

**The Texas Technology Development Center (T3DC)
McDermott Pre-Seed Fund Program**

**INSTRUCTIONS for COMPLETING
APPLICATION FORM**

For each question, provide a complete and accurate response. If there is insufficient space within a box, continue the format to additional pages and attach these pages as part of this application.

Please note that the required document attachments must be submitted with the application as a package to receive consideration and cannot be received separately. Other documents may be requested to complete the application for review.

To complete the application form:

- 1** Enter the name of the entity applying for the award. Note that awards will not be granted to individuals—all applicants must be formed as a business entity.
*** [Throughout the remainder of the instructions, this entity will be referred to as the "Applicant".]

- 2** Enter Federal tax ID number and Texas Comptroller account number for the Applicant.
- 3** Enter the Texas-based address of the Applicant.
3a Enter the county in Texas where the Applicant is located.
- 4** Enter the Applicant's headquarters location (if different from #3 above).
[Note: If the Applicant is a branch office, subsidiary, or other division of a parent firm, enter the location of the headquarters of that parent. Also indicate the name of the parent, if different from the name of the Applicant. Describe the nature of the relationship to the parent firm in #30.]
- 5-8** Enter the phone number, fax number, e-mail address, and web site, if any, of the Applicant.
- 9-10** Enter the name and location of the bank where the Applicant has established a primary banking relationship.
- 11-12** Enter the name of the Texas House and Senate representatives and district numbers where the Applicant is located. *Answering these two questions is optional.*
- 13-18** Identify the contact person designated by the Applicant to be its authorized representative and provide the listed information for this contact.
- 19-24** Enter the name of the law firm representing the Applicant and associated information, as well as a specific contact person within the law firm to whom questions may be directed.

Business Background Information

- 25 Applicant should check one of the boxes indicating its form of business organization and complete the associated information. Be sure to attach additional pages as necessary to provide a complete response. Please note:
- If the Applicant is a corporation, major shareholders owning 10% or more of the outstanding equity should be described. A listing of all corporate directors should also be provided.
 - If the Applicant is a not-for-profit entity, but will convert to for-profit status as required by the program, indicate the anticipated date of conversion.
 - If the Applicant is a sole proprietorship, indicate the type of business entity Applicant will form and the anticipated date of formation.
- 27-28 State how long the Applicant has been in business and provide the date the business was started. Additionally, state the number of years and provide the date since the business was first located in the San Antonio Metropolitan Area, if different than the total number of years in business.
- 29 List previous names, if any, used by the Applicant.
- 30 Identify the parent and any subsidiaries or siblings of the Applicant, if the Applicant is a subsidiary, branch, or other subdivision of a larger entity, and the nature of the relationship.
- 31 State whether the Applicant entity is currently (or has ever been) a client of T3DC or the Texas Research & Technology Foundation (“TRTF”) or has been in any sort of contractual relationship with T3DC or TRTF. *No preference is provided based on the response to this question; the information is solely for confidential recordkeeping purposes.*
- 32-33 Check the box for the **main business activity** in which the Applicant is involved and indicate the Industrial Code(s) (NAIC) for the Applicant business. *Note: The category “other” is available. However, most applicants should find a business designation which is appropriate among those listed. Also please note that a response in this field may be different from a response to #37, which requests a designation of the technology to be developed under this application.*
- 34 State whether the Applicant has been the recipient of funding awards from any other funding programs during the past three years. If so, please provide the associated details.
- 35 List the number of employees, by category, currently employed by the Applicant, as well as the average wage per category. (A separate column is provided if jobs in the San Antonio Metropolitan Area differ from total company jobs.)
- 36 List the number of jobs that the Applicant anticipates creating during the year following an award, and the 2-5 year period thereafter. Also list the estimated number of employees that may be laid off if the award is not received during the same time periods.
- Technology**
- 37 Check the box most appropriate to identify the **technology to be developed under this award**. Note that a response in this field may be different from a response to #32, which requests a designation of the *main business activity* of the Applicant.
- 38 Provide a brief description of the technology to be developed using the funds requested. Include information on key words and concise statements of how the product or process works. Write for a lay audience, avoiding technical terminology where possible. Among other things, please describe the following: (a) how and why the technology works; (b) the current status of the technology or products emanating from the technology; (c) how the technology is different from other available technologies; (d) why the technology is better than other available technologies; (e) applications for the technology in the marketplace; and (f) whether the technology has ever been peer-reviewed or validated, and a description of such reviews.
- 39 List the indicated information regarding patents and/or other protected intellectual property related to the technology to be developed by the Applicant. Note especially the designation of the owner/assignee of each type of intellectual property. For patent applications, describe the status of the application and the chronological events that have occurred to date in the patent application process.

