



# **Emerging Technology Fund**

## **Commercialization Award (Subchapter D)**

### **Project Proposal**

Office of the Governor  
Emerging Technology

**For OOGEDT Use Only:**

**Date Received:** \_\_\_\_\_

**Project:** \_\_\_\_\_

**RCIC:** \_\_\_\_\_

**File Number:** \_\_\_\_\_

## **DIRECTIONS FOR COMPLETING THE APPLICATION**

Submit completed applications to a state designated Regional Center of Innovation and Commercialization (RCIC). A link to all the state designated regional centers of innovation and commercialization can be found at [www.governor.state.tx.us](http://www.governor.state.tx.us).

All emerging technology commercialization award (Subchapter D) project applications to be considered for funding by the Governor, Lt. Governor and Speaker of the House, on a quarterly basis, must originate from or be sponsored by a state designated Regional Center of Innovation and Commercialization.

NOTE: Use a separate application for ETF Matching Grant (Subchapter E) or Research Superiority (Subchapter F) applications. The applications can be found on the governor's web site at [www.governor.state.tx.us](http://www.governor.state.tx.us).

All fields in the application **must be completed** for there to be a successful submission. **Any fields that do not apply to the project, please put "not applicable or n/a" in the space provided.**

**All confidential and proprietary information must be clearly identified by the applicant in each section, where applicable, in the application.**

**CONFIDENTIAL AND PROPRIETARY INFORMATION**

The Office of the Governor must comply with the Texas Public Information Act (the "Act"). Under the Act, however, we do have authority to maintain the confidentiality of the name of and other information related to a company seeking to locate in the state until after the location negotiations are completed.<sup>1</sup>

In the event a public information request related to an applicant is submitted to our office, we will:

- (1) promptly notify the applicant of the request,
- (2) take all possible and appropriate actions with the Attorney General of Texas to prevent release of the information, including asserting exemptions under the Act (including the Economic Development Negotiations exception of section 555.131<sup>2</sup> and the Trade Secrets/Commercial Information exception of section 555.110)<sup>3</sup>, and
- (3) provide the company with full information and opportunity to participate in such process.

After an award is approved and a contract is signed, the Office will release non-confidential information in response to public information requests.

Applicants should consult legal counsel in regards to disclosing confidential information and the applicability of the Public Information Act.

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<sup>1</sup> Sec. 490.057 Texas Government Code: "CONFIDENTIALITY. Information collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for an award from the fund is confidential unless the individual or entity consents to disclosure of the information."

<sup>2</sup> Sec. 552.131 Texas Government Code: "EXCEPTION: ECONOMIC DEVELOPMENT INFORMATION. (a) Information is excepted from the requirements of Section 552.021 if the information relates to economic development negotiations involving a governmental body and a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and the information relates to:  
(1) a trade secret of the business prospect; or  
(2) commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained.  
(b) Unless and until an agreement is made with the business prospect, information about a financial or other incentive being offered to the business prospect by the governmental body or by another person is excepted from the requirements of Section 552.021.  
(c) After an agreement is made with the business prospect, this section does not except from the requirements of Section 552.021 information about a financial or other incentive being offered to the business prospect:  
(1) by the governmental body; or  
(2) by another person, if the financial or other incentive may directly or indirectly result in the expenditure of public funds by a governmental body or a reduction in revenue received by a governmental body from any source."

<sup>3</sup> Sec. 552.110 Texas Government Code: "EXCEPTION: TRADE SECRETS; CERTAIN COMMERCIAL OR FINANCIAL INFORMATION. (a) A trade secret obtained from a person and privileged or confidential by statute or judicial decision is excepted from the requirements of Section 552.021.  
(b) Commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained is excepted from the requirements of Section 552.021.

**0.1 - CERTIFICATION OF APPLICATION**

**Authorized Business Representative (This is the applicant)**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ - \_\_\_\_\_

Office Phone Number \_\_\_\_\_ Direct Office \_\_\_\_\_

Mobile Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

To the best of my knowledge and belief, the information contained in this Texas Emerging Technology Fund Application is true and correct, as evidence of my signature below. I further certify the business entity is in good standing under the laws of the state in which the entity was organized and that no delinquent taxes are owed to any taxing entity within the State of Texas.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**0.2 - BUSINESS APPLICANT INFORMATION**

Exact Legal Name of Business which application is made

\_\_\_\_\_

Federal Tax ID Number \_\_\_\_\_ Comptroller of Public Accounts Number \_\_\_\_\_

