



**MINUTES OF THE
MARYLAND VENTURE FUND AUTHORITY
June 1, 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 (Absent)

Others in Attendance

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

- Solomon Asad
- Stephen Auvil
- Anne Balduzzi
- Bill Collier
- Theodore Gresser
- Mindy Lehman
- Jack Miner
- Troy Stovall
- Tim Wilson
- Jean-Luc Park
- Sidd Chhabra

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

- Lara L. Hjortsberg
- Jigita Patel

PUBLIC SESSION

The meeting was called to order by Ms. Garry, at 9:01 AM.

I. Introduction of AAG, Lara L. Hjortsberg

Mr. Miner introduced recently hired assistant attorney general Lara L. Hjortsberg. Ms. Hjortsberg provided a brief overview of her past work experience and education.

II. Fair Market Value Overview

Mr. Miner, Mr. Chhabra and Mr. Collier present an overview of the process of assessing the fair market value of investments (“FMV Process”). One of the things TEDCO will work to do at these meetings is to provide more information on the things we do. As the end of the fiscal year approaches, part of the process entails tracking value of portfolio companies and deploying all funds. Mr. Collier provided an overview of the FMV Process, explaining the factors taken into consideration and valuation. Mr. Chhabra further highlighted the current FMV Process as well as the ways TEDCO is working to improve that process and further streamline it in the future. Mr. Miner discussed the compliance and operations elements related to the FMV Process. A discussion ensued and Mr. Stovall and Ms. Patel explained the related reporting obligations.

III. Review and Approval of the March Meeting Minutes

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

IV. Next Meeting September 7, 2022

Chair Garry reminded attendees of the upcoming September 7, 2022, meeting as well as a general reminder to let TEDCO know as soon as possible if anyone has a potential conflict of interest, so we can plan accordingly.

V. Special Committee

Mr. Miner provided an update on the SSBCI funding. In fiscal 2022, it was announced that TEDCO would receive up to \$50 million from Governor Hogan’s small business relief plan that was that was approved for funding from the U.S. Treasury Department’s State Small Business Credit Initiative (SSBCI). TEDCO will allocate the funds into four existing programs targeting technology-based Maryland businesses and entrepreneurs through SSBCI. Three programs—the Venture Equity Fund, Venture Capital Limited Partnership Equity program (“VCLP”), and Seed Funds Equity program—are primarily focused on venture capital and startup funding. The fourth, the Social Impact Funds, provides investment and support to entrepreneurs who demonstrate economic or social disadvantage. Through these four programs, TEDCO continues to leverage its relationships with top-tier technology companies, entrepreneurs, and investors in the state while collaborating with universities, regional business accelerators and incubators, and other organizations.

Mr. Miner reported that TEDCO will hire a consultant to do due diligence on the entire pool of investment candidates for selecting the VCLP fund managers. Further a special committee consisting of Board members and MVFA members will be formed to select the three funds in which to invest. Ms. Quinn noted the very thoughtful process and approach. A brief discussion ensued and Mr. Miner asked for volunteers to serve on the special committee. Mr. Miner will follow-up with MVFA members via email to provide more details on the time commitment and process and to formally request volunteers.

VI. Fiscal Budget Overview by Mr. Stovall

Mr. Stovall provided a brief overview of the of the fiscal year 2022-2023 budget, which included a substantial budget increase for the Stem Cell Research Fund and the addition of the Inclusion Fund.

VII. Closed Session – Statement for Closing the Meeting

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

- a. Time of Closed Session: 9:47 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 January 1, 2022 to March 31, 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 (Ms. O'Rourke excused herself from the approval/voting for The Black Brain Trust, LLC due to conflicts):

Krydus, Inc.: \$200,000, Convertible Promissory Note, Seed Fund

RallyBright, Inc.: \$500,000 Series Seed Preferred Stock, Gap Fund

Safe and Fair Enforcement Inc.: \$200,000 Convertible Promissory Note, Seed Fund

U Startups LLC: \$500,000, Convertible Promissory Note, Gap Fund

Astek Diagnostics, Inc.: \$100,000, Convertible Promissory Note, Builder Fund

CyDeploy, Inc.: \$100,000, Convertible Promissory Note, Builder Fund

Dogwood Gaming, LLC: \$50,000, Convertible Promissory Note, Builder Fund

The Magruder Project, Inc.: \$60,000, Convertible Promissory Note, Builder Fund

Temperature SafeNet, Inc.: \$100,000, Convertible Promissory Note, Builder Fund

The Black Brain Trust, LLC: \$100,000, Convertible Promissory Note, Builder Fund
Givhero, Inc.: \$100,000, Convertible Promissory Note, Builder Fund

DataKwip, Inc.: \$750,000, Series Seed Preferred Stock, Enterprise Fund

SharpRank, Inc.: \$1,000,000, Series Seed Preferred Stock, Enterprise Fund

Transformania, Inc.: \$499,999, Series Seed Preferred Stock, Enterprise Fund

After the review of the investments, there was a brief discussion of the August 16th MVFA annual meeting.

VIII. Adjournment

The meeting was adjourned at 10:56 AM.