

MINUTES OF THE FINANCE COMMITTEE  
BOARD OF DIRECTORS  
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

The Finance Committee of the Board of Directors of the University of Louisville Foundation, Inc., was held on Wednesday, September 26, 2001, at 9:00 a.m. in the Mary Bingham Room of the University Club, Belknap Campus, with the members present and absent as follows:

Present: Mr. Burt Deutsch, Chairman  
Mr. H. Scott Davis, Jr.  
Mr. Nathaniel Green  
Mr. Robert Rounsavall, III  
Mr. William Wilcox

ULF  
BOD: Mr. Malcolm Chancey, Chair

Also  
Present: Dr. Carol Garrison  
Mr. Larry Owsley  
Ms. Angela Koshewa  
Mrs. Susan Magness  
Mr. Joseph Gahlinger  
Mr. David A. Jones, Jr., Chrysalis Ventures, LLC  
Mr. Irv Bailey, Chrysalis Ventures, LLC  
Mr. Kent Meyers, Cambridge Associates  
Mrs. Kathleen Smith, Assistant Secretary  
Mrs. Debbie Dougherty

Foundation  
Legal  
Counsel: Mr. Bob Lanum, Stites & Harbison

I. Convene Meeting

After determining a quorum present, Chairman Deutsch called the meeting to order at 9:15 a.m. Chairman Deutsch introduced and welcomed Mr. Robert Rounsavall, III, as a new director to the Foundation and member of the Finance Committee.

II. Information Item: Presentation by David A. Jones, Jr., Chrysalis Ventures, LLC

Chairman Deutsch introduced David A. Jones, Jr., founder and chairman of Chrysalis Ventures, LLC and his partner, Irv Bailey. After reviewing their proposal to the Board, they responded to questions from the committee.

As a follow up to Chairman Deutsch's question about the possibility of an initial investment, Mr. Jones requested the Foundation to invest between \$2.5 million and \$5 million, and subsequently increasing the amount to about \$6 - \$6.5 million.

Responding to Vice President Owsley's question about the specific investments of Chrysalis, Mr. Jones reported that some of the companies were High Speed Access Regent Communications, direct program and services, Community Physicians Network, Technopublic, Construction Zone, Ironmax, and bCatalyst. He also noted that Morgan Stanley has become an investor as well.

Responding to Director Chancey's questions, Mr. Jones explained that Chrysalis Ventures, LLC has a 10 year commitment from the SBA as a small business investment company (SBIC).

Mr. Meyers inquired regarding the strategy of the firm and the companies targeted. Mr. Jones explained that Chrysalis focused on a combination of theme-based and opportunistic investments. Themes were media and entertainment, and opportunistic were infrastructure for the telecommunications industry; healthcare productivity initiatives; and other ventures that focus on the next opportunity or consumer demand.

Responding to Chairman Deutsch's question about a potential timeline and investment amount, Mr. Jones noted the first closing date was July 30, and the Foundation would have nine months from that date to be included in the investment. The next closing date will be October 1. Mr. Jones proposed an initial investment from the Foundation in the amounts of \$2.5 million to \$5 million.

Upon Messrs. Jones and Bailey departures, Director Davis expressed concern that since the committee heard Chrysalis Venture's presentation, the Committee may need to hear presentations from other local groups. Chairman Deutsch agreed that another presentation could be scheduled in December and recommended a subcommittee of Director Davis and he work with Vice President Owsley to secure additional firms for presentation.

### III. Approval of Minutes

- Minutes for March 20, 2001
- Minutes of June 13, 2001

Mr. Green made a motion, which Mr. Wilcox seconded, to approve the minutes. The motion passed.

### IV. Information Items:

- Investment Performance Report

Vice President Owsley reviewed the Foundation Investment Performance Summary for the period ending June 30, 2001.

Mr. Meyers shared the following fiscal year period information: 180 institutions: down 3%. The Foundation's endowment was up 6 ½%, ranking it in the top 15% of all universities' endowments. Over a three year period, the Foundation's endowment was in the top 1%; 5 yr period - top performing endowment in that group.

### V. Presentation of Money Managers

The Committee heard presentations from the following minority money manager investment firms:

- Marshall Capital Management Group
- Ariel Capital Management

- EARNEST Partners

VI. Review and Discussion of Money Manager Presentations

The Committee discussed these presentations and took no action.

VII. Other Business

There was no other business to discuss.

VIII. Adjournment

There being no further business to discuss, Mr. Wilcox made a motion, which Mr. Davis seconded to adjourn the meeting at 12:00 Noon.

**BOARD ACTION:**

Passed       X        
Did not pass                       
Other                     

Asst. Secretary           *Katalin M. Smith*