Corporate Credit rating & Source \_\_\_\_\_ Product produced \_\_\_\_\_

NAIC \_\_\_\_\_

Will the business be required to pay State Sales and Use tax on Equipment?  Yes  No  Undetermined

Does the applicant have a Dun & Bradstreet number?  Yes  No D&B # \_\_\_\_\_

Is the applicant registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify structure of Applicant (private, public, Inc., LLP, LP, etc.) \_\_\_\_\_

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Please identify the state RCIC(s) that is originating or sponsoring the project

**State Designated RCIC** \_\_\_\_\_

**SECTION 1 – Executive Summary**

**Please Note: All confidential and proprietary information must be clearly identified by the applicant, where applicable, throughout this application. Confidential and proprietary information must be clearly noted and marked on the applicable page within the application.** All portions of the application that are not marked as being confidential may automatically be considered public information. The Office of the Governor assumes no responsibility for asserting legal arguments for Applicants. Applicants are advised to consult with their legal counsel concerning disclosure issues resulting from this proposal process and to take precautions to safeguard trade secrets and other proprietary information

**1.1 - NAME OF PROJECT**

Please provide the name of the project

**1.2 - COMMERCIALIZATION AWARD (SUBCHAPTER D) AMOUNT REQUESTED**

NOTE: Use separate application for Matching Grant (Subchapter E) or Research Superiority (Subchapter F) applications. The applications can be found on the governor’s web site at [www.governor.state.tx.us](http://www.governor.state.tx.us)

Award amount requested for project \$ \_\_\_\_\_  
Is the applicant applying for an award under the pre-seed criteria?  Yes  No

**1.3 - EXECUTIVE SUMMARY**

Give a brief **non-confidential** summary of the project in the space provided below. Limit response to 250 words.

**1.4 - MISSION AND GOALS OF PROJECT**

Briefly describe the mission and goals of this project. Limit response to 100 words.

**1.5 - KEY TECHNICAL & COMMERCIALIZATION MILESTONES OF PROJECT**

List specific technical & commercialization activities to be conducted, indicate responsible parties and timeframes for each specific activity. Limit response to 150 words.

**SECTION 2 - DEAL STRUCTURE**

**2.1 - Size and Life stage of the deal.** Give a brief description if this project is an Early, Mid, or Late stage deal. Will the ETF funds leverage this deal through the pre-venture stage to a point where the project can attract next round financing and valuation? Explain why. Limit response to 100 words.

**2.2 - Job and wealth creation.** Will the project create new jobs, new wealth, and investment? Will the project create a substantial increase in high-quality jobs? Please explain and include proposed wages for the new job creation. Will the jobs last beyond the use of ETF funds? Limit response to 100 words.

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**2.3 - Collaboration.** How is the project collaborative? Is there regional / cluster/ institutional collaboration? Which Institutes of Higher Education (IHE) are involved? How does the project break down barriers? Leverage strengths? Limit response to 100 words.

**2.4 - Valuation and ROI.** What is the current and future valuation of the company? Are the project’s financial valuations in line with market comparisons? Please explain and identify comparable company valuations where possible. What will the ROI back to the state of Texas? Limit response to 100 words.

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**2.5 - Economic Impact.** Will the state benefit directly or indirectly from this investment? How? Limit response to 100 words.

**SECTION 3 - FINANCIAL ANALYSIS**

**3.1 - Company Financials.** Provide summary cash flow, balance sheet, and P&L projections for the last two and next three years below. Limit response to 250 words.

**3.2 - Capitalization Table.** Fill in the summary capitalization table below.

**Number of Common Shares Authorized:** \_\_\_\_\_

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**Number of Preferred Shares Authorized:** \_\_\_\_\_  
**Total Paid in Capital (Cash Only)** \_\_\_\_\_

**Number of Common Shares Issued and Outstanding:** \_\_\_\_\_  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Common Shares Issued

**Number of Preferred Shares Issued and Outstanding:** \_\_\_\_\_  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Preferred Shares Issued

**Total Number of Warrants Issued** \_\_\_\_\_  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Warrants Issued

**Total Number of Options Issued** \_\_\_\_\_  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Options Issued

**Give a brief description of Preferred Stock Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of Warrant Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of Option Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of the last capital raised by the company**

**Number of shares:** \_\_\_\_\_  
**Type of shares issued:** \_\_\_\_\_  
**Price per share:** \_\_\_\_\_  
**Total Amount Raised:** \_\_\_\_\_  
**Date Completed:** \_\_\_\_\_

**3.3 - Matching funds.** Identify any hard equity already in the company. Is there additional available? Identify any lead investor. Are the terms for the lead investor available to the state? Limit response to 100 words.

