



MINUTES
ANNUAL MEETING
OF
WEST VIRGINIA JOBS INVESTMENT TRUST BOARD
AUGUST 12, 2020

The annual meeting of the West Virginia Jobs Investment Trust Board (WVJIT) was held by teleconference on Wednesday, August 12, 2020 at 1:00 p.m. at the WV Jobs Investment Trust Board office located at 1012 Kanawha Boulevard, East, 5th Floor, Charleston, WV 25301. A quorum was confirmed. Those participating were:

CHAIRMAN: Ann Urling, Deputy Chief of Staff; WV Governor's Office

BOARD MEMBERS:

Christian Asam
Erica Boggess, Treasurer
Bill Goode
Tim Millne
Dr. Javier Reyes
Ginny Painter
Robert Pepper
Ann Starcher
Dr. Sarah Armstrong Tucker

STAFF:

Michele O'Connor, WVJIT Investment Manager
Wilma L. Groves, WVJIT Board Secretary
Brad Sergent, WVJIT Investment Analyst

OTHERS:

Elizabeth Benedetto; Spilman Thomas & Battle, representing WVJIT
Robert Adams, CPA/CGMA; Brown Edwards
Krista Hartley, CPA/Senior Associate; Brown Edwards

BOARD MEMBERS ABSENT:

Gale Gray
Mark Grigsby
Bob Welty, Vice-Chairman
Senator Eric Tarr (Ex-Officio)
Delegate Martin Atkinson (Ex-Officio)

STAFF ABSENT:

C. Andrew Zulauf, WVJIT Executive Director

The agenda for the meeting and action taken consisted of the following:

I. BROWN EDWARDS AUDIT UPDATE.

The Chairman introduced Brown Edwards Director, Robert Adams, and Senior Associate, Krista Hartley, who communicated to the Board the firm's fair audit representation for the 2020 fiscal year. Mr. Adams gave the current status of the WVJIT audit and concluded the discussion by telling the Board to feel free to contact him in the event there were any questions or concerns regarding WVJIT and its audit.

II. APPROVAL OF ACTION TAKEN AT AND MINUTES OF THE JULY 8, 2020 REGULAR/ QUARTERLY BOARD MEETING.

The approval of the July 8, 2020 minutes was introduced to the Board for approval. There were no questions or objections.

MOTION – Approval of Minutes.

Ms. Boggess moved that the minutes of and the action taken at the July 8, 2020 board meeting be approved. Ms. Painter seconded the motion and the motion carried.

III. EXECUTIVE SESSION.

MOTION – Executive Session.

Mr. Millne moved that, since the Board needs to consider certain matters involving confidential, commercial, financial and/or personal information relating to investments or prospective investments of the West Virginia Jobs Investment Trust, that the Board convene into Executive Session pursuant to WV Codes §12-7-11 and §6-9A-4. Mr. Pepper seconded the motion, and the motion was carried. The Board entered into Executive Session at 1:07 p.m.

There were no motions made during Executive Session. The Board reconvened into regular session at 1:15 p.m.

IV. ANNUAL EVALUATION OF WVJIT INVESTMENTS.

The Chairman introduced the annual evaluation of investments as the next order of business.

Ms. O'Connor updated the Board on the progress and valuation of WVJIT's portfolio companies for the past fiscal year. The Board asked about the economic impact of COVID-19 on the companies. Ms. O'Connor replied that some, but not all were affected by it.

Upon recommendation by the Executive Director, the portfolio company investments are to be valued at cost with the exception of the following:

- CereDx (dba Valtari Bio) – recommending a 50% loan loss reserve.
- Crosscutting Concepts – recommending 100% loan loss reserve and a ~\$15K write down on the investment per GASB policies.
- Figure 8 Surgical – recommending a 50% write down of the investment value.
- PolyPlexx – recommending a 50% write down of the investment value.

MOTION – Adoption of Resolution of Investment Values.

Ms. Boggess made a motion to approve the Executive Director's recommendations and to adopt the resolution of investment values. Ms. Starcher seconded the motion and the motion carried. The resolution, as adopted, reads as follows:

WHEREAS, the Jobs Investment Trust Board had investments as of June 30, 2019 of: (1) Aither Chemicals, LLC - \$.00 (100% Reserve); (2) American Benefit, Inc. - \$699,650; (3) ABC Holding, Inc. - \$499,230; (4) Billow Global, Inc. - \$52,249; (5) CereDx, Inc. (dba Valtari Bio) - \$250,000; (6) CFOAM, LLC. - \$125,000 (Loan Repaid); (7) Core 10, Inc. - \$545,000; (8) Crosscutting Concepts, LLC - \$188,335 (GASB); (9) Figure 8 Surgical, Inc. - \$250,000; (10) Greenbrier Technical Services, Inc. - \$228,382; (11) IstoVisio, Inc. - \$200,000; (12) Liberty Hydro, Inc. - \$.00 (100% Reserve); (13) MATRIC, Inc. - \$1,136,000; (14) MightyTykes, LLC - \$.00 (100% Reserve); (15) Mountaineer Trout Farm, LLC - \$100,331; (16) PolyPlexx, LLC. - \$271,560; (17) SIOX, LLC - \$200,000; (18) Troy, LLC - \$581,037; (19) U.S. Glass - \$.00 (GASB); (20) Wright Wold Scientific, LLC - \$62,500; and

