

# INDY BUSINESS BULLETIN



## Purdue Researchers Make Zika Virus Breakthrough

The director of the Purdue University Institute for Inflammation, Immunology and Infectious Diseases says his team of researchers has made a major breakthrough regarding the Zika virus. Richard Kuhn's team is the first to determine the structure of the virus, which he says will help to develop a treatment.

**Indiana Far From Tapped Out on Craft Beer**  
Despite a continued explosion of craft breweries throughout Indiana, the new president of Indianapolis-based Sun King Brewing Co. says he sees ample room for even more growth. "When you look at craft beer consumption in Indiana versus other states, we have tons and tons of opportunities," said Bob Whitt, who will become president of the state's second-largest brewer April 18. "In Portland, Oregon as an example, over 50 percent of the beer consumer there is craft, and we are way below that so, we have lots of options."

## Indiana Staple Provides Lift to Next Gen Company

The chief executive officer of Fishers-based CloudOne Inc. says the manufacturing sector, a traditional cornerstone of the state's economy, is helping his less-traditional, high-tech business grow. John McDonald, whose company just locked in a \$9 million round of funding, says Indiana's manufacturing might make it the "ideal place" for innovators in the Internet of Things space. McDonald says the infusion could help the company add 20-30 more jobs in the short-term, with a potential for more down the road.

## Indy Part of Major Navy Contract

The U.S. Department of Defense has awarded Rhode Island-based Textron Inc. (NYSE: TXT) a \$174 million contract for the construction of amphibious landing craft for the U.S. Navy. More than a quarter of the work will be performed at Textron's Indianapolis facility.

**Another Positive Outcome For Lilly**  
A potential rheumatoid arthritis treatment being co-developed by Indianapolis-based Eli Lilly and Co. (NYSE: LLY) and Incyte Corp. (Nasdaq: INCY) continues to return positive results in late-stage testing. In a recent phase 3 global study, Lilly says baricitinib met its primary endpoint.

## Study: More Students on Pace to Graduate on Time

A report from the Indiana Commission for Higher Education says more Hoosier college students with financial need are staying on track

to graduate on time. The number of 21st Century Scholars completing 30 credit hours per year has increased by 23.4 percent at four-year colleges, and 24.2 percent at two-year institutions. The report, Reforming Student Financial Aid to Increase College Completion, features the second-year results from legislation passed in 2013 which created financial incentives for students to complete degrees on time.

**Indy Among Best For Young Professionals**  
Indianapolis is included in a list of the 20 Best Cities For Young Professionals. The Forbes rankings consider factors including unemployment, median salaries for recent college graduates and the percentage of locals 25 and older with at least a bachelor's degree.

**Cummins Announces Middle East Deal**  
Columbus-based Cummins Inc (NYSE: CMI) has announced the formation of a joint venture in the Middle East. Cummins is partnering with The Olayan Group in Saudi Arabia to form Cummins Arabia, which will consolidate distribution operations in three countries.

**Indy Again in Olympic Spotlight**  
Indianapolis-based USA Diving says events in Indianapolis will be featured as part of an "unprecedented" level of Olympic trials coverage. The organization says NBC and NBC Sports Network will devote nearly 20 hours in June to diving events.

**I-69 Construction to Begin Next Week**  
The Indiana Department of Transportation says construction has begun on the new Interstate 69 interchange at 106th Street in Fishers. The \$21 million project aims to reduce congestion in the rapidly-growing area.

**McKinney: Ag Sector on 'Quite a Roll'**  
The director of the Indiana Department of Agriculture is confident the state's ag sector can continue its recent momentum. In the last week, Walmart (NYSE: WMT) announced plans to build one of the nation's largest milk processing operations in Fort Wayne, Krone North America detailed a relocation from Tennessee to Shelbyville and the groundwork is being laid for a potential \$230 million cheese making facility in Newton County. Ted McKinney says the stage has been set for these announcements because of efforts like Agrinove Indiana.

**Bloomington a 'Community Ready For Film'**  
The co-founder of the Middle Coast Film Festival in Bloomington believes the city and region have the ingredients to be on-par with the independent film-making scene in other cities like Austin, Texas. During a recent special edition of Inside Indiana Business Television focusing on women entrepreneurs, Jessica Levandoski said efforts by local enthusiasts, professionals and Visit Bloomington are starting to show returns, including the recent filming of "The Good Catholic" starring Danny Glover.

# CHINA IN THE NEWS



Joanna Zhou (周娜), now residing in Knoxville TN, immigrated to Indianapolis with her husband from Beijing in 2013, where she worked in Human Resources for a U.S. Fortune 500 company. She enjoys her new life with her husband and kept in touch with her IAAT friends and readers by contributing to this column.