**3.4 - Current investors.** Explain how the current investors (if any) provide additional access to target markets. Do the current investors have additional funds? Are they committed to reinvesting in the future if necessary? Limit response to 100 words.

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**3.5 - Runway.** Will the ETF funds be sufficient to execute the business strategy or will additional investment be needed in the future? If so, where will the future funds come from? Limit response to 100 words.

**3.6 - Use of funds.** Provide a summary plan for the use of funds, including timelines and milestones. Limit response to 100 words.

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**3.7 - Exit Strategy.** Provide a description of the current exit strategy, including timelines, if applicable. What alternatives exist? Limit response to 100 words.

**3.8 - OTHER SOURCES OF FUNDING**

List all other sources of funding for the project. (Sales, secured financing, angel, VC, corporate, in-kind, etc)

| <u>Source</u>         | <u>Amount Committed</u> | <u>Start Date</u> | <u>End Date</u> |
|-----------------------|-------------------------|-------------------|-----------------|
| _____                 | _____                   | _____             | _____           |
| _____                 | _____                   | _____             | _____           |
| _____                 | _____                   | _____             | _____           |
| _____                 | _____                   | _____             | _____           |
| _____                 | _____                   | _____             | _____           |
| _____                 | _____                   | _____             | _____           |
| (expand if necessary) |                         |                   |                 |
|                       | Total _____             |                   |                 |

**3.9 - FEDERAL OR PRIVATE GRANTS**

Has the project been granted funds under the Small Business Innovation Research Program (SBIR), Small Business Technology Transfer Program (STTR), Manufacturing Extension Partnership Program (MEP), Advance Technology Program (ATP), or by any other federal or private granting entities?  Yes  No  
*(If "yes" please fill out the information below)*

|            |  |              |          |
|------------|--|--------------|----------|
| Year _____ | Project Title _____  | Agency _____ | \$ _____ |
| Type       | <input type="checkbox"/> SBIR <input type="checkbox"/> STTR <input type="checkbox"/> MEP <input type="checkbox"/> ATP <input type="checkbox"/> OTH |              |          |
| Year _____ | Project Title _____  | Agency _____ | \$ _____ |
| Type       | <input type="checkbox"/> SBIR <input type="checkbox"/> STTR <input type="checkbox"/> MEP <input type="checkbox"/> ATP <input type="checkbox"/> OTH |              |          |
| Year _____ | Project Title _____  | Agency _____ | \$ _____ |
| Type       | <input type="checkbox"/> SBIR <input type="checkbox"/> STTR <input type="checkbox"/> MEP <input type="checkbox"/> ATP <input type="checkbox"/> OTH |              |          |
| Year _____ | Project Title _____  | Agency _____ | \$ _____ |
| Type       | <input type="checkbox"/> SBIR <input type="checkbox"/> STTR <input type="checkbox"/> MEP <input type="checkbox"/> ATP <input type="checkbox"/> OTH |              |          |
| Year _____ | Project Title _____  | Agency _____ | \$ _____ |
| Type       | <input type="checkbox"/> SBIR <input type="checkbox"/> STTR <input type="checkbox"/> MEP <input type="checkbox"/> ATP <input type="checkbox"/> OTH |              |          |

(expand if necessary)

**SECTION 4 – PRIMARY PERSONNEL AND BUSINESS TEAM**

**4.1 - TEAM COMPOSITION – MANAGEMENT & SALES**

**List the Primary Management and Sales Team (CEO, CFO, VP, etc)** by name and title in the box below. Please limit to 50 words.

**Provide a brief bio** for each management member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member. The business history of each management member will be checked through the Secretary of State and Comptroller. Ensure that any outstanding items are cleared by contacting the Franchise Section of the Office of the Comptroller at (512) 463-4402.

**Management and Sales Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Management and Sales Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

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**Management and Sales Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.2 - TEAM COMPOSITION - TECHNICAL**

**List the Primary Technical Team** by name and title. Please limit to 50 words.

**Provide a brief bio** for each technical team member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member.

**Technical Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Technical Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

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Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.3 - TEAM COMPOSITION - BOARD OF DIRECTORS / ADVISORS**

List the current Board of Directors / Advisors by name and title. Please limit to 50 words.

