DELEGATE AUTHORITY TO THE UNIVERSITY COMPTROLLER TO ENGAGE MARKET AGENTS FOR SALE OF STOCK OR OTHER EQUITY INTERESTS

**Action:** Delegate Authority to Engage Market Agents

**Funding:** Commissions Deducted from Sale Revenues

The University fosters commercialization of University-related intellectual property, including formation of and investment in startup companies, under the direction of the Vice President for Technology and Economic Development. In some instances, IllinoisVENTURES also invests in a startup company in which the University owns equity. As these companies mature, the University usually develops an exit strategy may have the opportunity to monetize some or all of its investment. In most cases this will involve liquidation of all or a portion of the University’s ownership interest through a stock broker or other marketing agent.

The purpose of this Board item is to put in place a process by which stock brokers or other marketing agents can be identified and selected in prompt fashion that maximizes the University’s return in the case of investment in companies in which IllinoisVENTURES has also invested. As normally occurs, the selling agent will be paid a modest commission out of the revenue generated by the sale. The particular security
and situation will define the type of market agent expertise required. Brokers will be selected for University stock transactions through appropriate procurement processes.

The President recommends that the Comptroller of the Board be authorized to engage brokers or other marketing agents, and execute all necessary documents necessary to sell equity in those companies in which both the University and IllinoisVENTURES possess equity. The University’s sale of its equity will occur as and when IllinoisVENTURES liquidates its position, and in the same proportion, enable the sale of University-owned stock or other equity interests which is also owned by IllinoisVENTURES. In making decisions regarding the disposition of these assets on behalf of the Offices of Technology Management, the Comptroller will use customary financial due diligence and will consult with the appropriate parties at IllinoisVENTURES concerning the timing of the sale.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois Statutes, The General Rules Concerning University Organizations and Procedures, and Board of Trustees policies and directives.