

**Minutes**  
**Missouri Technology Corporation**  
**Monday, January 28, 2013**

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Monday, January 28, 2013, beginning at 10:16 a.m. The meeting was held at the Harry S Truman Building, Room 500, 301 West High Street, Jefferson City, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Jim Baker	Secretary-Treasurer	Absent
Rep. T.J. Berry	Member	Present
Elizabeth Canuteson	Member	Absent
Victoria Gonzalez	Member	Absent
Jason Hall	Member designee-DED	Present
Garry Kemp	Member	Present
David Kerr	Member	Present
Dan Mehan	Vice Chair	Absent
Mike Nichols	Member designee-MU	Absent
Donn Rubin	Member	Present
Sen. Rob Schaaf	Member	Present (departed at 1:23 p.m.)
Greg Steinhoff	Member	Present
Mike Wetle	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
Andrew Smolik	MTC Senior Associate
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

Guests present:

Tomas Hode, Immunophotonics (present for lunch only)  
Lu Alleruzzo, Immunophotonics (present for lunch only)  
Brian Thompson, Spogen Biotech d/b/a Elemental Enzymes (present for lunch only)  
Katie Thompson, Spogen Biotech d/b/a Elemental Enzymes (present for lunch only)

**WELCOME AND CALL TO ORDER:**

Chair Bannister called the meeting to order at 10:16 a.m. and established a quorum with eight members present, including Chair Bannister, Rep. Berry, Mr. Hall, Mr. Kemp, Mr. Kerr, Mr. Rubin, Sen. Schaaf, and Mr. Steinhoff.

**APPROVAL OF MINUTES FROM PRIOR MEETING:**

Chair Bannister asked if there were any comments on the draft minutes of the October 26, 2012 Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Kemp, seconded by Mr. Hall, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the minutes of the regular Board meeting held on October 26, 2012, as submitted.

Chair Bannister asked if there were any comments on the draft minutes of the October 26, 2012 annual public hearing, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Hall, seconded by Mr. Kemp, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the minutes of the MTC annual public hearing held on October 26, 2012, as submitted.

#### **EXECUTIVE DIRECTOR REPORT:**

Chair Bannister then asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that six IDEA Fund financings closed since the last Board meeting with \$2.1 million disbursed, leveraging \$8.9 million in private capital. Overall, 32 IDEA Fund financings have closed totaling \$9.7 million raising leveraged capital of nearly \$28 million. Director Anderson highlighted the accomplishments of three MTC portfolio companies that had been in the news recently: LockerDome which passed 7 million unique views; NewLeaf Symbiotic, formerly TrophoMax, who raised \$7 million in Series A financing to locate in BRDG Park; and SCD Probiotics which announced the opening of an expanded manufacturing facility in downtown Kansas City. Director Anderson then reviewed second quarter activities and closed his report by reviewing what activities the MTC staff planned to undertake in the third quarter.

#### **DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:**

Mr. Hall reviewed the 2012 year-end economic indicators. He also highlighted a major announcement regarding the Digital Sandbox to be held on Friday, February 1, 2013 in Kansas City. He reminded the Board that the Digital Sandbox initiative is being funded by a federal grant from the U.S. Department of Commerce's Economic Development Administration, as well as, a matching grant from the MTC. The Digital Sandbox was developed through a collaboration of partners including Cerner, Sprint, Hallmark, UMB Bank, and the Kauffman Foundation. Mr. Hall also stated that the litigation challenging MOSIRA is still pending in the Missouri Supreme Court and that a decision may be handed up shortly.

#### **EXECUTIVE COMMITTEE REPORT:**

Chair Bannister reported the Executive Committee met four times during the second quarter. He stated a successor delegate is needed to represent the MTC as a member of the Missouri Plant Science Center, LLC Joint Venture. Mr. Steinhoff thanked Chair Bannister for his service on the project. On motion by Mr. Hall, seconded by Mr. Steinhoff, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby appoints Bill Anderson as the MTC's delegate to the Missouri Plant Science Center, LLC Joint Venture.

