

**ILLINOISVENTURES, LLC  
BOARD OF MANAGERS  
MEETING MINUTES  
July 14, 2015**

**Teleconference Call**

Call to Order

Chair Ed McMillan called the teleconference meeting of the IllinoisVentures, LLC Board of Managers to order at 10:05 a.m. and welcomed all attendees. Secretary Designee Heidi Rockwood completed the roll call and it was determined that a quorum of the voting managers was present. Present and participating in the teleconference meeting were:

Voting Managers

Mitra Dutta  
Brendan Fox  
Warren Holtsberg  
Ed McMillan  
Lesley Millar-Nicholson  
Franklyn Prendergast  
Michael Tokarz  
Peter Schiffer

Non-voting Managers

Michael B. Bass  
Walter K. Knorr  
Larry Schook (joined at 12:05)  
Nancy Sullivan

Absent

William P. Tai

Other Persons

Arun Bhatia  
Kevin Berliner  
Jeremy Hollis  
Angela McFarland  
Heidi Rockwood (Secretary's Designee)  
Tom Siegel

Approval of BOM Minutes of April 14, 2015

Chair McMillan asked if there were any questions or corrections to the April 14, 2015 minutes of the Board of Managers. There being none, **Mike Tokarz moved that the minutes be approved as presented. Mitra Dutta seconded the motion and the minutes were unanimously approved.**

Approval of 2016 Meeting Schedule and Modification to October 2015 Meeting

Chair McMillan asked for a motion to approve the schedule of meetings for the 2016 calendar year as presented with the exception of the July 12, 2016 date. **Mike Tokarz moved that the meeting dates be approved. Brendan Fox seconded the motion and the following dates were unanimously approved:**

October 13, 2015	9a-12p CT	Chicago in-person
February 9, 2016	10a-12p CT	Teleconference
April 12, 2016	11a-2p CT	Chicago in-person
July 19, 2016	10a-12p CT	Teleconference
October 11, 2016	11a-2p CT	Urbana in-person

Approval of Resolution for John Regan

**Warren Holsberg moved that the resolution be approved as presented. Mike Tokarz seconded the motion and the resolution was unanimously approved as follows:**

The Board of Managers of IllinoisVENTURES, LLC sincerely appreciates the dedicated leadership and outstanding service of **John Regan**, as a professional member of IllinoisVENTURES, LLC and of the Illinois Emerging Technologies Fund I and II.

IllinoisVENTURES, LLC was created in 2000 by the University of Illinois to serve faculty, staff, and students and to help fulfill the University's obligation to promote the growth and development of Illinois' high-technology economy by providing world-class support for startup companies commercializing University technologies and fulfillment of the University's fourth mission of economic development.

Mr. Regan's dedication and distinguished service from 2003 to 2015 was essential for the operation of Illinois VENTURES, LLC, the management of the Illinois Emerging Technologies Fund I and II, and for the effective commercialization of University-based technologies.

The members of the Board of Managers acknowledge the loyalty and dedicated service of John Regan to Illinois VENTURES, LLC and direct that this resolution become part of the official public record incorporated into the minutes of today's meeting.

Warren Holtsberg asked how the Resolution would be presented. Nancy Sullivan responded that it would be framed and presented to John Regan.

#### FY 2015 Budget Overview

Chair McMillan welcomed Angela McFarland to the Board meeting and to Illinois VENTURES. Angela McFarland presented the FY2015 actual versus budget comparison of the sources and uses statement for the eleven months ending 5/31/15. She stated the actuals are on a cash basis.

#### FY 2016 Budget Scenarios

Angela McFarland then discussed the four FY 2016 budget scenarios included in the board package. The proforma was based on the approved strategic plan with adjustments made as a result of the delay in closing IETF III. The first scenario assumed the same FY 2015 appropriations from the university. The next scenario detailed a ten percent cut in appropriations. The remaining two scenarios detailed a 20% and 30% cut in the university appropriation.

