

**BOARD OF DIRECTORS**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Monday, November 18, 2013

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the “Board”) was held on November 18, 2013 at the Office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

**1. Call to Order:** Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the regular meeting to order at 9:30 a.m. Participating: Karen Buffkin representing the Office of Policy and Management (by phone); Michael Cantor; Gail Coppage, Board of Regents of Higher Education; Daniel Esty, Commissioner of the Department of Energy and Environmental Protection; Alan Greene (by phone); Joseph Kaliko (by phone); Richard Mulready; John Olsen; Alex Pencu; Rafael Santiago; David Siegel; and Christopher Swift (by phone).

Absent: Mun Choi; Catherine Smith, Commissioner of the Department of Economic and Community Development; Stephen Nocera; Paul Pescatello; and Christine Shaw, State Treasurer’s Office.

Staff Attending: Heidi Bieber, Lauren Carmody, Jeremy Crisp, Kevin Crowley, Lori Granato, Amy Hourigan, Claire Leonardi, Peter Longo, Pauline Murphy, Christopher Penner, Deb Santy, Phil Siuta, Glendowlyn Thames, Linda Wieleba and Dave Wurzer.

**2. Approval of Minutes:**

Mr. Cantor asked the members of the Board to consider the minutes from the September 30, 2013 and October 29, 2013 meetings.

**Upon a motion made by Mr. Santiago, seconded by Mr. Mulready, the Board members voted unanimously in favor of adopting the minutes from the September 30, 2013 and October 29, 2013 meetings as presented.**

### 3. Updates:

#### a. *Audit, Compliance and Governance Committee (“Audit Committee”):*

Mr. Suita noted that the Audit Committee met on October 28, 2013 with CI’s independent auditors and reviewed the draft audited financial statements for fiscal year ending June 30, 2013. He mentioned that the Audit Committee members voted to recommend the acceptance, and the Board of Directors voted on October 29, 2013 to approve the Audited Financial Statements for CI for the fiscal year ending June 30, 2013.

#### b. *Finance, Operations and Governance Committee (“Finance Committee”):*

The Finance Committee has not met and is scheduled to meet on February 24, 2014.

#### c. *Eli Whitney Investment Committee (“Investment Committee”):*

Mr. Longo provided an update on the venture activities for fiscal year 2014 through November 7, 2013. He reviewed the number of active portfolio companies, total funded and amount leveraged from other sources. In response to a question, Mr. Longo indicated that CI was able to leverage almost twice as much funding in fiscal year 2014 versus 2013 because the larger deals funded by CI had more private funding. The Board emphasized the importance of publicizing the amount of private funding CI’s investments have leveraged. As deals get bigger, staff indicated the need for more follow-on investments. Mr. Longo spoke about the number of approvals, pending closings, total exits and jobs created within the current portfolio companies.

#### d. *Loan Committee (“Loan Committee”):*

Ms. Wieleba provided an overview of the fiscal year 2014 lending activities through October 31, 2013. She reviewed the lending activities in fiscal year 2013 compared with fiscal year 2014 through October 31, 2013. She summarized that the activity is on track with goals. Ms. Wieleba reviewed the pending closings and pipeline of activities. A question arose regarding strategic investments. Ms. Leonardi explained the rationale for making strategic investments outside of the normal course of CI’s business. The Board asked to be kept informed of unique projects that are approved by the Eli Investment and/or Loan committees. Ms. Wieleba reviewed the projects in the pipeline. It was noted that the Loan Committee retreat will be held on Friday, December 13, at 20 Church Street, Hartford. All Board members are encouraged to attend.

e. *Small Business Innovation:*

Ms. Santy discussed the activities of the Small Business Innovation, including the Technology Talent Bridge, SBIR Acceleration and Commercialization, Innovation Challenge and the Small Business Innovation and Diversification Program. She spoke about a possible manufacturing program with Sikorsky and UCONN. Ms. Santy discussed the evaluation tools and education and mentoring efforts. She mentioned some of the events being held to recognize success.

f. *Jackson Labs:*

Mr. Siuta provided an update on Jackson Laboratories, and summarized that the project is on schedule to be completed by October 14, 2014. Management of the project was acknowledged for their outstanding collaborative and outreach efforts. The Board noted that the successes of the government collaborating with the private entity should be publicized.

**4. CEO Report:**

Ms. Leonardi mentioned that CI received an updated Business Plan from Jackson Laboratories, and a copy will be sent to the Board. She stated that at the October 29 special meeting, the Board approved funding for the CTNEXT Entrepreneur Ecosystem, and individual contracts are being finalized. Ms. Leonardi provided an update on the staff that will be hired to oversee the program.

