

**Minutes**  
**Missouri Technology Corporation**  
**Friday, June 28, 2013**

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Friday, June 28, 2013, beginning at 10:06 a.m. The meeting was held at the Greater Kansas City Chamber of Commerce, Union Station WTC Conference Room, located at 30 W Pershing St, 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
Victoria Gonzalez	Member	Absent
Garry Kemp	Member	Present
David Kerr	Member	Absent
Dan Mehan	Vice Chair	Present (by telephone; exited at 11:55 a.m.)
Donn Rubin	Member	Present (by telephone)
Sen. Ryan Silvey	Member	Present
Greg Steinhoff	Member	Absent
Scott Uhlmann	Member designee-MU	Present
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
Tara Dampf	MTC Manager, Finance and Grant Administration
Andrew Smolik	DED General Counsel
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel (by telephone; exited at noon)
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel
Dan Kaemmerer	MTC Intern

Guests Participating:

Jim Heeter, President, Greater Kansas City Chamber of Commerce  
Jeff Shackelford, Director, Digital Sandbox KC  
Mark Premont, representing Ft. Leonard Wood  
Todd Smith, President, DT Search and Design

**WELCOME AND CALL TO ORDER:**

Chair Bannister called the meeting to order at 10:06 a.m. and established a quorum with ten members present, including Chair Bannister, Rep. Berry, Ms. Canuteson, Mr. Downing, Mr. Kemp, Mr. Mehan, Mr. Rubin, Sen. Silvey, Mr. Uhlmann and Mr. Wetle.

Mr. Jim Heeter, President of the Greater Kansas City Chamber of Commerce welcomed the Board.

## **WELCOME NEW BOARD MEMBERS:**

Chair Bannister welcomed three new Board members attending the Board meeting for the first time. These members included Mr. Downing, Sen. Silvey, and Mr. Uhlmann.

## **APPROVAL OF MINUTES FROM PRIOR MEETING:**

Chair Bannister asked if there were any comments on the draft minutes of the May 6, 2013 Board meeting, which had been distributed to the Board prior to the meeting. On motion by Mr. Wetle, seconded by Mr. Kemp, the following resolution was unanimously approved:

**RESOLVED**, the Board hereby approves the minutes of the regular Board meeting held on May 6, 2013, as submitted.

## **ACTING EXECUTIVE DIRECTOR REPORT:**

Chair Bannister then asked Acting Executive Director Anderson to present the MTC Executive Director's report. Director Anderson reported that three IDEA Fund financings closed since the May Board meeting. Overall, 37 IDEA Fund financings have closed totaling \$10.7 million raising leveraged capital of more than \$51 million. Director Anderson advised the Board that the General Assembly took the Senate position on MTC budget by appropriating \$6.3 million and also stated that Governor Nixon had recently announced a withhold of \$2.5 million of the appropriation. Director Anderson then noted that Missouri has received national recognition for progress in entrepreneurship and innovation in The Wall Street Journal as well as having three cities rank in the top five Best Cities for Young Entrepreneurs, Kansas City and St. Louis ranked number four and five for large cities and Columbia ranked number two for small cities. He also mentioned that Newsy signed a content deal with MSN News. Director Anderson then closed his report by reviewing fourth quarter activities.

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

Chair Bannister then asked Mr. Downing to present the Department of Economic Development report. Mr. Downing reported that DED staff had just returned from a Governor's Trade Missouri to Europe where it was announced that Boeing will be expanding to add 400 IT jobs to St. Louis and Express Scripts will be expanding to add 1,500 jobs to the St. Louis area as well. Mr. Downing then stated that the DED was awaiting the signing of the Missouri Works legislation which will combine four DED programs to make one comprehensive program.

## **EXECUTIVE COMMITTEE REPORT:**

Chair Bannister presented the Executive Committee report. He reported that the Executive Committee had met twice since the May Board meeting to approve investment documents and to discuss potential revisions to MTC's Conflicts of Interest policy.

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

In the absence of Dr. Baker, Chair Bannister asked Ms. Dampf to present the Audit and Finance Committee report. Ms. Dampf presented the FY2013 Fourth Quarter Treasurer's Report, which was distributed to the Board prior to the meeting. Director Anderson noted that the administrative expenses for FY2013 were well below the budgeted amounts. After a detailed discussion, and on motion by Ms. Canuteson, seconded by Mr. Downing, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the 4th Quarter FY2013 Treasurer's Report dated June 19, 2013, as submitted.