#### **AUDIT AND FINANCE COMMITTEE REPORT:**

In the absence of Dr. Baker, Chair Bannister asked Director Anderson to present the Audit and Finance Committee Report. Mr. Anderson reported the Audit Committee met once during the second quarter and then presented the FY2013 Second Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. After a detailed discussion, on motion by Mr. Kemp, seconded by Mr. Steinhoff, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the Second Quarter FY2013 Treasurer's Report dated January 18, 2013, as submitted.

**CLOSED SESSION:**

On motion by Mr. Hall, seconded by Chair Bannister, the following resolution was approved by the following roll call vote:

**RESOLVED**, the Board hereby approves entering Closed Session at 10:45 a.m. pursuant to Section 610.021(1) RSMo, to receive an update on portfolio company compliance.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

On motion by Mr. Hall, seconded by Mr. Steinhoff, the following resolution was approved by the following roll call vote:

**RESOLVED**, the Board hereby approves exiting Closed Session at 10:51 a.m.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

**BOARD ACTIONS:**

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session.

**REVIEW DIGITAL SANDBOX GRANT:**

Director Anderson asked Mr. Hall to review the Digital Sandbox project and the draft MTC grant agreement, which was distributed to the Board prior to the meeting. After a detailed discussion, on motion by Mr. Kemp, seconded by Mr. Steinhoff, the following resolutions were unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the Grant Agreement with the Curators of the University of Missouri on behalf of the University of Missouri-Kansas City in the amount of \$500,000.00 to support the development of the Digital Sandbox center, in substantially the form presented to this Board; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Acting Executive Director 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 grant; 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 grant.

**UPDATE ON POST-AWARD PERFORMANCE:**

Mr. Smolik provided an update to the Board regarding economic impact tracking and post-award performance reporting. He also demonstrated for the Board several MTC web site updates including a section for MTC company profiles.

**INVESTMENT COMMITTEE REPORT:**

Chair Bannister asked Mr. Steinhoff to present the Investment Committee report. Mr. Steinhoff called the Board’s attention to the memo from the Investment Committee included in the pre-read meeting materials sent to the Board prior to the meeting. Mr. Steinhoff reported the MTC received a total of three Missouri Building Entrepreneurial Capacity (“MOBEC”) and 14 IDEA Fund TechLaunch Round 5 applications requesting approximately \$2.8 million in total. The applications were evaluated in accordance with MTC’s Investment Guidelines. Eleven applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person applicant interviews on December 12, 2012 , the Investment Committee recommended eight applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including five TechLaunch and three MOBEC applications. The Investment Committee recommended that MTC reserve funds for a possible financing requested by an additional TechLaunch application, contingent on further due diligence by the Investment Committee. Director Anderson also noted that in addition to the Investment Committee report, all of the underlying application materials were available electronically to MTC Board members prior to the meeting via the ftp access point. Mr. Steinhoff thanked the Investment Committee members for their hard work.

**CLOSED SESSION:**

Chair Bannister then entertained a motion to enter Closed Session.

On motion by Mr. Hall, seconded by Chair Bannister, the following resolution was approved by the following roll call vote:

**RESOLVED**, the Board hereby approves entering Closed Session at 11:37 a.m. pursuant to Sections 610.021(1), (12), (14), and (15), RSMo, relating to the Investment Committee MOBEC and IDEA Fund Round 5 TechLaunch application recommendations and to review proposed IDEA Fund transactions.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 12:04 p.m.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session. He further stated that, in light of his relationship with BioGenerator and BioSTL, Mr. Rubin exited the meeting after the presentation and recused himself

from the discussion on the following applications to allow for discussion of the recused projects in his absence regarding the following: TL-2012-05-005, TL-2012-05-007, TL-2012-05-014, MOBEC-2012-05-001, MOBEC-2012-05-002, MOBEC-2012-05-003, and VCCI-2012-04-008.

**BREAK FOR LUNCH - COMPANY PRESENTATIONS:**

The Board heard presentations from MTC portfolio Immunophotonics and Spogen Biotech during lunch. The company representatives exited the meeting after giving their presentations.

**CLOSED SESSION:**

Chair Bannister then entertained a motion to enter Closed Session.

On motion by Mr. Steinhoff, seconded by Mr. Hall, the following resolution was approved by the following roll call vote:

**RESOLVED**, the Board hereby approves entering Closed Session at 12:56 p.m. pursuant to Sections 610.021(1), (12), (14), and (15), RSMo, relating to the Investment Committee MOBEC and IDEA Fund Round 5 TechLaunch application recommendations and to review proposed IDEA Fund transactions.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 1:17 p.m.

