

**ILLINOISVENTURES, LLC  
BOARD OF MANAGERS  
MEETING MINUTES  
FEBRUARY 9, 2016**

**Teleconference Call**

**Call to Order**

Chair Ed McMillan called the teleconference meeting of the IllinoisVentures, LLC Board of Managers to order at 10:01 a.m. Secretary Designee Wes Curtis 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

Ed McMillan  
Brendan Fox  
Michael Tokarz  
Michael Liang  
Peter Schiffer  
Mitra Dutta  
Lesley Millar-Nicholson  
Wade Green

Non-voting Managers

Walter Knorr  
Larry Schook  
Nancy Sullivan

Absent

William P. Tai  
Franklin Predergast  
Mike Bass

Other Persons

Jeremy Hollis  
Kapila Vigas  
Chase Bonhag  
Angela McFarland  
Wes Curtis

**Action Item: Approval of Minutes**

Chair McMillan asked if there were any questions or corrections regarding the October 13, 2015 minutes of the Board of Managers. **Lesley Millar-Nicholson moved that the minutes be approved. Mitra Dutta seconded the motion which passed unanimously.**

**Information Item: Written Action Approval to Accept Membership and Make a Commitment in IllinoisVentures Holdings II, LLC**

Nancy Sullivan reviewed the resolution accepting membership and making a commitment in IllinoisVentures Holdings II, LLC which was previously approved by written action of the Board of Managers on December 22 and 24, 2015. The following is the resolution and the record of approvals:

**Resolution**

WHEREAS, the Board of Directors (“Board”) of IllinoisVENTURES GP II, LLC (“IV GP II”) desires to offer a Commitment in IllinoisVENTURES Holdings II, LLC (“Holdings II”) to IllinoisVENTURES, LLC (“IV”) equal to the amount of the Cancelled Commitment or \$23,362.50 and, the Former Principals and the Board of IV GP II, LLC desire to admit IV as a Member of Holdings II as indicated in the Consent and Acknowledgement Agreement (“Agreement”);

WHEREAS, the Board of IV GP II and Former Principals desire to appoint IV as the Managing Member of Holdings II effective as of December 31, 2015 as indicated in the Agreement;

THEREFORE, BE IT RESOLVED that the IV Board of Managers approves the execution of the Agreement in which IV accepts membership and the related commitment in Holdings II in the amount of \$23,362.50; as well as, the appointment as Managing Member of Holdings II.

**APPROVED by the written action of the following Managers via email:**

- **Mitra Dutta on 12/22/2015**
- **Brendan Fox on 12/22/2015**
- **Wade Green on 12/22/2015**
- **Michael Liang on 12/24/2015**
- **Ed McMillan on 12/22/2015**
- **Lesley Millar-Nicholson on 12/22/2015**
- **Bill Tai on 12/22/2015**

**Discussion Item: New Team Member and Searches in Progress**

Nancy Sullivan welcomed Chase Bonhag to the Illinois Ventures team. He holds the title of Visiting Associate at the Urbana-Champaign campus office. Nancy then gave the following recap of the hiring plan:

- Visiting Associate / Senior Associate (Champaign) – January, 2016 - hired (Chase Bonhag)
- Senior Director / Principal (Champaign) – finalist identified – verbal offer accepted February 8, 2016 – expected start date February 16, 2016
- Visiting Project Coordinator / Analyst – recruiting – February, 2016
- Visiting Associate / Senior Associate (Chicago) – recruiting pending – this is the position vacated by Arun Bhatia.
- Marketing person – by end of summer, 2015 – on hold
- Administrator – by end of summer, 2015 – on hold

**Action Item: Interim FY16 Budget**

Angela McFarland presented a resolution to extend the temporary budget until the next Board of Managers meeting on April 12, 2016. Walt Knorr indicated that a 20% reduction in IV's budget is a good guideline to use and encouraged IV to be as frugal as possible.

**Mike Tokarz moved that the following budget resolution be approved. The motion was seconded by Lesley Millar-Nicholson and passed by unanimous vote.**

Resolution

WHEREAS, at the October 13, 2015 Board of Managers Meeting, the Illinois VENTURES Board of Managers approved a motion to operate Illinois VENTURES at 80% of the Fiscal Year 2015 (“FY15”) budget until the earlier of the next Illinois VENTURES Board of Managers meeting on February 9, 2016 or a Fiscal Year 2016 (“FY16”) budget is approved by the Illinois VENTURES 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, 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, 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;

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 April 12, 2016 or a FY16 budget is approved by the IllinoisVENTURES Board of Managers.

**Discussion Item: FY16 Actual vs. Budget Overview**

Angela McFarland reviewed the actual versus budgeted cash operating statement for IllinoisVentures, LLC for the first six months of fiscal year 2016. FY16 is budgeted at 80% of the FY15 budget. At the end of the first six months of FY16, IllinoisVentures is well under budget with sources less uses totaling \$3.2 million compared to the budgeted \$1.9 million. This is the result of IllinoisVentures staff continuing to operate in a fiscally conservative manner in light of the current State budget uncertainty.

**Discussion Item: Chancellor’s Innovation Fund – Proof of Concept Update**

Kapila Vigas reviewed the new activities and comprehensive program data of the UIC Chancellor’s Innovation Fund and Proof of Concept (POC) Program. In the general discussion that followed, Lesley Millar-Nicholson requested that more information be provided to the BOM regarding what the next steps have been for the completed POC projects. Kapila indicated that she will provide this information at the next BOM meeting

**Executive Session**

**Peter Schiffer 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, strategies and proposals pertaining to IETF Fund III which, if disclosed, would cause competitive harm; and (iii) discuss confidential financial and proprietary information of companies currently in IV's portfolio, managed by IV, or in its pipeline which, if disclosed, would cause competitive harm. The motion was seconded by Mitra Dutta and passed unanimously.**

**Chair McMillan adjourned the Open Session meeting at 10:40 a.m. to move into Executive Session.**

**Reconvene**

**The Open Session meeting was reconvened by Chair McMillan at 11:50 a.m.**

**New/Old Business**

Nancy Sullivan reported that the next IllinoisVentures Board of Managers meeting is scheduled for 11:00 am to 2:00 pm on April 12, 2016 in Chicago unless others prefer to meet in Champaign. Hearing no objections to meeting in Chicago, Chair McMillan confirmed that the next meeting will be in Chicago.

**Adjournment**

There being no further new or old business to discuss, **Peter Schiffer moved for adjournment and Brendan Fox seconded. The motion passed unanimously and the meeting was adjourned at 11:52 p.m.**

Respectfully submitted,

Wes Curtis  
Designee for Secretary

**Approved by the Board of Managers on April 12, 2016**