

MINUTES OF THE MEETING OF  
THE ENTREPRENEURSHIP COMMITTEE OF  
THE BOARD OF DIRECTORS OF  
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION  
February 26, 2016

The Entrepreneurship Committee (the "Committee") of the Board of Directors (the "Board") of the Indiana Economic Development Corporation (the "Corporation") met on Friday, February 26, 2016, at One North Capitol Avenue, Suite 700, Indianapolis, IN 46204. Present at the public meeting were committee members Rick Johnson, Mark Neal, and John Thompson. Representing the Corporation were Steve Akard, Chris W. Cotterill, Matt Kimmick, Mark Pishon, and Matt Tuohy. Additionally, present were Chris LaMothe, Ting Gootee, Phil Lodato, and Rosanne Burge of Elevate Ventures.

Chairman Thompson called the meeting to order, recognized the presence of a quorum, and noted conformance with the Indiana Open Door Law and the importance of not disclosing confidential information contained in the proposals upon which the recommended investments are based.

Mr. Neal moved for approval of the minutes from the previous meeting of the Committee held on December 9, 2015, at the Indiana Economic Development Corporation, One North Capitol Avenue, Suite 700, Indianapolis, IN 46204. Upon Mr. Neal's motion being duly made and seconded, the minutes from the prior meeting were unanimously approved.

Ting Gootee, Chief Investment Officer of Elevate Ventures, summarized the following 21<sup>st</sup> Century Research & Technology Fund ("21 Fund") project to the Committee for consideration. Ms. Gootee noted that the applicant submitted the information and documentation required under the 21 Fund's investment policy and procedures, that the project conforms to the 21 Fund's goals and objectives, and that the staff of the Corporation and of Elevate Ventures, as well as external reviewers, have recommended the project to the Committee for approval.

Fishers-based CloudOne Corporation is a technology-enabled services company with an initial focus on software-as-a-service and managed development operations hosted in a secure virtual private cloud environment for IBM Rational. Most recently, the company started to grow revenue from serving enterprise clients with a need to create and maintain industrial Internet of Things applications. Mr. Johnson moved for approval of up to \$912,500.00 investment based upon the company raising at least \$7,087,500.00 in co-investment and meeting other pre-determined contingent requirements to the satisfaction of the Corporation and Elevate Ventures, as specified in the investment recommendation. The motion was seconded and then unanimously approved.

Matt Tuohy, 21 Fund Program Manager of the Corporation, presented a recommendation to amend the Seed Fund Request for Proposals, 14-SSBCI-1 RFP, for the use of certain investment dollars under the State Small Business Credit Initiative ("SSBCI") by removing the application submission deadline of December 31, 2015. The 14-SSBCI-1 RFP was approved at the Committee's meeting on June 26, 2014. The objectives are to encourage private investment in Indiana-based companies and to accelerate the deployment of SSBCI dollars. Mr. Tuohy also presented one Seed Fund Co-Investment Program qualified manager candidate. Mr. Neal moved for approval of both items. The motion was seconded and then unanimously approved.

Chris W. Cotterill, Executive Vice President & General Counsel of the Corporation, presented a legislative update. His report focused on the Corporation's concern and respect for the time committed by the members of the Board and current thinking on expanding the ability of the Board's committees to meet by electronic means under the Indiana Open Door Law.

Chris LaMothe, Chief Executive Officer of Elevate Ventures, provided a brief update on partnership discussions that are underway with key communities around the State of Indiana.

Chairman Thompson thanked the Committee and adjourned the meeting.

Executive Session

Prior to the public session, the Committee held an executive session at the same location to consider confidential pending incentive requests made to the State of Indiana by industrial or commercial prospects and to discuss records classified as confidential by state or federal statute. See Indiana Code § 5-14-1.5-6.1(b)(4) and (7). Present at the executive session were committee members Rick Johnson, Mark Neal, and John Thompson. Representing the Corporation were Steve Akard, Chris W. Cotterill, Matt Kimmick, Mark Pishon, and Matt Tuohy. Additionally, present were Chris LaMothe, Ting Gootee, Phil Lodato, Rosanne Burge, and John MacDonald. No subject matter was discussed in the executive session other than the subject matter specified in the public notice.

Respectfully submitted,



Chris W. Cotterill, Secretary

Approved:



John Thompson, Chairman

Attachments:

1. Public meeting notice dated February 26, 2016
2. Public session agenda dated February 26, 2016



### 3<sup>rd</sup> SSBCI Reapportionment Request

Treasury Guidelines allow states to reallocate up to 20% of the State's total allocation of SSBCI funds among Approved State Programs by providing a notice of the reapportionment to Treasury. Indiana may reapportion up to \$6,867,813.

