

ADVISORY COMMITTEE
of the Connecticut Bioscience Innovation Fund
Minutes – Regular Meeting
Wednesday, July 20, 2016

A regular meeting of the **Connecticut Bioscience Innovation Fund** (“the Bioscience Fund”) **Advisory Committee** (the “Committee”) was held on July 20, 2016, at the office of Connecticut Innovations (“CI”), 865 Brook Street, Rocky Hill, CT.

Call to Order: Noting the presence of a quorum, Matthew McCooe, Chief Executive Officer of Connecticut Innovations, and Chairperson of the Committee, called the meeting to order at 10:04 a.m.

Committee members present: Matt McCooe; Peter Farina, Ph.D. (by phone, joined the meeting at 10:05 a.m.); William LaRochelle, Ph.D. (by phone, left the meeting at 11:10 a.m.); Charles Lee, Ph.D. (by phone); Alan Mendelson; Carolyn Slayman, Ph.D. (by phone, joined the meeting at 10:15 a.m.); Yvonne Addo (joined the meeting at 10:10 a.m.); Ed Pezalla, M.D.; Catherine Smith (Commissioner of the CT Department of Economic and Community Development).

Other Attendees: David Wurzer (CI); Ariel Drew (CI); Carrie White (CI); Whitney Harris Brown, Ph.D. (CI, by phone); Pauline Murphy (CI); Lillian Mu (CI); Patrick O’Neill (CI, by phone); Leslie Larson (CI); Rob Michalik (DECD); Dan Wagner (CI); Kevin Crowley (CI).

Approval of Minutes

Mr. McCooe asked the Committee members to consider the minutes from the June 21, 2016 meeting.

Upon a motion made by Mr. Mendelson, seconded by Ms. Smith, the Advisory Committee members voted in favor of adopting the minutes from the June 21, 2016 meeting as presented. VOTE: 6-0-0 (In favor: Smith, Pezalla, McCooe, LaRochelle, Lee, Mendelson).

Peer Review Discussion

Mr. McCooe reiterated to the Committee that the Bioscience Fund will be seeing an uptick in Bioscience company opportunities going forward, as CI expands its Bioscience and Life Sciences portfolio. He stated that the purpose of the meeting was to have the Committee in agreement with the transition of the Bioscience Fund, so that the revised investment process may be implemented and the Fund may begin to invest in more new and follow-on Bioscience deals within CI’s portfolio.

Ms. Murphy reviewed the peer review process and stated that the current Bioscience Fund approach may not work in all instances going forward when the Bioscience Fund

is evaluating a new company investment opportunity. She discussed the limitations of the current peer review process for company applications, including timeline constraints, the inability to utilize a single peer reviewer, and the difficulties that the current process imposes with regard to an open dialogue with peer reviewers. She reviewed the proposed peer review revisions which address the above mentioned concerns, and stated that the revised peer review process is pertinent when reviewing a company prospect.

Mr. Mendelson stated that the peer review process for the Eli Whitney Fund – which would be similar to the Bioscience Fund's revised process – makes sense for the initial investment in a company. He stated that the current process poses limitations in terms of timing.

A discussion ensued regarding the number of reviewers associated to an individual application, and the recruitment process of peer reviewers. There was general agreement that complex applications that include heavy technical content should maintain a vigorous scientific peer review, and consider including multiple peer reviewers. Mr. LaRochelle stated that he was supportive of both scenarios of single or multiple reviewers based on the facts and circumstances of the potential company investment. The Committee agreed to allow for flexibility in the number of reviewers that should be utilized, on a case-by-case basis, depending on the application that is being considered at that time.

Venture Investment Process Discussion

Mr. Wurzer presented an overview of the investment process utilized for Pre-Seed and Venture investments at CI. A lengthy discussion ensued.

Mr. Wurzer encouraged the Committee to review the example materials that were provided to the Eli Whitney Committee and funded by CI Ventures. He invited the Committee to reach out at any point to members of the CI Ventures team with any questions or comments they may have.

Other Business

Mr. Wurzer provided an update on a Bioscience portfolio company that received an investment of \$500,000 in July of 2014. He stated that the Bioscience investment will be converted into an equity round as the company is closing on an additional financing round of \$1-2 million, with a \$10 million pre-money valuation.

Ms. Smith suggested for the Committee to begin thinking about additional ways the Fund can support and invest in the Bioscience ecosystem throughout the state. A discussion ensued. Mr. McCooe suggested an off-site meeting that can serve as a brainstorming session for the Committee to think about larger efforts of support throughout the state, to be scheduled for the fall of 2016.

Adjournment

Upon a motion made by Ms. Mendelson, seconded by Ms. Addo, the Advisory Committee members voted in favor of adjourning the meeting at 11:15 a.m.
VOTE 8-0-0 (In favor: Slayman, McCooe, Farina, Smith, Pezalla, Lee, Mendelson, Addo).

Respectfully Submitted,



Matthew McCooe, Chief Executive Officer
Connecticut Innovations