your feedback. See you next quarter, and thank you for your interest and support.



Bill Mahoney  
SCRA CEO



SC Launch! was created to facilitate applied research, product development and commercialization programs, strengthen South Carolina's Knowledge Economy and create high wage-earning jobs by executing the mandates of the South Carolina Innovation Centers Act of 2005.

### SC Launch! Milestones since April 2006 formal incorporation:

Companies Receiving Direct Investment	28
Follow-on capital received by 4 of 28 companies	\$30 million
Companies Receiving Formation and Development Services	69
Innovation Prizes Awarded to Inventors	25
Demonstration Projects Funded	7
Research and Development Landing Parties	4
Applicants	129

### Companies in the Spotlight

#### Midlands Zone...

DigitalDerm, Inc., was founded by leading melanoma expert James Grichnik, MD, PhD, and Sam Chesnutt to develop products that advance the science of dermatology. The company's first commercial offering, MoleMapCD® technology, was developed in conjunction with the Duke Comprehensive Cancer Center, Durham, N.C., where Dr. Grichnik is a researcher and clinician. In use for more than a decade at Duke and other medical facilities, MoleMapCD technology is the new standard of care for documenting the skin of patients at high-risk of melanoma and enhancing the ability to identify melanoma in early, more treatable stages.



MoleMapCD Technology is a total baseline system for melanoma. It provides a visual record of your skin, which you use to check for changes that may indicate melanoma. At the center of this technology is a CD-ROM containing 33 high-resolution images that document a patient's skin from head to toe. These images serve as a baseline for comparing changes.

DigitalDerm is preparing to move to a new corporate office on the second floor of 1529 Washington Street in Columbia. The building was previously occupied by the Cason Group, a local insurance company. The move is planned for the last week of August. The new facility, located in downtown Columbia, is better suited to accommodate DigitalDerms's

For more information, please visit [www.sclaunch.org](http://www.sclaunch.org).

## SBIR/STTR Phase I Matching Grant Program

SC Launch! has implemented a one year trial SBIR/STTR Phase I Matching Grant Program designed to award matching funds to South Carolina-based companies that have been granted a Federal Small Business Innovation Research or Small Business Technology Transfer (the "Federal SBIR/STTR Program") Phase I award.

The purpose of the Matching Grant Program is to foster job creation and economic development in South Carolina by increasing the competitive position of South Carolina small businesses in attracting SBIR and STTR grant funding, and provide an incentive for Phase I award-winning companies to participate in the more substantial Phase II program. The goals of the Match Program are to:

- Increase the number of applications for Federal research dollars submitted by South Carolina small businesses
- Help South Carolina companies bridge the funding gap period between the final Phase I payment and the first Phase II payment in the Federal SBIR/STTR Program
- Increase the intensity of the research conducted under Phase I, making South Carolina small businesses more competitive in the competition for Phase II funds
- Encourage the establishment and growth of high-quality, advanced technology firms in the State of South Carolina

For more information go to [http://www.sclaunch.org/apply\\_sbir\\_sttr.shtml](http://www.sclaunch.org/apply_sbir_sttr.shtml)

## Resource Network

Our Resource Network is a collaboration of organizations that are committed to helping create a Knowledge Economy in South Carolina and have a desire to see our

present and future needs by providing access to main trunk lines for data and voice communications as well as appropriately partitioned office space to meet departmental growth.

To learn more about DigitalDerm please visit [www.digitalderm.com](http://www.digitalderm.com).

### Upstate Zone...

CreatiVasc Medical is a Greenville, SC-based company that was founded in 2004, by nationally-recognized vascular surgeon, Dr. David Cull, to deliver a stream of innovative, easy-to-use and intuitive vascular technologies that address the universal problems of kidney dialysis connectivity. The dialysis field has seen little innovation over the past 40 years and CreatiVasc devices are designed to provide innovative solutions that dramatically improve dialysis patients' quality of life.



