

**VALUATION COMMITTEE**  
of Connecticut Innovations, Incorporated  
Minutes – Regular Meeting  
Monday, April 23, 2019

A regular meeting of the **Valuation Committee of Connecticut Innovations, Incorporated** (the “Committee”) was held on April 23, 2019, 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 9:02 a.m. Present: David Jenkins, James Jordan (by phone), Frank Morse (by phone), Patrick Murphy (by phone), and Katherine Vick (by phone).

Staff Attending: Daniel Boyle, Stepheni Harpin, Peter Longo, Heidi Marshall, Pauline Murphy, Hil Scott (by phone) and David Wurzer.

Other Guests Attending: Mario Solari of Whittlesey PC

2. **Approval of Minutes:**

Ms. Vick asked the Committee members to consider the minutes from the September 27, 2018 meeting.

**Upon a motion made by Mr. Morse, seconded by Mr. Jordan, the Committee members voted in favor of accepting the minutes from the September 27, 2018 meeting as presented.**

3. **Review of YTD FY19 (thru March 31, 2019) Investment Activity:**

Mr. Wurzer reviewed the FY19 YTD investment activity.

A discussion ensued.

Mr. Murphy left the call at 9:20 a.m.

4. **Review of Investment Portfolio Valuation Policy and Procedures:**

- Mr. Solari of Whittlesey PC gave an overview of the recently issued AICPA Accounting and Valuation Guide – Valuation of Portfolio Company Investments of Venture Capital and Private Equity Funds and Other Investment Companies and reviewed suggested changes in CI’s valuation policies and procedures, including back-testing to improve the valuation process. A discussion ensued, and the Committee requested a separate September 2019 review and further discussion of CI’s approach to, and documentation of, back-testing.

Ms. Murphy then presented the tentative plan for the FYE 2019 portfolio valuation review to provide substantive support and documentation for at least 75% of the proposed valuations for CI and CBIF, as follows:

- Investments with either the cost or valuation of a portfolio company of \$1,500,000 or greater and that were funded prior to December 31, 2018 – CI will attach support for each valuation, including CI historical investment information, a snapshot of the financial and the capitalization table for each company-all in one document.
- New investments made from January 1, 2019 - June 30, 2019 – a brief summary of company information will be provided to the Committee.
- If there is no change in valuation recommended, or the amount of remaining cost and valuation of the company is less than \$1,500,000 but greater than \$500,000 – CI will provide detailed information regarding the portfolio company but will not plan for detailed discussions, unless there are questions or comments from the Committee.
- Active Company's with investments less than \$500,000 – Summary of company information and the related valuation conclusion will be provided to the Committee.
- Portfolio companies previously reserved 100% or valued at \$1 – CI will include the company in the spreadsheet of "other portfolio Companies". CI will be prepared to discuss but no detailed info will be provided.

This FYE 2019 portfolio valuation review plan was reviewed with Mr. Solari of Whittlesey PC, prior to the meeting, and was approved. A question and answer discussion ensued, and the Committee expressed their support for the tentative valuation plan, for the year ending June 30, 2019, as presented.

**5. Review of Process Timeline for June 30, 2019 Portfolio Valuation:**

Mr. Wurzer, Ms. Murphy and Ms. Harpin discussed the Process Timeline for the FYE2019 portfolio valuation review. Mr. Wurzer stated that CI would be sending the Valuation Package out electronically by August 23, 2019. The Valuation Committee meeting is scheduled for September 13, 2019 at 10:00 a.m. The Committee proposed an additional meeting be scheduled to follow through with back-testing and its analysis.

The Committee was also made aware that CI is looking at board management software platforms for electronic mailing to address the request for annotation capability and ensure appropriate security of the data. Members of the Committee may be called upon to review potential choices.

A discussion ensued.

**6. Other Business:**

There was no other business to discuss.

**7. Next Meeting:**

September 13, 2019, at 10:00 a.m.

8. **Adjournment:**

Upon a motion made by Mr. Jenkins, seconded by Mr. Morse, the Valuation Committee members voted to adjourn the April 23, 2019 meeting at 10:08 a.m.

Respectfully submitted,



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Katherine Vick  
Chairperson of the Valuation Committee