WHEREAS, the Jobs Investment Trust Board and its Executive Director have reviewed these investments, which review procedure has included, among other things, a review of the investment analyses, business plans, financial statements and investment documents, as well as detailed discussions with management of the companies since there are no readily ascertainable market value for these investments; and

WHEREAS, the Executive Director has proposed the following resolution for adoption by the Board; now therefore, be it

RESOLVED, that the Board hereby determines that the Jobs Investment Trust Board investments should be and are hereby valued as of June 30, 2020 as recommended by the Executive Director in his June 30, 2020 Annual Investment Analyses Report, as follows: (1) Aither Chemicals, LLC - \$.00 (100% Reserve); (2) American Benefit, Inc. - \$699,650; (3) ABC Holding, Inc. - \$499,230; (4) Billow Global, Inc. - \$52,187; (5) CereDx, Inc. (dba Valtari Bio) (50% Reserve) - \$125,000; (6) CFOAM, LLC. - \$125,000 (Loan Repaid); (7) Core 10, Inc. - \$545,000; (8) Crosscutting Concepts, LLC - \$107,629 (GASB) (100% Reserve); (9) Figure 8 Surgical, Inc. - \$125,000 (50% Write-Down); (10) GoJaneGo - \$125,000; (11) Greenbrier Technical Services, Inc. - \$346,468; (12) InspectionGo - \$500,000; (13) IstoVisio, Inc. - \$200,000; (14) MATRIC, Inc. - \$797,500; (15) Mountaineer Trout Farm, LLC - \$74,480; (16) PolyPlexx, LLC. - \$135,780 (50% Write-Down); (17) SIOX, LLC - \$200,000; (18) Troy, LLC - \$581,037; and (19) Wright Wold Scientific, LLC - \$125,000. The Board believes that, based upon the procedures performed, the valuation of these investments appears reasonable and the documentation appropriate. However, the Board realizes that because of the inherent uncertainty of valuations, these estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material; and

FURTHER RESOLVED, that the Board hereby approves and ratifies all actions taken by the Executive Director, the Chairman, the Executive Committee and all other officers, agents, employees and independent contractors with regard to this resolution.

V. FINANCIAL REPORTS: 2020/2021 WVJIT BUDGET/FINANCIALS.

The Chairman introduced the WVJIT budget and financials as the next order of business.

Ms. O'Connor discussed the budget and June financials with the Board. She noted that WVJIT's cash position was strong and that WVJIT continues to work towards increasing its deal flow and deploying more investment capital.

MOTION – Approval of June 30, 2020 WVJIT Draft Financial Statements.

After discussion, Mr. Millne made a motion to approve the June 30, 2020 draft financial statements. Ms. Starcher seconded the motion and the motion carried.

MOTION – Approval of 2020/2021 WVJIT Budget.

After discussion, Mr. Pepper made a motion to approve the 2020/2021 budget as presented. Ms. Boggess seconded the motion and the motion carried.

VI. ELECTION OF OFFICERS FOR 2020/2021.

The next order of business was the election of officers for 2020/2021.

The Chairman told the Board that if there were no objections or new candidates, the current officers needed to be re-elected.

Ms. O'Connor told the Board that Bob Welty has opted not to serve another term as Vice-Chairman due to an increase in his other office duties and that he wanted to relay he was honored to have served on the Board and believes strongly in the mission of WVJIT.

After discussion, the Board nominated Ann Starcher to serve as the new Vice-Chairman. Ms. Starcher accepted the nomination.

MOTION – Election of Officers.

Mr. Millne moved to re-elect the current officers; Erica Boggess, Treasurer and Wilma Groves, Board Secretary. He further moved to appoint Ann Starcher as the new Vice-Chairman. Mr. Goode seconded the motion and the motion carried.

VII. OTHER BUSINESS.

WVJIT AUDIT COMMITTEE.

Ms. O'Connor told the Board there is a WVJIT Audit Committee meeting scheduled for August 26th to review and discuss the preliminary audit findings with the intended goal of presenting a draft audit report for the Board to review and approve at the next meeting scheduled for September 9th. She concluded that JIT is working the due diligence on several new companies, one of which should be ready by the September meeting.

3 STEPS TO START UP PROGRAM.

Ms. O'Connor discussed the article included in the board agenda “3 Steps to StartUp”. The article, posted in the current issue of WV Executive magazine, explains how three West Virginia assistance providers – INNOVA Commercialization Group, the WV Jobs Investment Trust, and TechConnect WV – have launched a project that will generate small business growth and economic diversification. The goal of the program is to enhance the startup pipeline and accelerate the development, job creation, investment and market introduction of new companies in West Virginia. To date, there are 42 companies in the program, and 8 companies have been funded with a total of nearly \$3.2M in investment and debt capital along with \$1.8M in SBIR/STTR grant funding.

VIII. ADJOURMENT.

MOTION - Adjournment.

There being no other business, the Chairman asked for a motion to adjourn. Mr. Pepper made a motion to adjourn. Ms. Starcher seconded the motion and the meeting adjourned at 1:27 p.m.



Ann Urling
Chairman



Wilma Groves
Board Secretary