Rep. Berry	aye	Mr. Rubin	aye
Mr. Hall	aye	Sen. Schaaf	aye
Mr. Kemp	aye	Mr. Steinhoff	aye
Mr. Kerr	aye	Chair Bannister	aye

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that the Board took no action during Closed Session. He further stated that, in light of his relationship with BioGenerator and BioSTL, Mr. Rubin exited the meeting after the presentation and recused himself from the discussion on the following applications to allow for discussion of the recused projects in his absence regarding the following: TL-2012-05-005, TL-2012-05-007, TL-2012-05-014, MOBEC-2012-05-001, MOBEC-2012-05-002, MOBEC-2012-05-003, and VCCI-2012-04-008.

**INVESTMENT COMMITTEE RECOMMENDATIONS:**

On motion by Mr. Steinhoff, seconded by Mr. Kemp, the following resolution was approved by those members present at the meeting:

**RESOLVED**, the Board hereby rescinds its approval to fund TrophoMax (VCCI-2012-03-003) and Kypha, Inc. (SEED-2012-03-014) adopted at its meeting held April 23, 2012, and, accordingly, the reservation of funds for such proposed financings and all prior authorizations related to the applications submitted for such proposed financings are revoked and the reserved funds shall be available for other use under the IDEA Funds programs.

On motion by Mr. Kemp, seconded by Mr. Steinhoff, the following resolutions were approved by those non-recused members present at the meeting:

**RESOLVED**, the Board hereby approves the following Venture Capital Co-Investment Program award, subject to satisfying the regular program requirements: VCCI-2012-04-008 in the amount of \$500,000; 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 award.

On motion by Mr. Steinhoff, seconded by Mr. Kemp, the following resolutions were approved by those non-recused members present at the meeting:

**RESOLVED**, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the regular program requirements: TL-2012-05-001 in the amount of \$100,000; TL-2012-05-002 in the amount of \$100,000; TL-2012-05-005 in the amount of \$50,000; TL-2012-05-007 in the amount of \$75,000; and TL-2012-05-012 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. Steinhoff, seconded by Mr. Kerr, the following resolutions were approved by those non-recused members present at the meeting:

**RESOLVED**, the Board hereby approves the following Missouri Building Entrepreneurial Capacity Program awards, subject to satisfying the regular program requirements: MOBEC-2012-05-001 in the amount of \$75,000; MOBEC-2012-05-002 in the amount of \$200,000; and MOBEC-2012-05-003 in the amount of \$300,000; and

**FURTHER RESOLVED**, the Board hereby approves the Missouri Building Entrepreneurial Capacity Program grant agreements to Global Agtech Investor Network, IT Entrepreneur Network, and BioGenerator in substantially the forms presented; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Acting Executive Director 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 Chair Bannister, seconded by Mr. Hall, the following resolutions were approved by those non-recused members present at the meeting:

**RESOLVED**, the Board hereby approves the offer to purchase MTC's Series A Preferred Stock in JBara Software from Battery Ventures as presented; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Acting Executive Director 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 sale; 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 sale.

**INNOVATION CENTER REQUEST:**

Director Anderson then presented an Innovation Center designation request from the Center for Innovation and Entrepreneurship in Maryville, Missouri. Director Anderson stated the request would be delegated to the Investment Committee for review and consideration.

**NEW BUSINESS:**

Mr. Hall presented Mr. Steinhoff with a proclamation from Governor Nixon for his service to the MTC, including serving as the Chair from October 2008 to July 2009.

Mr. Kerr noted that World Wide Technologies in St. Louis was recently listed in *Forbes* magazine as one of the best companies to work for in the United States.

Mr. Rubin noted there is a BioStL branding meeting scheduled for January 31, 2013 at the Donald Danforth Plant Science Center.

Director Anderson stated the next MTC Board meeting is scheduled for April 29, 2013, with the location to be announced.

**ADJOURNMENT:**

Having no further business on the agenda and noting the lack a quorum, Chair Bannister adjourned the meeting.

**RESOLVED**, the Board hereby adjourned the meeting at 1:38 p.m.

**MEETING ADJOURNED**