Provide a brief bio for each Board of Directors / Advisors member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member. The business history of each Director will be checked through the Secretary of State and Comptroller. Ensure that any outstanding items are cleared by contacting the Franchise Section of the Office of the Comptroller at (512) 463-4402.

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

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Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.4 - TEAM COMPOSITION - KEY PARTNERING ENTITIES**

**List all Key Partnering Entities** by name, Primary Point of Contact, Title and Address. Please limit to 50 words.

**Provide a brief description** of each Key Partnering Entity and nature of role in this deal, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each entity.

**Key Partnering Entity**

Full Legal Name \_\_\_\_\_

Type of entity (University, College, Corp, VC) \_\_\_\_\_

Principal place of business (city, state, zip) \_\_\_\_\_

Single point of Contact Name \_\_\_\_\_

Title \_\_\_\_\_

Email \_\_\_\_\_

Phone number \_\_\_\_\_

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Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Key Partnering Entity**

|  |       |
|--|-------|
| Full Legal Name                                | _____ |
| Type of entity (University, College, Corp, VC) | _____ |
| Principal place of business (city, state, zip) | _____ |
| Single point of Contact Name                   | _____ |
| Title  | _____ |
| Email  | _____ |
| Phone number                                   | _____ |

Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Key Partnering Entity**

|  |       |
|--|-------|
| Full Legal Name                                | _____ |
| Type of entity (University, College, Corp, VC) | _____ |
| Principal place of business (city, state, zip) | _____ |
| Single point of Contact Name                   | _____ |
| Title  | _____ |
| Email  | _____ |
| Phone number                                   | _____ |

Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.5 - MARKETING AND SALES PLAN**

Provide a summary of the marketing and sales plan. Please limit to 100 words.  
Attach any letter of intent with channel or sales partners. Attach additional information as needed.

**4.6 - BUSINESS STRATEGY AND COMMERCIALIZATION PLAN**

Provide a summary of the commercialization plan, including the plan for product development and launch, plan for growth beyond launch, cash flow, sales forecast, etc. Please limit to 100 words.

**SECTION 5 - MARKET ANALYSIS**

**5.1 - Emerging Technology Cluster.** Which emerging technology cluster does this deal most belong to? (1. Advanced Technologies Manufacturing, 2.Aerospace and Defense, 3. Energy, 4. Information and Computer Technology, 5.Life Science and Biotechnology, 6. Chemical and Petroleum Refining). Please limit response to 25 words or less.

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**5.2 - Market Need / Opportunity.** Provide a summary market analysis below. Describe how scalable your current solution(s) is/are. How badly does the market need your solution? Why? What is/are the likely price point(s) for your solution? Limit response to 100 words.

**5.3 - Innovation / Emerging Technology.** What separates your solution from solutions already available? Why? Does your solution have the potential to become a magnet enterprise? Will it provide a market breakthrough? Why? Limit response to 100 words.

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**5.4 - Market Solution.** Do you have existing customers? Does your product provide a total solution for the customers needs? How quickly can you get to market? What percentage of the market will you realistically capture? When? Limit response to 100 words.

**5.5 - Competition / Differentiation.** How strong is your solution compared to your competition? Are the current leaders vulnerable? Why? What separates your solution from possible solutions your competitors are building? Is your solution protectable? Provide a summary of your plan to gain and maintain market traction. Limit response to 100 words.

|

**SECTION 6 - TECHNOLOGY DEVELOPMENT**

**6.1 - Disruptive / Catalytic.** Is your solution disruptive to the current marketplace? How? Will it provide a medical or scientific breakthrough? Limit response to 100 words.

**6.2 - Intellectual Property (IP) & Proprietary Risk.** Who owns the intellectual property? What is the status of any license or patent? Is the IP ownership clear? How? What are the risks for disputes or litigation? If the applicant entity does not own the intellectual property per the USPTO public access website you will be required to show transfer of ownership or license of technology from the owner per the USPTO to the applicant entity. Be prepared to show the appropriate documentation. Limit response to 100 words.

**6.3 - Platform Technology.** Beyond the existing initial market, how can the technology be applied? Is there a potential for significant additional upside? How? Limit response to 100 words.

**6.4 - Technology Readiness Level.** Briefly describe the technical merit and readiness level of the technology to be commercialized. Has a prototype been built? Does the project have current sales? How viable is the technology? What risks exist that could prevent it from working? Have you completed a competitive scientific review? What are the limitations to this technology? What is the independent validation of the technology? Limit response to 100 words.