



**MINUTES OF THE MEETING OF THE
MARYLAND VENTURE FUND AUTHORITY
MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION
June 7, 2023
By ZOOM link**

The Maryland Venture Fund Authority (the “Authority” or “MVFA”) of Maryland Technology Development Corporation (“TEDCO”) convened at 9:03 a.m. on June 7, 2023, via a Zoom video conferencing link provided for that purpose. A quorum was present given that 8 members out of 9 members of the Authority attended the meeting. At the time of this meeting, the Senate President appointee was vacant.

Authority Members Present:

Grace Garry, Chair
David Wise, Secretary, (*final meeting, term ends*)
Mike Thielke
Michael Tumbarello
Eileen O’Rourke
Renee Winsky
Bei Ma, *new member*
Ricardo Alvarado, *new member*

Representatives, TEDCO Staff Present:

Troy Stovall, CEO TEDCO
Terry Rauh
Jack Miner
Stephen Auvil
Katherine Hill Richie
Jean-Luc Park
Theodore Gresser
Solomon Asad
Avanti Shetye
Mark Crosby
Anne Balduzzi
Leah Franklin

Observers and other Guest Present:

Vishal Amin, *new member, Term starts 7-1-2023.*

Assistant Attorneys General Present:

Lara L. Hjortsberg, Office of Attorney General (“OAG”)

Jigita Patel

Stephanie Meighan

MINUTES OF THE OPEN SESSION

The meeting was called to order by Ms. Garry, the chair at 9:05 a.m. Ms. Garry requested MVFA’s new members to briefly introduce themselves. Thereafter, each person attending the meeting provided a brief introduction of himself/herself. It was noted that this meeting would be Mr. Wise’s last meeting as his term has ended. Ms. Garry and Ms. Stovall thanked Mr. Wise for his service and commitment towards TEDCO.

I. Action Item: Review and Approval of March 1, 2023 Open Meeting Minutes

Ms. Garry introduced the March 1, 2023 open meeting minutes for approval. Upon a motion duly made and seconded, the minutes were unanimously approved in the form presented to the Authority prior to the meeting.

II. Update: SSBCI Deployment and SSBCI VCLPs

Mr. Miner provided a brief update for SSBCI as follows:

- TEDCO has deployed more than 80% of the first tranche funding received, which will enable TEDCO to draw down on the second tranche sooner or in the near future.
- SSBCI VCLPs are going forward; TEDCO will publicly announce the names of the four companies at the later date when the terms of the limited partnership agreements are finalized.

An Authority member requested clarification for the receipt of the SSBCI second tranche funding and allocation thereto between programs. Mr. Miner explained that the SSBCI funds are fungible within TEDCO’s programs and also, between the 3 State programs (namely, Department of Housing and Community Development (“DHCD”), Department of Commerce (“Commerce”) and TEDCO). He further noted that TEDCO can borrow funds from other programs internally or within the State and pay it back later.

An Authority member requested TEDCO to provide a breakdown of each fund’s budget (State funds and for SSBCI funds) quarterly, the fund’s performance, and deployment thereof, for the member’s review and knowledge.

III. Discussion: Authority’s Role to Review and Approve SSBCI Investments

A discussion ensued regarding the Authority's role to review and approve SSBCI investments for federal compliance. Mr. Miner noted that pursuant to the Memorandum of Understanding with DHCD, the SSBCI investments are reviewed by DHCD's auditors for federal SSBCI compliance quarterly and annually. Ms. Patel advised that pursuant to the Economic Development statute, the Authority's duties include review of TEDCO's investment policies, investment decisions, and compliance with the statutory and regulatory requirements. Ms. Patel noted that review of federal SSBCI compliance was probably not intended by the legislature as the SSBCI program did not exist then. Further, compliance as to the federal SSBCI requirements is reviewed by the OAG and by DHCD also. However, if Authority would like to review TEDCO's SSBCI investments' compliance with federal statutory and regulatory requirements, it can do so.

IV. Update: Fair Value Process Review

Mr. Miner stated that the fiscal year 2023 is going to end soon and the following discussion ensued regarding TEDCO's fair market value ("FMV") process:

- TEDCO uses Aumni and Salesforce to initially track the FMV of its investments, which is then reviewed by the outsourced CFO and the respective fund director.
- Upon an Authority member's questions as to reporting compliance, Mr. Crosby stated that currently TEDCO has 60% compliance, the remaining 40% have to be pursued to receive the requisite reports.
- Most of TEDCO's investment information have been inputted in Aumni, and TEDCO is working towards getting it significantly completed.
- Mr. Miner noted that "best practices" standard is used for valuation and is based on annual financial reports.
- Mr. Rauh stated that TEDCO is working with its outsourced accountants to improve its valuation methods and calculations.

