



Agenda Item 3

USM Ventures Investment Fund



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION INFORMATION OR DISCUSSION

TOPIC: USM Ventures Investment Fund (action item)

COMMITTEE: Economic Development and Technology Commercialization

DATE OF COMMITTEE MEETING: March 27, 2014

SUMMARY: On February 14, 2014 the Board of Regents approved a USM Policy on Investments. The policy enables USM institutions to invest in or provide loans to businesses located in Maryland that license institution-owned intellectual property.

Following approval of the policy, UM Ventures proposed the creation of an investment fund to provide early stage capital to start-up companies. The attached letter from President Perman requests approval of the Board of Regents to allow UMB/UM Ventures to invest up to a total of \$500,000 in FY14 and FY15 in Maryland-based start-up companies that license USM-owned intellectual property. The source of the funding would be State of Maryland funds in the UM Ventures budget. The new USM Policy on Investments requires the Board of Regents to approve the fund source for investments, based on the recommendations of the Committee on Economic Development and Technology Commercialization, the Chancellor, and the institution's president.

ALTERNATIVE(S): The Committee could elect to not approve the creation of this investment fund or modify the initial investment fund amount.

FISCAL IMPACT: The investment fund would total up to \$500,000 in FY 2014 and FY 2015 and the source of the funding would be State of Maryland funds in the UM Ventures budget. Investments may be used to acquire equity or provide loans or convertible loans and there is potential for a return on these investments.

CHANCELLOR'S RECOMMENDATION: That the Committee recommend that the Board of Regents approve the creation of a UM Ventures investment fund totaling up to \$500,000 in FY14 and FY15 to provide early stage capital to Maryland-based start-up companies that license USM-owned intellectual property.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

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

March 13, 2014

William E. Kirwan, Ph.D.
Chancellor
University System of Maryland
3300 Metzerott Road
Adelphi, MD 20783

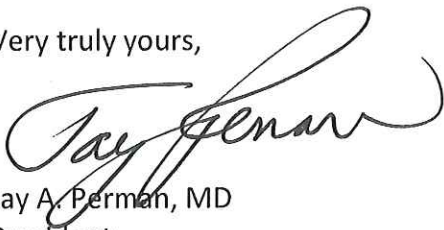
Dear Brit:

Thank you for your support of the Board of Regents Policy on Investments and Loans to Maryland-based Businesses That License University Intellectual Property (Policy No: VIII – 14.00). This initiative will help us to attract experienced entrepreneurs to lead our start-up companies and angel funding to spur their growth. It also is a significant incentive for our start-up companies to locate in Maryland.

In accordance with the Policy, I hereby request the approval of the Board of Regents to allow UMB to invest and loan up to a total of \$500,000 in FY14 and FY15 in our Maryland-based start-up companies. The source of the funding would be State of Maryland funds in the UM Ventures budget.

Thank you for your consideration.

Very truly yours,



Jay A. Perman, MD
President

Cc: Gary Attman, Chair, Committee on Economic Development and Technology Commercialization