

ADJUVANT CAPITAL PARTNERS

Ms. Cynthia Schaffer
Contract Administrator
California Institute of Regenerative Medicine
210 King Street
San Francisco, CA 94107

June 8, 2009

Dear Ms. Schaffer:

Thank you very much for giving us the opportunity to submit the following proposal to serve as a Delegated Underwriter/Financial Services Provider for CIRM's loan program. We are very excited about the prospects of working with you on this historical effort.

Enclosed you will find one hardcopy of our proposal and one CD that contains soft copies of the proposal, references, and Excel spreadsheet exhibits. Should you have any questions, please do not hesitate to contact me directly.

I look forward to hearing from you.

With Best Regards,



Peter B. Fair
Managing Director
Adjuvant Capital Partners

ADJUVANT CAPITAL PARTNERS

CIRM Loan Program Delegated Underwriter/Financial Services Provider Proposal

Adjuvant (ăj'-ə-vənt)

One that helps or facilitates, as in:

1. A method to enhance the effectiveness of a medical treatment
2. A pharmacological agent added to a drug to increase or aid its effect

Overview

It is an exciting time in the field of regenerative medicine. Decades of scientific research have yielded promising adult stem cell therapeutics for intractable diseases that are now on the cusp of receiving FDA approval. Perhaps more compelling is the upcoming initiation of the first clinical trials using human embryonic stem cells. This landmark achievement represents not only a major milestone in scientific progress but also a regulatory, political, and cultural acceptance of treatments that could help shape the future of medicine. At Adjuvant Capital Partners (“ACP”) we believe that these developments are just the tip of the iceberg. We believe in the promise of regenerative medicine to bring innovative therapies to a wide swath of patients that currently have few treatment options. We also recognize, however, that there is a large funding gap in the field as traditional sources of capital become increasingly risk averse. As such, our mission is to help CIRM fund the preclinical and clinical development of this first wave of stem cell treatments as well as the next generation of research.

