



**MINUTES OF THE MEETING OF THE  
MARYLAND VENTURE FUND AUTHORITY  
MARYLAND TECHNOLOGY DEVELOPMENT CORPORATION**

**September 6, 2023**

**By ZOOM link**

The Maryland Venture Fund Authority (the “Authority” or “MVFA”) of Maryland Technology Development Corporation (“TEDCO”) convened at 9:04 a.m. on September 6, 2023, via a Zoom video conferencing link provided for that purpose. A quorum was present given that 6 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  
Renee Winsky, Vice Chair  
Michael Tumbarello  
Eileen O’Rourke  
Bei Ma  
Vishal Amin

**TEDCO Staff Present:**

Troy Stovall, CEO TEDCO  
Terry Rauh  
Jack Miner  
Mindy Lehman  
Katherine Hill Richie  
Jean-Luc Park  
Theodore Gresser  
Avanti Shetye  
Mark Crosby  
Leah Franklin

**Assistant Attorneys General Present:**

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

**Authority Members Not Present:**  
Mike Thielke, Secretary  
Ricardo Alvarado

## **MINUTES OF THE OPEN SESSION**

The meeting was called to order by Ms. Garry, the chair at 9:04 a.m.

### **I. Action Item: Review and Approval of June 7, 2023 Open Meeting Minutes**

Ms. Garry introduced the June 7, 2023 meeting minutes for approval (“Minutes”). 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 Update and SSBCI VCLPs**

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

- TEDCO is well ahead of its target goals to deploy SSBCI funds, and as a result an additional \$5 million in SSBCI capital will be received by TEDCO.
- The first SSBCI VCLP agreement was recently reached with 100KM Ventures Fund I, LP who will be receiving \$2 million of SSBCI funds for further deployment.

A discussion ensued regarding allocation of SSBCI funds between the various programs, Social Impact, Seed, and Venture. Mr. Miner stated that SSBCI funds are allocated to the Seed and Venture programs in greater amounts vs. the Social Impact program, because the Social Impact Builder Fund receives significant state capital for deployment.

### **III. Update: Fund Performance**

Mr. Park summarized the following regarding Social Impact Fund:

- Annual Allocation:
  - \$6.2 Million Builder Fund
  - \$750K Inclusion Fund
- Expected Deployment
  - 45% follow-on
  - 55% new companies
- Targeted 7-year return:
  - 16% IRR
- Average Investment size, with the goal of a total investment of \$800,000 into a company:
  - Initial investment: \$100,000
  - 1<sup>st</sup> Follow on: \$200,000
  - 2<sup>nd</sup> Follow on: \$500,000
- Industry Sector Focus:
  - Agnostic to Technology Sector

- Performance:
  - 67 investments
  - \$7.88 million allocated
  - 18 follow-on investments
  - 49 new investments
  - MOIC<sup>1</sup>: 0.97 (based on available Aumni data, 50% complete/confidence)
  - TVPI<sup>2</sup>: 0.97 (based on available Aumni data, 50% complete/confidence)

Mr. Gresser next summarized the following regarding Seed Fund:

- Allocation: \$3.1M/year, approx. \$35M AUM
  - \$850K Life Sciences Investment Fund (LSIF)
  - \$800K Cybersecurity Investment Fund (CIF)
  - \$850K Gap Fund
  - \$600K Technology Commercialization Fund (TCF)
- Expected Deployment:
  - 50% follow-on
  - 50% new companies
- Targeted 7-year return:
  - 8% IRR
- Average Investment Size:
  - \$200,000
- Industry Sector Focus:
  - Determined by sub-program (e.g., life sciences, cyber, technology, or gap )
- Performance
  - 175 investments held across LSIF, CIF, TCF and GAP funds and SSBCI
  - \$27.8 million allocated
  - 22 follow-on investments
  - 153 new investments
  - MOIC: 1.25 (based on available Aumni data, 50% complete/confidence)
  - TVPI: 1.28 (based on available Aumni data, 50% complete/confidence)

Ms. Ritchie then summarized the following regarding Venture Fund:

- Allocation:
  - \$6.5 million venture fund yearly allocation (InvestMD II; no longer investing out of Enterprise Fund)
  - SSBCI and new Maryland Equity Investment Fund
- Expected Deployment
  - 65% follow-on
  - 35% new companies
- Targeted 7-year return
  - 20% IRR
- Average Investment Size:

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<sup>1</sup> Multiple on invested capital; defined as the value or performance of an investment relative to its initial cost.

<sup>2</sup> Total value paid in; defined as the ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date.

