

Minutes
Missouri Technology Corporation
Thursday, January 26, 2017

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Thursday, January 26, 2017, beginning at 1:00 p.m. The meeting was held at the Harry S. Truman Building, 301 W. High Street, Suite 680, Jefferson City, MO 65101.

Members present or absent:

Jason Hall	Chair	Present
Dr. Bill Weber	Member	Present
Erv Switzer	Member	Present
Mike Wetle	Member	Present
Garry Kemp	Member	Present
Mike Downing	Member	Present (left at 2:15 p.m.)
Mike O’Connell	Member	Present
Dr. Jim Baker	Member	Present via phone
Donn Rubin	Member	Present via phone
Jim Heeter	Member	Present via phone
Dr. Dedric Carter	Member	Present via phone (joined at 2:00 p.m.)
Rep. TJ Berry	Member	Absent
Senator Ryan Silvey	Member	Absent
Dr. Robert Schwartz	Member designee-MU	Absent
Anne Zerr	Member	Absent

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC staff
Tori Benson	MTC staff
Amy Steinman	MTC staff
Dawn Overbey	DED staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel
Brett Dinkins	DED Legislative Liaison

WELCOME AND CALL TO ORDER:

Chair Hall called the meeting to order at 1:04 p.m. Quorum was established with ten members present. Chair Hall then welcomed the new MTC Board members present, introduced himself as the new Chair, and asked for introductions to be made around the room.

APPROVAL OF MINUTES:

Chair Hall asked if there were any comments on the draft minutes of the October 27, 2016 Board Strategy meeting and October 28 Board meeting and Public Hearing, all of which had been distributed to the Board prior to the meeting. There were no comments. On motion by Mr. Downing, seconded by Mr. Wetle, the following resolutions were unanimously approved by those members present, except for the new members who were then not serving on the Board at those dates, who abstained from voting because they did not attend those meetings:

RESOLVED, the Board hereby approves the minutes of the special Board meeting held on October 27, 2016, as submitted; and

FURTHER RESOLVED, the Board hereby approves the minutes of the regular Board meeting held on October 28, 2016, as submitted; and

FURTHER RESOLVED, the Board hereby approves the minutes of the MTC annual Public Hearing held on October 28, 2016, as submitted.

EXECUTIVE DIRECTOR REPORT:

Chair Hall asked Director Anderson to present the MTC Executive Director report. Director Anderson first gave an overview of the MTC for the particular benefit of the new Board members, including areas of focus, program goals and portfolio companies, then reported that 7 IDEA Fund transactions closed since the preceding Board meeting with \$1.2 million disbursed alongside more than \$1.4 million in leveraged capital. Overall, 140 MTC projects have closed, totaling \$33.5 million raising leveraged capital of over \$390 million. Director Anderson stated that MTC staff will continue to work toward fulfillment of Board-approved applications for financial assistance. Director Anderson then reviewed second quarter activities and closed his report by reviewing activities the MTC staff planned to undertake in the third quarter.

In response to budget withholds of more than \$4.4 million, Director Anderson then presented a modification proposal to the FY2017 Operating Plan, which included the elimination of a 2nd MOBEC funding cycle, one IDEA funding cycle and the delaying of a second IDEA funding cycle, along with a 10% reduction to the Innovation Centers.

FY17 OPERATING PLAN MODIFICATION:

After discussion and on motion by Mr. Downing, seconded by Mr. Wetle, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby approves modifications to the FY2017 Operating Plan as presented; and

FURTHER RESOLVED, the Board hereby delegates to the MTC Executive Committee full power and authority on behalf of the MTC to modify, amend and approve the FY2017 Operating Plan and 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 plan as modified; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to transfer funds between administrative budget categories in an amount not to exceed 10% of the total administrative budget; and

FURTHER RESOLVED, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to execute and deliver all documents relating to implementation of the plan as modified.

DEPARTMENT OF ECONOMIC DEVELOPMENT REPORT:

DED Director Downing gave an overview of the Department for the new Board members. He advised that the Governor recently announced the formation of a Commission to review all tax credits. He then thanked the members for their continued service to the Board.

