

Working with Federal, State, Local, and University Resources

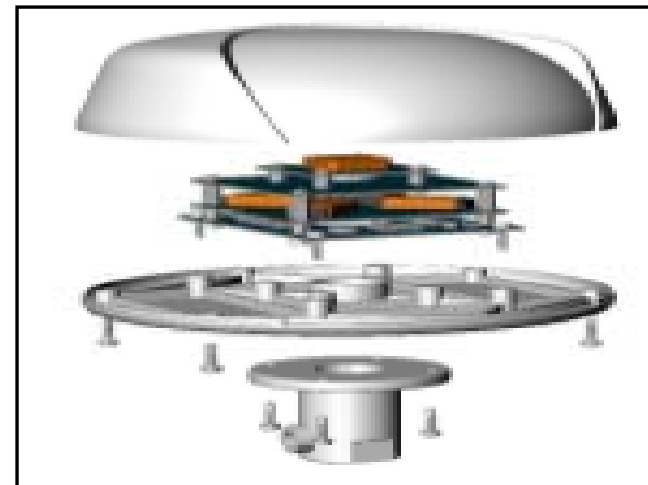


Producing the next generation of Integrated GPS/eLoran Receivers

Presentation for:

EPSCoR

October 15, 2007



Outline:

- Who is CrossRate?
- How are CrossRate's Operations Funded?
- What Local/State/Federal Agencies Does CrossRate Work with?
- Challenges/Solutions/Suggestions

CrossRate Mission

To be the leading provider of integrated GPS and eLoran technology that delivers the most robust, failsafe, and reliable navigation and timing equipment.

Company Overview

- Founded by Zachariah Conover and Michael Leathem
- Headquartered in Standish, ME
- Leadership – Proven track record and first hand experience with GPS/eLoran navigation systems.
 - U.S. Coast Guard Loran Support Unit
 - Involved with recapitalization of the North American Loran System
 - Development team includes world leaders in eLoran
- Current Product Set
 - Developing Integrated eLoran/GPS Development Platform for the FAA.
 - Introducing a Maritime Product in Q1 '08

What Does CrossRate Do?

- Better GPS for the critical user
- Development of Integrated eLoran/GPS for the Maritime, Land Mobile, and Timing markets.



Who Does CrossRate work with?

- UMaine
 - FAA Project
 - Senior Project Sponsor
- Loran Research Community
 - US Coast Guard Academy
 - University of Rhode Island
 - Stanford GPS Lab
 - Ohio University Avionics Center

How are CrossRate's Operations Funded?

- Friends, Family, Angels
- Maine Technology Institute
- University of Maine/FAA
- Loans – Bank and FAME
- 'Institutional' Round

- Equity, Debt, and Grants

Funding continued...MTI

- Seed Grants (up to \$10k each)
 - Market Research
 - Intellectual Property - Law Student
- Development Awards (up to \$500k each)
 - Initial Technology Development
 - Beta Prototype Development and rollout with additional Market Validation
- Advanced Commercialization Fund
 - Matching Institutional Investment

Funding continued...UMaine/FAA

- FAA funded research grant at UMaine for eLoran receiver development
 - CrossRate is a subcontractor on the award.
- Subcontractor work through UMaine grant was used to partially match an MTI Development Award
 - Example of State, Federal, and Academic resources supporting small business in Maine.

Funding continued...Institutional

- Small Enterprise Growth Fund
- Maine Technology Institute
- Significant Local Angel Investor
- Previous and new smaller investors
 - Leveraged positive change in Maine Securities laws to allow non-accredited investors. – Talk to your lawyer.
 - Maine Seed Tax Credit has been used extensively.

Challenges

- Federal Issues Surrounding eLoran
 - Working extensively with Maine Senators and Congressman
- Lead Time of most ‘public’ funding sources is long.
 - Plan ahead
 - Cash is King!!! - Raise \$ early and constantly

How Can You Do it?

- If you don't know ask!
 - There are lots of resources around...
- Be Nice...Especially in Maine!
- Get out
 - Network
 - Be willing to drive – “It's no problem, I can be there tomorrow”
- Get your \$\$\$ and Legal house in order

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