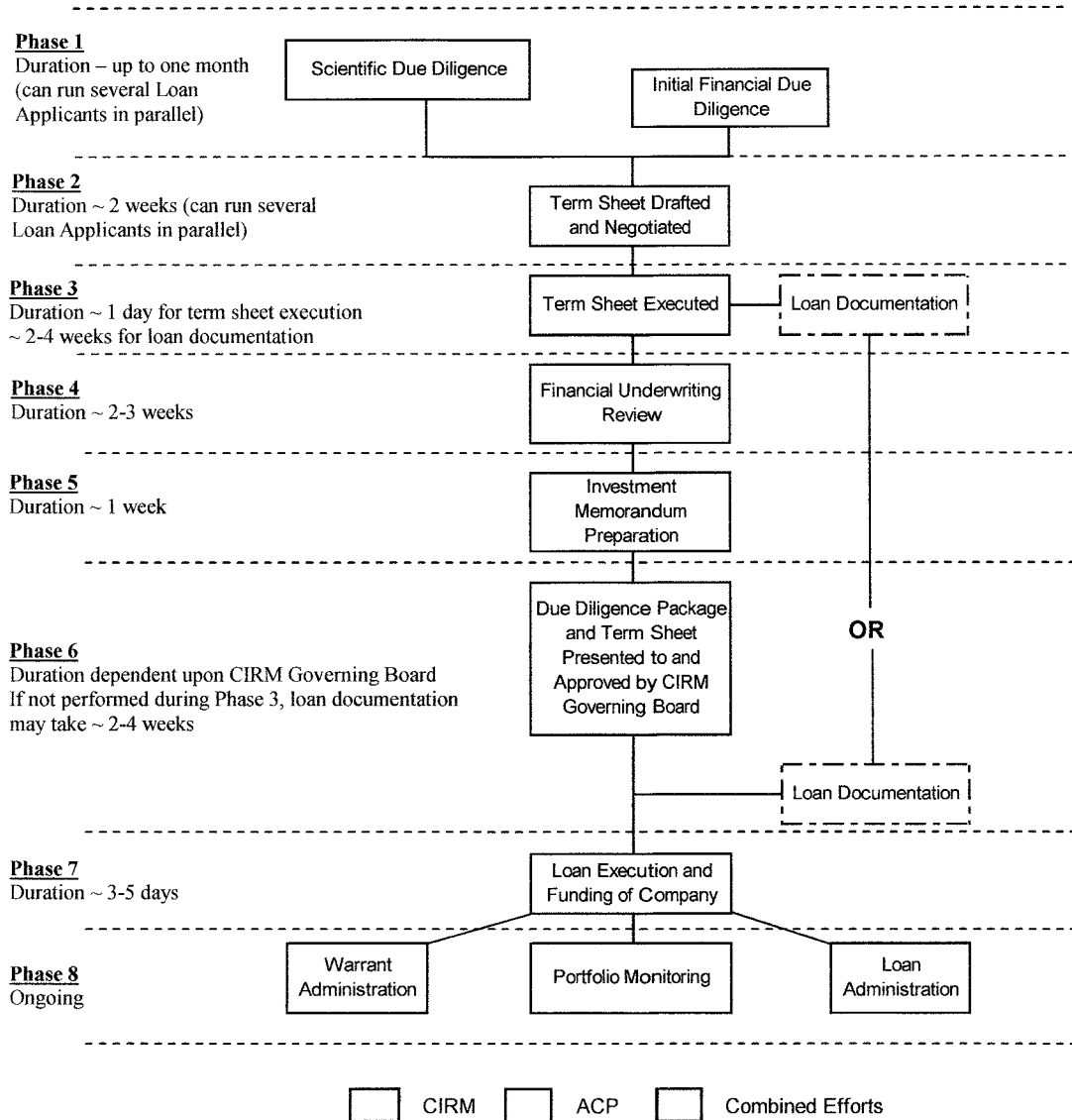
Adjuvant Capital Partners is composed of investment professionals who have spent their careers in the life sciences and financial services verticals. We have a wide range of scientific and industry knowledge throughout the life sciences, having worked at large pharmaceutical companies, health care venture and growth equity firms, and life science focused venture debt firms. In total we have executed over \$225MM in transactions in these positions, including direct debt and equity placements as well as licensing transactions. [REDACTED]

[REDACTED] As such, we have direct experience performing due diligence, structuring, executing, and monitoring debt financings for preclinical and clinical stage life science companies. This experience is crucial in understanding how to appropriately assess (and price) risk as it relates to clinical, operational, and financial milestones. It also allows us to better communicate with both Loan Applicants and CIRM scientists in the process of structuring loan facilities and monitoring existing portfolio companies. Finally, our experience in the life sciences has given us a large network of venture capitalists, investment bankers, and industry executives that we can leverage to attract additional capital to CIRM-financed companies.

This memorandum outlines our proposal to serve as a Delegated Underwriter for CIRM. It includes details surrounding our role in the due diligence process, as well as thoughts around the overall fee structure with CIRM. Ultimately, we believe that our collective experience will contribute to the success of the CIRM Loan Program and help generate returns that will support basic and translational research within regenerative medicine for many years to come.

Investment Process

The CIRM Loan Program will have the highest probability of success if administered by a team that can be heavily involved during the initial launch of the program and nimble enough to work with CIRM to continually refine the process. The following process, based on the CIRM Loan Program RFP, describes ACP’s proposed roles and responsibilities during the due diligence, administration, and monitoring phases of CIRM’s Loan Program.



Phase 1: Scientific and Financial Due Diligence

ACP will perform the initial financial due diligence at the same time the scientific due diligence is underway. To expedite the financial due diligence, we suggest that the Loan Applicant send a financial package to CIRM at the time they submit their proposal. During the scientific assessment, we recommend that CIRM introduce ACP to the Loan Applicant to allow for any follow-up questions pertaining to this package. Once a timely initial evaluation of the business plan and financial package is complete, ACP will provide CIRM with a brief written assessment that can be used to determine whether the Loan Applicant has the necessary financial framework in place to warrant further diligence and/or a term sheet for a loan. This report will consist of the following:

- Overview of company financial position
 - Historical financial performance

- Cash position and projected cash burn
- Expected future financings and capitalization strategy
- Key financial metrics
- Bank account verification
- Credit/litigation history
- Description of existing debt (if any)
- Management team bios and background check
- Summary capitalization table

We suggest that the Loan Applicant pay a processing fee to CIRM to enter into this process (see the “Proposed Fee Structure” section below for a complete overview of fees paid by the Loan Applicant). Of note, while not included in this proposal, ACP has templates available to outline the above-mentioned report and others in this proposal.

