

**Minutes**  
**Missouri Technology Corporation**  
**Thursday, June 19, 2014**

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Thursday, June 19, 2014, beginning at 10:06 a.m. The meeting was held at the Kauffman Foundation Conference Center, 4801 Rockhill Road, Kansas 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	Present
Mike Downing	Member designee-DED	Present (left 1:35pm)
Hank Foley	Member designee-MU	Absent
Nicole Galloway	Member	Present
Garry Kemp	Member	Present
David Kerr	Member	Present
Dan Mehan	Vice Chair	Absent
Donn Rubin	Member	Present (by phone)
Sen. Ryan Silvey	Member	Absent
Mike Wetle	Member	Present

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
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel
Dawn Overbey	DED

Guest present:

Scott Uhlmann	University of Missouri
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**WELCOME AND CALL TO ORDER:**

Chair Bannister called the meeting to order at 10:06 a.m. and established a quorum with nine members present, including Chair Bannister, Rep. Berry, Mr. Wetle, Ms. Galloway, Mr. Kemp, Mr. Kerr, Mr. Rubin, Ms. Canuteson, and Mr. Downing.

**APPROVAL OF MINUTES FROM PRIOR MEETING:**

Chair Bannister asked if there were any comments on the draft minutes of the May 8, 2014 Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Rep. Berry, seconded by Ms. Galloway, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the minutes of the regular Board meeting held on May 8, 2014, as submitted.

## **EXECUTIVE DIRECTOR REPORT:**

Chair Bannister asked Director Anderson to present the MTC Executive Director's report. Director Anderson reported that five IDEA Fund projects have closed since the most recent Board meeting with \$610,000 disbursed to applicants for economic assistance, alongside more than \$915,000 in leveraged capital from other sources. Overall, 58 IDEA Fund financings have closed, totaling \$15.8 million, leveraging private capital of more than \$100 million. Director Anderson advised the Board that Yurbuds was recently acquired by Harman International Industries, Inc. He then reviewed fourth quarter activities and closed his report by reviewing activities the MTC staff planned to undertake, including hiring a finance/compliance staff person, implementing the FY15 MTC Operating Plan and updating website content.

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

Chair Bannister asked Mr. Downing to present the Department of Economic Development report. Mr. Downing reported that a record number of new jobs have been created - 26,000 - a 50 percent increase over any other year. A significant contribution to that figure is the Cerner project, which represents the largest project in Missouri history. He stated that he visited six rural communities in March to analyze their needs. He said that there is a need to boost entrepreneurship in these areas and incentives for students to get interested in STEM. He still expects the unemployment rate in Missouri to drop below 5.0 percent by the end of the year. He distributed flyers for the Governor's Conference on Economic Development, being held September 3-5, 2014 at Lake of the Ozarks.

## **EXECUTIVE COMMITTEE REPORT:**

Chair Bannister reported the Executive Committee met twice during the 4<sup>th</sup> Quarter to review and approve transaction documents for investments approved by the Board.

## **BOARD GOVERNANCE MATTERS:**

Chair Bannister advised the Board of Vicki Gonzalez's resignation from the Board and stated that they are working with the Governor's office to identify a replacement Board member. He asked the Board members for suggestions on nominees.

Chair Bannister nominated Nicole Galloway to serve as a member on the Investment Committee and Mike Downing to serve as a member on the Executive Committee. On motion by Mr. Kerr, seconded by Rep. Berry, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby ratifies the appointment of Nicole Galloway to the Investment Committee and Mike Downing to the Executive Committee.

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

In Dr. Baker's absence, Chair Bannister asked Director Anderson to present the Audit and Finance Committee Report. Director Anderson referred the Board to a report on active, inactive and pending loans, grants and investments that had been distributed prior to the meeting. He then presented the FY2014 Fourth Quarter Treasurer's Report, which also was distributed to the Board prior to the meeting. On motion by Mr. Downing, seconded by Rep. Berry, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the 4th Quarter FY2014 Treasurer's Report dated June 19, 2014, as submitted.

