



VIA EMAIL

August 27, 2015

Ms. Jennifer Cooper
Ethics Director
Indiana Office of Inspector General
jcooper@ig.in.gov

Re: IEDC Report on Conflict of Interest & Screening Procedures

Director Cooper,

In its Advisory Opinion No. 13-I-33 (“Advisory Opinion”), the Indiana State Ethics Commission (“Commission”) reviewed the Indiana Economic Development Corporation’s (“IEDC”) Confidentiality and Conflict of Interest Policy (“Policy”). In relevant part, the Policy contains identification protocols and a four-step screening procedure when a member of the IEDC’s Board of Directors (“Board”) has a direct or indirect financial interest in a company to which the IEDC is considering offering a state incentive. The Commission found it appropriate for the IEDC to implement the Policy without requiring the relevant Board member to request an advisory opinion beforehand and it required the IEDC to report that a potential conflict of interest was identified and that the screening procedures were implemented.

On July 15, 2015, the Board’s Entrepreneurship Committee (“EC”) approved an investment award to a company in which one of the Board members that serves on the EC recused herself from discussions and approval of said investment. In compliance with the Advisory Opinion, the IEDC submits this report.

Porchlight Group, Inc. (DBA Haven) – Ms. Angela F. Braly

Angela F. Braly is a member of the Board and also serves on the Board’s EC. On May 14, 2015, Ms. Braly submitted her annual Conflict of Interest Disclosure Statement to the IEDC, which in turn forwarded it to the Commission. Ms. Braly reported that she serves on the Board of Directors for Lowe’s Companies, Inc. (“Lowe’s”), a publicly traded company.

Porchlight Group, Inc. (“Porchlight Group”), through its Co-Founder and President, John Brown, sought an investment from the Indiana Twenty-First Century Research and Technology Fund (“21 Fund”), which is administered by the IEDC and Elevate Ventures, Inc. (“Elevate”). Porchlight Group submitted documentation required under the 21 Fund’s investment policy and procedures.

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July 15, 2015 IEDC Entrepreneurship Committee Executive Session & Meeting

On July 15, 2015, the Board's EC met at the IEDC. Ms. Braly is a member of said EC and was in attendance. Prior to the Executive Session, Ms. Braly announced that she had a potential conflict of interest and disclosed to the EC that she serves on the Board of Directors for Lowe's, which holds an investment interest in a potential competitor of Porchlight Group. As a result, Ms. Braly refrained from participating and departed the room during that portion of the Executive Session specific to Porchlight Group.

Later that same day at the same location, the EC Chairperson, John Thompson, convened a meeting of the EC, which was open to the public. Ting Gootee, Chief Investment Officer of Elevate, made a summary presentation of the 21 Fund projects, including Porchlight Group. Committee member Ms. Braly disclosed that she serves on the Board of Directors of Lowe's, which holds an investment interest in a potential competitor. Ms. Braly voluntarily recused herself while the EC was apprised of and deliberated whether to approve the investment in Porchlight discussed previously. The EC thereafter approved the investment.

Should you require any additional information, please do not hesitate to contact me.

Sincerely,

/s

Chris W. Cotterill
General Counsel