Phase 2: Term Sheet Drafted and Negotiated

One of our core strengths is structuring term sheets that take into account clinical as well as financial milestones. Additionally, we have a thorough understanding of how current and future equity investors respond to various terms and debt structures. Thus, working in conjunction with CIRM, ACP will construct an initial draft-format term sheet to present to the Loan Applicant. This draft term sheet will include, but may not be limited to:

- Pricing and payment terms: interest, warrant coverage, fees, term/type of loan, etc.
- Scientific and/or financial milestones required to meet various contingencies (e.g., the release of additional capital, triggering of pricing changes, etc.)
- An outline of CIRM-specific requirements related to IP disclosure, payment acceleration triggers, covenants, etc.
- Other covenants CIRM believes are important and which may be unique to each Loan Applicant

While term sheets will be non-binding, it is important that the Loan Applicant and CIRM come to an agreement on terms before proceeding to the financial underwriting review. ACP will negotiate the term sheet with the Loan Applicant, seeking input from CIRM as needed. Upon agreement of terms between CIRM and the Loan Applicant a final term sheet will be issued.

Phase 3: Term Sheet Execution/Loan Documentation

Loan documentation can be the most time consuming part of any financing. Thus, if acceptable to CIRM, we suggest that upon the signing of the term sheet that our attorneys begin drafting all related loan and warrant agreements to ensure a timely close. We have experience working with various law firms that specialize in documenting loans specific to early and development stage life science companies. We propose that payment of legal fees associated with documentation be the responsibility of the Loan Applicant, regardless of whether or not the financing closes.

Phase 4: Financial Underwriting Review

ACP has a wealth of experience evaluating the unique aspects of preclinical and clinical stage life science companies. While CIRM will manage the scientific due diligence, our process will also take into account the scientific and operational development plan for the Loan Applicant. Our experience has taught us that there is a large amount of overlap between scientific development and the credit risk of the company. ACP's standard due diligence process will include (but may not be limited to) the following:

- **In-depth analysis of a Loan Applicant's company, market, and strategy.** ACP will initiate this process with an in-person meeting with the management team. During this meeting, ACP will build a more thorough understanding of the concepts and risks associated with the Loan Applicant's business, market, product and clinical development pathways, strategy, and financing plans. We will follow this meeting with discussions with CIRM scientists as well as Key Opinion Leaders deemed essential to the diligence process. In addition to the information gathered during this process, ACP will also perform the following analyses to support CIRM with its financing decision:
 - Cash sensitivity analysis, taking into account any proposed milestones and future financing activities
 - Returns analyses on both the debt and warrant components
 - Collateral analysis (which may or may not be done through a third party provider)
 - Valuation/exit analysis
- **Opinion on ability of the Loan Applicant to execute its product development plan.** Based on the analyses performed above and our collective experience in the industry, ACP will render an opinion on the ability of the company to execute its plan. We feel that our industry experience and financial and scientific backgrounds distinguish us from a bank or other typical loan administrator and make us uniquely able to render a credible opinion.
- **Legal due diligence.** ACP will perform legal due diligence in collaboration with our legal partners. The diligence will include gathering and analyzing information within corporate charters, by-laws, stock purchase agreements and investor rights agreements (if applicable), and other items deemed necessary for the Loan Applicant to enter into an agreement with CIRM. Legal fees will be accrued by ACP for documentation and legal due diligence. These fees, typically ranging from \$5,000 to \$25,000, will be passed through to the Loan Applicant.