**INVESTMENT COMMITTEE REPORT:**

Chair Bannister asked Mr. Kerr to present the Investment Committee report. Mr. Kerr called upon Dan Kaemmerer who directed the Board’s attention to the Investment Committee report which was distributed to the Board prior to the meeting. Mr. Kaemmerer reported that 17 applications were received, for a total requested amount of \$6,173,855. The Investment Committee met in June to review those applications and interview the applicants. Following presentation and question and answer sessions with the applicants, the Investment Committee recommended nine applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including three TechLaunch investments and six MOBEC grants.

**CLOSED SESSION:**

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

**RESOLVED**, the Board hereby approves entering into Closed Session at 10:38 a.m. pursuant to Sections 610.021 (1), (12), (14) and (15), RSMo, to review Investment Committee recommendations for potential project investments.

Rep. Berry	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Ms. Galloway	aye	Mr. Kemp	aye
Chair Bannister	aye	Mr. Downing	aye
Mr. Wetle	aye		

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 11:33 a.m.

Rep. Berry	aye	Mr. Kerr	aye
Mr. Rubin	aye	Ms. Canuteson	aye
Ms. Galloway	aye	Mr. Kemp	aye
Chair Bannister	aye	Mr. Downing	aye
Mr. Wetle	aye		

**BOARD ACTIONS:**

Chair Bannister reported that, after discussion confined to the matters stated above by those present, the Board took no action during Closed Session. It was noted that Mr. Rubin had recused himself for the discussion and vote on TechLaunch Program application TL-2014-11-002 due to BioSTL’s affiliation with BioGenerator.

**INVESTMENT COMMITTEE RECOMMENDATIONS:**

On motion by Mr. Wetle, seconded by Rep. Berry, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby approves the following Missouri TechLaunch Program applications, subject to satisfaction of ordinary program conditions and other conditions as noted: TL-2014-11-001 (Genneo, Inc) in the amount of \$100,000; TL-2014-11-002 (Nanopore Diagnostics) in the amount of \$100,000 contingent upon a competitive analysis satisfactory to the MTC; and TL-2014-11-004 (Orion

Bioscience) in the amount of \$100,000;

**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 financings;

**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 financings.

On motion by Ms. Galloway, seconded by Ms. Canuteson, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby approves the following Missouri Building Entrepreneurial Capacity Program applications, subject to satisfaction of ordinary program conditions: MOBEC-2014-11-001 (Arch Grants) in the amount of up to \$250,000; MOBEC-2014-11-002 (Donald Danforth Plant Science Center) in the amount of \$300,000; MOBEC-2014-11-004 (Missouri State University) in the amount of up to \$140,000; MOBEC-2014-11-006 (Downtown Kansas City Civic Ventures) in the amount of \$250,000; MOBEC-2014-11-007 (Digital Sandbox KC) in the amount of \$300,000; and MOBEC-2014-11-008 (EDC KC/Think Big Partners) in the amount of \$100,000;

**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 Rep. Berry, seconded by Ms. Canuteson, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby rescinds its prior approvals of the following applications for financial assistance under the IDEA Funds program: Eyelten Therapeutics (TL-2011-027) adopted at its meeting held July 18, 2011; Dorsata (SEED-2012-04-021) adopted at its meeting held October 26, 2012; Carbolytic Materials (HTIE-2011-02-004) adopted at its meeting held April 23, 2012; Genetix Fusion (TL-2013-07-007) adopted at its meeting held June 28, 2013; DynaLabs (HTIE-2012-00) adopted at its meeting held April 23, 2012; DT Search and Design (HTIE-2011-02-001) adopted at its meeting held October 24, 2011; and Sopharmia (SEED-2012-03-002) adopted at its meeting held April 23, 2012; and, accordingly, the reservation of funds for such proposed financings and all prior authorizations related to such applications submitted for such proposed financings hereby are revoked and the reserved funds shall be available for other use under the IDEA Funds program.