Ed McMillan asked Walter Knorr what scenario Illinois VENTURES should operate under until the university has a budget. Walter Knorr explained that state scenarios run from a low end of 8.5 to a high end of 31.1% cuts and the scenarios provided to the Board cover this range. Walt indicated that a decision at the state level could take some time. The university is operating on a basis consistent with FY 2015 until further notice. Ed McMillan asked if a motion was needed for Illinois VENTURES to continue its operations consistent with their FY 2015 budget. Michael Bass suggested that it was probably best logistically to run through September 30<sup>th</sup> since the BOM is expected to meet again on October 13, 2015. **It was determined that Walter Knorr and Nancy Sullivan would work together on wording for a resolution for a temporary FY 2016 budget to be consistent with the FY 2015 budget through September 30. The Board will vote via email on that resolution and it will be codified at the October 2015 meeting.**

#### POC Portfolio Update

Ed McMillan asked Jeremy Hollis to provide the update on the Proof of Concept (POC) Portfolio. Jeremy reaffirmed that he is still working with the state to try to get the \$125,000 of committed Regional POC funds released. He then stated that the Chancellor's Innovation Fund POC finals were held in June. There were 20 proposals submitted, narrowed down to seven finalists and four awards were made. Jeremy then updated the Board on earlier CIF projects

#### Entrepreneurship Fellowship

Ed McMillan asked Tom Siegel to speak about the Entrepreneurship Fellowship. Tom Siegel noted that the fellowship has changed its name and is now called iVenture Accelerator. The accelerator is very engaged in the ecosystem and includes partners that work together: AEL (Academy for Entrepreneurial Leadership), Research Park, TEC (Technology Entrepreneur

Center) and Social Innovation at Illinois. It supports student entrepreneurs with early stage financial support. There was good interest in the program, 36 applications were received, 13 startups were admitted, with 34 fellows on the 13 startup teams.

#### InvestMidwest Update

Ed McMillan then asked Nancy Sullivan to update the Board on InvestMidwest. Nancy Sullivan recapped that at the last meeting she informed the BOM that IV was working with the InvestMidwest group to bring the conference to Chicago. Chicago needed to raise \$50,000 to host the conference in 2016. Kansas City and St. Louis have hosted the conference in the past. She is hoping to have a decision by InvestMidwest in the next 30 days.

#### IV Investment Selection Criteria Update

Chair McMillan then asked Arun Bhatia to provide the update in investment selection. Arun said at the last meeting the board was presented with screening criteria for investment recommendations. The team took the feedback from that presentation and made two additions, (i) university affiliation and (ii) management team maturity which includes experience time and the resources the founder brings along with the ability of the team to recruit management talent. Arun stated that the team will continue to refine the criteria and that the board would see this when they talk about some opportunities in this call.

Mr. McMillan thanked Arun for the update.

**Next, Mitra Dutta made a motion to move into Executive Session to: ((i) discuss and approve Executive Session minutes of the last meeting; (ii) discuss confidential financial and proprietary information of companies currently in IV's portfolio and in its pipeline which, if disclosed, would cause competitive harm; and (iii) to discuss business, marketing**

**and other confidential financial information, strategies and proposals pertaining to the establishment of IETF Fund III which, if disclosed, would cause competitive harm.**

**Peter Schiffer seconded the motion which passed by unanimous vote. The Board adjourned at 11:35 a.m. to convene in Executive Session.**

**At 12:05 p.m., the Board of Managers reconvened in open session by teleconference, (Franklyn Prendergast did not rejoin the meeting, Larry Schook joined).**

#### Approval of Investment in Agrible

**Ed McMillan asked for a motion to approve an investment of \$100,000 in a first closing with a minimum closing of \$2.5 million in Agrible. Mitra Dutta moved and Peter Schiffer seconded the motion. The motion passed unanimously.**

#### Approval of Investment in Aptimmune

Franklyn Prendergast exited the call prior to the vote on the investment in Aptimmune. Ed McMillan asked Nancy Sullivan to follow-up with Franklyn on any further input regarding the investment in Aptimmune after the meeting. As the Board still had a quorum, they continued with the vote on a \$100,000 Series A investment in Aptimmune. **Brendan Fox moved to approve the motion. Lesley Millar-Nicholson seconded the motion. In a follow-up phone conversation between Franklyn Prendergast and Nancy Sullivan on July 16, 2015, Franklyn provided his support and approval for the Aptimmune investment.**

Chair McMillan then asked if there was any new or old business to discuss. Nancy said she had sad news to report and that due to the problems with the POC funding not coming through, Jeremy Hollis was resigning and it is an immense loss to Illinois VENTURES. Ed McMillan then asked if there was any other business, and heard none.

Adjournment

**Brendan Fox moved to adjourn, Michael Tokarz seconded the motion and the meeting adjourned at (12:08 p.m.).**

Respectfully submitted,

Nancy Sullivan  
CEO & Managing Director

Approved on October 13, 2015  
by the Illinois VENTURES Board of Managers