

**ILLINOISVENTURES, LLC  
BOARD OF MANAGERS  
MEETING MINUTES  
July 19, 2016**

**VIA TELECONFERENCE**

**Call to Order**

Chair Ed McMillan called the meeting of the IllinoisVentures, LLC Board of Managers to order at 10:02 a.m. Secretary Designee Wes Curtis completed the roll call and it was determined that a quorum of the voting managers was present on the call. Present on the call and participating in the meeting were:

Voting Managers

Ed McMillan  
Brendan Fox  
Peter Schiffer  
Mitra Dutta  
Nate Hoffmann  
Wade Green  
Michael Liang (joined at 10:12)

Non-voting Managers

Walter Knorr  
Larry Schook  
Mike Bass  
Nancy Sullivan

Absent

Michael Tokarz  
Franklin Prendergast  
William Tai

Other Persons

Jeremy Hollis	Karen Higgins
Tom Parkinson	Wes Curtis
Chase Bonhag	Kapila Vigas
Morgan Doggett	

**Introduction:**

Wes Curtis introduced his colleague, Karen Higgins, Assistant University Counsel, as the new Secretary designee of Illinois Ventures as Wes Curtis is transitioning into a new role as vice president and general counsel of the University of Illinois Foundation. Chair McMillan thanked Wes Curtis for all his contributions, diligence, and attention to detail serving as the IllinoisVentures Secretary Designee.

Larry Schook made some brief remarks in acknowledgement of his last IllinoisVentures Board of Managers meeting since Dr. Schook will no longer serve on the IllinoisVentures Board

of Managers and will return to his University of Illinois professorship role. Chair McMillan thanked Dr. Schook for his service and contributions.

Nancy Sullivan introduced Nate Hoffmann as the new interim Director of the Office of Technology Management on the Urbana Campus, taking over for the former Director, Lesley Millar-Nicholson.

**Action Item: Approval of Minutes**

**Mitra Dutta moved that the minutes from the April 12, 2016 Board of Managers meeting be approved. Peter Schiffer seconded the motion which passed unanimously.**

**Discussion Item: FY16 Actual vs. Budget Overview and Preliminary FY17 Operating Plan**

Nancy Sullivan presented the Actual vs. Budget Comparison, Fiscal Year Ending June 30, 2016. Nancy Sullivan noted that the University of Illinois received a 6-month appropriation for FY2017 and it is unknown what the funding will be after 6 months. Chair McMillan acknowledged the financial dilemma throughout the University due to the state's fiscal crisis. Ms. Sullivan commented the Evergreen fund enables continued investing in early-stage companies. Ms. Sullivan also advised that the Proof of Concept fund was reinstated for faculty of the University of Illinois at Chicago.

Ms. Sullivan presented the FY2017 Operating Plan which is based on a 20% reduction of the University appropriation from FY2015. It was noted during the meeting that the reduction could be higher, but without a state budget, IllinoisVentures will continue with a planned 20% reduction from the FY2015 budget for the present time.

**Action Item: Interim FY17 Budget Resolution**

Nancy Sullivan presented a resolution to delay approving a budget for FY2017 until the total amount of FY2017 from the State is approved and to continue operating its business at 80% of the FY2015 budget until the earlier of the next IllinoisVentures Board of Managers meeting on October 11, 2016 or a budget for FY2016 and/or FY2017 is approved by the IllinoisVentures Board of Managers. **Brendan Fox moved that the following budget resolution be approved. The motion was seconded by Wade Green and passed by unanimous vote.**

RESOLUTION FOR  
MEETING OF IllinoisVENTURES, LLC  
BOARD OF MANAGERS  
July 19, 2016

WHEREAS, at the April 12, 2016 Board of Managers Meeting, the IllinoisVENTURES Board of Managers approved a motion to operate IllinoisVENTURES at 80% of the Fiscal Year 2015 ("FY15") budget until the earlier of the next IllinoisVENTURES Board of Managers meeting on July 19, 2016 or a Fiscal Year 2016 ("FY16") budget is approved by the IllinoisVENTURES Board of Managers;

WHEREAS, the State of Illinois (the “State”) has still not approved a budget for FY16 which covers the period of July 1, 2015 through June 30, 2016;

WHEREAS, the State has not approved a budget for Fiscal Year 2017 (“FY17”) which covers the period of July 1, 2016 through June 30, 2017;

WHEREAS, one source of funding for the University of Illinois (the “University”) is an appropriation from the State;

WHEREAS, the University of Illinois Board of Trustees will not approve a budget for FY16 until the total amount of FY16 funding from the State is approved;

WHEREAS, The University of Illinois Board of Trustees will not approve a budget for FY17 until the total amount of FY17 funding from the State is approved;

WHEREAS, one source of funding for IllinoisVENTURES is an appropriation from the University;

WHEREAS, the IllinoisVENTURES Board of Managers will not approve a budget for FY16 until the total amount of FY16 funding from the University is approved;

WHEREAS, the IllinoisVENTURES Board of Managers will not approve a budget for FY17 until the total amount of FY17 funding from the University is approved;

THEREFORE BE IT RESOLVED that IllinoisVENTURES continue to operate its business at 80% of the FY15 budget until the earlier of the next IllinoisVENTURES Board of Managers meeting on October 11, 2016 or a budget for FY16 and/or FY17 is approved by the IllinoisVENTURES Board of Managers.