EXECUTIVE COMMITTEE REPORT:

Chair Hall reported that the Executive Committee met three times during the second quarter. He then asked for motions to ratify the committee appointments and his signatory authority on the MTC bank accounts. On motion by Mr. Kemp, seconded by Mr. Downing, the following resolutions were unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the appointment of Mike Wetle as Chair of the MTC Investment Committee.

RESOLVED, the Board hereby ratifies the appointment of Jason Hall as a member of the MTC

Investment Committee.

On motion by Mr. O’Connell, seconded by Mr. Wetle, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby ratifies the addition of Jason Hall as Signatory to the MTC’s bank accounts.

AUDIT AND FINANCE COMMITTEE REPORT:

Chair Hall asked Mr. Kemp to present the Audit and Finance Committee report. Chair Kemp presented the Second Quarter FY2017 Treasurer’s Report, which had been distributed to the Board before the meeting.

TREASURER’S REPORT:

On motion by Mr. Wetle, seconded by Chair Hall, the following resolution was unanimously approved by those members present:

RESOLVED, the Board hereby approves the 2nd Quarter FY2017 Treasurer’s Report dated January 26, 2017, as submitted.

INVESTMENT COMMITTEE REPORT:

Chair Hall called on Mr. Wetle to present the Investment Committee report. Mr. Wetle then asked Mr. Kaemmerer to provide an overview of the Investment Committee’s activities for the second quarter. Mr. Kaemmerer called the Board’s attention to the Investment Committee report which was distributed prior to the meeting. Mr. Kaemmerer reported the MTC received a total of 14 MOBEC Round 21 applications and 54 IDEA Fund applications requesting more than \$23 million total; the 14 MOBEC applications requesting more than \$2.7 million, six Venture Capital Co-Investment (VCCI) applications requesting \$7.6 million, 13 TechLaunch applications requesting \$1.2 million, and 35 Seed Capital Co-Investment (SEED) applications requesting more than \$11.9 million. The MTC staff evaluated the applications in accordance with its customary practice applying MTC’s Investment Guidelines. Ten MOBEC and 19 IDEA Fund applications advanced to the Investment Committee for further consideration. Following two days of presentations and in-person applicant interviews on January 19 and 20, 2017, the Investment Committee recommended 27 applications for funding, subject to further due diligence and the preparation and execution of definitive transaction documents, including nine MOBEC applications, 11 SEED applications, three VCCI applications and four TechLaunch applications, for more than \$5.7 million in recommended funding.

CLOSED SESSION:

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

RESOLVED, the Board hereby approves entering Closed Session at 2:20 p.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Dr. Bill Weber	aye	Jason Hall	aye	Donn Rubin	aye
Mike O’Connell	aye	Erv Switzer	aye	Dr. Dedric Carter	aye
Mike Wetle	aye	Dr. Jim Baker	aye		
Garry Kemp	aye	Jim Heeter	aye		

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

Dr. Bill Weber	aye	Jason Hall	aye	Donn Rubin	aye
----------------	-----	------------	-----	------------	-----

Mike O'Connell	aye	Erv Switzer	aye	Dr. Dedric Carter	aye
Mike Wetle	aye	Dr. Jim Baker	aye		
Garry Kemp	aye	Jim Heeter	aye		

RESOLVED, the Board hereby approves exiting Closed Session at 3:00 p.m.

Chair Hall reported that the Board took no action in the Closed Session after a discussion confined to the matters stated above. The Board continued its discussion in Open Session.

INVESTMENT COMMITTEE RECOMMENDATIONS:

TechLaunch

On motion by Mr. Wetle, seconded by Mr. O'Connell, the following resolutions were unanimously approved by those non-recused members present (Donn Rubin recused from the discussion and vote on Pro-Arc and MHS, due to his affiliation with BioGenerator, and Dr. Carter recused from the discussion and vote on Pro-Arc and MHS, due to his employment by Washington University.):

RESOLVED, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program conditions and other conditions as noted: TL-2016-21-001 (Pro-Arc Diagnostics) in the amount of \$100,000; TL-2016-21-004 (Medical Holography Solutions) in the amount of \$100,000; TL-2016-21-008 (Glucan Biorenewables) in the amount of \$75,000, also contingent upon a review of output prices satisfactory to MTC; and TL-2016-21-011 (TerraManus Technologies) in the amount of \$75,000; 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

