

Request for Fund Administrator

I. Summary

IG Fund, LLC (the “Fund LLC”,), on behalf of Invest Georgia Fund (the “Fund”, www.investgeorgia.net) seeks a Fund Administrator (the “Fund Administrator”) who can advise it on the selection of Georgia venture capital funds for investment. The Fund is acting pursuant to its responsibilities under Ga. Code Section 10-10-10 *et seq.*, enacted in 2013 (the “Statute”) governing the Fund and creating the Invest Georgia Board (the “Board”). The Fund LLC has been created under the authority of the Statute as the operating and investment vehicle for the Fund under the control of the Board. All respondents are encouraged to review the Statute to enhance their understanding of the Fund’s mission and public purpose.

(<http://www.legis.ga.gov/Legislation/20132014/135871.pdf>)

II. Due Date

Responses to this Request are due no later than March 6, 2015. Fund responses shall be sent to the Fund/Program Executive Director by electronic communication (email) no later than 5:00 PM, March 6, 2015. (Please see Section X regarding submission of questions prior to due date.)

III. Scope of Work

Under the Statute, the Fund Administrator is to be selected by the Board through a transparent open bid process. The Fund Administrator shall primarily be responsible for selecting a group of Georgia-based venture capital funds in two categories, early stage venture capital funds and growth stage venture capital funds. The Fund Administrator may also be responsible for administering the Fund, which may or may not include Fund accounting and Fund tax procedures, Fund processes and compliance, administration of fund bank accounts, LP reporting, annual audits, to facilitate capital calls, monitor cash movement and deployments and for making recommendations of venture capital fund investment selections in accordance with the investment policies developed by the Board and contained in the Statute.

The early stage and growth stage venture capital funds within which the Fund invests shall, in turn, primarily invest in early stage businesses or growth stage businesses, respectively, to promote business and employment in Georgia. The Statute requires that these funds be selected using a transparent open bid process pursuant to guidelines developed by the Board. The Fund Administrator shall ensure that a diverse cross section of industry sectors is represented by the selected funds, including technology, health care, life sciences, agribusiness, logistics, energy, and advanced manufacturing.

In the selection of the early stage venture capital funds and the growth stage venture capital funds, the Fund Administrator shall consider the following factors:

- (1) The management structure of the venture capital fund, including:
 - (A) The investment experience of the principals;

(B) The applicant's reputation in the venture capital firm industry and the applicant's ability to attract co-investment capital and syndicate investments in qualified businesses in Georgia;

(C) The knowledge, experience, and capabilities of the applicant in subject areas relevant to venture stage businesses in Georgia; and

(D) The tenure and turnover history of principals and senior investment professionals of the venture capital fund.

The Fund currently holds an allotment of \$10 million in investment funds, and is statutorily authorized to invest an additional \$90 million through FY 2018, for a total of \$100 million in managed funds. Respondents should plan for a \$10 million investment amount, but also outline their plans to manage an additional \$90 million, when and if such funds are received. Such investments must be compliant with both the intent and letter of Statute, and additional direction provided by the Fund and the Fund Executive Director over the course of the engagement.

Additionally, respondents should be prepared to advise the Fund and Fund Executive Director on performance of its investments, and to perform such administrative tasks as are necessary to administer those investments and assist the Fund, the Board and the Fund Executive Director in any reporting that is required by law. In performance of these tasks, the Fund Administrator shall report to the Board and its designated agents, including the Fund Executive Director. Specific deliverables and scope will be mutually determined during the negotiated phase of this Request.

IV. Contract Term

The initial contract shall be for a term of 12 months. The contract may be cancelled at any time by the Fund with 60 days written notice to the Fund Administrator. Following the expiration of the initial term, the contract may be renewed for successive terms of 12 months upon the agreement of both parties.

V. Mandatory Qualifications

The Fund requires that the Fund Administrator must meet the following minimum requirements,

- Have an established place of business within the State of Georgia, including a physical location and a payroll of at least five Georgia employees for the past 12 months.
- Served as primary advisor in the placement of at least \$100 million in investment capital in a diverse cross section of industries.
- The Fund Administrator and its affiliates have not in manner been found to be in violation of any federal or state securities law at any time.

