

**Minutes**  
**Missouri Technology Corporation**  
**Thursday, July 6, 2017**

The regular meeting of the Missouri Technology Corporation (the “MTC”) Board of Directors (the “Board”) was held on Thursday, July 6, 2017, beginning at 1:00 p.m. The meeting was held at iWerx, 1520 Clay Street, Kansas City, Missouri 64116.

Members present or absent:

Jason Hall	Chair	Present
Garry Kemp	Member	Present
Dr. Bill Weber	Member	Present
Jim Heeter	Member	Present
Dr. Jim Baker	Member	Present via phone
Donn Rubin	Member	Present via phone
Dr. Dedric Carter	Member	Present via phone
Erv Switzer	Member	Present via phone

Staff and Outside Legal Counsel present:

Bill Anderson	MTC Executive Director
Dan Kaemmerer	MTC staff
Amy Steinman	MTC staff
Bill Vega	MTC staff
Dawn Overbey	DED staff
Greg Patterson	Thompson Coburn LLP, MTC Legal Counsel

**WELCOME AND CALL TO ORDER:**

Chair Hall called the meeting to order at 1:04 p.m. Quorum was established with eight members present.

**APPROVAL OF MINUTES:**

Chair Hall asked if there were any comments on the draft minutes of the April 28, 2017, Board meeting, which had been distributed to the Board prior to the meeting. There were no comments. On motion by Dr. Weber, seconded by Dr. Carter, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the minutes of the regular Board meeting held on April 28, 2017, as submitted.

**EXECUTIVE DIRECTOR REPORT:**

Chair Hall asked Director Anderson to present the MTC Executive Director report. Director Anderson reported that eight IDEA Fund transactions closed since the preceding Board meeting with \$1.975 million disbursed alongside more than \$2.3 million in leveraged capital. Overall, 153 MTC investments have closed, totaling \$37.2 million in direct investment by MTC and over \$430 million in leveraged capital. Director Anderson stated that the MTC staff will continue to work to complete Board-approved applications for financial assistance. He also advised that the Governor’s Innovation Task Force has conducted roundtable sessions in Kansas City and St. Louis, with additional roundtables scheduled for July in each of Columbia, Springfield and Cape Girardeau. Director Anderson informed the Board that Mr. Rubin and Dr. Carter are participants in the Innovation Task Force process. Director Anderson then reviewed current fourth quarter activities and closed his report by reviewing activities that the MTC staff planned to undertake in the first quarter of the new fiscal year.

**EXECUTIVE COMMITTEE REPORT:**

Chair Hall reported that the Executive Committee met four times during the fourth quarter – May 4, May 10, June 15 and July 5, 2017. The Executive Committee approved transaction documents for 13 IDEA Fund investments and spent a great deal of time discussing the FY18 Operating Plan, which will be discussed later in the meeting.

**AUDIT AND FINANCE COMMITTEE REPORT:**

Chair Hall asked Mr. Kemp to present the Audit and Finance Committee report. Mr. Kemp advised the Audit and Finance Committee met once during the fourth quarter – July 5, 2017. He then presented the Fourth Quarter FY2017 Treasurer’s Report, which had been distributed to the Board prior to the meeting.

**TREASURER’S REPORT:**

On motion by Mr. Heeter, seconded by Dr. Weber, the following resolution was unanimously approved by those members present:

**RESOLVED**, the Board hereby approves the Fourth Quarter FY2017 Treasurer’s Report dated July 6, 2017, as submitted.

**INVESTMENT COMMITTEE REPORT:**

Chair Hall called on Mr. Kaemmerer to present the Investment Committee report, who provided an overview of the Investment Committee’s activities for the fourth quarter. He called the Board’s attention to the Investment Committee report which was distributed to the Board prior to the meeting. Mr. Kaemmerer reported the MTC received 34 IDEA Fund applications requesting more than \$11 million total, consisting of: two Venture Capital Co-Investment (VCCI) applications requesting \$2 million in aggregate; 21 Seed Capital Co-Investment (SEED) applications requesting \$6.68 million in aggregate; nine Tech Launch Co-Investment (TL) applications requesting more than \$899,000 in aggregate; and two High Tech Industrial Expansion (HTIE) applications requesting \$2.25 million in aggregate. The MTC staff evaluated the applications in accordance with its customary practice applying the MTC’s Investment Guidelines. Twelve of the IDEA Fund applications received during the fourth quarter advanced to the Investment Committee for further consideration as well as two from a previous round. The applicants gave presentations and the Investment Committee conducted in-person applicant interviews on June 30, 2017. The Investment Committee recommended 12 applications for total funding of more than \$2,895,000, subject to further due diligence and the preparation and execution of definitive transaction documents.

**CLOSED SESSION:**

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

**RESOLVED**, the Board hereby approves entering Closed Session at 1:27 p.m. pursuant to Sections 610.021 (1), (12), (14) and (15) RSMo.

