

Minutes
Missouri Technology Corporation
Friday, April 24, 2015

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, April 24, 2015 beginning at 10:00 a.m. The meeting was held at Missouri Plant Science Center, 651 Commerce Road, Mexico, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
David Kerr	Member	Present
Garry Kemp	Member	Present
Mike O’Connell	Member	Present
Elizabeth Canuteson	Member	Present
Dr. Jim Baker	Secretary-Treasurer	Present
Hank Foley	Member designee-MU	Present (via phone)
Rep. T.J. Berry	Member	Present (via phone)
Donn Rubin	Member	Present (via phone)
Mike Wetle	Member	Absent
Sen. Ryan Silvey	Member	Absent

Honorary (Non-Voting) Members of the Board present or absent:

Colonel Williams	Honorary member-FLW	Absent
Ray Tait	Honorary member-RAM	Absent
Nasser Arshadi	Honorary member-RAM	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Acting Executive Director
Dan Kaemmerer	MTC Associate
Tori Benson	DED staff
Laura Weiler	MTC staff
Dawn Overbey	DED staff
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests present (for portions of meeting):

Jay DeLong	
Lonna Sowers	Tech 44
Cyndra Lorey	Tech 44
Doyle Edwards	Tech 44
Ginger Imster	Arch Grants
Ben Burke	Arch Grants
Mike Hurd	Launch KC
Drew Solomon	Launch KC
Joni Cobb	Pipeline Entrepreneurs

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:02 a.m., but was unable to establish quorum with only seven members present in person or by conference call, including Chair Bannister, Mr. Kerr, Mr. Kemp, Mr. O’Connell, Dr. Baker, Mr. Rubin and Rep. Berry. Chair Bannister then introduced Nancy Heimann, who welcomed the Board to the offices of Egnuity Worldwide (MPSC master tenant) and gave an update on Egnuity, who currently has four patent portfolios.

EXECUTIVE DIRECTOR REPORT:

Chair Bannister asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that seven IDEA Fund transactions closed since the preceding Board meeting with \$1.1 million disbursed alongside more than \$1.3 million in leveraged capital from other sources. Overall, 81 IDEA Fund financings have closed, totaling \$20.9 million of investments alongside leveraged capital from other sources of more than \$180 million. Director Anderson stated that MTC staff will continue to work toward fulfillment of Board-approved applications for financial assistance. He noted that with the recent Governor's release of funds, MTC can now fully fund planned Innovation Center contracts. Director Anderson then informed the Board that in the FY2016 budget approved by the legislature, MTC's core program funding is \$15.86 million, which represents a \$4.5 million increase. The total approved FY2016 MTC budget is \$18.36 million which represents level funding from FY2015. He noted that BioSTL and Digital Sandbox KC each received their second \$500,000 i6 grant from the US EDA – being the only organizations who have received a second grant. He then reviewed third quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the fourth quarter.

APPROVAL OF MINUTES:

At this point, Ms. Canuteson (in person) and Dr. Foley (by teleconference) had joined the meeting and, accordingly, a quorum was established. Chair Bannister asked if there were any comments on the draft minutes of the January 30, 2015 Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Ms. Canuteson, seconded by Mr. Kemp, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on January 30, 2015, as submitted.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister reported that the Executive Committee met three times during the third quarter. The Executive Committee reviewed and approved transaction documents for several IDEA Fund investments that previously had been approved by the Board. He stated that there currently were two Board vacancies and six members whose terms have expired and are continuing to serve. He encouraged all members to reach out to the community for referrals of qualified individuals to serve on the Board. He also advised anyone wishing to stay on the Board to reapply to the Governor's office.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister asked Director Anderson to present the Audit and Finance Committee report. Director Anderson discussed a modification to the FY2015 Operating Plan budget, to increase the SSBCI funding of the MTC by \$334,842.30 in respect of a transfer from the Grow MO fund that is not being utilized. After discussion, and on motion by Mr. Kerr, seconded by Dr. Foley, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the modification to MTC's Fiscal Year 2015 program budget as presented.

Director Anderson then presented the FY2015 Second Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. After discussion, and on motion by Mr. Kerr, seconded by Dr. Baker, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 3rd Quarter FY2015 Treasurer's Report dated April 9, 2015,

as submitted.