Phase 5: Investment Memorandum Preparation

The investment memorandum will provide CIRM and its Governing Board with a concise packet of information that it can use to facilitate making the final financing decision. Many of the components associated with the final version of the investment memorandum will be completed in conjunction with the preceding four phases. The investment memorandum can incorporate not only the results and materials from the financial and legal analyses of the Loan Applicant, but also include the scientific assessment completed by CIRM, if desired. ACP will work with CIRM

to determine the final composition of this document.

Phase 6: CIRM Approval

Once ACP and CIRM have completed due diligence and the investment memorandum is complete, all related materials will be forwarded to the CIRM Governing Board. Should the Governing Board be interested in meeting with ACP to facilitate the final financing decision, we will readily do so. ACP will work with CIRM to finalize the components of the final financing package, but at a minimum it will include the investment memorandum and a copy of the signed term sheet. Should CIRM decide to wait for the Governing Board's final approval before documenting the loan and warrant agreements, then the loan documentation process (discussed in Phase 3 above), would commence in Phase 6.

Phase 7: Loan Execution and Funding of Company

As ACP will be an advisor to CIRM our signature will not be required to execute the loan. Upon execution (or a request for funding during a pre-determined availability period), ACP can wire the funds directly to the Loan Recipient. If more than 45 days have passed from the time of close to the time of funding, ACP will schedule a brief update with the Loan Recipient to ensure nothing material has changed with the company prior to the release of funds.

Phase 8: Monitoring, Warrants, Loan Administration

Ongoing monitoring and administration requires regular interaction with both the Loan Recipient and the appropriate personnel within CIRM. As a Delegated Underwriter, ACP will be responsible for the following:

- Quarterly reporting to CIRM on each Loan Recipient's performance. In addition to generating reports for CIRM, ACP will plan to meet with appropriate CIRM personnel to walk them through the portfolio – generally within 45 days of a quarter's end
- Monitoring and reconciliation of loan payments to the loan payment schedule (ACP suggests the use of an Automated Clearing House service for "automatic" payment collection where ACP would have online access to transaction records)
- Examination of monthly financial statements
- Examination of monthly bank statements (to monitor cash balances of accounts from where payments to CIRM are originated)
- Ongoing monitoring of company compliance as it relates to loan terms and milestones
- Managing additional loan draws, including reviewing a Company's health before future loan draws are approved
- Managing the process if there is a breach of a loan term or covenant, a restructuring, or if a company is heading toward a dissolution
- Managing the warrant portfolio through a liquidity event, including year-end warrant valuations using the Black-Scholes model
- As needed, ACP can also assist companies in the portfolio by making introductions to its wide network of venture capitalists, investment bankers, and industry executives. In fact, we would welcome the opportunity to establish a formal program between the venture

capital community and CIRM to attract fresh capital to CIRM-funded companies. We expect that there would be a large amount of interest in funding either new companies or corporate spin-outs that recently received CIRM funding.

As the CIRM Loan Program evolves, we expect that the services needed by CIRM may change. We welcome the opportunity to work with CIRM to continually drive further efficiencies and enhancements to the program.

Conflicts of Interest and Additional Comments

ACP will work closely with CIRM personnel to develop a written conflict of interest policy to monitor and govern potential conflicts of interest that may arise. Of note, ACP has not performed any consulting work for CIRM in the past 12 months.

In Section A1 in the CIRM RFP, there is an inquiry regarding potential interest in working with CIRM and others on loans with guarantees by the federal government. ACP would be happy to explore this further upon receiving additional details around this program. To date, we have not worked with the federal government on similar programs.

In Section B5 of the CIRM RFP, there is a requirement regarding specific parameters of insurance coverage. Should ACP be selected as a Delegated Underwriter/Financial Services Provider for CIRM, we will make certain that all of the mandated levels of coverage are in place.

Proposed Fee Structure

ACP believes that the optimal fee structure is one that aligns incentives between the Delegated Underwriter and CIRM and reduces the possibility for conflicts of interest. Thus, we propose a structure common in the venture debt industry whereby ACP will receive an annual management fee and a percentage of the warrants for each Loan Recipient.