**Discussion Item: Student Prize Recipient**

Tom Parkinson presented the recipient of the IllinoisVentures prize for the University of Illinois Urbana-Champaign campus in support of student new venture competitions. The recipient is Amber Agriculture which company also won the Cozad New Venture Competition. Mr. Parkinson presented a brief summary of Amber Agriculture’s technology: the company’s technology helps farmers monitor moisture and other factors that impact crops in storage. The prize will be awarded once the company incorporates. The prize money is \$10,000 and will be paid in the form of a convertible note.

**Discussion Item: FY2017 Board of Manager Meeting Dates**

Nancy Sullivan presented the IllinoisVentures meeting schedule for 2017. There will be two in-person meetings and two teleconference meetings on the following dates:

January 10, 2017 (10a-12pm CT)	Teleconference
April 4, 2017 (11a-2pm CT)	Chicago in-person
July 11, 2017 (10a-12pm CT)	Teleconference
October 2, 2017 (11a-2pm CT)	Urbana in-person

**Discussion Item: Website Discussion/Articulation of the Relationship between IllinoisVENTURES and the University of Illinois**

Jeremy Hollis presented the new IllinoisVentures website and discussed the articulation of the relationship between IllinoisVentures and the University of Illinois. The new IllinoisVentures website focuses on its investments in University startups and Mr. Hollis presented screenshots from the website home page and “About” section which respectively state: “We [IllinoisVentures] help to start and build businesses based on innovations from the University of Illinois” and “IllinoisVentures was formally launched in 2002 to catalyze the creation and development of research-derived companies from the University of Illinois.” Mr. Hollis also noted that the website features links to specific programs and partnerships on campus and presents a case study on how IllinoisVentures helped a University startup company. Mr. Hollis also noted that the website includes a posting of the open meeting minutes plus the meeting agendas. Wes Curtis commented that he does not see any legal issues with the website or need to specifically address the Board of Trustees of the University of Illinois.

**Discussion Item: POC Dashboard for Review**

Kapila Vigas presented an update and a list on the Proof of Concept (POC) Program projects and status of progression and completion. Ms. Vigas noted that there have been 40 funded POC projects since 2012.

**Action Item: Stock Management Strategy**

Nancy Sullivan presented the IllinoisVentures stock management strategy and noted the team was opening a brokerage account to enable selling when appropriate. Ms. Sullivan presented IllinoisVentures recommendations for two of its publicly held stock holdings: RespireRX(RSPI) and NantKwest (NK). IllinoisVentures recommends for RespireRX: selling 50% of shares if able and revisit sale of remaining 50% holdings during the January 2017 board meeting. If any major changes occur in stock price or volume, the IllinoisVentures team will contact the board via email for any necessary approvals to trade.

IllinoisVentures holds shares of NK stock. IllinoisVentures recommends for NantKwest: to monitor analyst reports and continue to hold remaining NK shares and start selling 50% of its current holdings when and if stock hits \$15.00 per share. If any major changes occur in stock price or volume, the IllinoisVentures team will contact the Board via email for any necessary approvals to trade.

Michael Liang moved to approve the recommendations for the RespireRX and NantKWest stock holdings. The motion was seconded by Brendan Fox and passed by unanimous vote.

**Motion for Executive Session.**

Chair McMillan made a motion to move into Executive Session to: (i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss business, marketing and other confidential financial information and strategies pertaining to IETF Fund III which, if disclosed, would cause competitive harm; and (iii) discuss confidential financial and proprietary information of companies currently in IllinoisVentures's portfolio, managed by IllinoisVentures, or in its pipeline which, if disclosed, would cause competitive harm. Nate Hoffmann moved to approve. The motion was seconded by Brendan Fox and passed unanimously.

**Chair McMillan adjourned the Open Session meeting at 10:38 a.m. to move into Executive Session upon motion by Nate Hoffmann and seconded by Brendan Fox and passing unanimously.**

**Open Session Reconvened**

The Open Session meeting was reconvened by Chair McMillan at 12:01 pm. A roll call was taken and a quorum was present on the call.

**Action Item: Approve Investment in Reconstruct**

**Peter Schiffer moved that IllinoisVentures invest \$150,000 in Reconstruct, Inc., a new University startup company, for seed funding. The motion was seconded by Mitra Dutta and passed by unanimous vote.**

**Action Item: Approve Investment in Aptimmune Biologics**

**Nate Hoffmann moved that IllinoisVentures, as a follow-on investment, invest \$50,000 in the University startup company, Aptimmune Biologics. The investment of \$50,000 was approved to enable the company to secure additional funding from a specific investor. The motion was seconded by Brendan Fox and passed by unanimous vote.**

**Adjournment**

**There being no further new or old business to discuss, Peter Schiffer moved for adjournment and Mitra Dutta seconded. The motion passed unanimously and the meeting was adjourned at 12:04 p.m.**

Respectfully submitted,

Karen Higgins  
Designee for Secretary

**Approved by Board of Managers October 11, 2016**