**UPDATE ON DIGITAL SANDBOX:**

Chair Bannister welcomed Jeff Shackelford to give an update on Digital Sandbox KC. Mr. Shackelford reported that the Digital Sandbox KC began accepting applications in February 2013 and received 94 applications in the first round. All 94 applicants have been taken in and offered either financial assistance or help with preparing to apply for funding. He stated that there are currently about 120 companies in the Sandbox and 15 companies are ready for their first round of funding. Mr. Shackelford then stated that the Digital Sandbox does not invest in companies directly but rather pays consultants that can provide the help the company needs to move forward and the funding is limited to a maximum of \$25,000. He also noted that some companies receive no money at all but Digital Sanbox helps connect them to other resources they need.

Mr. Kemp asked Mr. Shackelford if he expects the Digital Sandbox to assist in helping the MTC attract more applications for projects from the Kansas City area. Mr. Shackelford responded that the Digital Sandbox will be working closely with the MTC and referring companies to MTC programs when they are ready to seek funding.

Sen. Silvey asked Mr. Shackelford how many of the companies currently working with the Digital Sandbox are Missouri-based. Mr. Shackelford stated that 59 percent of the companies are Missouri-based.

**CLOSED SESSION:**

Todd Smith exited the meeting at 11:00 a.m. Mr. Mark Premont, who was present to observe the meeting as a representative of Fort Leonard Wood, was advised regarding the confidentiality of the information presented and discussion held in Closed Session and agreed to preserve such confidentiality and to use such information solely in his capacity of observer on behalf of Fort Leonard Wood. In reliance on such agreement, Mr. Premont attended the Closed Session by invitation of the Board.

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

**RESOLVED**, the Board hereby approves entering Closed Session at 11:02 a.m. pursuant to Section 610.021 (1), (12), and (17) RSMo, relating to review post award compliance and updates on current audits of the MTC.

Rep. Berry	aye	Mr. Rubin	aye
Ms. Canuteson	aye	Sen. Silvey	aye
Mr. Downing	aye	Mr. Uhlmann	aye
Mr. Kemp	aye	Mr. Wetle	aye
Mr. Mehan	aye	Chair Bannister	aye

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 11:45 a.m.

Rep. Berry	aye	Mr. Rubin	aye
Ms. Canuteson	aye	Sen. Silvey	aye

Mr. Downing aye Mr. Uhlmann aye  
Mr. Kemp aye Mr. Wetle aye  
Mr. Mehan aye Chair Bannister aye

**BOARD ACTIONS:**

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported the following resolution was adopted in Closed Session on motion by Ms. Canuteson, seconded by Chair Bannister, and approved by roll call vote as follows:

**RESOLVED**, the Board hereby approves MTC’s response to the State Auditor’s Office report in substantially the form presented; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Acting Executive Director, on behalf of the MTC, to amend, execute and deliver the MTC’s response.

Rep. Berry aye Mr. Rubin aye  
Ms. Canuteson aye Sen. Silvey aye  
Mr. Downing aye Mr. Uhlmann aye  
Mr. Kemp aye Mr. Wetle aye  
Mr. Mehan aye Chair Bannister aye

Chair Bannister reported the following resolution was adopted in Closed Session on motion by Mr. Kemp, seconded by Mr. Wetle, and approved by roll call vote as follows:

**RESOLVED**, the Board hereby approves MTC’s response to the U.S. Treasury Office of the Inspector General report in substantially the form presented; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Acting Executive Director, on behalf of the MTC, to amend, execute and deliver the MTC’s response.

Rep. Berry aye Mr. Rubin aye  
Ms. Canuteson aye Sen. Silvey aye  
Mr. Downing aye Mr. Uhlmann aye  
Mr. Kemp aye Mr. Wetle aye  
Mr. Mehan aye Chair Bannister aye

**REVIEW MTC POLICIES:**

Director Anderson reviewed the proposed changes to the MTC Conflict of Interest policy and asked if there were any questions on any of the MTC policies, which were distributed to the Board prior to the meeting.