Venture debt firms generally earn an annual management fee of 2.5% of allocated assets and a carried interest from warrant returns of 20% - 25%. Additionally, these firms can also participate in a significant portion of the returns on the debt service. Based on CIRM's budget constraints and the collaborative effort between CIRM and ACP throughout the loan process, we propose a scaled-back version of this fee structure. Our structure, seen below, is based on typical loan volumes and amounts as anticipated by CIRM in the RFP.

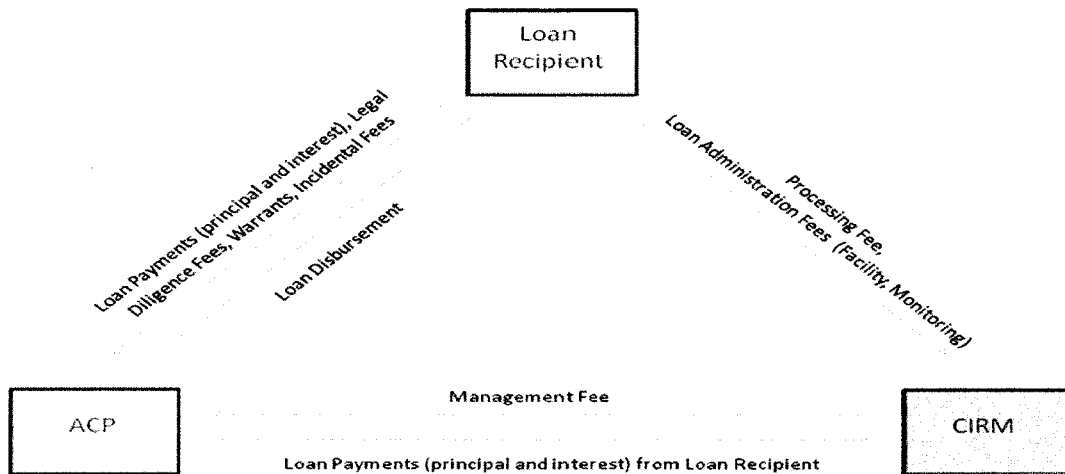
Total allocation by CIRM:	ACP's goal is to oversee up to \$250 million, based upon the Governing Board's plans to eventually allocate \$500 million to the Loan Program split between two Delegated Underwriters.
Management:	ACP will perform financial due diligence, financial underwriting, loan structuring and documentation, loan administration, management of warrants, and monitoring of the portfolio. We also welcome the opportunity to discuss additional services outside the scope of this proposal.

Management Fees:	<ol style="list-style-type: none"> 1) An annual fee of 1.1% of total allocated capital or \$1.5 million, whichever is greater, payable quarterly. This fee is all-inclusive, thus ACP will not charge CIRM additional hourly or ancillary fees on top of this for the services provided. 2) 9.5% of the total warrants received by CIRM for each loan.
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We did not select one of the fee options described in the Loan Program RFP (either a spread on the interest rate of the loan or fees associated with the loan, both paid by the Loan Recipient) for three reasons:

1. The investment process for each prospective borrower requires a significant volume of work before the disbursement of loan funds, but these fee structures do not provide compensation to the Delegated Underwriter before this point. Thus, the Delegated Underwriter works “at-risk” on each proposed financing through the full investment process.
2. Both of the proposed fee structures compensate the Delegated Underwriter based on the number of closed transactions they underwrite. As we have seen recently in the mortgage industry, incentivizing an underwriter based on volume creates a conflict of interest and can result in the underwriting of poor quality loans. The fee structure we propose eliminates this conflict of interest.
3. A fixed management fee allows the Delegated Underwriter to create an accurate internal budget and set its staffing plans accordingly.

