



**MINUTES OF THE
MARYLAND VENTURE FUND AUTHORITY
September 7, 2022
By ZOOM link**

Members

A quorum was present given that all members of the Maryland Venture Fund Authority (the "Authority") were present via Zoom platform and participated in the meeting.

- Brian Darmody, Vice Chair
- Aaron Eidelman
- Grace Garry, Chair
- Eileen O'Rourke
- Ann Quinn
- Mike Thielke
- Michael Tumbarello
- Renee Winsky
- David Wise, Secretary (via phone)

Others in Attendance

The following members of the TEDCO staff/Board also participated in the meeting.

- Solomon Asad
- Stephen Auvil
- Anne Balduzzi
- Bill Collier
- Theodore Gresser
- Troy Stovall
- Tim Wilson
- Jean-Luc Park
- Katherine Hill Ritchie
- Terry Rauh
- David Tohn (Board Member)

The following Assistant Attorneys General were also present at the meeting.

- Jigita Patel

PUBLIC SESSION

The meeting was called to order by Ms. Garry, at 9:00 AM. Ms. Garry thanked TEDCO for the annual meeting and all efforts that went into it. TEDCO requested the MVFA to provide feedback about the annual meeting.

I. Review and Approval of June 1, 2022 Minutes

Chair Garry introduced the minutes of the June 1, 2022 meeting for review and approval. Members were given the meeting minutes in advance to review. Upon a motion duly made by Ms. Garry and seconded by Mr. Wise, the minutes of the June meeting were approved by all members.

II. Special Committee and SSBCI

A brief discussion ensued regarding the formation of a Special Committee for the SSBCI – Limited Partnership Funds, consisting of MVFA members and the Board members. TEDCO is working on the RFP for an allocator/consultant and should probably finalize by the end of September. Ms. Garry and Ms. O'Rourke showed interest to be a part of the Special Committee.

III. Introduction of Teddy Gresser as Investment Analyst

Mr. Collier introduced recently hired Investment Analyst, Teddy Gresser. Mr. Gresser briefly introduced himself.

IV. Social Impact Overview

Mr. Park gave an overview (slide presentation) of the Social Impact Fund – Portfolio Overview. Mr. Park discussed fund value, realized and unrealized gains, and write-offs. He answered questions surrounding the follow-on fund-raising activities for our portfolio companies.

V. Seed Fund Overview

Mr. Wilson gave an overview (slide presentation) of the Seed Fund – Portfolio Overview. Mr. Wilson discussed fund value, realized and unrealized gains, and write-offs. Discussion led into dialog surrounding trends of TEDCO investment exits, planning for follow-on funding, investment strategy in terms of leading rounds and participation of other investors. Mr. Wise asked as to exits – whether acquisitions or IPOs? Mr. Wilson answered that they were more acquisitions compared to IPOs. Questions were asked as to anti-dilution provisions and reserves for follow-on investments. The investment team and Mr. LeMaile-Stovall answered that several investment documents contain anti-dilution provisions which are done on a deal-by-deal basis; however, we do not reserve funds on TEDCO's books for follow-on investments.

Ms. Garry inquired as to the valuation of the Seed fund, cost-basis ratio (i.e. present value vs. cost of capital invested), average age of investment, and composition of aging of investments. Mr. Wilson informed that he does have the pertinent information presently, however, he will work on gathering that information. Mr. LeMaile-Stovall stated that the team could provide such information

at the next meeting. Ms. Garry is interested to have answers to her questions, especially, for investments that are 10 years old.

VI. MVF Fund Overview

Ms. Hill Ritchie gave an overview (slide presentation) of the Venture Funds– Portfolio Overview. Ms. Ritchie discussed fund value, realized and unrealized gains, and write-offs. Ms. Ritchie discussed the historic nature of investments in MVF and the different funds within MVF. She highlighted the desire to dive into the portfolio to get to know the CEOs in the portfolio. She emphasized the importance of continuing to invest pro-rata into further rounds and limitations from the small size of MVF compared to the dollar size that rounds. Ms. Garry inquired about the MVF’s valuation, cost-basis ratio, cost of capital, and the average age of investment. Ms. Ritchie noted that this information would be provided at a later date as she is working on it.