Jason Hall	aye	Dr. Weber	aye	Dr. Jim Baker	aye
Erv Switzer	aye	Jim Heeter	aye	Donn Rubin	aye
Garry Kemp	aye	Dr. Carter	aye		

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

**RESOLVED**, the Board hereby approves exiting Closed Session at 1:45 p.m.

Jason Hall	aye	Dr. Weber	aye	Dr. Jim Baker	aye
Erv Switzer	aye	Jim Heeter	aye	Donn Rubin	aye
Garry Kemp	aye	Dr. Carter	aye		

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:**

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

**TechLaunch:**

**RESOLVED**, the Board hereby approves the following TechLaunch Program awards, subject to satisfying the ordinary program conditions: TL-2017-22-002 (Impress Software) in the amount of \$75,000; TL-2017-22-003 (PerfectCube) in the amount of \$85,000; and TL-2017-22-008 (MathBrix) in the amount of \$50,000; 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.

On motion by Dr. Weber, seconded by Mr. Heeter, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin, who serves as Chief Executive Officer of BioStl, recused with respect to Canopy Biosciences and Accuronix awards due to investments in such companies by BioGenerator, an affiliate of BioStl; Dr. Carter, who serves as associate chancellor for innovation and entrepreneurship of Washington University, recused with respect to Canopy Biosciences and Accuronix awards due to Washington University's intellectual property licensing relationships with such companies):

**SEED Capital Co-Investment:**

**RESOLVED**, the Board hereby approves the following Seed Capital Co-Investment Program awards, subject to satisfying the ordinary program conditions: SEED-2017-22-005 (Canopy Biosciences) in the amount of \$375,000; SEED-2017-22-010 (Commoditrade) in the amount of \$245,000; SEED-2017-22-011 (Lean Media) in the amount of \$150,000; SEED-2017-22-013 (Accuronix) in the amount of \$175,000; SEED-2017-22-015 (Tallyfy) in the amount of \$340,000; SEED-2017-22-018 (SoftVu) in the amount of \$200,000; and SEED-2016-21-007 (LittleHoots) in the amount of \$100,000, additionally contingent upon review of the company's advertising metrics satisfactory to the MTC; 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.

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

**Venture Capital Co-Investment:**

**RESOLVED**, the Board hereby approves the following Venture Capital Co-Investment Program award, subject to satisfying the ordinary program conditions: VCCI-2017-22-001 (Aptimmune) in the amount of \$700,000; 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 award; 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 award.

On motion by Chair Hall, seconded by Dr. Weber, the following resolutions were unanimously approved by those members present:

**High Tech Industrial Expansion:**

**RESOLVED**, the Board hereby approves the following High Tech Industrial Expansion Program award, subject to satisfying the ordinary program conditions and to a review of the comparison of electric terminal truck and natural gas terminal truck costs satisfactory to the MTC: HTIE-2017-22-001 (OrangeEV) in the amount of \$400,000; 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 award; 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 award.

**IDEA FUND RESCISSIONS:**

Director Anderson advised that those applicants that had received Board-approved awards outstanding for one year or longer and which had not completed the funding process or withdrawn their applications are contacted to see if they still plan on completing the award process. If such applicant does not confirm its intention to complete the process, the award is rescinded and the reserved funding released for future applications under MTC programs.

On motion by Chair Hall, seconded by Dr. Weber, the following resolutions were unanimously approved by those non-recused members present (Mr. Rubin, who serves as Chief Executive Officer of BioStl, recused with respect to S4 USA LLC, Health Me Mobile Solutions LLC and Indalo Therapeutics Inc. awards due to investments in such companies by BioGenerator, an affiliate of BioStl; Dr. Carter, who serves as associate chancellor for innovation and entrepreneurship of Washington University, recused with respect to C2N Diagnostics award due to Washington University's intellectual property licensing relationship with such company):

**Rescission of IDEA Fund Approvals:**

**RESOLVED**, the Board hereby rescinds its prior approvals to the following applications for financial assistance under the IDEA Funds program which were approved more than one year ago and where the applicant has not confirmed its intention to complete the process for funding: C2N Diagnostics (VCCI 2014-10-008) in the amount of \$325,000 adopted at its meeting held May 8, 2014; TapTeach LLC (TL 2015-16-010) in the amount of \$50,000 adopted at its meeting held October 30, 2015; S4 USA LLC (SEED 2015-16-025) in the amount of \$200,000 adopted at its meeting held January 29, 2016; Deck Commerce (SEED 2015-17-005) in the amount of \$200,000 adopted at its meeting held January 29, 2016; Ultradia LLC (SEED 2015-17-008) in the amount of \$200,000 adopted at its meeting held January 29,

2016; Tensive Controls, Inc. (SEED 2016-18-019) in the amount of \$200,000 adopted at its meeting held April 22, 2016; Magnomics, Inc. (VCCI 2016-18-004) in the amount of \$350,000 adopted at its meeting held April 22, 2016; Healthy Me Mobile Solutions LLC (SEED 2016-19-003) in the amount of \$75,000 adopted at its meeting held June 28, 2016; Indalo Therapeutics Inc. (VCCI 2016-21-002) in the amount of \$500,000 adopted at its meeting held April 24, 2015; and

**FURTHER RESOLVED**, that the reservations of funds for such awards and all prior authorizations related to such applications submitted for such proposed financings hereby are terminated and the reserved funds shall be available for other use under MTC programs.

