

Minutes
Missouri Technology Corporation
Monday, April 23, 2012

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Monday, April 23, 2012, beginning at 10:10 a.m. The meeting was held at the Missouri Innovation Center located at 1601 S. Providence, Columbia, Missouri.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Jim Baker	Secretary-Treasurer	Present (by telephone; exited at 11:35 a.m.)
Elizabeth Canuteson	Member	Present
Victoria Gonzalez	Member	Absent
Jason Hall	Member designee-DED	Present
Garry Kemp	Member	Present
David Kerr	Member	Present
Rep. Thomas Long	Member	Present
Dan Mehan	Vice Chair	Present
Mike Nichols	Member designee-MU	Present (exited at 1:45 p.m.)
Donn Rubin	Member	Present (joined at 10:25 a.m.)
Sen. Rob Schaaf	Member	Present (joined at 12:54 p.m.)
Greg Steinhoff	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
Stacey Hirst	MTC Director of Operations
Andrew Smolik	MTC Staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 10:10 a.m. and established a quorum with ten members present, including Chair Bannister, Dr. Baker, Ms. Canuteson, Mr. Hall, Mr. Kemp, Mr. Kerr, Rep. Long, Mr. Mehan, Dr. Nichols, and Mr. Wetle.

Chair Bannister then welcomed the newest members of the MTC Board to their first in-person meeting. Ms. Elizabeth Canuteson was appointed by Governor Jay Nixon and Representative Thomas Long was appointed by Speaker of the House Steven Tilley.

APPROVAL OF MINUTES FROM PRIOR MEETING:

Chair Bannister asked if there were any comments on the draft minutes of the January 30, 2012 Board meeting, which had been distributed to the Board prior to the meeting. On motion by Mr. Kerr, seconded by Dr. Nichols, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on January 30, 2012, as submitted.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister then reported the Executive Committee held one meeting since the last Board meeting. Mr. Anderson stated the Executive Committee and MTC staff would develop the Fiscal Year 2013 Operating Plan to present to the full Board at the June Board meeting.

CLOSED SESSION:

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

RESOLVED, the Board hereby approves entering Closed Session at 10:13 a.m. pursuant to Section 610.021 (3), RSMo, relating to consideration of the MTC Acting Executive Director position.

Dr. Baker	aye	Rep. Long	aye
Ms. Canuteson	aye	Mr. Mehan	aye
Mr. Hall	aye	Dr. Nichols	aye
Mr. Kemp	aye	Mr. Wetle	aye
Mr. Kerr	aye	Chair Bannister	aye

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

RESOLVED, the Board hereby approves exiting Closed Session at 10:19 a.m.

Dr. Baker	aye	Rep. Long	aye
Ms. Canuteson	aye	Mr. Mehan	aye
Mr. Hall	aye	Dr. Nichols	aye
Mr. Kemp	aye	Mr. Wetle	aye
Mr. Kerr	aye	Chair Bannister	aye

BOARD ACTIONS:

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

RESOLVED, the Board hereby appoints Bill Anderson as the MTC Acting Executive Director.

Dr. Baker	aye	Rep. Long	aye
Ms. Canuteson	aye	Mr. Mehan	aye
Mr. Hall	aye	Dr. Nichols	aye
Mr. Kemp	aye	Mr. Wetle	aye
Mr. Kerr	aye	ChairBannister	aye

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Bannister then asked Dr. Baker to present the Audit and Finance Committee Report. Dr. Baker presented the Audit and Finance Committee Report, which was distributed to the Board prior to the meeting. After a detailed review and discussion, on motion by Mr. Kerr, seconded by Mr. Kemp, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves the Third Quarter FY2012 Treasurer's Report dated April 13, 2012, as presented.

Director Anderson distributed letters from two projects, Six Convert, LLC and EndoStim, Inc. which were previously approved by the Board. Six Convert informed the MTC that they would decline the TechLaunch award because of their recent merger with Electrochaea, LLC. EndoStim informed the MTC that the financial commitments from existing investors had been considerably increased and as a result they were unable to include the MTC in their current fundraising round. Mr. Anderson further informed the Board that Gallus BioPharmaceuticals had been successful in securing financing from another source. Mr. Hall reported that several companies had commented to him that due to the MTC's improved and transparent peer review process they were able to access and secure external capital for their companies. The Board then held a detailed discussion regarding the renewed credibility of the MTC and many outside investors now looked at the MTC as "smart money" when reviewing investment opportunities.

On motion by Mr. Kerr, seconded by Dr. Nichols, the following resolution was unanimously approved:

RESOLVED, the Board hereby rescinds its approval to fund Gallus BioPharmaceuticals adopted at its meeting held January 27, 2011, and, accordingly, the reservation of funds for such project and all prior authorizations related to the application submitted by Gallus BioPharmaceuticals for funding hereby are revoked and the reserved funds are available for use under the Lewis and Clark Discovery Initiative Bioscience/High-Tech Industrial Expansion appropriation.