- \$500K to \$1,500,000
- Industry Sector Focus
  - Agnostic to Technology Sector
- Performance
  - 68 investments (Enterprise, InvestMD, SSBCI and legacy portfolios)
  - \$65.25 million allocated
  - 47 follow-on investments
  - 23 new investments
  - MOIC: 1.03(based on available Aumni data, incomplete data)
  - TVPI: 1.22 (based on available Aumni data, incomplete data)

#### **IV. Discussion**

The members, especially the new members, had several questions and a lengthy discussion ensued, the following is a summary thereof:

- The members were interested to understand the number of follow-on investments that flow from Builder to Seed to Venture. The investment team noted that Venture gets several follow-ons from Seed and Builder, whereas Seed has a few follow-ons from Builder and Maryland Innovation Initiative (“MII”), and Builder has a few follow-ons from MII.
- The members questioned as to the determination of the IRR% for the various funds.
- The investment team’s work process was briefly summarized by Mr. Miner as follows:
  - Every Monday the team meets to review goals, applications, portfolio, and issues.
  - Each fund manager has regular meetings with each other to discuss strategies, applications, and issues.
  - A review Committee comprising of Mr. Stovall, Mr. Rauh, and Ms. Tammi Thomas reviews the investment memorandums presented by the investment team and determines the allocation of funds.
  - The investment team matches the applicant with the specific fund depending on the eligibility criteria to be met.
- A member questioned whether TEDCO collaborates with other states or jurisdictions. In response, Mr. Stovall noted two strategic anchors for TEDCO: (a) to leverage out-of-state resources, and (b) to address the funding needs of the underserved communities.
- Ms. O’Rourke noted that TEDCO should be providing Impact Metrics and Return Metrics for its investments – jobs created, number of exits and returns thereto, unrealized/realized gains or losses, TEDCO’s contribution to the ecosystem, etc.
- Mr. Stovall noted that such reports, demographics data, returns data, and a portal with access to such data are work-in-progress.
- Mr. Stovall noted a possible budget reduction in the future for all state agencies. TEDCO is working with the General Assembly to make its statute more flexible for investments and whether external funding could be feasible.

**V. 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”) 3-103(a)(1)(i), to carry out an administrative function; GP 3-305(b)(5), to consider the investment of public funds; and GP 3-305(b)(7), to consult with counsel to obtain legal advice.

Upon a motion duly made and seconded, the Authority unanimously approved that the meeting enter Closed Session for the referenced statutory justifications at 9:51 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, Gresser, Park, Rauh, and Crosby, Ms. Ritchie, Ms. Shetye, Ms. Franklin, Ms. Lehman, Ms. Patel, and Ms. Hjortsberg.

**BRIEF SUMMARY OF THE CLOSED SESSION**

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

**I. 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:

- **Active Genomes Expressed Diagnostics Corp. (DBA Aged Diagnostics):** \$450,000.00, Convertible Note, Seed Funds (LSIF) \$200K and Pre-Seed Builder Fund \$250K.
- **Aqualith Advanced Materials, Inc.:** \$325,000.00, Convertible Note, SSBCI Seed Fund.
- **Ardent Security LLC:** \$350,000.00, Convertible Note, Seed Fund (CIF).
- **ARMR Systems, Inc.:** \$250,000.00, Convertible Note, Pre-Seed Builder Fund. (Ms. O’Rourke abstained from voting due to conflicts).
- **Astek Diagnostics Inc.:** \$325,000.00, Convertible Note, SSBCI Seed Fund.
- **Ensemble Government Services LLC:** \$200,000.00, Convertible Note, Seed Fund (TCF)
- **Femly Corporation:** \$250,000.00, Convertible Note, Pre-Seed Builder Fund.
- **Galen Robotics, Inc.:** \$499,999.81, Series Seed Preferred Stock, Seed Fund (LSIF)
- **Hememics Biotechnologies, Inc.:** \$500,000, Series Seed 2 Preferred Stock, SSCI Venture Funds.
- **Hopr Corporation:** \$300,000.00, Convertible Note, Seed Fund (CIF).

- **Longeviti Neuro Solutions, LLC:** \$500,000.00, Series C-2B Preferred Units, InvestMaryland II. (Ms. O'Rourke abstained from voting due to conflicts).
- **Nataur, LLC:** \$200,000.00, Convertible Note, Pre-Seed Builder Fund.
- **Nostopharma LLC:** \$250,000.00, Convertible Note, Pre-Seed Builder Fund.
- **TrueGenomix Health Inc. (Polaris Genomics):** \$500,000.00, Convertible Note, SSBCI Social Impact Funds.
- **Sisu Global Health Inc.:** \$100,000.00, Convertible Note, Inclusion Fund. (Ms. O'Rourke abstained from voting due to conflicts).
- **Tao Treasures LLC:** \$350,000.00, Pre-Seed Builder Fund.
- **Tuzmo Inc.:** \$200,000.00, Convertible Note, Pre-Seed Builder Fund.
- **Veralox Therapeutics Inc.:** \$1,108,075.00, Series A-2 Preferred Stock, SSBCI Venture Funds.

**II. Adjournment:** There being no further business, the meeting adjourned at 11:15 a.m.