## BY JOANNA ZHOU HK's oldest free broadcaster ATV goes off air

Hong Kong's embattled Asia Television (ATV) shut down midnight Friday 4/2/2016, ending its 59 years of broadcasting service. After broadcasting its final program, a rerun of the 2013 Miss Asia Pageant, ATV bid farewell to its audience by showing a card on the screen at 11:59 p.m. People went to ATV's headquarters in Tai Po on Friday to take pictures and witness the last moment of the broadcaster. A local resident surnamed Ma said she has been ATV's viewer for decades and will watch it until the end. ATV's senior public affairs manager Jeff Wong told the media that he believed the station will find alternative ways to operate, by for example, providing internet TV services. However, that will be subject to the decision of the broadcaster's investors. On April 1, 2015, the Hong Kong government decided not to renew ATV's free-to-air TV license. Its license expires on April 1 as according to the law, a 12-month notice period is to be given for the non-renewal decision. The Public Radio Television Hong Kong (RTHK), which took over ATV's two analogue channels, launched a television broadcast at 12:00 p.m. Saturday after ATV ceased its signals.

**亚视停播**  
据港媒报道, 4月2日零时起, 有59年历史的香港亚视正式停播。亚视成为香港史上首间因不获续牌而停播的电视台。亚视是全球华人地区第一个电视台——“亚洲电视”的简称, 英文缩写为ATV, 前身为丽的呼声(香港)有限公司1957年创办的“丽的映声”, 后在1982年更名为“亚洲电视”。因未获香港政府续发牌照, 亚视所有广播频谱于4月1日被没收。据亚视节目部执行主任程启光早先在港台节目中表示, 今晚11时59分07秒电视画面会出现“一张卡”, 时间到了就出现黑画面。而助理广播处长(电视及机构业务)陈敏娟则表示, 当亚视熄掣、频道清空了, 短时间会有“雪花”, 当调校完成, 画面会出现字卡, 原有频道变更为港台频道31A。据悉, 4月1日晚亚视晚间新闻头条就是关于停播的消息。而亚视的主要投资者中国文化传播声明, 亚视不会因为停止免费电视广播而消失, 而是会通过卫星向香港以外的地区继续播放。4月1日晚, 由香港民众聚集在亚视电视台门口, 零时过后, 亚视员工出现, 向民众挥手致意。

## "Batman v Superman" still dominates China's box office

Superhero film "Batman v Superman: Dawn of Justice," continued to rule China's box office in the week ending April 3, China Film News reported Tuesday. With this week's ticket sales hitting 181 million yuan (28 million U.S.dollars), the film has earned 580 million yuan since its debut on March 25. Featuring Hong Kong action star Sammo Hung and Andy Lau, domestic movie "The Bodyguard" was second this week, raking in 167 million yuan since its release on April 1. Domestic feature film "Chongqing Hotpot" earned 140 million yuan to rank third. The film hit screens on April 1. Fourth place went to the animated Disney film "Zootopia," which earned 121 million yuan, making its total earnings 1.45 billion yuan since its release on March 4. Rounding out the top five was domestic romantic film "Who Sleeps My Bro," grossing 68 million yuan. 《蝙蝠侠大战超人》票房更新 被CinemaScore评分为B的《蝙蝠侠大战超人》在复活节周末登场, 3天进账超1.7亿美元。力挽狂澜扭转北美票房连续两周下滑劣势, 助上周总票房入账2.52亿美元。第二周票房惨遭滑铁卢, 虽依然继续霸占第一, 却仅仅收获5238万美元, 暴

跌68.4%, 直接拖累本周总票房仅入账1.31亿美元, 比上周下降47.7%。《蝙蝠侠大战超人》是DC动漫公司扩展宇宙的第二部电影。在内地市场上映第10天, 赶上小长假, 截至目前, 影片在内地票房为5.7亿元。