VII. Mention of Mike Ravencroft at the University of Maryland Momentum Fund (“MMF”)

Mr. Wise wanted to get on the record that Mike Ravencroft is taking over the MMF and hoped that TEDCO would establish a working relationship with Mr. Ravencroft. Mr. Collier and Mr. LeMaile-Stovall outlined some of the efforts that TEDCO has already made to establish and foster relationship.

VIII. Closed Session – Statement for Closing the Meeting

Upon a motion dully made by Ms. Garry and seconded by Ms. Quinn, the meeting was moved from the public to a closed session. The members voted unanimously.

- a. Time of Closed Session: 9:41 AM
- b. Place of Closed Session: Zoom platform link
- c. Authority for Closed Session: Md. Code, General Provisions Section 3-103(a)(1)(i) and Section 3-305(b)(5) and (b)(7). Purpose of the Closed Session: To review the discussion will concern review of all new investments made by TEDCO and its affiliates from April 1, 2022 to June 30, 2022 and compliance and adherence thereof to the statutory and regulatory requirements imposed on TEDCO. The Authority will discuss and review TEDCO’s application processes, investment criteria, investment policies and other factors that were considered as the basis for the investment decisions and will consult with counsel to obtain legal advice as needed.
- d. All present members voted to **confirm compliance** for the following:
 - Sonosa Medical, Inc.: \$200,000, Convertible Promissory Note, Seed Funds (LSIF)
 - Ms. O’Rourke and Ms. Wise recused themselves from voting due to conflicts of interest
 - CoolTech, LLC.: \$200,000, Convertible Promissory Note, Seed Funds (LSIF)
 - Ms. O’Rourke and Mr. Wise recused themselves from voting due to conflicts of interest

Discussion ensued regarding the soon expiring lease and the MVFA members noted that the team members should be following up on a regular basis with the companies to ensure that

their principal business operations is in Maryland. Ms. Patel provided advice regarding the claw-back provisions in the investment documents and the rights in the securities repurchase agreement in the event a business moves out of MD.

- Kina Rx, Inc.: \$200,000 Series Seed Preferred Stock, Seed Funds (LSIF)
- Lassarus Clinic and Research Center, Inc.: \$100,000, Convertible Promissory Note, Builder Fund

Ms. O'Rourke noted that the business was formed more than 7 years ago. Mr. Park and Ms. Patel clarified that the regulations except Builder Fund transactions from the early-stage 7-year requirement.

- Return Solutions, Inc.: \$500,000, Convertible Promissory Note, Maryland Venture Fund ("MVF")
- Din Din, Inc.: \$1,000,000, Convertible Promissory Note, MVF
- Machfu, Inc.: \$500,000, Convertible Promissory Note, MVF
- Remodelmate, Inc.: \$1,000,000, Series Seed Preferred Stock, MVF (\$950,000 from the Company and \$50,000 from an Investor – secondary sale)
- Alirtify LLC: \$25,000, Convertible Promissory Note, Rural Business Innovation Initiative ("RBII")
- Pirl Technology, Inc.: \$25,000, Convertible Promissory Note, RBII

IX. SSBCI Update

Mr. Collier gave a brief update on TEDCOs activities regarding the allocation and deployment of SSBCI funds. He discussed the timing, limitations, and future plans for the expected funds. He also discussed the plans and progress of the VCLP program.

X. Policy Discussion

Mr. Collier briefly discussed that there are several policies relating to investments that are currently work-in-progress, which will be reviewed and approved by the investment committee and thereafter, by the MVFA.

Mr. Collier apologized for not presenting the dashboard (as done previously) and stated that with Mr. Siddharth Chhabra's departure, TEDCO is looking for someone to replace him and assist in preparation of the dashboard. MVFA can expect business intelligence reports in the future.

The meeting was adjourned at 10:33 a.m.