



CANCER PREVENTION & RESEARCH
INSTITUTE OF TEXAS

Oversight Committee Meeting Minutes

January 20, 2015

1. Meeting Called to Order

A quorum of six being present, Dr. Rice called the Oversight Committee to order at 10:01 A.M.

2. Roll Call /Excused Absences

Dr. Rice asked Amy Mitchell, Secretary of the Oversight Committee, to take attendance of the Oversight Committee. All were present except Mr. Angelou, Mr. Geren, and Mr. Holmes. Ms. Mitchell stated that Mr. Angelou, Mr. Geren, and Mr. Holmes notified CPRIT that they would be unable to attend the meeting.

MOTION:

Dr. Rice asked for a motion to approve an excused absence for Mr. Angelou, Mr. Geren, and Mr. Holmes.

Motion by: Montgomery

Seconded by: Rosenfeld

MOTION CARRIED UNANIMOUSLY

3. Adoption of Minutes from the November 19, 2014, meeting.

Dr. Rice informed the committee that the minutes from the November 19, 2014, meeting were under Tab 1 in their meeting books. He asked if anyone had comments but there were none.

MOTION:

Dr. Rice called for a motion to approve the minutes of the November 19, 2014, Oversight Committee meeting.

Motion by: Montgomery

Seconded by: Rosenfeld

MOTION CARRIED UNANIMOUSLY

4. Contract Terms for Product Development Grants

Dr. Rice recognized Mr. Roberts, Chief Executive Officer and Mr. Tom Goodman, Chief Product Development Officer, to present the contract terms for Product Development grants.

Mr. Roberts stated all the relevant information on the contract terms was in the meeting book. He thanked the Oversight Committee members who served on the Subcommittee on Economic Terms—Pete Geren, Amy Mitchell, Will Montgomery and Dr. Craig Rosenfeld—for the extra work their participation required. He then thanked the members of the advisory committee that was put together in the process of this project. He noted that the members of the Advisory Committee on Product Development were listed on page 30 of the November 19, 2014, minutes under Tab 1 in the meeting book.

The overall purpose of the project was to develop general contract terms for outstanding product development awards and for awards going forward. The overarching criteria that were addressed were that the terms: be simple and understandable; provide the state with a fair and reasonable rate of return on investment; take into account that CPRIT's involvement is only to provide financing to awardees; do not prohibit or restrict company formation and job growth in Texas; and take into account the fact that CPRIT's cost of capital is much lower than that of other investors. The terms also needed to ensure that the state would participate in any large returns if a company did expand, and were in an appropriate range for venture capital funding that was neither too permissive nor too restrictive to prevent follow-on funding. After talking with the advisory committee, Mr. Roberts stated that the recommended terms accomplish all the goals mentioned. The terms are spelled out on page 39 in the meeting book. Mr. Roberts noted that Dr. Goodman had provided a memo under Tab 2 that gave a brief justification for each one of the terms. Mr. Roberts then requested adoption of the terms as presented on behalf of the Contract Issues Subcommittee.

Dr. Rice called for any questions or comments from the full Oversight Committee members. Mr. Geistweidt asked if there were any grantees who were not companies. Ms. Doyle, General Counsel, responded that there were not at this time, and stated that these terms presented were only for product development awards. Mr. Montgomery asked that the word "company" be changed to "grantee." No further discussion was heard.

MOTION:

Dr. Rice called for a motion to approve the Product Development General Contract Terms upon the condition that the word "company" be changed to "grantee."

Motion by: Montgomery

Seconded by: Rosenfeld

MOTION CARRIED UNANIMOUSLY

MOTION:

Dr. Rice called for a motion to authorize the Chief Executive Officer to execute contracts with approved product development grantees, consistent with the approved terms.

Motion by: Montgomery

Seconded by: Rosenfeld

MOTION CARRIED UNANIMOUSLY

5. Consultation with General Counsel

This agenda item was not taken up.

6. Future Meeting Dates and Agenda Items

Dr. Rice announced the next meeting of the Oversight Committee is scheduled for February 18, 2015, with the location to be announced at a later time.

7. Adjourn

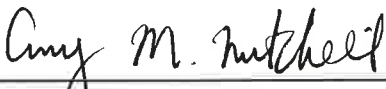
There being no further business, Dr. Rice called for a motion to adjourn.

Motion by: Montgomery

Seconded by: Geistweidt

MOTION CARRIED UNANIMOUSLY

Meeting adjourned at 10:09 A.M.



Signature



Date