

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

September 12, 2019
2:00 p.m. to 4:30 p.m.

Participating Board Members:

Bob Hallenbeck, Chair
Julie Lenzer
Wendy Martin
Mary Morris
Renee Winsky
Brian Stansky
Mary Beth Tung
Willie May

Participating TEDCO Staff

Stephen Auvil
Silvia Goncalves
John Gustin
Arti Santhanam
Tammi Thomas
Jody Sprinkle
Ira Schwartz, TEDCO Counsel

I. Call to Order

The meeting was called to order at 2:07 p.m.

II. Approval of Minutes of July 16, 2019

The Board considered the minutes from the July 16, 2019 meeting. A minor correction was made and the minutes were approved as amended.

III. Approval of Minutes of August 22, 2019

The Board considered the minutes from the August 22, 2019 annual retreat meeting. A minor correction was made and the minutes were approved as amended.

IV. Chairman's Report

A discussion ensued regarding the "claw back" clause on the existing MII Phase 1 grant contracts stipulating that if MII grantee technologies were licensed to out-of-state entities, MII receives a payback. The Board agreed to amend the language of the contract to have MII receive 5% of the net royalties received by the university's Tech Transfer Office, up to 1X the MII grant award if the grant technology or any portion thereof is exclusively licensed to a company whose principal place of business is located outside the State of Maryland. This change will become effective with the next cycle and the contract template will be amended to reflect that change going forward.

V. **Director's Report**

A discussion ensued regarding the Site Miner Policy and how to define conflicts of interest. It was decided that B. Hallenbeck will revise the report and circulate it to the Board. The Board will give the Site Miners an opportunity to give feedback before finalizing the final document.

A.Santhanam reminded the Board of the TEDCO Expo on October 29th and informed them that they have been pre-registered.

A.Santhanam announced that JP Morgan will be hosting a breakfast at the Expo for MII companies.

A.Santhanam announced that she presented the MII Program to the Life Science Angels.

A.Santhanam discussed the September 2019 submissions.

A.Santhanam spoke about the AdvaMed Accel's Value Framework held at TEDCO on Sept. 5th for MII companies. AdvaMed offered the attendees discounted tickets to their upcoming conference in Boston, MA.

A. Santhanam announced that CoapTech was selected as one of 50 "Best in Class" Startups for the MedTech Innovator Showcase and Accelerator where they presented in front of 200 investors.

J. Lenzer reminded the Board of the SBIR roadshow on September 20th hosted by University of Maryland, College Park and sponsored by MII. She also announced that MD Sen. Ben Cardin will provide remarks.

J. Lenzer announced that Airgility, an MII company, has been selected to present at the MAVA conference on October 2nd.

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 3:30 p.m. to consider and vote on various grant applications. Eight of the thirteen applications from the July 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 eight 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 4:05pm and immediately went into an Executive Session.

The meeting reopened at 4:24pm.

A discussion ensued regarding TEDCO’s policy on principal place of business as it relates to MII companies. Currently, the MII policy states that 50% of employees must be in Maryland and the nerve center of the business be in Maryland. It was agreed that MII will continue to follow this definition of PPB.

There being no further business, the meeting adjourned at 4:36 p.m.