After a discussion, the following resolution was moved by Mr. Wetle, seconded by Mr. Kemp, and unanimously approved:

**RESOLVED**, the Board hereby adopts the Conflict of Interest Policy, as presented.

**INVESTMENT COMMITTEE REPORT:**

In the absence of Mr. Kerr ,Chair Bannister then asked Mr. Smolik to present the Investment Committee report. Mr.Smolik called the Board’s attention to the Investment Committee report which was distributed

to the Board prior to the meeting. Mr. Smolik reported the MTC received a total of seven IDEA fund TechLaunch Round 7 applications requesting approximately \$568,000 in total, one IDEA fund High-Tech Industrial Expansion (“HTIE”) application requesting \$640,000, one IDEA fund Seed Capital Co-Investment (“SEED”) application requesting \$500,000, one IDEA fund Venture Capital Co-Investment (“VCCI”) application requesting \$1,500,000 and four Missouri Building Entrepreneurial Capacity (“MOBEC”) applications requesting \$1,275,000 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 June 6, 2013, the Investment Committee recommended ten applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including five TechLaunch, one HTIE, one SEED, one VCCI and three MOBEC applications.

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

**RESOLVED**, the Board hereby approves entering Closed Session at 12:34 p.m. pursuant to Section 610.021 (1), (12), and (17) RSMo, relating to review Investment Committee recommendations and pending IDEA fund authorizations.

Rep. Berry	aye	Sen. Silvey	aye
Ms. Canuteson	aye	Mr. Uhlmann	aye
Mr. Downing	aye	Mr. Wetle	aye
Mr. Kemp	aye	Chair Bannister	aye
Mr. Rubin	aye		

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 1:01 p.m.

Rep. Berry	aye	Sen. Silvey	aye
Ms. Canuteson	aye	Mr. Uhlmann	aye
Mr. Downing	aye	Mr. Wetle	aye
Mr. Kemp	aye	Chair Bannister	aye
Mr. Rubin	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 and recused himself from the discussion on application TL-2013-07-001 and in light of his relationship with the University of Missouri System, Mr. Uhlmann exited the room and recused himself from the discussion on the following applications: TL-2013-07-003, TL-2013-07-004, TL-2013-07-005, TL-2013-07-007 and MOBEC-2013-07-003. Mr. Rubin stated that he would abstain from voting on the following applications due to not being present for the presentation and discussion regarding such applications: TL-2013-07-003, TL-2013-07-004, TL-2013-07-005, TL-2013-07-007 and HTIE-2013-07-001.

#### **ACTION ON INVESTMENT COMMITTEE RECOMMENDATIONS:**

On motion by Mr. Downing, seconded by Ms. Canuteson, the following resolutions were approved by those non-recused and non-abstaining members, as applicable, present at the meeting:

**RESOLVED**, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the regular program requirements: TL-2013-07-001 in the amount of \$50,000; TL-2013-07-003 in the amount of \$60,000; TL-2013-07-004 in the amount of \$50,000; TL-2013-07-in the amount of \$40,000; and TL-2013-07-007 in the amount of \$40,000; 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. Downing, seconded by Mr. Kemp, the following resolutions were approved by those members present at the meeting:

**RESOLVED**, the Board hereby approves the following Seed Capital Co-Investment Program award, subject to satisfying the regular program requirements: SEED-2013-00-001 in the amount of \$250,000; 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 Ms. Canuteson, seconded by Rep. Berry, the following resolutions were approved by those 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-2013-00-001 in the amount of \$250,000; 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. Wetle, seconded by Mr. Kemp, the following resolutions were approved by those non-recused and non-abstained members, as applicable, present at the meeting:

**RESOLVED**, the Board hereby approves the following High-Tech Industrial Expansion Program award, subject to satisfying the regular program requirements: HTIE-2013-07-001 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 Ms. Canuteson, seconded by Rep. Berry, the following resolutions were approved by those non-recused and non-abstained members, as applicable, 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-2013-07-001 in the amount of \$250,000 and MOBEC-2013-07-003 in the amount of \$250,000; and

**FURTHER RESOLVED**, the Board hereby approves the Missouri Building Entrepreneurial Capacity Program grant agreements to Entrepreneur Startup Business Development Corporation and The Curators of the University of Missouri on behalf of Missouri University of Science and Technology 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.

#### **ACTION ON PENDING IDEA FUND AUTHORIZATIONS:**

On motion by Sen. Silvey, seconded by Rep. Berry, the following resolution was approved by those members present at the meeting:

**RESOLVED**, the Board hereby rescinds its approval to fund Project Christiane adopted at its meeting held October 25, 2010; ImmuCell (HTIE-2012-03-001), Observable Networks (SEED-2012-03-007), and Neuroolutions (SEED-2012-03-016) adopted at its meeting held April 23, 2012; Jbara Software (SEED-2012-04-006) adopted at its meeting held October 26, 2012; 2Tear Technologies (TL-2011-02-003) adopted at its meeting held October 24, 2011; Emergence BioScreening (TL-2011-031), Advanced Spectroscopic (TL-2011-032), and QM Power (VCCI-2011-010) adopted at its meeting held July 18, 2011; and, accordingly, the reservations 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.

