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**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Monday, November 23, 2015

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the "Board") was held on November 23, 2015 at Connecticut Innovations, 865 Brook Street, Rocky Hill, CT 06067.

**1. Call to Order:** Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the regular meeting to order at 2:05 p.m. Participating: Christopher Bandecchi (on phone); Michael Cantor; Mun Choi; Richard Mulready; John Olsen, (on phone); John Pavia (on phone); Alexander Pencu (on phone); Paul Pescatello; Rafael Santiago; Richard Gray, State Treasurer's Office; David Siegel (on phone); Catherine Smith, Commissioner of the Department of Economic and Community Development; and Susan Weisselberg, representing the Office of Policy and Management (on phone).

Absent: Joseph Kaliko, Estela Lopez, Board of Regents of Higher Education

Staff Attending: Heidi Bieber Lauren Carmody, Margaret Cartiera, Leslie Larson, Phil Siuta, Glendowlyn Thames, Daniel Wagner, Carrie White and Dave Wurzer.

Other Guests: Scott L. Murphy, Robert Michalik, Patrick Fourteau and Michael Milligan

**2. Approval of Minutes:**

Mr. Cantor asked the members of the Board to consider the minutes from the September 21, 2015 meeting.

**Upon a motion made by Ms. Smith, seconded by Mr. Mulready, the Board members voted in favor of adopting the minutes from the September 21, 2015 as presented. Abstained: Rafael Santiago.**

**3. Chairman's Remarks:**

Mr. Cantor feels excitement for the future direction of job creation and development in Connecticut. Innovator's coming to CI and choosing Connecticut.

#### 4. **CEO Report:**

Mr. McCooe shared that in the future every other BOD meeting would include a business line presentation. The in between meetings will include a portfolio company presentation in some cases asking the board to assist our companies. Mr. McCooe stated his goals and strategic priorities for FY 2016. CI's primary goal is to increase employment in Connecticut by investing in early and growth stage companies. Sustainability and return on investments are crucial to expand our assistance programs to new companies in the future. Expanding our ecosystem presence in Fairfield County could play an important role. He provided an update on the progress made with the global venture challenge and shared the challenge timeline. There was discussion about obtaining sponsorships and financial support from local business.

Mr. McCooe discussed the results of the employee satisfaction survey and shared a new CTNext video highlighting the vibrant collaborative workspaces thriving in CT already.

#### **Change to Order of Agenda:**

Mr. Cantor asked the Board members to consider changing the order of the agenda.

**Upon a motion made by Mr. Cantor, seconded by Ms. Smith, the Board members voted in favor of moving the presentation by New Haven Pharma to be ahead of the CFO report.**

#### 5. **New Haven Pharma Presentation:**

Mr. Fourteau shared that after receiving FDA approval in the fall of 2015 they will be launching in one month's time an anti-platelet therapy called Durlaza. He discussed this cardiovascular prevention system provides round the clock aspirin therapy to high risk patients. He discussed the company's growth, impressive management team, the marketing forecast, strategy and the 100 person sales force that will be added in January 2016.

#### 6. **Action Items:**

**a) Approval of Audited Financial Statements for the FYE June 30, 2015**

### Executive Summary

As required by Section 4.21 of the CI By-Laws, the CI Audit Committee has reviewed the audited financial statements, the valuation report, and the report on internal controls with staff and our auditors Marcum LLP. The Audit Committee has no corrective actions to report and recommends to the Board that they accept the reports as presented.

**Upon a motion by Mr. Mulready, seconded by Mr. Santiago, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of accepting the Audited Financial Statements, the valuation report, and the report on internal controls for the FYE June 30, 2015, as recommended by the Audit Committee.**

### b) Approval of FY 2016 Meeting Calendar

#### Executive Summary

The General Statutes require Quasi- Public Agencies to notify the Secretary of State the meeting dates for the upcoming year. See attached meeting dates.

**Upon a motion by Mr. Mulready, seconded by Mr. Santiago, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of adopting the meeting dates proposed for the 2016 calendar year as presented.**

### c) Approval of Committee Appointments

#### Executive Summary

Section 4.12 of the CI By-Laws requires committee appointments to be approved by the Board.

**Upon a motion by Mr. Santiago, seconded by Mr. Cantor, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of appointing Richard Mulready to the Eli Whitney Investment Committee, Paul Pescatello to the Eli Whitney Advisory Committee and Richard Gray to the Audit Committee.**

**d) Approval to allow Participating Banks to Automatically Enroll Loans up to \$500,000 in the URBANK Program**

**Executive Summary**

The URBANK program currently allows participating banks to automatically enroll loans up to \$350,000 with CI's maximum supplemental insurance exposure equal to \$150,000. This action item allows participating banks to enroll loans up to \$500,000, with our maximum supplemental insurance exposure remaining equal to \$150,000.