Any amount to be transferred which would exceed this cumulative limitation requires a formal proposed modification request approval in the form of a written Amendment to the Allocation Agreement from the Treasury, and the deadline to submit such modification request is June 30, 2016.

In general, all SSBCI funds being deployed for the first time must be deployed in accordance with the program rules set forth in the Act, the Policy Guidelines, the National Standards, and SSBCI's FAQs. After March 31, 2017, (Program Ending Date) SSBCI funds being deployed for the first time must continue to be deployed in accordance with certain sections of the Allocation Agreement.

#### Proposal

Transfer approximately \$4.3M to the Indiana Angel Network Fund (IANF). Consisting of \$1.1M from the Capital Access Program (CAP) and approximately \$3.2M mainly from the Tranche 3 allocation to 21 Fund Enhancement (direct) initiative. Below figures have been rounded.

#### Summary

<u>Program</u>	<u>2010 Application</u>	<u>Current Allocation</u>	<u>2016 Allocation</u>
IANF	\$8,000,000	\$10,500,000	\$14,800,000
IHGF	\$6,000,000	\$5,000,000	\$5,000,000
	2015 \$1M to IANF		
ISFH	\$7,000,000	\$5,500,000	\$5,500,000
	2011 \$1.5M to IANF		
21 Fund	\$10,500,000	\$10,500,000	\$7,300,000
		2016 \$3.2M to IANF	
CAP	\$1,500,000	\$1,500,000	\$400,000
		2016 \$1.1M to IANF	

Total cumulative reapportionment is approximately \$6.8M

**SSBCI Program Funding  
Investment and Admin Cost Allocation Summary (Per Allocation Agreement)**

Tranche / Initiative Funded	Investment Amount	Admin Costs	%	Total Allocation	Status
1. IANF, IHGF, CAP	\$10,765,299.00	\$566,595.00	5%	\$11,331,894.00	Funded
2. IHGF, ISFH	\$10,991,937.00	\$339,957.00	3%	\$11,331,894.00	Funded
3. 21 Fund Enhancement, CAP	\$11,325,028.00	\$350,258.00	3%	\$11,675,286.00	Funded
<b>TOTALS</b>	<b>\$33,082,264.00</b>	<b>\$1,256,810.00</b>		<b>\$34,339,074.00</b>	
			x 20%		
Max. Reapportionment Limit 20%				\$6,867,813	

**Investment Program Allocations (Per Execution of Agreements)**

Program	Per 2010 Application	Current Allocation	Admin (Not to Exceed)	Transfer to IANF	2016	
					Allocation	Total (Invest + Admin)
Indiana Angel Network Fund, LLC	\$8,000,000.00	\$10,500,000.00 committed \$9.7 for 93%	\$566,595.00		\$14,867,813.00	\$15,434,408.00
Indiana High Growth Fund, LLC	\$6,000,000.00 2015 trans \$1M to IANF	\$5,000,000.00 committed 99.96%	\$169,987.50	\$1,838.85	\$4,998,161.15	\$5,168,148.65
Indiana Seed Fund Holdings, LLC	\$7,000,000.00 2011 trans \$1.5M to IANF	\$5,500,000.00 committed \$1.9 for 36%	\$169,987.50		\$5,500,000.00	\$5,669,987.50
21 Fund Enhancement	\$10,500,000.00	\$10,500,000.00 \$0 used to date	\$350,240.00	\$3,183,710.15	\$7,316,289.85	\$7,666,529.85
CAP Program	\$1,500,000.00	\$1,500,000.00 \$326k used to date	\$0.00	\$1,100,000.00	\$400,000.00	\$400,000.00
Unallocated per Application	\$82,264.00	\$82,264.00	\$0.00	\$82,264.00	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$33,082,264.00</b>	<b>\$33,082,264.00</b>	<b>\$1,256,810.00</b>	<b>\$4,367,813.00</b>	<b>\$33,082,264.00</b>	<b>\$34,339,074.00</b>
	Transferred to Date \$2,500,000.00			Transfer \$4,367,813.00		Total Reapportionment \$6,867,813.00



## Indiana Seed Fund RFP Applicant Summary

EC Meeting February 26, 2016

### Recommend Approval:

#### **Butler Business Consulting Group (“BBCG” or “Butler University”)** [Applicant #14]

Butler University DBA Butler Business Consulting Group, the BBCG, is a management consulting firm housed in the College of Business at Butler University, a not-for-profit. The BBCG serves Indiana companies by offering innovative strategies that support profitable growth. Besides the consulting services offered, the BBCG has a \$1,000,000 active investment fund, as the result of a grant from Lilly Endowment, dedicated to the support and growth of client companies that are based in Indiana through capital investment of up to \$200,000 per entity.

