

Minutes
Missouri Technology Corporation
Monday, January 30, 2012

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Monday, January 30, 2012, beginning at 2:05 p.m. by teleconference.

The following members of the Board were present or absent:

Joe Bannister	Chair	Present
Jim Baker	Secretary-Treasurer	Present
Elizabeth Canuteson	Member	Present
Victoria Gonzalez	Member	Absent
Jason Hall	Member designee-DED	Absent
Garry Kemp	Member	Present
David Kerr	Member	Absent
Rep. Thomas Long	Member	Present
Dan Mehan	Vice Chair	Absent
Mike Nichols	Member designee-MU	Present
Donn Rubin	Member	Present
Sen. Rob Schaaf	Member	Absent
Greg Steinhoff	Member	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 Deputy Director
Stacey Hirst	MTC Director of Operations
Tom Litz	Thompson Coburn LLP, MTC Legal Counsel

WELCOME AND CALL TO ORDER:

Chair Bannister called the meeting to order at 2:05 p.m. and established a quorum with nine members present, including Chair Bannister, Dr. Baker, Ms. Canuteson, Mr. Kemp, Rep. Long, Dr. Nichols, Mr. Rubin, Mr. Steinhoff, and Mr. Wetle.

Chair Bannister then welcomed the newest members of the MTC Board, Elizabeth Canuteson, appointed by Governor Jay Nixon, and Representative Thomas Long, 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 October 24, 2011 Board meeting or public hearing, which had been distributed to the Board prior to the meeting. On motion by Mr. Kemp, seconded by Dr. Nichols, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on October 24, 2011 as submitted.

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

RESOLVED, the Board hereby approves the minutes of the MTC public hearing held on October 24, 2011 as submitted.

EXECUTIVE COMMITTEE REPORT:

Chair Bannister then asked Mr. Anderson to provide information related to MTC staff as a result of the MOSIRA legislation. Mr. Anderson referred to a resolution to authorize a referendum of the MTC employee which was distributed to the Board prior to the meeting. He stated the MOSIRA legislation, which goes into effect on February 4, 2012, requires staff of the MTC to participate in the Missouri State Employees Retirement System (“MOSERS”) and the Missouri Consolidated Health Care Plan. In order to initiate employee participation, the Office of Administration requires MTC to hold a referendum of its employees with respect to social security coverage matters. Accordingly, the Board was asked to approve the resolution. After a detailed discussion, on motion by Mr. Kemp, seconded by Mr. Steinhoff, the attached resolution was unanimously approved:

RESOLVED, the Board hereby approves the attached Resolution to Request Authorization of Referendum as presented to this Board.

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 Ms. Canuteson, seconded by Mr. Kemp, the following resolution was unanimously approved:

RESOLVED, the Board hereby approves the Second Quarter FY2012 Treasurer’s Report dated January 25, 2012, as presented.

Mr. Anderson directed the Board’s attention to the MTC Balance Sheet and seven Certificates of Deposit totalling \$1,715,000, which resulted from action taken by the Audit and Finance Committee. Mr. Anderson reminded the Board that one finding in the 2009 audit by the State Auditor’s Office was the MTC’s need to review its practices for temporary investment of cash and to invest funds in the best option considering risk and return. At the time of receiving the State Small Business Credit Initiative (“SSBCI”) award the Board’s decision was to expend the SSBCI funds first because of the timeframe of the program. In accordance with MTC’s Short-Term Investment Policy, the MTC staff requested that Central Bank review the MTC’s current repurchase agreement arrangements and cash on-hand and advise the MTC whether any change to its current short-term investment practice was advisable. The Audit and Finance Committee met on October 21, 2011 to review the MTC investments. The Audit and Finance Committee met again on December 23, 2011 and made the decision, after reviewing several options provided by Central Bank, to cause MTC to purchase up to \$1,715,000 of 6-month Certificate of Deposit from various Central Bank affiliates. This arrangement provides for the MTC to benefit from FDIC coverage.

BUSINESS DEVELOPMENT EFFORTS:

Chair Bannister then asked Mr. Anderson to report on various business developments. Mr. Anderson reported to the Board that the MTC had been approached by two companies, one in St. Louis and one in Kansas City, to apply to the MTC for IDEA funds prior to the February 3, 2012 closing date. These requests fall under the Investment Review Process exigent circumstances provision. Mr. Anderson stated the Kansas City company decided to apply under the current round application process. The MTC has received the St. Louis company application, which is currently under review.

