



## 2016 Annual Report

**To:** Governor Nathan Deal  
Lieutenant Governor Casey Cagle  
Speaker of the House of Representatives, David Ralston  
Chairperson of the Senate Finance Committee, Judson Hill  
Chairperson of the House Committee on Ways and Means, Jay Powell

**From:** Knox Massey, Executive Director, Invest Georgia;  
LCG Associates, Fund Administrator to Invest Georgia

**RE:** Report on the Implementation of Code Section 10-10-1

**Date:** December 31, 2016

### Summary

The Invest Georgia Program was created by the General Assembly in 2013 by amending Chapter 10 of Title 10 of the OCGA. Invest Georgia was initially funded in February, 2015 with the receipt of its first tranche of capital in the amount of \$10,000,000. Activities in 2015 involved the bid process for the investment consultant, the creation of investment policies, formal in-person meetings of the Board of Directors, the hiring of a law firm to represent Invest Georgia, the engaging of an accounting firm and locating office space. The first year of operations culminated in December 2015 with an initial commitment of \$3.0 million to the TTV Capital IV venture capital fund, a leader in the financial technology (FinTech) investment industry.

In the 2016 General Assembly, the Invest Georgia Fund was allowed a second allocation of capital in the amount of \$10,000,000. This capital has been disbursed to Invest Georgia in monthly allocations by the Board of Regents during the 2017 fiscal year. As of the date of this report, Invest Georgia had received an additional \$5 million and expects to receive the remaining \$5 million during the final months of fiscal year of 2017.

Activities in 2016 included a review of over 20 Georgia-based venture capital firms, private equity firms and growth equity firms. After in depth due diligence discussions with a number of Georgia funds in 2016, Invest Georgia closed on its second venture capital allocation in December 2016 making a commitment of \$3.25 million to the Atlanta, Georgia based seed and early stage venture capital fund, Mosley Ventures.

In 2017, Invest Georgia anticipates that the “investing schedule” for the Invest Georgia Program will significantly accelerate. The Program will aggressively work to become fully

committed to Georgia-based Venture Capital and Growth Equity funds that meet the criteria set forth in the Investment Policy.

## **2016 Investments**

### **Mosley Ventures**

The Invest Georgia Fund has subscribed as a Limited Partner to Mosley Ventures for a total capital commitment of \$3.25 million. At the closing in December, Invest Georgia invested 50% of its commitment. Mosley Ventures is based in Georgia; the address is 75 Fifth Street NW, Suite 328, Atlanta, Georgia, 30308. The investing partners are: Sig Mosley, Wei-Chun Tai and John Vecchio. Mosley Ventures' strategy is to invest at the seed and early stage in Atlanta and the Southeast. The primary focus is on Security software, "Big Data", Digital Media and to a lesser extent, eCommerce technology.

Sig Mosley is well known in the technology investment community in Georgia and serves as a Director on a number of boards including the Advisory Board of the ATDC, the Investment Committee of Gray Ghost, the GRA Venture Board and is a Managing Member of Flashpoint Investors, LLC.

Sig Mosley founded Mosley Ventures in 2013 after 20 years of investing primarily in startups in the Atlanta area. Through his work on behalf of the Imlay Family Office and Foundation, Sig invested in 122 Georgia-based startup companies and became known as the "Godfather of early stage technology investing" in Georgia. Over the period between 1990 and 2010, Sig and John Imlay's goal was to strengthen Georgia's entrepreneurial community while attracting venture capital from outside of the State. Sig Mosley's tenure in the Georgia startup community and vast network of entrepreneurs/venture investors is uniquely suited to accommodate the goals and objectives of the Invest Georgia program. Today, Mosley Ventures will only invest in a company if there is another investor, often one of the 55 active national syndicate partners that the Mosley partners have invested with in the past. This ensures that the capital requirements and mentoring guidance is shared with other experienced venture capitalists.

Invest Georgia joins the partnership as an additional Limited Partner after the Final Closing Date with the consent of two thirds interest of Mosley Ventures and has the benefit of investing into an existing portfolio of investments. This existing portfolio includes 7 investments that are located in the State of Georgia and 18 investments in total. Today, in aggregate, Mosley Ventures' portfolio companies have created over 200 jobs in Georgia.

### **TTV Capital IV**

The Invest Georgia Fund has subscribed as a Limited Partner in TTV Capital IV, ("TTV") in 2015 for a total commitment of \$3,000,000. TTV Capital IV first called capital in February, 2016 and has since drawn a total of 17% of Invest Georgia's commitment to fund 4 investments. One

of the current portfolio companies in Fund IV has opened an office in Atlanta where it has created an initial 6 jobs in Georgia in 2016 including the CEO and CFO.

TTV Capital is based in Georgia; the address is: TTV Capital, 1230 Peachtree ST NE, Suite 1150, Atlanta, GA 30309. The investing partners of TTV Capital are: Gardiner W. Garrard, W. Thomas Smith, Jr; Mark A. Johnson and Sean M. Banks. TTV Capital's strategy focuses on innovative companies in Financial Services Technology, a rapidly growing industry sector which currently provides over 40,000 jobs to citizens of Georgia in payment processing with more than 250,000 people in the State working in finance-related occupations.

### **Other Activities**

Invest Georgia and its Investment Consultant pursued the full due diligence process for several other funds in 2016 but were unable to recommend them to the Invest Georgia Board due to circumstances unique to each of those funds. However, in its second year of operations, the Fund is pleased to note that it is becoming recognized as a desired anchor investor. Invest Georgia and the Investment Consultant are in active discussions and/or will begin due diligence on a number of funds that are or will be seeking investors during the upcoming year.

Additionally, in 2016, Invest Georgia was active in raising awareness of the Fund's role in supporting Georgia based venture capital funds. The Invest Georgia Board of Directors met several times during the year and was honored to host the Lieutenant Governor, Casey Cagle, at its July Board Meeting.

In October 2016, the Invest Georgia Executive Director, Knox Massey and the Investment Consultant, LCG Associates, gave testimony to the Senate Study Committee on Venture Capital Investments. This Committee was created by Senate Resolution 1132 to study the feasibility and possible benefits available for increasing allocated funding to the Invest Georgia program as well as review the venture capital industry in the State of Georgia. The Final Report of that Committee has been released. Invest Georgia supports the recommendations of that Committee and looks forward to its role in furthering the development of early stage growth businesses in Georgia.

Knox Massey, III

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