While our fee structure differs from those proposed by CIRM we are sensitive to current budget constraints. Thus, we propose that CIRM offset the management fee by charging each Loan Applicant a processing fee to apply to the program (e.g., \$250 - \$500) and each eventual Loan Recipient a Loan Administration Fee. This Administration Fee would have two parts: an upfront facility fee (suggested to be 1.5% of the total loan amount, typically netted against the initial disbursement) and an annual monitoring fee (suggested to be 0.5%). The diagram below shows the overall proposed flow of funds:



Per the Loan Program RFP, ACP will disburse loan proceeds and collect interest and loan repayments at the end of the loan term (note: while we are suggesting that ACP handle the disbursements, we are as equally open to having CIRM disburse funds directly to the Loan Recipient). The Loan Applicant will pay the legal diligence fees and any incidental expenses to ACP. Once a loan is approved, the Loan Recipient will assign the warrants to ACP on behalf of CIRM (ACP will hold all warrants until CIRM elects to exercise them). The Loan Applicant will pay an upfront processing fee to CIRM and, once a loan is approved, the Loan Administration fees (both facility and monitoring). CIRM will pay the management fee to ACP on a quarterly basis.

Please see Exhibit 1 for a more detailed overview of the flow of funds for \$250 million of loans. It is important to note that under our assumptions the cumulative net cash flows to CIRM (including the management fee to ACP) are positive for years 1-3 of the program. Exhibit 2 illustrates how this fee structure would work strictly for a \$20 million loan using the parameters given under Section A3 in the CIRM RFP.

Conclusion

Adjuvant Capital Partners is excited to have the opportunity to be a part of CIRM's historic initiatives. We have extensive experience evaluating and executing life science transactions, with skills specific to executing and monitoring early-stage debt financings. By focusing solely on CIRM's Loan Program at its onset, ACP will be responsive enough to provide CIRM and its prospective Loan Recipients the attention both require to make this program a success.

Based on the outline above, and depending upon CIRM's and the Loan Recipient's availability, ACP estimates that it will require approximately 65 days from the start of the due diligence process to the closing of the final loan documents. In addition to due diligence activities prior to the closing a financing, ACP will also actively manage the warrant portfolio, monitor portfolio company performance, and work closely with any under-performing portfolio company toward finding the most optimal outcome. In return for these services, we propose that the compensation model closely resemble the standard in the venture lending industry.

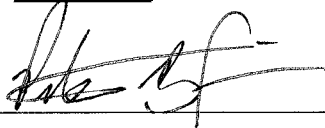
We look forward to working closely with CIRM to make this program a success.

We welcome any questions or discussions concerning this proposal. Please feel free to contact:

Peter Fair - Managing Director, Adjuvant Capital Partners

Email: peter@adjuvantcapital.com

Phone: 415 [REDACTED]



Peter Barton Fair

Exhibit 1 - Flow of Funds on a Macro Basis

Assumptions:

Total Initial Assets Managed by ACP	\$250,000,000	Note: Under this model, ACP assumes it will underwrite half of the total \$500 million (\$250 million) committed for loans
Years of Initial Investment	2	Note: Assumes the \$250 million will be disbursed evenly over 8 quarters
% of Loans with 6 Year Term	50.00%	
% of Loans with 10 Year Term	50.00%	
Loan Administration Fee (facility)	1.50%	
Loan Administration Fee (monitoring)	0.50%	
Estimated number of Applicants/Qtr	10	
Estimated processing fee per applicant	\$ 325	
Fixed Interest Rate	5.00%	
Estimated Loss Ratio	10.00%	Note: Given the high-risk nature of this asset class, this assumes that a certain percentage of loans will not be paid back. This figure is applied in determining the monitoring fees (after year 2), the interest income, and the principal returns. Because CIRM does not anticipate receiving any payments during the loan period, this loss ratio could be even higher.
Estimated warrant gains (multiple)	0.3x	Note: This is a multiple of the total assets managed by ACP multiplied by (1 - Estimated Loss Ratio). For this model, gains on warrants were assumed to be earned at the end of the loan term.
Warrant returns to CIRM	90.50%	
Warrant returns to ACP	9.50%	
Minimum Annual Management Fee (> of either \$1.5M or 1.1% of assets)	\$ 1,500,000 1.10%	Note: Assumes minimum annual management fee as stipulated on page 7 of the ACP proposal. Note that this fee covers the management of the entire portfolio under the auspices of ACP.