#### **ACTION ON PROPOSED FY2014 OPERATING PLAN:**

Director Anderson presented the fiscal year 2014 Operating Plan. Director Anderson reminded the Board that the IDEA Fund allocations presented in the FY2014 Operating Plan were targets, with these amounts being flexible depending on the amount of funding actually requested in the applications, recommended funding amounts, and quality of deal flow. As always, MTC would seek to achieve the highest economic development return for Missouri's taxpayers. He then stated that in light of the uncertainties created by the recent Governor withholdings from the MTC, the presented operating plan and budget would need to be adjusted appropriately. He proposed that the Board approve the operating plan at the appropriation level of \$6.3 million as truly agreed and finally passed by the House of Representatives and Senate; and then delegate any necessary adjustments to the Executive Committee should the Governor's withholding

stand past the Veto Session to be held in September. It is anticipated that, consistent with past practice, the Executive Committee will regularly update the Board on developments.

After a detailed discussion, the following resolution was moved by Ms. Canuteson, seconded by Rep. Berry, and unanimously approved:

**RESOLVED**, the Board hereby adopts the FY2014 Operating Plan as presented, including the LCDI and SSBCI program allocations set forth therein; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of MTC to amend, and approve any modifications to the FY2014 Operating Plan and to take such other actions as may be necessary or advisable in connection with, or in furtherance of the implementation of the FY2014 Operating Plan.

Director Anderson then reviewed the draft FY2014 General Agreement between the MTC and the Department of Economic Development. As Acting Director of the Department of Economic Development, Mr. Downing recused himself from the discussion and vote on the item. After a discussion, the following resolutions were moved by Chair Bannister, seconded by Ms. Canuteson, and approved by all non-recused members:

**RESOLVED**, the Board hereby approves the FY2014 General Agreement between the Department of Economic Development and the MTC in substantially the form presented; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Chairperson to further negotiate, amend, and as so negotiated and amended, execute, and deliver the General Agreement on behalf of the MTC.

Director Anderson then presented for approval the engagement agreement with the MTC's accounting firm, Williams Keepers which was distributed to the Board prior to the meeting.

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

**RESOLVED**, the Board hereby accepts the Williams Keepers engagement agreement, as presented; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Acting Executive Director, on behalf of the MTC, to execute and deliver the engagement agreement.

Director Anderson then reviewed the Core Technology Program funding component where one or more members had recusals. Chair Bannister noted that Mr. Uhlmann and Mr. Rubin were recused from the discussion and vote on this item.

Director Anderson proposed increasing the funding to each Innovation Center by pro rata amount of fifty percent. The proposed plan also included a performance-based increase of another fifty percent. Director Anderson noted that the performance-based increase would be subject the release of the Governor's withholding and will not be awarded should the withholding become final. During discussion on the proposed plan to increase Innovation Center funding, Chair Bannister suggested that the Innovation Centers compete for the performance-based fund increase by pulling the funds for that increase to award based on Innvation Center proposals and unique programs.

After a discussion, the following resolution was moved by Mr. Wetle, seconded by Rep. Berry, and

approved by all non-recused members:

**RESOLVED**, the Board hereby approves the Innovation Center allocations in amounts not to exceed the amounts presented in the FY2014 Operating Plan Allocations for Core Technology Programs; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of 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 the related projects, and the MTC staff hereby is directed to provide a year-end oral report to the MTC Investment Committee about the FY2013 program results; and

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

Director Anderson then reviewed the form of contract for the ten Innovation Centers. Chair Bannister stated that Mr. Uhlmann and Mr. Rubin were recused from the discussion and vote on the item. After a detailed discussion, the following resolution was moved by Ms. Canuteson, seconded by Mr. Wetle, and approved by all non-recused members.

**RESOLVED**, the Board hereby approves the FY2014 form of contract for the Innovation Centers; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of 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 the related projects; and

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

#### **NEW BUSINESS:**

Ms. Canuteson began a discussion about creating a “Faces of MTC” publication highlighting the success stories of the MTC.

Mr. Downing invited Board members to attend the Governor’s Conference on Economic Development to be held September 5-6, 2013.

#### **ADJOURNMENT:**

Having no further business on the agenda, on motion by Chair Bannister, seconded by Ms. Canuteson, the following resolution was unanimously approved:

**RESOLVED**, the Board hereby adjourns the meeting at 2:19 p.m.

#### **MEETING ADJOURNED**