Dr. Cull brings over 15 years of experience in vascular access surgery and the management of vascular access complications. He is joined by a seasoned technology start-up veteran, Steve Johnson. Johnson, President of CreatiVasc, has over 20 years experience in technology transfer and commercialization. He headed two successful technology start-up companies and acquired his technology maturation expertise by rising through the ranks of Scott Paper Co. and Dow Chemical. The team also includes Ronald Young, Chief Financial Officer. Young has extensive experience working with new technology-based start-up and early stage companies.

The company's first three devices include the FistulaFinder™, the Paradox HemoStrap™, and the Hemoaccess Valve System. All three devices were created to provide innovative solutions for the devastating complications associated with vascular access.

Did you know?

CreatiVasc's Hemoaccess Valve System was recognized by the History Channel in 2006 as one of the five winners of their Innovation of the Year award, out of over 4,000 entries. SC Launch! is pleased to be associated with CreatiVasc Medical and its dedicated start-up team.

To learn more about CreatiVasc Medical, please visit [www.creativasc.com](http://www.creativasc.com).

### Coastal Zone...

Medication errors occur more often than many people realize. Sabal Medical, headquartered in Charleston, SC, intends to change that by providing an innovative mobile medication dispensing solution that will improve medication safety and efficiency for hospitals and long-term care facilities.



Client Companies succeed.

We greatly appreciate the support from our Resource Partners.

- Bauknight Pietras and Stormer, P.A.
- BB&T
- Byrum Innovation Group, Inc. (BIG)
- Carolina First
- Carolina Software As A Service (CSASS)
- CarterTodd & Associates
- Chernoff Newman
- Dority & Manning, P.A.
- Dynamic Exhibits
- Elliott Davis, LLC
- HR On-Call
- McNair Law Firm, P.A.
- McPherson, Berry & Associates, Inc.
- Michael D. Layman, Attorney
- Nelson Mullins Riley & Scarborough, LLP
- NEXT
- Ogletree Deakins
- Post No Bills, Inc.
- ProActive Technology
- Productivity Solutions & Training (PST)
- SC BIO
- SC Chamber of Commerce
- SC Manufacturing Extension Partnership
- Spiro Institute
- Strategic Marketing Solutions (SMS)
- The Export Consortium
- ThinkTEC
- Trevelino/Keller Communications
- USC Technology Incubator
- VantagePoint
- VC3, Inc.
- Wachovia
- Willcox Buyck & Williams PA
- Wyche Burgess Freeman & Parham, P.A.

The founders of Sabal Medical, Bill Park, President and CEO, and David Duranceau, CIO and VP of Client Services, were drawn to Charleston from the Seattle area in 2006. Veterans of the medication dispensing arena, Bill and David felt that the state of South Carolina, and specifically Charleston, was an ideal location to grow a company, both from quality of life and business perspectives. In addition, there is a healthy concentration of hospitals and long-term care facilities in the southeast, and Sabal wants to be close to their customers as their solution goes commercial.

The Sabal Solution™ consists of Palmetto™, an automated, mobile cabinet that stores and dispenses medications (including narcotics), and the Palmetto POC™ (Point of Care) Software, integrated with the cabinet for safe dispensing of medications to patients. The solution is designed to be right at the bedside where nurses need it most, and controls access to medications for one patient at a time, matching the right medications to the right patient.



To date, Sabal has received investment from SC Launch! and a number of individual investors, and is preparing for a series B venture round. They have already built a functional pre-commercial version of their solution and are demonstrating it to hospitals.

Detailed information about the company's products can be found on their website at [www.sabalmedical.com](http://www.sabalmedical.com).

## Other News

- Innegrity, LLC received the first SC Launch! SBIR/STTR Phase I Matching Grant under our new program that began July 1, 2007.
- Zipit Wireless, Inc. announced that three venture capital firms have invested \$4.5 million, on top of a \$200,000 capital investment from SC Launch!.
- DigitalSmiths Corp., developer of an all-platform video advertising software product, has raised a \$6 million first round.
- Charleston-based Argolyn



Zipit Wireless Inc, receives check from Windspeed Ventures, Sun Bridge Partners, Meritas Ventures, L.



