

**MINUTES OF THE BOARD OF
DIRECTORS MEETING
MARYLAND INNOVATION INITIATIVE (MII)**

May 14, 2019
1:30 p.m. to 4:30 p.m.

Participating Board Members:

Bob Hallenbeck
Julie Lenzer
Wendy Martin
Willie May
Mary Morris
Nina Urban
Renee Winsky

Participating TEDCO Staff

Stephen Auvil
George Davis
Silvia Goncalves
John Gustin
Arti Santhanam
Tammi Thomas
Ann Pulley
Ira Schwartz, TEDCO Counsel

I. Call to Order

The meeting was called to order at 1:36 p.m.

II. Approval of Minutes of March 14, 2019

The Board considered the minutes from the March 14, 2019 meeting. A motion was made and seconded to approve the minutes as submitted. The motion passed unanimously.

III. Chairman's Report

George Davis, CEO of TEDCO, gave the Board an overview of the Legislative Report findings and how TEDCO is responding to the recommendations. MII was not found in non-compliance, however, it still has to comply with the new regulations imposed by the State.

IV. Director's Report

A. Santhanam discussed the detailed 2020 budget. The group discussed and clarified the Board involvement in administration & oversight of the program and how much authority it should have in making budgetary decisions.

The Board discussed if the "Qualified Business" requirement imposed by new state legislation on the investment programs at TEDCO was applicable to Company Formation

phase investments by the MII Board. Following a discussion with counsel, the Board noted that the requirement carves out situations “otherwise provided” for under the statute, and that the MII Board operates independently of the TEDCO Board. As a result, it was further decided that members of the Board and the MII Director will meet with the key Legislators regarding the restrictions to deepen their understanding of the MII program, and to confirm that the restrictions were not intended to pertain to MII Company Formation phase transactions.

A. Santhanam spoke to the Board about the JP Morgan breakfast workshop that was hosted at TEDCO in April 24th by J.P. Morgan, Cooley, and Danforth Advisors to bring investors that are interested in early state Therapeutics to meet MII companies. J.P. Morgan expressed interest in doing additional breakfasts, including one at the Expo.

A. Santhanam announced that the Advance Medical Technology Association (AdvaMed) is planning a workshop at TEDCO in late June or early July to introduce their organization to TEDCO companies.

Statement for Closing the Meeting

A motion was made and seconded that the Board go into closed session. The motion included the following:

STATUTORY AUTHORITY TO CLOSE SESSION

General Provisions Article of the MD Code, Section 3-305(b)(5):

A public body may meet in closed session ... to consider the investment of public funds.

TOPICS TO BE DISCUSSED: The MII board will discuss which pending grant applications to consider, given the rankings received and other relevant factors. The discussion might also relate to the characteristics of specific applications.

REASON FOR CLOSING: The MII board believes that confidentiality is essential to protect sensitive information about plans and processes that applicants divulge, to avoid a chilling effect on future submissions, and to enable candid discussion of how best to invest limited resources.

The motion was seconded and passed unanimously. The Board went into a closed session at 3:12 p.m. to consider and vote on various grant applications. Five of the ten applications from the March 2019 submissions were recommended to the Board for consideration. In accordance with the provisions of the Maryland Public Ethics Law, Board members recused themselves from that portion of the discussion that pertained to applications from their own universities. The members then discussed and approved five applications.

State Government Article §10-508(a)(1)(ii):

A public body may adjourn an open session to discuss “any . . . personnel matter that affects one or more specific individuals”.

TOPICS TO BE DISCUSSED: The MII Board will discuss the evaluation of the

performance of Program staff in helping it carry out its duties as regards the MII Program.

REASON FOR CLOSING: The MII Board believes that confidentiality is necessary to enable candid discussion of the evaluation of the performance of the Program staff.

The Board determined that its Chair would draft a proposal regarding the evaluation process for Program staff in an effort to promote transparency.

The meeting reopened at 3:50 pm

V. Other Business

A discussion ensued regarding the reimbursement of overhead to the university when the university does business with an MII company. It was clarified that MII does not reimburse overhead costs to universities.

There being no further business, the meeting adjourned at 3:56 p.m.