For this application, assurance that the parties have adequately addressed the ownership and disposition of patents, royalties, and all other intellectual property rights related to this application must be documented. Please attach a "Certification of Intellectual Properties Agreement" (see the attachment to these instructions for a sample document). If the Applicant is unable to submit a completed Certification of Intellectual Properties Agreement at the time this application is submitted, the Applicant MUST include a brief description of how the patent and licensing agreements will be effectuated between and among all parties.

Financial Information

The financial documents listed at the end of the application should be submitted with the application as a package and will become the property of the TTDC upon submission. These documents should be reviewed by an accountant.

- 40** Indicate the amount of funds requested.
- 41** State the purpose or use of the funds requested. This response should be specific and should describe how the product or process will be developed to a point of further commercialization through expenditure of the requested funds. Anticipated financial milestones should be correlated with expenditures of the requested funds; describe how achievement of financial goals will be measured. The response should consider the following: (a) the activities that would be funded with the award; (b) key technical and commercial milestones that the award will help the Applicant achieve and the timeframes for achieving such milestones; and (c) an itemization of the proposed use of award funds, including in conjunction with other funding the Applicant is seeking.
- 42** The timing and amount of repayments of the requested funds should be described specifically. *Program provisions require a minimum repayment of two times the amount awarded by the program. The appropriateness of the amount of the repayment will be determined in part by the degree of perceived risk and the anticipated length of time for payback for the project.* The repayment description should also include the anticipated source of repayment funds and the anticipated date of final repayment (using the 2 times multiple) under this award application.
- 43** Complete the designated spaces for cash and in-kind matching funds.
Eligible applicants must leverage \$3 of other resources for every \$1.00 of financial award requested from this program, with a minimum 1:1 cash match. This cash must be in hand or committed in writing by private investors or lenders to be released coinciding with receipt of program funds. It is recommended that the Applicant include signed statements from funders indicating their commitment to the cash match.
Also state the amount of funds already expended toward commercialization of the subject technology and include a description of how the funds were spent and the source(s) of those funds.
- 44** Indicate whether the Applicant has previously received awards under this program. If so, list dates and amounts of awards, along with repayment dates. *Applicants are limited to no more than two awards under this program.*
- 45** Provide the requested information on all other creditors, current or prospective, to whom the Applicant owes money. Indicate guarantors and collateral, if applicable, associated with each extension of credit.

Management

- 46** Enter the names and titles of all current officers of the Applicant. (Include proposed officers if their appointment is imminent.)
- 47** List the names and titles of all current management team members responsible for development of the technology that is the subject of this application. (Include proposed management team members if their hiring/appointment is imminent.) Attach resumes of both current and proposed management.
- 48** List consultants, firms, and/or individuals other than management or employees of the Applicant whose involvement in the development of the technology is crucial to success.
- 49** List major suppliers of any materials or others from whom significant contribution is expected for successful development of the technology.
- 50** List related parties as designated. A related party may include a subsidiary or parent entity, an entity owned or operated by a relative of a principal owner or key manager of the Applicant, a major customer of the Applicant, and/or a major supplier of materials to the Applicant. A major customer or supplier shall be listed if they represent 15% or greater of the customer base or supplier pool, respectively.

Legal / Disclosures

51-55 Each question in this section must be answered. Each "Yes" response requires a full explanation in an attached document.

CERTIFICATION AND STATEMENT

The statement portion of the application must be read and signed by the authorized representative of the Applicant acting as agent and contact for the Applicant.

REQUIRED DOCUMENT ATTACHMENTS

The documents requested in the application must be attached to the completed application. (Other documents may be requested to complete the application and to determine eligibility.) Additional information for some of these documents is below:

Contracting authority of representative agent or officer

- Applicant may use attached sample Certificate of Incumbency

Business plan

- Please try to keep the business plan to no more than ____ pages in length.
- Business plans may vary, depending on the state of the Applicant and technology. The business plan may contain the following: (1) summary of the Applicant and its business strategy; (2) the problem the Applicant is solving with its technology and the method by which the Applicant intends to solve the problem; (3) market analysis for the technology; (4) customer relationships; (5) strategies for entering market and obtaining customers; (6) role of Applicant in market (i.e., product, service, licensing); (7) revenue models; (8) price points; (9) analysis of competition; (10) description of current partners and investors; (11) analysis of whether Applicant would need additional funding to complete business plan; and (12) description of how an award would impact the commercialization of the technology or help the Applicant obtain additional funding

Certification of Intellectual Property

- Sample certification form is attached

ATTACHMENT TO THE INSTRUCTIONS

Attached is a sample **“Certification of Intellectual Properties Agreement”** and sample **“Incumbency Certificate”**.