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Date: 6/18/2013 1:18:08 PM
Subject: SCBIO to triple life science investors
Attachments: SCBIO To Triple Investors-NEWS.docx
TheHonNikkiHaley-conf2-2013.pdf

Christian:

Thank you for the call Friday.

We are fast on the job to increase investment in SC as a result of the Governor's actions. (See release below.)
We already have a pending request before Leigh LeMoine for the Governor to be keynote speaker at our **Conference Nov. 14-15 in Charleston at the Mills House hotel and Hibernian Hall.**

We of course, now, will certainly renew that request with urgency, because we want to recognize her tremendous work for creating great companies and great jobs right here. **(attached)**

We have confirmed the engagement of Steve Burrill, CEO of Burrill & Company, a global life sciences financial services and investment firm, headquartered in San Francisco. Burrill & Company has a vast national and international financial network and Burrill's profile as a speaker on the future of life sciences with newsletters and books is internationally known. As the invitation states, his presence on the podium with the Governor, would signal South Carolina is ready to be a player in life sciences. Bring us your best deals.

Kindest regards,
Wayne

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From: Wayne Roper <Wayne@SCBIO.org>
Date: Tue, 18 Jun 2013 12:34:20 -0400
To: Wayne Roper <Wayne@SCBIO.org>
Subject: SCBIO to triple life science investors

NEWS

FOR IMMEDIATE RELEASE

June 18, 2013

Contact:
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SCBIO seeks to triple life science investors

Gov. Haley signs bill to help startups

The state's industry association representing innovative life sciences businesses said Tuesday it will seek to triple the number of investors in life science startups as a result of a measure passed by the General Assembly and signed by Gov. Nikki Haley Friday.

"Gov. Haley and the General Assembly have launched a new wave of innovation investment in South Carolina by putting the state on a competitive footing with neighboring states," said Tom McLean, chairman of the South Carolina Biotechnology Industry Organization (SCBIO), a statewide trade group that represents businesses that innovate and manufacture medicines, medical equipment, medical devices and agricultural bio.

"Now SCBIO aims to bring more investors into the South Carolina startup economy and particularly into life sciences," he said. "We think the new credit is a powerful signal to investors that South Carolina embraces the startup economy."

Drawing private funding from the state's potential 100,000 investors could generate \$57 million in private funding for new innovation businesses, if only 1% of those investors participate.

The measure sponsored by Dwight Loftis, R-Greenville and Senate Finance Chairman Hugh Leatherman, R-Florence, gives investors into qualified high technology and innovation-based startups a 35% tax credit to encourage the formation of South Carolina-based companies.

Those companies have shown to grow faster, create more jobs and pay higher wages than the general economy. Life Science-based businesses pay 84% higher than the state average.

The total amount of the credits by the state would be limited to \$5 million a year. The credits would have to be repaid when the startup creates a profit.

"In every state where this has been enacted, it has grown the number of investors by multiples and we think we can match that as well with triple the number of early stage investors — particularly those with experience in life sciences," McLean said. "This will not cost the state a penny. In other states this draws much more investment off the sidelines and into the state economy to create jobs and business that more than pay for the credit."

The exact number of life sciences investors is only known through those officially associated with an angel investment networks, and is thought to be less than 20. SCBIO thinks the state will see more than 60 life sciences investors in the next two years and more than 250 registered angel investors total.

Under the new law, investors would have to register with the state and are often called "angel investors" because no other source of financing is available for high-risk technology startups.

"Angel investors are a vital link in growing startup companies. Little innovation would occur without them," McLean said.

South Carolina ranks near the top in starting new businesses but near the bottom in access to capital to fund them. High-growth startups are responsible for two-thirds of new net job creation, according to the Kauffman Foundation, and a New Carolina study.

In Wisconsin, a similar credit in 2005 has caused the number of investment groups to jump from five to 23 and attracted more than \$141.5 million in private investment after three years. By 2011, direct investment had ballooned to \$61 million.

In Minnesota, a 2010 investment tax credit drew \$63 million in additional investment, far more than the \$15.8 million in tax credits.

The measure was supported by SCBIO along with the Upstate Carolinas Angel Network, Upstate Chamber Coalition, The State Chamber of Commerce, the Greenville Chamber of Commerce, Charleston Metropolitan Area Chamber of Commerce, Charleston Angel Partnership, New Carolina and South Carolina Economic Developers Association.

The measure provides:

- A state income tax credit of 35% of investments in qualified startups that can be transferred and carried forward 10 years.
- An annual cap of \$100,000 per investor and \$5 million total in the state
- For qualified businesses to have been organized within the last 5 years; have fewer than 25 employees and annual revenues of less than \$2 million.

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SCBIO is a member-driven organization representing the life sciences industry. They include those companies and organizations that innovate and manufacture medicines, pharmaceuticals, medical devices, medical equipment, diagnostics, agricultural bio and bio fuels. About 15,000 South Carolinians are employed in 900 biomedical businesses in South Carolina.

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