On motion by Chair Bannister, seconded by Rep. Berry, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby conditionally rescinds the application for financial assistance under the IDEA Funds program submitted by New Millennium Wind Energy (VCCI-2011-004) and directs the MTC Executive Committee to cause the applicant to be notified of such conditional rescission of its prior approval of its application for financial assistance under IDEA Funds program, which rescission will become effective if New Millennium does not satisfy all outstanding diligence requirements to the satisfaction of the MTC Executive Committee within 60 days of such notice; and, accordingly, upon the effectiveness of the rescission, the reservation of funds for such proposed financing and all prior

authorizations related to such application submitted for such proposed financing hereby will be revoked and the reserved funds shall be available for other use under the IDEA Funds program..

**LEGISLATIVE AND FY2015 BUDGET UPDATE:**

Director Anderson gave an update on legislative and budget activities. Director Anderson discussed the FY2015 Operating Plan, which included core values of the MTC, review of the Top FY14 Goals, establishment and discussion of the Top FY15 Goals, several action items, meeting dates for 2015 and the FY2015 funding calendar. At the previous Board meeting, Director Anderson was asked to develop a staffing plan, which he presented for discussion. Pending news of the Governor's vetoes/restrictions, Director Anderson presented the Board with four possible budget scenarios. There was much discussion regarding the staffing plan among the Board.

On motion by Mr. Kerr, seconded by Mr. Wetle, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby adopts the FY2015 Operating Plan, as presented, including the LCDI and SSBCI program allocations set forth therein.

On motion by Mr. Wetle, seconded by Rep. Berry, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby approves the FY2015 General Agreement between the Department of Economic Development and the MTC in substantially the form presented;

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Chairperson 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 agreement; and

**FURTHER RESOLVED**, the Board authorizes the MTC Chairperson to execute and deliver the General Agreement on behalf of the MTC.

On motion by Mr. Wetle, seconded by Ms. Galloway, the following resolutions were approved by those non-recused members present at the meeting (Mr. Rubin having recused himself due to his relationship with BioSTL and its sponsorship of organizations that may directly or indirectly receive allocations referred to below):

[Recusals: Donn Rubin]

**RESOLVED**, the Board hereby approves Innovation Center allocations in amounts not to exceed the amounts presented in the FY2015 Operating Plan Allocations for Core Technology Programs;

**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 necessary or advisable in connection with, or in furtherance of such allocations;

**FURTHER RESOLVED**, that the MTC staff hereby is directed to provide a year-end oral report to the MTC Investment Committee regarding the FY2014 program results; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Chairperson, on behalf of the MTC, to execute and deliver all documents relating to such allocations.

## **IDEA FUND POLICY AND GUIDELINE DISCUSSION:**

Discussion was continued from the prior Board meeting related to various IDEA Fund policies and guidelines. Director Anderson noted that per discussion with the Treasury, the one-time limitation for SEED and VC Co-Investment may be removed by Board approval. To add a fifth category or program, award would require a modification of the contract with Treasury. Director Anderson circulated a draft of program description modifications for review and discussion. The revisions included allowing companies to access the Seed Co-Investment and Venture Capital Co-Investment programs more than one time, provided that the companies had made progress on their milestones deemed satisfactory by the Board. The revisions also clarified that the sources of matching investment for VCCI awards be a sophisticated investor with relevant domain expertise in the industry specific to the applicant. Mr. Kerr also asked that the resolutions be printed in the Board books.

On motion by Mr. Kerr, seconded by Ms. Galloway, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby approves the revised program descriptions of the MTC IDEA Fund Seed Capital Co-Investment and Venture Capital Co-Investment programs, as presented.

**FURTHER RESOLVED**, the Board authorizes the MTC Acting Executive Director to take any and all actions necessary to implement the revised program criteria.

## **2014 STATE NEW ECONOMY INDEX:**

Mr. Downing had to leave early for another meeting so the Board discussed the report that was printed in the Board packet. Ms. Canuteson asked that the item be placed back on the agenda for the next meeting. Chair Bannister stated that Mr. Downing could add it to his Director's report discussion and requested that the report be added back to the Board packet or sent to the members electronically.

## **ADJOURNMENT:**

Having no further business on the agenda, Chair Bannister adjourned the meeting at 2:00 p.m.

## **MEETING ADJOURNED**