**Upon a motion by Mr. Gray, seconded by Mr. Choi, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of the following resolution**

**WHEREAS**, pursuant to Section 32-265, Connecticut Innovations, Incorporated ("CI") administers the Connecticut Capital Access Fund program, also known as URBANK (the "Program"); and

**WHEREAS**, under the Program, financial institutions enter into Master Participation Agreements with CI, which authorize such financial institutions to enroll in the Program certain loans made by them; and

**WHEREAS**, the Master Participation Agreements currently in place require such financial institutions to obtain CI's prior approval before enrolling in the Program any loan to a borrower, if the aggregate principal amount of such loan, when added to the aggregate principal amount of any other loans enrolled in the Program with respect to such borrower, exceeds \$350,000 (up to the maximum of \$500,000); and

**WHEREAS**, the CI Board of Directors believes that, by increasing the loan amount that requires prior CI approval for enrollment in the Program, financial institutions will increase their utilization of the Program.

**NOW, THEREFORE, BE IT RESOLVED THAT** financial institutions participating in the Connecticut Capital Access Fund Program shall hereafter be permitted to enroll in the Program, without the prior approval by CI, any loan to a borrower, provided that (i) the aggregate principal amount of such loan, when added to the aggregate principal amount of all other loans enrolled in the Program with respect to such borrower, does not exceed \$500,000; (ii) the maximum Supplemental Insurance liability of CI with respect to such loan shall not exceed \$150,000 at any time; and (iii) such loan otherwise satisfies the terms and conditions of the Program; and

**BE IT FURTHER RESOLVED**, any Master Participation Agreement currently in place with a financial institution with respect to the Program may be amended to implement the terms of the foregoing resolution

**e) Approval to reallocate \$300,000 of the CTNext budget for expenses related to the Global Venture Challenge**

Executive Summary

The General Statutes require CI's approved budget to be amended for any non-budgeted expenditure over \$5,000. This item will have a zero net effect on CI's total budget since we are reducing the budgeted program expenses related to CT Next for the same amount.

**Upon a motion by Mr. Mulready, seconded by Mr. Pescatello, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of amending the operating budget for FYE June 30, 2016, by reallocating \$300,000 of the existing budget related to expenditures for CTNext to the global venture challenge.**

**f) Approval to allow CI to participate in a joint program with DECD (International Express), which will allow companies to relocate and/or establish operations in Connecticut**

Executive Summary

CI would like to begin attracting the best companies from across the globe to set up operations in Connecticut. We believe that in some cases, CI will be required to show flexibility in our Connecticut presence requirements previously imposed by the Board. While we will show preference for those companies willing to relocate their headquarters to Connecticut, we realize we will see some companies with high-growth potential where it makes sense for the company headquarters to remain overseas. In these potential investments, where CI deems the opportunity for investment and employment gains in state as substantial, we would like the flexibility to make an investment from the Eli Whitney Fund.

**Upon a motion by Mr. Mulready, seconded by Mr. Choi, Connecticut Innovations, Incorporated (CI), at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted to authorize staff, upon the concurrence of the Chief Executive Officer or the Chief Investment Officer and otherwise in accordance with Section 32-40(d) of the Connecticut General Statutes, to approve**

investments from the Eli Whitney Investment Fund of up to \$150,000 to any one recipient, through a joint program (International Express) with the Department of Economic and Community Development, for the benefit of companies relocating or establishing operations in Connecticut, where compelling reasons are made by staff that such companies may not be required to be headquartered or have a specified percentage of employees in Connecticut or satisfy other requirements previously imposed by the CI Board, including Connecticut Presence language imposed by Board policies applicable to other CI investments or programs. Such investments shall be subject to all applicable statutory Connecticut presence requirements and to a modified version of CI's due diligence process.

Members were asked to consider an addition to the agenda.

Upon a motion made Mr. Santiago and seconded by Mr. Choi Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted in favor of adding a motion to discuss and vote on amending the CT presence language for investments above \$150,000.

Upon a motion by Mr. Santiago, seconded by Choi, Connecticut Innovations (CI) at a duly called meeting held on November 23, 2015, a quorum being present, unanimously voted to allow the Committees of Connecticut Innovations the flexibility to impose the Connecticut presence requirements, previously established by the CI Board, as each Committee deems appropriate, on a case-specific basis.

9. **Executive Session:**

Upon a motion made by Mr. Mulready, seconded by Mr. Choi, the Board voted in favor of going into executive session at 3:55 p.m. for the purpose of discussion with counsel of strategy and negotiations with respect to a pending claim (Ms. Smith and Mr. Siegel were not present for the vote). Mr. Murphy was invited to remain during the executive session.

The executive session ended at 4:19 p.m., and the regular meeting was immediately reconvened.

10. **Other Business:**

Mr. Siuta updated the Board on two potential retail centers where Tax

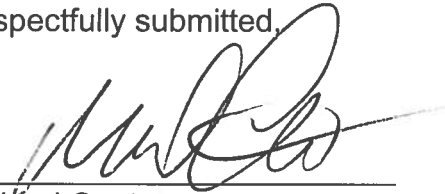
Incremental Financing applications may proceed. Currently there has been discussion on performing two independent reviews to see if the developments are projected meet the debt service requirements.

Mr. Siuta reviewed the state audit report for years ending 2013-2014. A copy will be emailed to all members following the meeting.

11. **Adjournment:**

**Upon a motion made by Mr. Mulready, seconded by Mr. Santiago, the Board voted unanimously in favor of adjourning the November 23, 2015 regular meeting at 4:30 p.m.**

Respectfully submitted,



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Michael Cantor  
Chairperson of CI