Ms. Hourigan reviewed the timing of the launching of the new Website. Ms. Leonardi spoke about the efforts to improve customer service, including an intake function to efficiently and effectively refer customers. Mr. Crisp provided an update on the Bioscience Innovation Fund and noted that internal operational documents have been completed. The next Bioscience Advisory Committee meeting will be held on December 5. The Board asked for an organizational chart that shows the relationships between the different groups.

Ms. Leonardi spoke about the results of the two-year research of the impacts of the 2011 Jobs Bill on CI. In response to a question, Mr. Longo indicated that the workforce has increased as a result of the Jobs Bill legislation. Ms. Leonardi discussed the number of companies new to the CI's portfolio and the management of the portfolio by the investment staff. The Board expressed the importance of telling the story about CI's successes and the dramatic changes. A discussion ensued on a strategic marketing plan. Ms. Leonardi introduced Lauren Carmody who was recently hired as an executive in residence to work with the companies and with CTNEXT. Ms. Hourigan and Ms. Carmody provided some ideas and insight about marketing and communications and noted that a communications plan will be provided to the Board by the end of the year with targets for the first quarter of 2014. Ms. Leonardi spoke about follow-on

investments and noted that cash flow statements are being prepared and consideration given to funds needed for follow-on investments.

Ms. Leonardi introduced Ms. Thames who will be contacting the Board to get feedback on a number of issues, including the expansion of CI as a result of the merger with the former CDA, the governance structure of CI, priorities, potential committee charters for all of the Standing Committees, core topics to focus on at Board meetings, etc. Ms. Leonardi mentioned that efforts are being made by Ms. Thames to research and look at metrics for the organization and how to measure success.

**5. Legislation Update:**

Ms. Granato discussed some of the successful legislative efforts made in the 2013 session and legislative priorities for the 2014 legislative session. Priorities include changes to the investor tax credit program and preseed program. In response to a question about the Stem Cell Research Advisory Committee, Ms. Leonardi mentioned that she will be discussing the potential for a follow-on fund with the Administration.

**6. Approval of 2014 Meeting Calendar:**

Mr. Cantor asked the Board to consider the Board and Committee meeting dates for the 2014 calendar year.

**Upon a motion made by Mr. Mulready, seconded by Mr. Olsen, the Board voted unanimously in favor of accepting the meeting dates proposed for the 2014 calendar year.**

**7. Approval of CTNEXT Funding for The Latino Way Project:**

Mr. Penner reviewed the recommended CTNext proposal for The Latino Way. The Latino Way will provide outreach to Hispanic entrepreneurs. In response to a question, Mr. Penner stated that staff will monitor the success of the program. Staff was urged to keep track of the programs and things that are working and stop the things that are not working.

**Upon a motion made by Mr. Santiago, seconded by Mr. Siegel, the Board voted unanimously in favor of approving CTNEXT funding of up to \$110,000 for The Latino Way project.**

**8. Financial Update:**

Mr. Siuta discussed the actual versus budget revenues, operating expenses and general and administrative expenses for the four months ending October 31, 2013, summarizing that CI is close to budget projections. He reviewed the actual

versus budget program expenses and investment activities, highlighting the variances. Mr. Siuta spoke about the forecast for the remainder of the fiscal year. He reviewed projected cash flow and the balance sheet through the end of the fiscal year. In response to a question about funding from the Jobs Bill, Mr. Siuta explained that CI is working closely with the Office of Policy and Management on the timing of the sale of bonds for CI. Without compromising standards, staff was urged to move forward as quickly as possible with the deal flow and investing in companies. Ms. Leonardi noted the capacity issues, and the Board encouraged Ms. Leonardi to hire staff necessary to manage growth and increased activities.

**9. Company Presentation by Continuity Control, New Haven:**

Mr. Longo introduced Andy Greenawalt, CEO of Continuity Control. Mr. Greenawalt provided an overview of the company that received funding from CI. He explained that Continuity Control automates regulatory compliance management for community banks and credit unions through a software-as-a-service subscription model. In response to a question, Mr. Greenawalt stated that the company currently employs 12 people in Connecticut and anticipates growing to 25 in Connecticut next year.

**10. Company Presentation by B:HIVE, Bridgeport, CT:**

Marcella Kovac, Jordan Rabidou and Luke Scott, three of the six founders of the B:HIVE located in Bridgeport talked about the collaborate workspace. They spoke about the options for utilizing the space. Ms. Kovac explained how the funding from CTNext will be utilized.

**11. Other Business**

There was no other business to discuss.

**12. Adjournment:** Upon a motion made by Mr. Mulready, seconded by Mr. Siegel, the Board voted unanimously in favor of adjourning the November 18, 2013 regular meeting at 11:42 p.m.

Respectfully submitted,

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Michael Cantor  
Chairperson of CI