

**VALUATION COMMITTEE**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Monday, April 29, 2013

A regular meeting of the **Valuation Committee of Connecticut Innovations, Incorporated** (the “Committee”) was held on April 29, 2012, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

**1. Call to Order:** Katherine Vick, Chairperson of the Committee, called the meeting to order at 3:03 p.m. Present: Frank Morse (by phone), Patrick Murphy (by phone), Raghav Nandagopal (by phone), and Katherine Vick (by phone)

Absent: James Jordan

Staff Attending: George Bellas, Peter Longo, Shelly Mondo, Pauline Murphy, Doug Roth (by phone), Matthew Storeygard, Mike Wisniewski and Dave Wurzer.

**2. Approval of Minutes:**

Ms. Vick asked the Committee members to consider the minutes from the July 11, 2012 and June 25, 2012 meetings. In response to a question, Mr. Bellas explained that the changes made to the June 30, 2012 portfolio valuation which were discussed at the July 11, 2012 Valuation Committee meeting were the result of subsequent events that primarily affected the valuation of two CI portfolio companies.

**Upon a motion made by Mr. Morse, seconded by Mr. Murphy, the Committee members voted in favor of accepting the minutes from the July 11, 2012 and June 25, 2012 meetings as presented (Mr. Murphy abstained from the vote, and Mr. Nandagopal was not present for the vote).**

**3. Review of YTD FY13 Investment Activity:**

Mr. Longo discussed the investment activities and fundings for fiscal year 2013 through March 31, 2013, noting that the activity is similar to fiscal year 2012. In response to a question, Mr. Longo discussed some of the financing challenges in the market place and the general overall scope of CI’s investments in 2013.

**4. Review of Preseed and Techstart Loan Portfolios**

Mr. Bellas briefly reviewed the investment activity through March 31, 2013 for the Preseed and Techstart Loan programs. Based on the performance of the preseed program and experience with the portfolio over the last two years, Mr. Bellas explained the recommendation to adjust the manner in which reserves are taken for the overall

preseed portfolio. The Valuation Committee members discussed the recommended change and several options for proceeding. There was general consensus to internally risk rate each of the preseed companies and consider reserves of 25 percent, 50 percent, 75 percent and/or 100 percent based on the results of the risk rating.

**5. Review of Current Investment Portfolio Valuation Procedures:**

Staff will make applicable changes to the Investment Portfolio Valuation Procedures to reflect adjustments to the valuation of the preseed portfolio. The proposed changes will be sent to the Valuation Committee members for review.

**6. Other Business:**

In response to a question, Mr. Bellas indicated that he monitors Government Accounting Standards Board and Financial Accounting Standards Board pronouncements, and no new pronouncements have been issued since CI's last audit that would affect the valuation of CI's portfolio. Mr. Bellas noted that CI's auditors have suggested that going forward, CI also consider the fair value of investments in addition to the cash positions.

Mr. Bellas talked about the process of valuing the portfolio. The Valuation Committee members asked to staff to provide a general write up of the new investments made in the last quarter if there isn't sufficient time to include full write-ups.

The next meeting will be held on Wednesday, June 19, 2013, at 9:00 a.m.

**7. Adjournment:** Upon a motion made by Mr. Morse, seconded by Mr. Murphy, the Valuation Committee members voted to adjourn the April 29, 2013 meeting at 3:35 p.m.

Respectfully submitted,

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Katherine Vick  
Chairperson of the Valuation Committee