	Year 1				Year 2				Year 3	Year 4	Year 5	Year 6	Year 7	Years 8-12
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
Loan Disbursement	\$31,250,000	\$31,250,000	\$31,250,000	\$31,250,000	\$31,250,000	\$31,250,000	\$31,250,000	\$31,250,000						
ACP Management fee from CIRM	\$ (375,000)	\$ (375,000)	\$ (375,000)	\$ (375,000)	\$ (429,688)	\$ (515,625)	\$ (601,563)	\$ (687,500)	\$ (2,750,000)	\$ (2,750,000)	\$ (2,750,000)	\$ (2,750,000)	\$ (2,750,000)	\$ (13,750,000)
Processing Fees	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250						
Facility Fees to CIRM	468,750	468,750	468,750	468,750	468,750	468,750	468,750	468,750						
Monitoring Fees to CIRM				625,000				1,250,000	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	2,812,500
Interest Income to CIRM														16,875,000
Principal to CIRM														56,250,000
Warrants Returns to CIRM														12,726,563
Total Cash Flows for CIRM	\$ 97,000	\$ 97,000	\$ 97,000	\$ 722,000	\$ 42,313	\$ (43,625)	\$ (129,563)	\$ 1,034,500	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ 84,226,563
Total Net Cash Returns for CIRM (less principal returned)	\$ 97,000	\$ 97,000	\$ 97,000	\$ 722,000	\$ 42,313	\$ (43,625)	\$ (129,563)	\$ 1,034,500	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ (1,625,000)	\$ 27,976,563
Cumulative Net Cash Flows to CIRM (less principal returned)	\$ 97,000	\$ 194,000	\$ 291,000	\$ 1,013,000	\$ 1,055,313	\$ 1,011,688	\$ 882,125	\$ 1,916,625	\$ 291,625	\$ (1,333,375)	\$ (2,958,375)	\$ (4,583,375)	\$ 23,393,188	\$ 123,760,375

Note: Assumptions and estimates used in this calculation (e.g., warrant returns) could vary, even significantly, from what is demonstrated in this model.

Exhibit 2 - Flow of Funds on a Transactional Basis

Assumptions:

Total Facility Size	\$20,000,000	
Fixed Interest Rate	5.00%	
Term (Years)	6	Note: A loan typically amortizes from the time of disbursement, which means the final disbursement in Year 4 would not be due until Year 10.
Loan Administration Fee (facility)	1.50%	
Loan Administration Fee (monitoring)	0.50%	
Warrants:		
Warrant Coverage	10.00%	Note: We have assumed that a preferred stock equity raise will have taken place prior to the debt financing and that no additional equity financings take place during Years 1-4. Typically, we would expect that within 4 years, additional equity would need to be raised resulting in a new warrant strike price for disbursements made subsequent to the new equity financing.
Strike Price	\$1.00	
Exit Valuation	\$3.00	
Proceeds to CIRM	90.50%	
Proceeds to ACP	9.50%	

	Year 1				Year 2				Year 3				Year 4				Years 5-10
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Disbursement	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000	
Collected by CIRM																	
Processing Fee	325																
Facility Fee	300,000																
Monitoring Fee				25,000				50,000					75,000				100,000
																	450,000
Simple Interest (not compounding)																	6,000,000
Principal																	20,000,000
Warrants																	3,620,000
Total Receipts by CIRM	300,325	-	-	25,000	-	-	-	50,000	-	-	-	-	75,000	-	-	-	100,000
Cumm. Receipts by CIRM	300,325	300,325	300,325	325,325	325,325	325,325	325,325	375,325	375,325	375,325	375,325	375,325	450,325	450,325	450,325	450,325	550,325
																	30,070,000
Collected by ACP																	
From Borrower																	
Legal Fees (estimated)	10,000																
Travel/Misc (if applicable)	1,000																
Warrants																	380,000
Total Receipts by ACP	11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380,000

Note: Assumptions and estimates used in this calculation (e.g., warrant returns) could vary, even significantly, from what is demonstrated in this model.