- The Fund Administrator and its affiliates have not been required by a court in any jurisdiction to pay a civil judgment in any amount to clients or investors within the past ten years.
- Hold appropriate state and federal licenses including those related to acting as an investment advisor.
- Handle any actual or potential conflicts of interest in accordance with applicable state laws and the requirements found in Section IX below.

VI. Additional Qualifications

In addition to the mandatory qualifications above, the following qualifications are also desired by the Fund and should be included in the response, if applicable:

- Experience in early and growth stage investing within the State of Georgia,
- Established relationships with major national and regional venture capital funds, and a demonstrated ability to determine how to incent involvement of those funds in support of Georgia companies.
- Ability to support back office operations, including performance tracking, public disclosure and other functions needed by the Fund.
- Ability to track company formation and job creation resulting from Fund activities, and report this information to the Board.

VII. Proposal Form

In addition to addressing the requirements above, the response to this Request should contain summaries of respondent's experience and qualifications, a specific description of how responsibility for the Fund's work will be handled, and biographical information on all members of respondent's team who will be responsible for executing the work.

The proposal should be delivered in electronic form at the contact address for the Fund below. There are no requirements as to length or format, although the Fund encourages respondents to follow standard business designs of responses and to submit responses that provide the relevant information as succinctly and efficiently as possible.

VIII. Price Proposal

The price for services will be determined using a negotiation process as outlined below, and a fixed price is not required at this stage of the process. However, respondents are encouraged to provide a general summary of how they would recommend pricing this type of work.

IX. Conflicts of Interest

Due to the comparatively small size of the venture capital community in Georgia and the public source of its funding, the Fund is very sensitive to conflicts of interest. At the same time, the Fund recognizes that qualified respondents will have other clients.

In retaining a Fund Administrator, the Fund recognizes the Fund Administrator may advise other clients on investing in funds that may also be considered by the Fund for investments. Additionally, the Fund Administrator may have performed services for companies in which the Fund significantly invests through its portfolio. As part of this response, each respondent must submit an outline of how it would handle these and any other potential conflicts of interest that may result from its work on behalf of the Fund.

X. Submitting Questions

The deadline for submitting questions regarding this Request is February 16, 2015. Questions must be submitted by email to the address in the contact section below. All questions and responses will be distributed to all. No questions submitted in any other form will receive a response.

XI. Communication

No communications from respondents are allowed from the date of issuance of this Request until the selection process is completed. **Other than the contact information provided in this document**, this includes members of the Board, state employees, and outside experts who are involved in the selection process. Communications about this Request outside of the question submittal process may result in respondents being disqualified from responding.

XII. Interviews

Following receipt of responses to this Request, the Fund shall rank respondents based on their written submittals. It is the intent of the Fund to then negotiate scope and price of a consulting engagement with the top ranked respondent. If the Fund is unable to reach agreement with the top ranked respondent, it will continue moving through the list until a final selection is made.

XIII. Negotiation

The Fund explicitly reserves the right to negotiate with a respondent of its choosing for any reason, regardless of the outcome of this process.

XIV. Confidentiality

Respondents are reminded that each of the Fund, the Fund LLC, the Board and the Fund Executive Director are custodians of public funds, and are therefore subject to the state Open Records and Open Meetings laws. Hence, materials provided to any of the Fund, the Fund LLC or the Board are generally open to public inspection. None of these parties accepts any responsibility outside of state law for protecting the confidentiality of any materials submitted to

it. Respondents are encouraged to review existing procedures in Georgia law for the protection of trade secrets contained in submitted materials.

XV. Return of Materials

The Fund has no responsibility to return or store materials that are submitted in response to this Request.

XVI. Cancellation, Rejection and Technicalities

The Fund reserves the right to reject any and all responses to this Request at any time, for any reason. The Fund also reserves the right to cancel this Request at any time, with or without notice to respondents. Additionally, the Fund reserves the right to waive any technical omissions or mistakes from respondents that do not materially affect the substance of the response.

XVII. Contact Section for Fund LLC

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