V. Action Item: Term and Election of Officers

Ms. Garry stated that there are vacancies for officer positions: (1) Vice Chair (facilitates and coordinates the meeting and the review of investments by MVFA members), and (2) Secretary (ensures that the minutes accurately reflects the respective MVFA meeting). Ms. Garry requested Ms. Patel to provide guidance relating to the election of the officers and their term of office. Ms. Patel advised that the Authority could determine the manner of election of officers and their term of office.

Term – 2 years: Upon a motion duly made and seconded, it was unanimously approved that the term of the officers would be 2 years and there would be an election thereof every 2 years.

Officers: Upon a motion duly made and seconded, it was unanimously approved that the following officers would serve for the next 2 years:

- (1) Renee Winsky, Vice Chair
- (2) Mike Thielke, Secretary

VI. Action Item: Motion to Close the Meeting

Ms. Garry noted the Closed Session on the meeting agenda and the meeting was moved into a closed session under the Open Meetings Act as follows: General Provisions (“GP”) 3-305(a)(1)(i), to carry out an administrative function; GP 3-305(b)(7), to consult with counsel to obtain legal advice; and GP 3-305(b)(5), to consider the investment of public funds, specifically to review all new investments made by TEDCO or its affiliates from January 1, 2023 to March 31, 2023.

Upon a motion duly made by Ms. Garry and seconded by Ms. Winsky, the Authority unanimously approved that the meeting enter Closed Session for the referenced statutory justifications at 9:46 a.m. In addition to the Authority members who voted in favor of entering the Closed Session, the following individuals remained during the Closed Session at the invitation of the Authority: Messrs. Miner, Asad, Gresser, Park, Rauh, Crosby, Auvil, and Stovall, Ms. Richie, Ms. Shetye, Ms. Balduzzi, Ms. Franklin, Ms. Patel, Ms. Hjortsberg, and Ms. Meighan.

BRIEF SUMMARY OF THE CLOSED SESSION

The following topics were discussed and/or actions taken during the Closed Session:

I. Action Item: Review and Approval of March 1, 2023 Closed Session Meeting Minutes

Ms. Garry introduced the March 1, 2023 closed session meeting minutes for approval. Upon a motion duly made and seconded, the closed session minutes were unanimously approved in the form presented to the Authority prior to the meeting.

II. Topic Discussed and Action Item: Authority’s Role to Review SSBCI Federal Compliance

A discussion ensued again as to the Authority’s role to review federal compliance of SSBCI investments. Upon a motion duly made and seconded, the Authority unanimously voted to **not** review TEDCO’s investments for federal SSBCI compliance unless the Authority feels the need to do so.

III. Action Item: Approval of Investments for Compliance

Upon a motion duly made and seconded, the Authority unanimously voted to confirm compliance with the State’s statutory and regulatory requirements for the following investments:

- **Routespring Inc.:** \$500,000, Convertible Note, SSBCI Seed Funds
- **Keep Company Inc.:** \$200,000, Convertible Note, Pre-Seed Builder Fund
- **June Brain Inc.:** \$150,000, Convertible Note, SSBCI Social Impact Funds

- **aBreak Music LLC:** \$200,000, Convertible Note, Seed Fund (CIF). A brief discussion ensued as to how this entity meets the CIF requirements.
- **Fortrace, Inc.:** \$500,000, Convertible Note, Seed Fund (CIF)
- **Aidar Health, Inc.:** \$249,988.81, Series Seed Preferred Stock, Seed Fund (CIF)
- **CarTech Corp.:** \$249,984.54, Common Stock, Seed Fund (LSIF)
- **Rise Therapeutics, LLC:** \$200,000, Convertible Note, Seed Fund (LSIF)
- **N5 Sensors, Inc.:** 391,021.50, Series Seed Preferred Stock, SSBCI Seed Fund
- **Nanocrine, Inc.:** \$300,000, Convertible Note, SSBCI Seed Fund
- **CyDeploy, Inc.:** \$150,000, Convertible Note, Pre-Seed Builder Fund
- **Novel Microdevices, Inc.:** \$200,000, Convertible Note, Pre-Seed Builder Fund
- **Givhero, Inc.:** \$200,000, Convertible Note, SSBCI Social Impact Funds
- **The Black Brain Trust, LLC:** \$100,000, Convertible Note, SSBCI Social Impact
- **Celebro Capital, Inc.:** \$1,000,000, Series Seed-1A Preferred Stock, Maryland Venture Fund InvestMaryland II
- **Rapa Therapeutics, LLC,** \$1,000,000, LLC Units, SSBCI Venture Funds

IV. **Adjournment:** There being no further business, the meeting adjourned at 10:56 a.m.