## Chinese organ donation on the rise

Chinese organ donors have been on the rise since voluntary donation was introduced in the country in 2010. As of March 20, China has recorded more than 66,000 voluntary organ donors, 6,624 of whom donated their organs, saving about 18,000 lives, People's Daily reported on Friday. China began a voluntary organ donation trial in 2010 and promoted the practice across the country in 2013. Now, it tops Asia in the number of organ donations per year, said Wang Pei'an, vice minister of the National Health and Family Planning Commission (NHFP). Statistics from the NHFP showed that 2,766 volunteers donated organs in 2015, with 7,785 large organs acquired. The number of organ donations exceeded 2013 and 2014 combined. 中国百万人口器官捐献率6年增百倍 有望纳入大病救助 近年来, 中国公民器官捐献率呈上升趋势, 截至2015年8月19日, 中国实现公民逝世后自愿捐献4737例, 捐献大器官12748个。其中, 2015年已实现捐献案例1590例, 大器官4414个。目前中国器官捐献在数量上已处于亚洲国家首位, 百万人口捐献率接近2左右, 相比2010年的0.02, 增长了100倍。相比西方发达国家仍然偏低, 据全球器官捐献与移植观察机构的数据, 西方发达国家的捐献率普遍较高, 其中, 西班牙为35.1/百万人, 法国为25.9/百万人, 美国为25.8/百万人, 而亚洲的平均水平为4.27/百万人。

## Bus maker Zhengzhou Yutong posts 35-pct profit growth

Zhengzhou Yutong Bus Co., China's leading bus maker, posted a net profit growth of 35.31 percent in 2015, thanks to booming sales of new energy coaches. The company made a net profit of 3.54 billion yuan (543 million U.S. dollars), according to its annual report filed with the Shanghai Stock Exchange on Tuesday. Revenue hit 31.21 billion yuan, up 21.31 percent year on year. Earnings per share stood at 1.6 yuan, compared with 1.18 yuan one year earlier. Zhengzhou Yutong's sales of new energy coaches jumped 176.1 percent year on year to 20,446, as environmentally-conscious local authorities increasingly choose green vehicles. The bus maker held a 20-percent share of the domestic bus market last year, and it will continue to improve its competitiveness in 2016, according to the report. The company climbed 5.7 percent to open at 20.5 yuan per share on Tuesday.

宇通客车2015年净利润35.35亿元 今日宇通客车(600066)公布2015年业绩, 公司营收312.11亿元, 同比增21.31%, 净利润35.35亿元, 同比增35.31%, 公司拟每10股派发现金股利15元(含税)。

## Chinese fertilizer company to set up Australian operation

Chinese fertilizer producer Hubei Xinyangfeng has secured its first allotment of farmland outside of China, after it purchased a farm in southern New South Wales, Australia. The Chinese company, listed on the Shenzhen Stock Exchange, has pledged to spend 50 million U.S. dollars setting up a number of locations in Australia, and began its operation by purchasing the farm for 4 million U.S. dollars. On Tuesday, a spokesperson from the producer said it was hoping to further expand its international operations through opening up a number of Australian sites.

新洋丰抢滩国际化肥高端市场 湖北新洋丰肥业股份有限公司的全资孙公司宜昌新洋丰肥业公司已取得澳大利亚农业部(DOA)颁发的出口澳大利亚化肥供应链一级资质证书, 即AQIS认证。该认证的取得表明公司符合澳大利亚化肥进口供应商的要求, 公司将通过宜昌新洋丰向澳大利亚出口化肥, 主要出口产品: 颗粒磷酸一铵。

# Museum to celebrate bicentennial with 'Indiana in 200 Objects'

The Indiana State Museum is presenting a variety of programming to honor Indiana's past and present as part of the statewide celebration of the bicentennial of Indiana's statehood. The exhibition Indiana in 200 Objects will be on view April 30, 2016 through January 29, 2017 and will feature superb artifacts, including rare and priceless objects and documents. "This exhibition will introduce significant moments, events, artifacts and people from Indiana's past and present, as well as present our state's amazing natural history," said Dale Ogden, chief curator of history and culture. "The experience will showcase the breadth and depth of Indiana's history including its contributions to the nation and the world." In addition to nearly 140 artifacts from the Indiana State Museum collection, contributions from institutions, museums, libraries, corporations and private collections from throughout the nation will be utilized to tell Indiana's story. The US National Archives, NASA, Indiana Historical Society, Rolls-Royce, The Children's Museum of Indianapolis, Cummins Inc., Cranbrook Institute, Butler University, Indiana University, Notre Dame and Purdue University are among the 40 partners on this project.

A tiny sample of the artifacts to be exhibited includes a fully mounted mastodon skeleton, Mario Andretti's Indy 500 fire suit, a leather jacket Elton John gave to Ryan White, a Duesenberg automobile, Reverend Theodore Hesburgh's Presidential Medal of Freedom, Amelia Earhart's flight jacket, Johnny Appleseed's drinking flask, Indiana's electric chair, a copy of the 13th Amendment signed by Abraham Lincoln and a military drone built by Rolls Royce. "There are so many amazing objects in this exhibition like Larry Bird's college player of the year trophy, the Act of Congress that officially made Indiana the 19th state, astronaut Gus Grissom's U.S. Air Force uniform and Cole Porter's Tony Award... and that's just barely the tip of iceberg. The curators could present a similar inventory with completely different artifacts that are as important and familiar as those on this list and we'd still just be getting started," Ogden added. 200 Objects is organized into nine themes addressing some aspect of Hoosier life from statehood to globalization, local to universal and inspirational to cautionary. The exhibition is included with museum admission.

