



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION
INFORMATION OR **DISCUSSION**

TOPIC: InvestMaryland -- Fueling Innovation, Creating Jobs

COMMITTEE: Economic Development and Technology Commercialization

DATE OF COMMITTEE MEETING: June 19, 2012

SUMMARY: InvestMaryland is a public / private investment program to address the need for early stage capital for early stage technology companies. Mr. Frank Dickson, Principal at the Maryland Venture Fund, will discuss this program to fuel innovation and create jobs in the state of Maryland.

ALTERNATIVE(S): This item is for discussion purposes.

FISCAL IMPACT: This item is for discussion purposes.

CHANCELLOR'S RECOMMENDATION: This item is for discussion purposes.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-2783

INVEST MARYLAND

Fueling Innovation, Creating Jobs

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Fueling Innovation, Creating Jobs

Venture-Backed Companies

MARTEK
life enriched.™

MedImmune

Avalon
pharmaceuticals



VOCUS

BROADSOFT

Google™

Advertising.com™
WE MAKE THE WORLD CLICK

CYLEX®
incorporated

SOURCEfire

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Setting the Stage

1998- 2004



Now



Future



- Venture Ecosystem – Entrepreneurs, Funds, Talent

Maryland's State Venture Investing

InvestMaryland – Investment Program

- Public / Private investment program to address the shortage of early stage capital for early stage technology companies

Maryland Venture Fund (DBED administrator)

- Challenge Investment (\$50-150K) are in technology based businesses positioning for VC investment
- Enterprise Investments (\$150-500K) with VCs on institutional rounds ranging from \$3-\$20M.

Maryland's State Venture Investing

Governor Martin O'Malley Announces \$84 Million in Investment for Maryland's Innovation Economy

March 15th, 2012

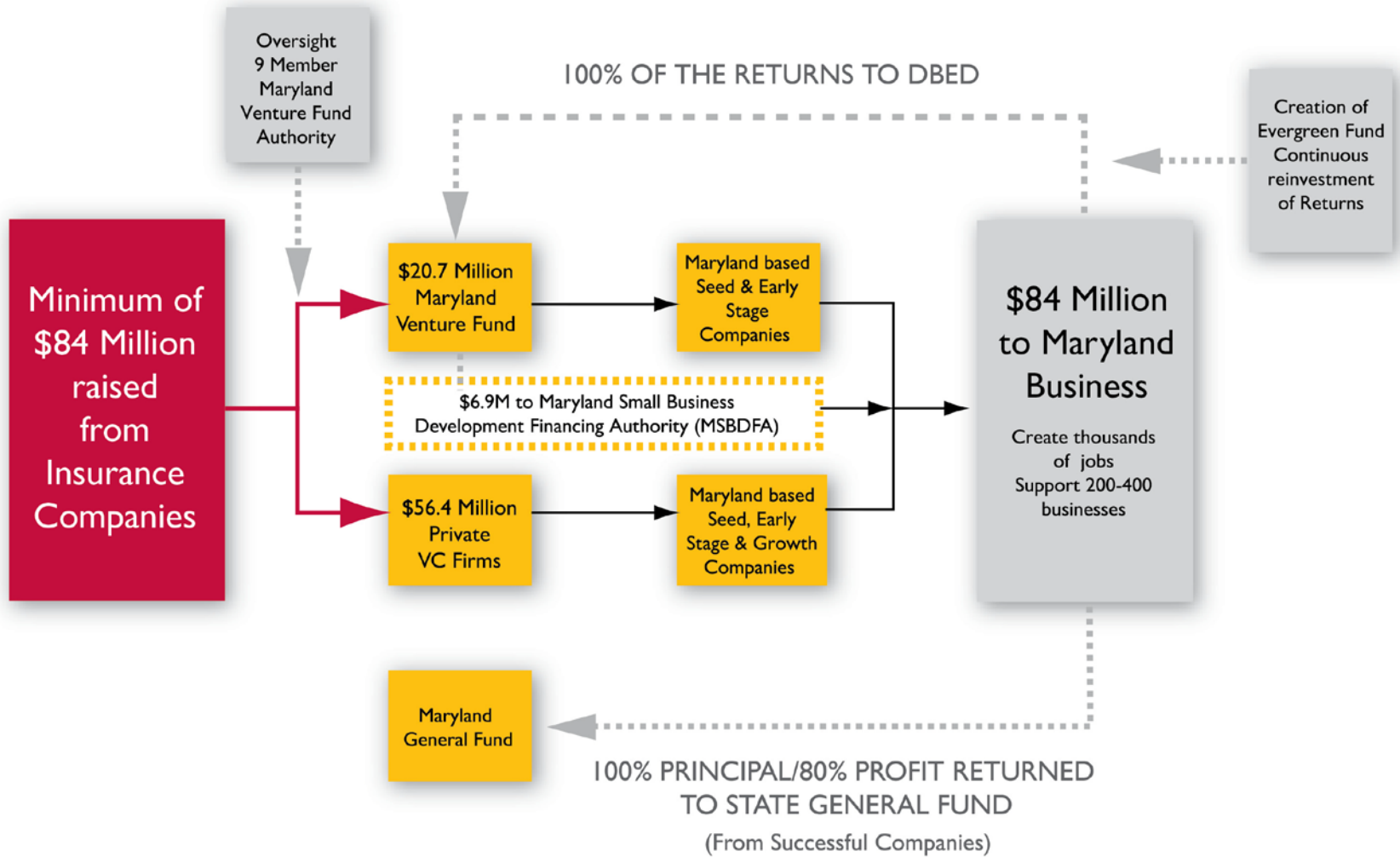
**“ Maryland first state in the nation to use online auction to raise funds for venture capital program
InvestMaryland will deploy first round of funds to seed early stage companies this summer.”**