INVESTMENT COMMITTEE REPORT:

Chair Bannister called on Mr. Kerr for the Investment Committee report. Mr. Kerr then asked Mr. Kaemmerer to present. Mr. Kaemmerer called the Board’s attention to the Investment Committee report which was distributed to the Board prior to the meeting. Mr. Kaemmerer reported the MTC received a total of 30 IDEA Fund Program Round 14 applications requesting more than \$14.9 million of financial assistance in total, as follows: eight Venture Capital Co-Investment (VCCI) applications requesting \$9.3 million; six TechLaunch applications requesting \$550,000; 15 Seed Capital Co-Investment (SEED) applications requesting \$4.5 million; and one High Tech Industrial Expansion (HTIE) application requesting \$500,000. The MTC staff evaluated the applications in accordance with customary practice applying MTC’s Investment Guidelines. Fifteen IDEA Fund applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on April 10, 2015, the Investment Committee made funding recommendations for three TechLaunch applications, five SEED applications, and five VCCI applications.

CLOSED SESSION:

On motion by Mr. Kerr, seconded by Dr. Baker, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves entering Closed Session at 10:49 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Rep. Berry	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Chair Bannister	aye	Mr. O’Connell	aye
Dr. Baker	aye	Dr. Foley	aye
Mr. Kemp	aye		

On motion by Dr. Baker, seconded by Mr. Kerr, the following resolution was approved by the following roll call vote:

RESOLVED, the Board hereby approves exiting Closed Session at 11:38 a.m.

Rep. Berry	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Chair Bannister	aye	Mr. O’Connell	aye
Dr. Baker	aye	Dr. Foley	aye
Mr. Kemp	aye		

Chair Bannister reported that the Board took no action in the Closed Session after a discussion confined to the matters stated above. The Board continued its discussion in Open Session.

INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved by those non-recused members present (Dr. Baker and Mr. Rubin recused themselves citing their relationships with the Innovation Centers in Springfield and St. Louis, respectively):

RESOLVED, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program conditions: TL-2015-14-001 (Dr. Krichevsky-Nitrogenics) in the amount

of \$50,000; TL-2015-14-003 (Mobility Designed) in the amount of \$85,000; and TL-2015-14-004 (SpaceSculpt) in the amount of \$50,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

On motion by Mr. Kemp, seconded by Mr. Kerr, the following resolution was unanimously approved by those non-recused members present (Dr. Baker and Mr. Rubin recused themselves citing their relationships with the Innovation Centers in Springfield and St. Louis, respectively):

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions and, if applicable, other conditions as noted: SEED-2015-14-003 (Nanopore Diagnostics) in the amount of \$300,000; SEED-2015-14-005 (iNOVOTEC Animal Care) in the amount of \$200,000; SEED-2015-14-006 (MedSocket) in the amount of \$250,000; SEED-2015-14-007 (Talariant) in the amount of \$100,000 contingent upon execution of an exclusive manufacturing agreement and working prototype; and SEED-2015-14-010 (9th and Elm) in the amount of \$100,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

On motion by Mr. Kerr, seconded by Ms. Canuteson, the following resolution was unanimously approved by those non-recused members present (Dr. Baker and Mr. Rubin recused themselves citing their relationships with the Innovation Centers in Springfield and St. Louis, respectively):

RESOLVED, the Board hereby approves the following Missouri Venture Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions and, if applicable, other conditions as noted: VCCI-2015-14-001 (Acera Surgical) in the amount of \$400,000; VCCI-2015-14-002 (EndoStim) in the amount of \$750,000; VCCI-2015-14-005 (Pulse Therapeutics) in the amount of \$250,000 with contingencies proposed by the Investment Committee as presented to the Board; VCCI-2015-14-006 (Cofactor Genomics) in the amount of \$450,000; and VCCI-2015-14-008 (Girls Ask Guys) in the amount of \$375,000; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to complete any remaining due diligence and to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

On motion by Mr. Kerr, seconded by Mr. O'Connell, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby rescinds its prior approval to the application for financial assistance under the IDEA Funds program RareWire LLC (SEED-2013-00-001) adopted at its meeting held June 28, 2013; and, accordingly, the reservation of funds for such proposed financing and all prior authorizations related to such application submitted for such proposed financing hereby is revoked and the reserved funds shall be available for other use under the IDEA Funds program.