On motion by Rep. Long, seconded by Mr. Mehan, the following resolution was unanimously approved:

RESOLVED, the Board hereby rescinds its approval to fund Six Convert (TL-2011-002) adopted at its meeting held April 25, 2011, and, accordingly, the reservation of funds for such project and all prior authorizations related to the application submitted by Six Convert for funding hereby are revoked and the reserved funds are available for use under the Lewis and Clark Discovery Initiative TechLaunch appropriation.

On motion by Mr. Kerr, seconded by Mr. Rubin, the following resolution was unanimously approved:

RESOLVED, the Board hereby rescinds its approval to fund EndoStim, Inc. (VCCI-2011-014) adopted at its meeting held July 18, 2011, and, accordingly, the reservation of funds for such project and all prior authorizations related to the application submitted by EndoStim, Inc. for funding hereby are revoked and the reserved funds are available for use under the IDEA Funds Venture Capital Co-Investment appropriation.

MTC ORGANIZATIONAL UPDATE:

Chair Bannister then asked Mr. Hall to provide the organizational update. Due to the attendance of several new Board members Mr. Hall provided a history of the MTC and the importance of entrepreneurship as the third mission of economic development to grow a state's economy. Over the past several years, other states had invested billions of dollars in various entrepreneurial programs, while Missouri had made very modest investments in the entrepreneurial space. Two significant investments

were made by Missouri, first by Governor Blunt and the General Assembly in FY2008 with \$15 million appropriated to the MTC from the Lewis and Clark Discovery Initiative; and more recently in FY2011 by Governor Nixon with the approval of application to the U.S. Treasury Department's State Small Business Credit Initiative ("SSBCI"). Due to the leadership of the MTC Board and their vision to move the state forward, the MTC laid the groundwork for Missouri to launch a merit-based investment process with an open application period and rigorous due diligence process. The SSBCI IDEA Funds program was launched in the Spring of 2011 with an investment of \$16.9 million to support capital formation for small businesses and entrepreneurs. Mr. Hall further stated each year the MTC adopts an operating plan which sets forth the application process for the coming Fiscal Year. The Missouri IDEA Funds program serves as a model for other states and Missouri is now looked at as a national leader in economic development policy. Mr. Hall then asked Rep. Long and Ms. Canuteson if they would like to make any comments.

Rep. Long stated he appreciates the opportunity to serve on the Board and looks forward to a long relationship with the MTC.

Ms. Canuteson stated she is very excited and looks forward to serving on the Board as well.

Mr. Rubin stated that the Ohio JumpStart program has started an outreach organization to assist other states with developing the infrastructure for entrepreneurial development, with a promise for access to external capital. Mr. Rubin stated they are still reviewing the information and he would update the Board of the progress.

Mr. Hall further stated that in 2009 the Kauffman Center for Entrepreneurship ranked Missouri 49th in entrepreneurial activity. Recently, Missouri received a 6th place ranking from Kauffman. This increase in the ranking is due in large part to the leadership of the MTC Board and other Missouri organizations across the state devoted to entrepreneurial development. He cautioned that Missouri must continue to improve and to find a long-term solution to support entrepreneurship.

INVESTMENT COMMITTEE REPORT:

Chair Bannister asked Director Anderson to review the Investment Committee report in the absence of Mr. Steinhoff, Chair of the MTC Investment Committee. Director Anderson called the Board's attention to the memo from the Investment Committee included in the Board packet distributed prior to the meeting. Director Anderson reported the MTC received 30 IDEA fund applications for Round 3 requesting over \$15 million in funding. The applications were evaluated in accordance with MTC's Investment Guidelines. Eighteen applications advanced to the Investment Committee for further consideration. Following a day of presentations and in-person interviews of the applicants, the Investment Committee recommended fifteen applications for funding, subject to further due diligence and final transaction documents, including: two High-Tech Industrial Expansion ("HTIE), three Venture Capital Co-Investment ("VCCI"), seven Seed Capital Co-Investment ("SeedCap"), and three TechLaunch, applications. 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.

Hearing no questions regarding the above-described selection process, Chair Bannister entertained a motion to enter Closed Session.

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

CLOSED SESSION:

RESOLVED, the Board hereby approves entering Closed Session at 12:20 p.m. pursuant to Sections 610.021 (1), (12), (14), and (15), RSMo, relating to the Investment Committee IDEA Fund Round 3 applications recommendations.

Dr. Baker	absent	Mr. Mehan	aye
Ms. Canuteson	aye	Dr. Nichols	aye
Mr. Hall	aye	Mr. Rubin	aye
Mr. Kemp	aye	Mr. Wetle	aye
Mr. Kerr	aye	Chair Bannister	aye
Rep. Long	aye		

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

RESOLVED, the Board hereby approves exiting Closed Session at 1:59 p.m.