INVESTMENT COMMITTEE REPORT:

Chair Bannister then asked Mr. Steinhoff to present the Investment Committee Report. Mr. Steinhoff presented the Investment Committee Report, which was distributed to the Board prior to the meeting.

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

CLOSED SESSION:

RESOLVED, the Board hereby approves entering Closed Session at 2:23 p.m. pursuant to Sections 610.021 (1), (12), (14), and (15), RSMo, relating to the Investment Committee recommendations regarding Missouri Building Entrepreneurial Capacity applications and to review IDEA Fund Transaction Documents.

Dr. Baker	aye	Mr. Rubin	aye
Ms. Canuteson	aye	Mr. Steinhoff	aye
Mr. Kemp	aye	Mr. Wetle	aye
Rep. Long	aye	Chair Bannister	aye
Dr. Nichols	aye		

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

RESOLVED, the Board hereby approves exiting Closed Session at 3:45 p.m.

Dr. Baker	aye	Mr. Rubin	aye
Ms. Canuteson	aye	Mr. Steinhoff	aye
Mr. Kemp	aye	Mr. Wetle	aye
Rep. Long	aye	Chair Bannister	aye
Dr. Nichols	aye		

BOARD ACTIONS:

After a detailed discussion confined to the matter stated above by those present, Chair Bannister reported that no action was taken in Closed Session. Chair Bannister stated that the Board reviewed several conceptual issues relating to financing terms proposed by award recipients. He further reported that the Board members present provided MTC staff with guidance to negotiate financing terms that would further the MTC's mission. He further stated that if MTC staff needed additional guidance in specific instances to bring those issues back to the Executive Committee or the Board for review on a case-by-case basis.

On motion by Dr. Baker, seconded by Ms. Canuteson, the following resolutions were unanimously approved:

RESOLVED, the Board hereby authorizes a MOBEC Program award of \$100,000 for application MOBEC-2011-02-001; and

FURTHER RESOLVED, the Board hereby approves the grant agreement for the grant by the MTC to the St. Louis IT Entrepreneur Network in substantially the form presented;

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 the grant; and

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

On motion by Rep. Long, seconded by Mr. Steinhoff, the following resolutions were approved by a majority of those members present with one abstention from Dr. Baker:

RESOLVED, the Board hereby authorizes a MOBEC Program award of \$200,000 for application MOBEC-2011-02-004; and

FURTHER RESOLVED, the Board hereby approves the grant agreement for the grant by the MTC to Mercy Research and Development, Inc. in substantially the form presented;

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 the grant; and

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

On motion by Rep. Long, seconded by Dr. Baker, the following resolutions were approved by a majority of those members present with one abstention from Dr. Nichols:

RESOLVED, the Board hereby authorizes a MOBEC Program award of \$200,000 for application MOBEC-2011-02-005; and

FURTHER RESOLVED, the Board hereby approves the grant agreement for the grant by the MTC to the Dairy Farmers of America in substantially the form presented;

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 the grant; and

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

On motion by Ms. Canuteson, seconded by Mr. Steinhoff, the following resolutions were unanimously approved:

RESOLVED, the MTC Board hereby approves the transaction documents for an investment by MTC in the amount of \$50,000 in preferred stock issued by Jbara Software, Inc. pursuant to TechLaunch 2011-02-004 in substantially the form presented;

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

FURTHER RESOLVED, the MTC Board hereby authorizes the MTC Chairperson 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 investment.

On motion by Dr. Baker, seconded by Mr. Steinhoff, the following resolutions were unanimously approved:

RESOLVED, the MTC Board hereby approves the transaction documents for a convertible loan by MTC in the amount of \$100,000 pursuant to TechLaunch Application 2011-02-009 (EternoGen) in substantially the form presented;

FURTHER RESOLVED, the MTC Board hereby authorizes the MTC Board Chairperson to execute and deliver on behalf of the MTC all documents relating to such convertible loan on behalf of the MTC; and

FURTHER RESOLVED, the MTC Board hereby authorizes the MTC Board Chairperson 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 loan.

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 Mr. Steinhoff, seconded by Chair Bannister, the following resolution was unanimously approved:

RESOLVED, the Board hereby adjourns the meeting at 3:55 p.m.

MEETING ADJOURNED