SEED Capital Co-Investment

On motion by Mr. Kemp, seconded by Mr. Wetle, the following resolutions were unanimously approved by those non-recused members present (Donn Rubin recused from the discussion and vote on ImmunoPhotonics, Viosera, Elira, Arvegenix, and Edison, due to his affiliation with BioGenerator; and Dr. Carter recused from the discussion and vote on ImmunoPhotonics, Viosera and Greetabl, due to his employment by Washington University):

RESOLVED, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: SEED-2016-21-007 (ImmunoPhotonics) in the amount of \$100,000; SEED-2016-21-013 (Vector Legal Method) in the amount of \$150,000; SEED-2016-21-015 (Viosera Therapeutics) in the amount of \$100,000; SEED-2016-21-019 (Mycroft) in the amount of \$300,000; SEED-2016-21-022 (Elira) in the amount of \$250,000; SEED-2016-21-023 (Backstitch) in the amount of \$100,000; SEED-2016-21-026 (Arvegenix) in the amount of \$200,000; SEED-2016-21-028 (Greetabl) in the amount of \$250,000; SEED-2016-21-029 (Edison) in the amount of \$150,000; SEED-2016-21-031 (BlueStrata EHR) in the amount of \$200,000; and SEED-2016-21-032 (Observable) in the amount of \$300,000; 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

Venture Capital Co-Investment

On motion by Dr. Weber, seconded by Dr. Baker, the following resolutions were unanimously approved by those non-recused members present (Donn Rubin recused from the discussion and vote on Indalo, due to his affiliation with BioGenerator):

RESOLVED, the Board hereby approves the following Venture Capital Co-Investment Program award, subject to satisfying the ordinary program conditions and other conditions as noted: VCCI-2016-21-001 (ZAF Energy Systems) in the amount of \$600,000, also contingent upon customer and due diligence; VCCI-2016-21-002 (Indalo Therapeutics) in the amount of \$500,000; and VCCI-2016-21-003 (Pathfinder Health Innovations) in the amount of \$650,000; 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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

MOBEC

On motion by Mr. Heeter, seconded by Chair Hall, the following resolutions were unanimously approved by those non-recused members present (Donn Rubin and Dr. Carter recused from the discussion and vote on CET and ITEN, due to their volunteer service on the boards of directors of such organizations ; and Dr. Baker recused from the discussion and vote on Missouri State University and Mercy Research, due to his employment by MSU):

RESOLVED, the Board hereby approves the following Missouri Building Entrepreneurial Capacity Program applications, subject to satisfaction of ordinary program conditions: MOBEC-2016-21-001 (Center for Emerging Technology) in the amount of up to \$117,000; MOBEC-2016-21-002 (MU Coulter Program) in the amount of \$75,000; MOBEC-2016-21-005 (Innovation Stockyard) in the amount of up to \$50,000; MOBEC-2016-21-008 (Small Business Synergy Corp.) in the amount of \$98,000; MOBEC-2016-21-009 (Mercy R&D) in the amount of \$100,000; MOBEC-2016-21-010 (Missouri State University) in the amount of up to \$300,000; MOBEC-2016-21-012 (MU Legal Clinic) in the amount of \$150,000; MOBEC-2016-21-013 (ITEN) in the amount of up to \$241,000; and MOBEC-2016-21-014 (UMKC) in the amount of \$400,000;

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 Executive Director on behalf of the MTC to execute and deliver all documents relating to such awards.

NEW BUSINESS:

Director Anderson advised that unlike previous years, a the Governor's FY2018 budget proposal was not presented during the Governor's State of the State address. Director Anderson stated that he should know more about the MTC budget request for FY2018 next week and will update the Board accordingly.

Chair Hall wanted to express his appreciation to past Chair Joe Bannister for his service to the Board.

Director Anderson advised that the next Board meeting has tentatively been set for April 21st in Jefferson City or Columbia.

ADJOURNMENT:

Having no further business on the agenda and on motion by Mr. Wetle, seconded by Mr. Switzer, the following motion was unanimously approved:

RESOLVED, the Board hereby adjourns the meeting at 3:18 p.m.

MEETING ADJOURNED