



TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Brian J. Feldman

FROM: Howard Carolan, MPH, MBA, CoapTech, Co-Founder, CEO

DATE: March 3, 2020

RE: **SUPPORT** – Senate Bill 398 – *Maryland Small Business Innovation Research and Technology Transfer Incentive Program*

Good afternoon, my name is Howard Carolan and I am the CEO of CoapTech (“Co-App-Tek”). I thank the Chair and members of the committee, and I appreciate the opportunity to have my thoughts shared here in support of this bill. I would be there with you in person but I have a conflicting meeting today with a venture capital group - that is my punishment for CoapTech’s recent successful FDA clearance and promising clinical use of its medical device at several local area hospitals.

CoapTech was born in Baltimore in 2016, founded by myself and my clinical partner Dr. Steven Tropello, combining a new feeding tube technology he invented at University of Maryland Medical and a team we brought on mainly from Johns Hopkins Medicine. Our company has received guidance and wisdom shared by several successful medical device entrepreneurs in the area. We have taken advantage of state, university, and federal programs which educate new entrepreneurs on best practices. And, importantly, we have been fortunate to have support in the form of funding from several sources that are vital resources for companies in this ecosystem, including the TEDCO MII program, the University of Maryland MIPS program, angel investors in the area taking advantage of the MD Biotech Tax Credit, and finally the NIH. These avenues are each independently valuable, and together, they reinforce one another - that is to say, success in one can set up opportunities and lend credibility enabling success with others. CoapTech has received a total of 9 different grants from these organizations, totaling about 1/3 of our total capital to date, and those grants have enabled progress opening doors with investors.

Grants are often the very first step for brand new companies. The bill proposed would allow young companies better mileage on grants, which will mean more young companies taking off further and faster. The bill would also help leverage the scientific and commercial credibility of the NIH expert reviewer panels, thus ensuring Maryland tax dollars invested in this program go to companies which meet the NIH’s very high bar of legitimacy. By bringing additional non-dilutive funds to the table, this bill would also help local investors obtain a better ROI for companies who receive the grants which are matched through this program. As an entrepreneur I can attest that this bill would result in a very appealing opportunity for a young company to pursue, and I hope it succeeds. On behalf of CoapTech, thank you for this and all of the programs in this ecosystem that Maryland has built encouraging new companies to take flight.