FY15 INNOVATION CENTER FUNDING ALLOCATIONS:

Director Anderson stated that the recent release of the Governor's withholds will allow for full funding for the Innovation Centers, including performance awards. After some discussion and on motion by Mr. Kerr, seconded by Mr. O'Connell, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves the following revised FY2015 Innovation Center Allocations: Missouri Enterprise in the amount of \$917,733; Center for Emerging Technologies in the amount of \$600,016; Missouri Innovation Center in the amount of \$374,706; Newman Business Center in the amount of \$249,696; Brush Creek Enterprise Center in the amount of \$254,888; MSU/Springfield Innovation, Inc. in the amount of \$181,801; MO Rural Enterprise and Innovation in the amount of \$112,947; Institute for Industrial and Applied Life Sciences in the amount of \$119,437; Center for Innovation and Entrepreneurship in the amount of \$50,000; and Missouri Research Corporation in the amount of \$57,662; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Acting Executive Director full power and authority on behalf of the MTC to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of such awards; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

REQUEST FOR PROPOSAL FOR EARLY STAGE BUSINESS GRANTS:

Chair Bannister called on Director Anderson to discuss the FY2015 Early Stage Business Grants proposal. The Governor released \$3,500,000 in April but the legislation did not pass, so MTC will allocate funds through a competitive solicitation process for organizations to administer the program. The Board discussed various aspects of the proposal and the solicitation process. After discussion, Director Anderson stated that staff will revise the draft solicitation and distribute it for Board comment. The Board concluded that it was advisable to authorize the Executive Committee to have final approval over the solicitation.

On motion by Mr. Kerr, seconded by Ms. Canuteson, the following resolutions were unanimously approved by those members present:

RESOLVED, that the proposed FY2015 Early Stage Business Grants proposal as presented to this meeting be and it hereby is approved in principle;

FURTHER RESOLVED, that the MTC staff is hereby directed to circulate a draft solicitation for proposals for organizations interested in administering the program, for review and comment by the Board members and to prepare a revised draft reflecting comments, if any, received from the Board members;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to negotiate, amend, and approve any and all agreements, documents or instruments and to take such other actions as may be required or desirable in connection with, or in furtherance of the FY2015 Early Stage Business Grants proposal; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Acting Executive Director on behalf of the MTC to execute and deliver all documents relating to such proposal.

UPDATE ON EMERGING VENTURE LEADERS SUMMIT:

Chair Bannister introduced special guest Jay DeLong who spoke about Emerging Venture Leaders Summit, taking place June 30 and July 1 in St. Louis. This annual Summit identifies national leadership in venture capital investing, and provides attendees the chance to network, gain industry insight and share investment opportunities. Information was distributed to members detailing the agenda.

UPDATE ON TECH44 CORRIDOR INITIATIVE:

Chair Bannister introduced special guests Lonna Sowers, Cyndra Lorey and Doyle Edwards to give an update on the Tech 44 Corridor Initiative. Ms. Sowers referred to a study that showed 64% of Missouri's technology and advanced manufacturing companies are located along the I-44 corridor; representing 4,000 companies and 124,00 jobs. She stated that MTC has provided funding to them in the past - \$100,000 over 3 years – and they are grateful for that and have plans to keep the momentum moving forward to bring more jobs in Missouri.

UPDATE ON ARCH GRANTS/LAUNCH KC INITIATIVES:

Chair Bannister introduced special guests Ginger Imster, Ben Burke, Mike Hurd and Drew Solomon to give an update on Arch Grants and Launch KC. Ms. Imster and Mr. Burke gave an overview of the Arch Grants Program, a nonprofit organization that accelerates economic development and community revitalization by providing equity-free grants and pro bono support services to entrepreneurs willing to locate their early-stage business in St. Louis. They also spoke on the global startup competition, which retains and attracts the most innovative entrepreneurs to the St. Louis region. Mr. Hurd and Mr. Solomon spoke on the Launch KC initiative, a national grants competition that awards grants to early stage entrepreneurs and their tech ventures. They noted that TechWeek is coming to Kansas City in September 2015, where the final selection of grant recipients will take place.

UPDATE ON PIPELINE:

Chair Bannister introduced special guest Joni Cobb to give an update on Pipeline Entrepreneurs. Pipeline connects new entrepreneurs to global resources through a business leadership development model. Once through the year-long program, Pipeline Entrepreneurs are ready to create jobs, invest in their communities and mentor the next generation.

FY2016 OPERATING PLAN:

There was a brief discussion held on the FY2016 Operating Plan. Chair Bannister sought thoughts from the Board on funding allocations.

NEW BUSINESS:

Chair Bannister stated that the next Board meeting has been set for June 19, 2015 at the eFactory in Springfield, MO.

ADJOURNMENT:

Having no further business on the agenda, Chair Bannister entertained a motion to adjourn the meeting. Upon motion duly made and seconded, the following motion was unanimously approved:

RESOLVED, the Board hereby adjourns the meeting at 2:25 p.m.

MEETING ADJOURNED