The BBCG Client Investment Fund was established in 2005 and is managed by the Executive Director of the BBCG. The Executive Director seeks investment counsel and guidance from an Investment Advisory Committee (Investment Group), which currently has eight members, made up of Butler and Non-Butler professionals. The Executive Director has three support staff members. Additional private capital may be added to the Fund at the discretion of the Investment Advisory Committee, the BBCG and Butler University. As an integral part to the College of Business at Butler University, the BBCG reports directly to the Dean of the College of Business.

#### Summary:

BBCG received a Pass recommendation from the multi-agency review team (IFA, IHCD, OCRA, OSBE, and IEDC). Applicant met the RFP requirements, has experienced managers, and have support systems to manage the investments.

### Recommend Conditional Approval:

#### **Professionals’ Venture Fund, LLC (“ProVF”)** [Applicant #15]

ProVF was formed in November of 2013 and exists to invest capital in startup and early stage companies. ProVF consists of approximately 20 accredited investors and invests in portfolio companies through the capital contributions of members. Members vote to pursue due diligence on a company and form due diligence committees. Terms and due diligence are then presented to the members to vote on investment. ProVF is a relatively new investment group having been active only since October 2105, but was founded by professionals experienced in entrepreneurship and angel investments.



ProVF is an Indiana limited liability company that consists of accredited angel investors who contribute investment dollars via capital calls. While ProVF plans to have an investment portfolio that is diversified, it focuses on early-stage companies with high growth potential. The board of managers consists of: Matt Martin, David Castor, Tony Ratliff and Richard Fetter. The managers each have been a part of angel investment groups and have operated angel investment groups. Investments range from \$70,000 to \$100,000 per company and ProVF intends to invest in five to six more companies over the next year.

**Summary:**

ProVF met initial pre-screening and staff believes ProVF will received a Pass recommendation from the multi-agency review team (IFA, IHCDA, OCRA, OSBE, and IEDC). Applicant meets the RFP requirements, has experienced managers, and have support systems to manage the investments.



**NOTICE OF A MEETING OF THE  
ENTREPRENEURSHIP COMMITTEE  
OF THE BOARD OF DIRECTORS OF  
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

**AND**

**NOTICE OF EXECUTIVE SESSION OF THE ENTREPRENEURSHIP COMMITTEE  
OF THE BOARD OF DIRECTORS OF THE INDIANA ECONOMIC DEVELOPMENT  
CORPORATION**

Notice is hereby given that the Entrepreneurship Committee of the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on Friday, February 26, 2016, commencing at 12:30p.m. Eastern Time at One North Capitol, Suite 700, Indianapolis, IN 46204.

Prior thereto, the Entrepreneurship Committee of the Indiana Economic Development Corporation will hold an executive session on Friday, February 26, 2016, commencing at 12:00p.m. Eastern Time at One North Capitol, Suite 700, Indianapolis, IN 46204, for consideration of confidential pending incentive requests made to the State of Indiana by industrial or commercial prospects (confidential proposals in progress) and discussion of records or circumstances classified as confidential by state or federal statute, IC. 5-14-1.5-6.1(b)(4) and (7).



**Indiana Economic Development Corporation  
Entrepreneurship Committee Meeting  
Public Session Agenda  
February 26, 2016 (12:30p.m. - 1:00p.m.)**

- I. Call to Order – Chairperson John Thompson
  - Recognition of a quorum
  - Recognition of staff and of executive and public session procedures
  - Reminder to avoid discussion of proprietary IP in the forum
  
- II. Approval of December 9, 2015 Minutes – Chairperson John Thompson
  
- III. 21 Fund Investment Recommendation
  - CloudOne Corporation
  
- IV. Program Management
  - Seed Fund RFP
  - Seed Fund Applicant Review
  - Legislative Update
  - Elevate Ventures Update
  
- V. Adjournment – Public Session

**Executive Session  
(12:00p.m. - 12:30p.m.)**

An executive session is called for consideration of pending incentive requests made to the State of Indiana by industrial or commercial prospects (confidential proposals in progress) and discussion of records and circumstances classified as confidential by state and federal statute, IC. 5-14-1.5-6.1(b)(4) and (7).