



STATE OF OREGON
OFFICE OF THE STATE TREASURER
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SALEM, OREGON 97301-3896

OREGON GROWTH ACCOUNT
DECEMBER 1, 2009
MEETING MINUTES

OGA Board Members Present: Richard Bader, Les Fahey, Kanth Gopalpur, Tim Phillips, Stan Timmermann, and Steven Vincent

Member on the Phone: Treasurer Ben Westlund

Staff Members Present: Michael Burdick, Andy Hayes, Julie Jackson, and Mike Mueller

Legal Counsel Present: Steven Marlowe, Oregon Department of Justice

Consultants Present: J.B. Hayes and Jon Finney, CTC Consulting

The meeting of the Oregon Growth Account Board was called to order at 10:02 am by Vice Chair, Richard Bader.

I. 10:02 am: Review and Approval of September 1, 2009 Minutes:

MOTION: Mr. Vincent moved to approve the September 1, 2009 OGA Board minutes. The motion was seconded by Mr. Timmermann and passed by a vote of 5/0 (Mr. Phillips had not yet arrived; Treasurer Westlund had not yet dialed in).

II. 10:03 am: 2010 Meeting Dates:

The 2010 OGA meeting dates were introduced to the Board. Mr. Timmermann moved to approve the meeting dates. Mr. Gopalpur seconded the motion. The motion was passed by a vote of 6/0 (Treasurer Westlund had not yet dialed in).

III. 10:06 am: OGA Quarterly Account Update:

Mike Mueller, Deputy Chief Investment Officer, Jon Finney and JB Hayes with CTC Consulting gave an OGA quarterly account update.

Cash Flow Analysis

Mr. Mueller reviewed the November 23, 2009 performance summary.

Portfolio Update

Mr. Finney gave a 3rd Quarter 2009 overview of fund activity and performance.

There was a brief question and answer period following the presentation. A request came from Mr. Fahey that CTC Consulting add a column to the "OGA Illiquid Alternative Investments Performance Summary Table" that shows, by fund, how much each fund has invested in Oregon companies.

10:15 am: Treasurer Westlund dialed in.

Of note, NW Technology Ventures was downgraded to below expectations with concern. Mr. Phillips recalled a past email discussion regarding fees, but he could not specifically remember what was said. Mr. Mueller recalled that the issue was related to NWTV, and he will follow up with the Board.

IV. 10:32 am: Investment Recommendation – Marquam Hill Capital:

Mr. Phillips made it known that the Scientific Director of Marquam Hill Capital, LLC, is a client of Phillips & Company. Mr. Phillips is the Chief Executive Officer of Phillips & Company. Marquam Hill Capital, LLC, is not a client of Phillips & Company. Steven Marlowe, Assistant Attorney General, stated this could be a potential conflict of interest, but because Mr. Phillips had publicly announced the nature of the conflict, Mr. Phillips may participate in the Board's consideration of Marquam Hill Capital, LLC.

At the June 23, 2009 OGA Board Meeting, the Board heard a presentation from Javier Fernandez (Managing Director), John Hull (Managing Director), and August Sick (Venture Director) from Marquam Hill Capital (MHC). This fund is a target \$50 million early-stage venture capital fund focused on oncology related technologies, through research tools available at OHSU. Since that time, MCH has opened an office in Beaverton and has completed their facilities agreement with OHSU. Additionally, CTC has completed a full due diligence process on the fund.

There was a brief question and answer period following the presentation.

MOTION: Mr. Phillips moved to approve staff recommendation of a commitment to Marquam Hill Capital Fund I, of \$5 million, subject to the following:

1. A first closing no later than December 31, 2010;
2. A final close of at least \$25 million;
3. The successful negotiation of legal documents with staff working in concert with the Department of Justice and CTC Consulting.

Mr. Fahey seconded the motion. The motion was passed unanimously by a vote of 7/0.

VI. *11:35 am: New Strategy for Venture Capital Investing in Oregon *(this item taken out of order):

Matt Compton presented and discussed a new prospective strategy for Venture Capital investing in Oregon. This would be a technology focused strategy in venture capital funding in Oregon.

There was a brief question and answer period following the presentation. The Board asked for more due diligence in this area and would like to be involved in creating any recommendations that may come from this.

*Treasurer Westlund left the meeting at 12:05 pm
Kanth Gopalpur left the meeting at 12:07 pm.*

V. *12:07 pm: Oregon Angel Fund *(this item taken out of order):

Eric Rosenfeld and Bob Ward provided an update on the Oregon Angel Fund.

There was a brief question and answer period following the presentation.

VII. 12:37 pm: Other Business:

There was no other business discussed.

VIII. 12:38 pm: Public Comments:

There were no public comments.

The meeting adjourned at 12:38 pm.

Respectfully submitted,



Julie Jackson
Executive Support Specialist