[Tax Credit Auction Results](#)

<https://www.bidmaryland.com/auction/4624/results>

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Maryland Venture Fund – History

Maryland Venture Fund

- Received \$25 million in General Funds over 10-13 years
- \$61 million returned to the Fund
- Invested \$51 million in more than 200 Maryland companies and helped to create 2,000+ jobs

Recent Wins

- Moodlerooms acquired by Blackboard – 2 PT to 100FT in 5 years.
- Coderyte acquired by 3M – 5-6 FT to 100 FT in 10 years

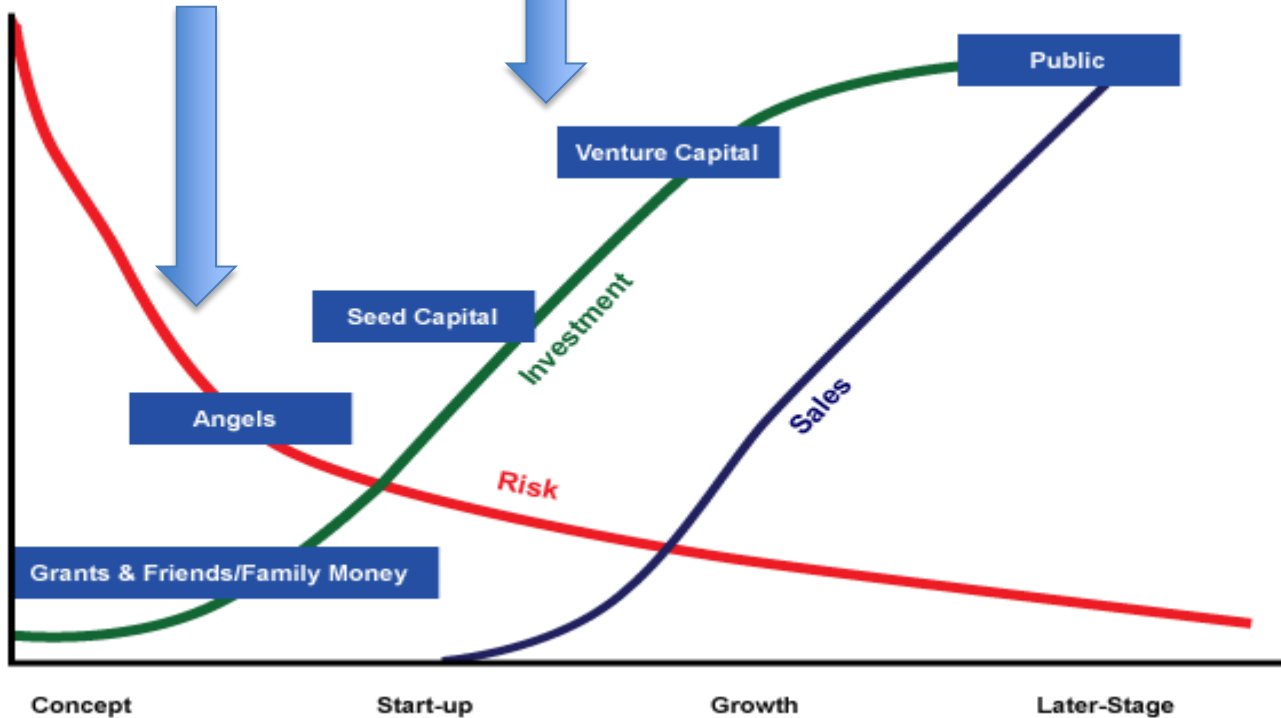
Maryland Venture Fund - Programs

Enterprise Investments

Challenge Investment \$150-\$500,000

\$50-\$100,000

Stages of company development



- **Establish Maryland Venture Fund Authority (9 members)**
May – July 2011: Selection of Authority members; scheduling of meetings
- **3rd Party Consultant Selection - Tax Credit and VC Selection**
December 2011 - Grant Street Group - selected as Tax Credit Auction consultant
January 2012 – Altius Associates selected as VC selection consultant.
- **Tax Credit Auction – March 15th - Raised \$84,000,000.**
- **VC applications due starting Jan 1, 2012 through May 1st, 2012.**
- **Collection of Insurance company payments**
June 1, 2012-2014
- **Investment of Funds**
July 2012 to term
- **Receipt of Distributions**
2015 to term

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Thank You

Frank Dickson

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