ATTACHMENT 1

Proposer References

REFERENCE 1

Name of Firm	[REDACTED]	City	[REDACTED]	State	[REDACTED]	Zip Code	[REDACTED]
Street Address	[REDACTED]						
Contact Person	[REDACTED]			Telephone Number	[REDACTED]		
Dates of Service	[REDACTED]			Value or Cost of Service	[REDACTED]		

Brief Description of Service Provided

[REDACTED] is a developmental stage medical-device company focused on the development and commercialization of orthopedic devices used in the treatment of advanced spinal stenosis. The company is currently in its pivotal clinical trial for a [REDACTED]. The ACP staff (while at a leading venture-debt provider) led the origination, due diligence, and monitoring efforts for this [REDACTED] facility.

REFERENCE 2

Name of Firm	[REDACTED]	City	[REDACTED]	State	[REDACTED]	Zip Code	[REDACTED]
Street Address	[REDACTED]						
Contact Person	[REDACTED]			Telephone Number	[REDACTED]		
Dates of Service	[REDACTED]			Value or Cost of Service	[REDACTED]		

Brief Description of Service Provided

[REDACTED] uses a proprietary screening platform to enable massively parallel genome search and modification to rapidly optimize the microbes uses for [REDACTED]. The company is currently in the developmental stage for several new [REDACTED] applications. The ACP staff (while at a leading venture-debt provider) led the origination, due diligence, and monitoring efforts for the [REDACTED] facility.

REFERENCE 3

Name of Firm	[REDACTED]	City	[REDACTED]	State	[REDACTED]	Zip Code	[REDACTED]
Street Address	[REDACTED]						
Contact Person	[REDACTED]			Telephone Number	[REDACTED]		
Dates of Service	[REDACTED]			Value or Cost of Service	[REDACTED]		

Brief Description of Service Provided

[REDACTED] is a developmental-stage biochemical company targeting industry segments such as biopharmaceutical intermediates, materials, and defense applications. The ACP staff (while at a leading venture-debt provider) led the origination, due diligence, and monitoring efforts for this [REDACTED] facility.

Please note that additional references are available upon request.

ATTACHMENT 2

Payee Data Record
(STD 204)

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)
STD 204 (Rev. 6/2008)

1	<p>INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement.</p> <p>NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.</p>	
2	<p>PAYEE'S LEGAL BUSINESS NAME (Type or Print): <u>ADJUVANT CAPITAL PARTNERS</u></p> <p>SOLE PROPRIETOR - ENTER NAME AS SHOWN ON SSN (Last, First, M.I.): <u>FAIR, PETER, B.</u> E-MAIL ADDRESS: <u>peter@adjuvantcapital.com</u></p> <p>MAILING ADDRESS: <u>2440 GREEN ST</u> BUSINESS ADDRESS: <u>SAME</u></p> <p>CITY, STATE, ZIP CODE: <u>SAN FRANCISCO, CA 94123</u></p>	
3	<p>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): _____</p> <p><input type="checkbox"/> PARTNERSHIP CORPORATION:</p> <p><input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</p> <p> <input type="checkbox"/> LEGAL (e.g., attorney services)</p> <p> <input type="checkbox"/> EXEMPT (nonprofit)</p> <p> <input type="checkbox"/> ALL OTHERS</p> <p><input checked="" type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR</p> <p>ENTER SOCIAL SECURITY NUMBER: _____</p> <p><small>(SSN required by authority of California Revenue and Tax Code Section 18646)</small></p>	<p>NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.</p>
4	<p><input checked="" type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California.</p> <p><input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding.</p> <p><input type="checkbox"/> No services performed in California.</p> <p><input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.</p>	
5	<p>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.</p> <p>AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print): _____ TITLE: <u>Managing Director</u></p> <p>SIGNATURE: <u>Peter Fair</u> DATE: <u>June 1, 2009</u> TELEPHONE: _____</p>	
6	<p>Please return completed form to:</p> <p>Department/Office: _____</p> <p>Unit/Section: _____</p> <p>Mailing Address: _____</p> <p>City/State/Zip: _____</p> <p>Telephone: (____) _____ Fax: (____) _____</p> <p>E-mail Address: _____</p>	