On motion by Chair Hall, seconded by Mr. Kemp, the following resolutions were unanimously approved by those non-recused members present (Mr. Heeter, who serves as an advisor to University of Missouri – Kansas City, recused from all actions due to his relationship with the University of Missouri system):

**Rescission of Grant Funding Approvals:**

**RESOLVED**, the Board hereby rescinds its prior approvals to the following applications in the amounts set for below for grants of financial assistance under the MOBEC and High Tech Small Business Incentive programs which were approved more than one year ago and where the applicant has not confirmed its intention to complete the process for funding: University of Missouri Entrepreneurship Legal Clinic (MOBEC 2015-17-018) of the remaining amount of \$0.02 adopted at its meeting held January 29, 2016; Missouri University of Science and Technology (MOBEC 2013-07-003) of the remaining amount of \$43,698.94 adopted at its meeting held June 28, 2013; Missouri Technology Incentive Program Phase 0 grant allocation in the amount of \$250,000 pursuant to the FY2012 MTC Operating Plan adopted at its meeting held July 18, 2011; and

**FURTHER RESOLVED**, that the reservations of funds for such proposed grants and all prior authorizations related to such applications submitted for such proposed financing hereby are terminated and the reserved funds shall be available for other use under MTC programs.

**FY2018 OPERATING PLAN:**

Director Anderson discussed the FY2017 and FY2018 Top Goals, six Action Items to complete, the FY18 meeting calendar, FY18 budget highlights and the FY18 Operating Budget. Chair Hall advised of the need for the legislature to resume prior levels of support for entrepreneurs and Chair Hall requested that the Board consider increasing the cash match requirements for the Innovation Centers. The Investment Committee is to present results at the next Board meeting.

On motion by Dr. Weber, seconded by Mr. Kemp, the following resolutions were unanimously approved by those members present:

**FY2018 Operating Plan:**

**RESOLVED**, the Board hereby adopts the FY2018 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 FY2018 Operating Plan, and to take such other actions as may be required or desirable in connection with, or in furtherance of, such plan; and

**FURTHER RESOLVED**, the Board hereby authorizes the MTC Executive Director on behalf of the MTC to reallocate 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 FY2018 Operating Plan.

On motion by Chair Hall, seconded by Dr. Weber, the following resolutions were unanimously approved by those members present:

**General Agreement between DED and the MTC:**

**RESOLVED**, the Board hereby approves the FY2018 General Agreement between the Department of Economic Development and the MTC substantially in the form presented; and

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

On motion by Dr. Weber, seconded by Mr. Heeter, the following resolutions were unanimously approved by those members present:

**FY2018 Technology Program Form of Contract:**

**RESOLVED**, the Board hereby approves the FY2018 Innovation Center/Manufacturing Extension Partnership program agreements in the amounts presented in the FY2018 Operating Plan Allocations for Core Technology Programs in substantially the forms presented; and

**FURTHER RESOLVED**, the MTC staff hereby is directed to provide a year-end report to the MTC Investment Committee about the FY2017 program results; and

**FURTHER RESOLVED**, the Board hereby delegates to the MTC Investment Committee full power and authority on behalf of MTC to finalize the FY2018 funding allocation to each center; 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 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 projects.

**RESEARCH ALLIANCE OF MISSOURI:**

Director Anderson provided an overview of the Research Alliance of Missouri (RAM) and advised that the MTC staff have discussed with Dr. Carter on whether the parties wish to continue such program. Dr. Carter suggested that it was an opportune time to request that the Chief Research Officer and the Chief Translation Officer from each institution meet to discuss the program. Director Anderson advised that the MTC has sufficient resources allocated in its budget to fund such meetings. The MTC staff will work to reconvene that group.

**NEW BUSINESS:**

Director Anderson advised that Tori Benson is leaving the MTC staff, but Bill Vega will be filling her position. Chair Hall reminded members of Board expirations – Mr. Kemp, Mr. Wetle and Dr. Baker and thanked them for their service.

**ADJOURNMENT:**

Having no further business on the agenda and on motion by Mr. Heeter, seconded by Dr. Weber, the following motion was unanimously approved by those members present:

**RESOLVED**, the Board hereby adjourns at 3:04 p.m.

**MEETING ADJOURNED**