# FINANCIALLY SPEAKING

## Beware of new "Crowdfunding" investment opportunities



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accommodations offered by the JOBS Act during its IPO process (IBJ--September 28, 2013).

The JOBS Act also contained crowdfunding provisions meant to help provide start-ups and small businesses with a cheaper and easier way to raise capital by making low dollar offerings of securities, to be purchased in low dollar investments by the "crowd." The SEC was charged with making the rules. The fact Regulation Crowdfunding will have taken four years to implement indicates the complexity and risks involved.

Under Regulation Crowdfunding, in any 12-month period, companies can raise a maximum of \$1 million and individuals are limited to total crowdfunding purchases of \$2,000-\$100,000 (depending on income/net worth). Transactions must be conducted through an intermediary that either is registered as a broker-dealer or "funding portal" (i.e. companies may not sell securities directly to investors).

The SEC issued "Crowdfunding for Investors" on February 16, 2016 [https://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_crowdfunding-.html](https://www.sec.gov/oiea/investor-alerts-bulletins/ib_crowdfunding-.html), which warned of a number of risk factors, including:

- Speculative. Investors should be able to afford and be prepared to lose their entire investment.
- Illiquidity. Unlike companies listed on a stock exchange, investors generally cannot resell their investment for the first year and may need to hold for an indefinite period.
- Cancellation restrictions. Once you make a purchase commitment for a crowdfunding offering, you are committed (within a certain period).
- Valuation and capitalization. It is difficult to value private companies. You risk overpaying and the issuer may have other securities with rights superior to yours.
- Limited disclosure. The issuer must disclose information about its business plan, the offering and anticipated use of the proceeds. However, continuing disclosure may be sporadic and limited.
- Possibility of fraud. Where money, greed, naiveté and the Internet intersect, fraud is sure to be close.

Let the buyer beware!

slides and e-textbooks. Gamified systems are already being used by many companies for cybersecurity, improving customer engagement and goal tracking. Project Quant's bite sized courseware, interactive decision-making and gamified environment could provide students and professors a much better platform for learning and engagement." Bharadwaj says MBAville focuses on real world applications, which current MBA programs do not. He says Project Quant makes students feel like they are running a real business, which has garnered positive feedback from business schools in India, to which Bharadwaj has pitched the program. He says he is beginning to pitch the idea to MBA programs in the U.S. as well.

Entities or individuals using crowdfunding typically seek small contributions from a large number of people. Sites like Kickstarter are popular for raising capital to support a wide range of ideas, projects and ventures.

Start-ups and small companies need capital to launch and grow their businesses. Investors want to get in on the ground floor and reap huge, venture capital-type returns by finding the "next Facebook."

Due to securities laws, crowdfunding has historically not involved the offer of a share in any financial returns or profits the fundraiser expects to generate from the business activity financed by the campaign. Come May 16, 2016, companies seeking capital and speculators looking for the proverbial pot of gold will have a new way to meet when rules created by the SEC's "Regulation Crowdfunding" take effect.

Instead of getting a t-shirt for supporting someone's project, you'll have the opportunity for a "piece of the action." However, aside from the fact these wagers are inherently highly risky, you can be sure scoundrels will also be "fishing." It will be difficult to separate those offering a "businessman's risk" investment from outright crooks looking to rip you off, so your fraud antenna needs to be at its highest setting.

The Jumpstart Our Business Startups Act ("JOBS Act") became law in April 2012, when the U.S. economy was still in a post-financial crisis funk. The purpose of this bipartisan legislation was to make it easier and cheaper for small companies to raise capital for growth. I wrote a column on how Twitter had used

## Purdue Students Create Gamified MBA Program

A new gamified MBA program created by two Purdue University graduate students aims to create a more engaging alternative to traditional MBA courses. The university says MBAville teaches business concepts in an immersive, fantasy environment. MBAville was created by Arun Bharadwaj, an MBA student at Purdue's Krannert School of Management, and Jiaqi Wang, a computer graphics technology student at the Purdue Polytechnic Institute. The program's first game, titled Project Quant, teaches accounting, analytics and economics in a pizzeria setting. "Classrooms can be static in nature and if students are not engaged they can switch off after 15 or 20 minutes," said Bharadwaj. "It's the same with online education that mimics the classroom by using videos,