Photo courtesy Robbie Silver, RS Photo

Jonathan Brown receives a \$1,500 award from Bill Mahoney, SCRA CEO, at the New Ideas for a New Carolina business ideas contest in Charleston, SC. SCRA has awarded 25 innovation prizes to date. Kristin Walker, SC Launch! Coastal Zone Manager and contest Chair is at the podium along with SC Speaker of the House Bobby Harrell and ThinkTEC Innovation Summit Chair Danny Kassis of SCANA Corp.

## New Ideas Rewarded at Innovation Summit

Entrepreneurs submitted business ideas for the 2007 New Ideas for a New Carolina contest in May. In its second year, the quantity of the contest's prizes doubled from last year. The Grand Prize included \$3,000 seed money, a scholarship to FastTrac training programs, tickets to the Innovation Summit and access to a Dream Team to help the winner cultivate the ideas. Winners were recognized in 12 different categories with cash and business prizes.

The New Ideas Dream Team included representatives from SCRA affiliate SC Launch!, New Carolina – SC's Council on Competitiveness, FastTracSC, ThinkTEC, InnoVenture and other organizations around the state. These state-wide leaders represent a variety of disciplines and have committed to giving counsel to New Ideas winners. SCRA CEO Bill Mahoney said "The New Ideas competition illustrates how SC Launch! not only provides seed funding for start-up companies, but also provides direct funding to stimulate the early stages of the innovation pipeline for entrepreneurs."

Entering the 2006 contest resulted directly in winner Jon Oliver getting investment capital to launch Drujoli Inc., which manufactures Swifturf, a recycled product

Bioscience, Inc. has closed a \$15.8 million round of financing that will be used to advance the company's research into human clinical trials and get its product to market.

P. and SC Launch!

- KIYATEC, LLC won UNC-Charlotte's Five Ventures Competition on April 12th. KIYATEC submitted their business plan and vision and was awarded support and services, along with education and mentoring from UNC-Charlotte.

## Circle of Innovation Boosts SC Knowledge Economy

The individuals and corporations listed here adjacently have done something outstanding. Together, they contributed \$2 million in 2006 to the Industry Partnership Fund, which is helping to foster the Knowledge Economy in South Carolina.

### Corporate Contributors

- Progress Energy
- Duke Energy
- Chernoff Newman
- Source Harbor Incorporated

Contributions to the Industry Partnership Fund are put to use by SCRA in support of entrepreneurs, start-up companies, and the commercialization of innovation in South Carolina. Contributors receive a South Carolina tax credit against income taxes, insurance premium taxes and certain license fees for 100% of the amount of their contribution.

### Individual Contributors

- William Carpenter
- Russell Cook
- George Fletcher
- Dexter Hagy
- Robert Hughes
- Jennie Johnson
- J. Ernest Lathem, M.D.
- Hurdle Lea
- James K. Lehman
- Darla Moore
- Henry Parr
- Irv Welling
- C. Thomas Wyche

Become one of South Carolina's Knowledge Economy leaders. By making a contribution, you too can be a member of the SC Launch! Circle of Innovation. The maximum aggregate contributions allowed is \$4 million for 2007, with the individual taxpayer limit being \$1.3 million. We have passed the halfway point on allowed contributions for 2007. Contributions are on a first-come, first-serve basis. Contact us at 803-343-5311 for more information.

## Next Quarter's Issue

- Zone Managers and Companies working together
- University Programs
- Supporting new ideas

replacement for sod grass, manufactured from all organic products. He says, "After winning the New Ideas contest, an investor sought me out. I tested Swifturf for him at a place where he said nothing would grow. Well, it grew and it looks like Ireland there now." Oliver is now in phase two of his business plan, ready to start importing the necessary products, manufactured in SC, and making it available to landscapers and the public."