

# Maryland Venture Fund

Frank Dickson

[frdickson@choosemaryland.org](mailto:frdickson@choosemaryland.org)

410-767-6383



# Challenge Investment Program

## The Audience

### Seed-Stage Companies

- Less than \$1MM in revenues
- Less than 25 employees
- Technology driven & seeking VC\$ in future
- Maryland based



# Challenge Investment Program

## The Deal

- Initial investment of \$50,000; maximum \$150,000
- Additional investments are milestone driven
- Requires a 1:1 co-investment match
- Contingent royalty repayment agreement
  - Royalty in form of 2% of revenues over \$500,000
  - Royalty in form of 1% payment of equity raised over \$500,000
  - Royalty payments capped at three times investment
  - 1:1 private sector co-investment match
  - 10 year maximum term



# Enterprise Investment Fund

## The Audience

- Emerging High Technology Companies
- Seeking \$1,000,000+ of private equity capital
- Patented or proprietary products
  - Biotech
  - Telecommunications
  - Information technology
  - Life Sciences
  - Advanced Materials



# Enterprise Investment Fund

## The Deal

- Enterprise can invest \$150,000 to maximum of \$500,000
- Form of investment:
  - Equity – preferred stock
  - Convertible debt
- Term of no more than 15 years
- Holding of no more than 25% of equity



# Portfolio Companies

**ALBA**  
THERAPEUTICS



**Avalon**  
pharmaceuticals



**SOURCE**fire

**GENE**  **LOGIC**

**CYLEX**<sup>®</sup>  
incorporated



# Contacts

- [www.choosemaryland.org](http://www.choosemaryland.org)
- [Mid-Atlantic Venture Association - www.mava.org](http://www.mava.org)

## Venture Fairs:

- Grubstake
- Capital Connection
- Early Stage East



# Thank You

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