Dr. Baker	absent	Mr. Mehan	aye
Ms. Canuteson	aye	Dr. Nichols	absent
Mr. Hall	aye	Mr. Rubin	aye
Mr. Kemp	aye	Sen Schaaf	aye
Mr. Kerr	aye	Mr. Wetle	aye
Rep. Long	aye	Chair Bannister	aye

After a detailed discussion confined to the matters stated above by those present, Chair Bannister reported that Mr. Wetle recused himself from the discussion on the following application, and exited the room prior to the discussions regarding the following: TL-2011-03-005. Chair Bannister also reported that Mr. Rubin recused himself from the discussion on the following applications, and exited the room prior to the discussions regarding the following: TL-2011-03-003, TL-2011-03-005, and SEED-2011-03-014. Chair Bannister also reported that Dr. Nichols recused himself from the discussion on the following applications, and exited the room prior to the discussions regarding the following: SEED-2011-03-011, SEED-2011-03-018, and VCCI-2011-03-001.

REVIEW INVESTMENT COMMITTEE RECOMMENDATIONS:

On motion by Mr. Hall, seconded by Mr. Mehan, the following resolutions were approved by those non-recused members:

RESOLVED, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program contingencies: TL-2012-03-003 in the amount of \$60,000; TL-2012-03-005 in the amount of \$75,000; and TL-2012-03-004 in the amount of \$45,000;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation 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 Board Chairperson on behalf of the Corporation to execute and deliver all documents relating to such awards.

On motion by Rep. Long, seconded by Ms. Canuteson, the following resolutions were approved by those non-recused members:

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program contingencies and other contingencies as noted: SEED-2012-03-014 in the amount of \$200,000; SEED-2012-03-007 in the amount of \$50,000; SEED-2012-03-011 in the amount of \$400,000; SEED-2012-03-006 in the amount of \$200,000; SEED-2012-03-016 in the amount of \$150,000; SEED-2012-03-002 in the amount of \$100,000, subject to the President/CEO's receipt of a license to practice medicine from the Missouri Board of Registration for the Healing Arts; and SEED-2012-03-018 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 Corporation 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 Board Chairperson on behalf of the Corporation to execute and deliver all documents relating to such awards.

On motion by Ms. Canuteson, seconded by Mr. Hall, the following resolutions were approved by those members present with one abstention:

RESOLVED, the Board hereby approves the following Venture Capital Co-Investment Program awards, subject to satisfying the ordinary program contingencies: VCCI-2012-03-004 in the amount of \$250,000; VCCI-2012-03-001 in the amount of \$500,000; and VCCI-2012-03-003 in the amount of \$750,000;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation 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 Board Chairperson on behalf of the Corporation to execute and deliver all documents relating to such awards.

On motion by Mr. Rubin, seconded by Mr. Mehan, the following resolutions were approved unanimously by those members present:

RESOLVED, the Board hereby approves the following High-Tech Industrial Expansion Program awards, subject to satisfying the ordinary program contingencies and other contingencies as noted: HTIE 2012-03-001 in the amount of \$150,000, subject to the applicant's using best efforts to consider Missouri companies and products to assist in the development of its proposed Missouri facility; HTIE-2012-03-002 in the amount of \$250,000; HTIE-2012-00-001 in the amount of \$200,000;

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation 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 Board Chairperson on behalf of the Corporation to execute and deliver all documents relating to such awards.

On motion by Mr. Kerr, seconded by Chair Bannister, the following resolutions were approved by those members present with one nay vote:

RESOLVED, the Board hereby approves the following High-Tech Industrial Expansion Program award, subject to satisfying the ordinary program contingencies and other contingencies as noted: HTIE-2011-02-004 in the maximum amount of \$500,000, subject to the applicant's satisfaction of the following conditions: (1) the applicant may draw \$100,000 of the loan within six months of MTC Board approval if in the preceding calendar month the project (a) achieves a plant uptime (two lines) of at least 75%, and (b) operates on a breakeven basis; (2) the applicant may borrow an additional \$100,000 following each month the project operates at the performance milestones outlined in clause (1); and (3) no further borrowings will be available if the project does not reach the performance milestones outlined in clause (1) for at least four months out of a six-month period, or if the project fails to reach such performance milestones for more than two months during the six-month time period.

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the Corporation 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 Board Chairperson on behalf of the Corporation to execute and deliver all documents relating to such awards.

NEW BUSINESS:

Chair Bannister asked for any new business to be brought forth. No new business was brought forward.

ADJOURNMENT:

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

RESOLVED, the Board hereby adjourns the meeting at 2:15 p.m.

MEETING ADJOURNED