



September 3, 2025

Mr. Bradley Sussman
Managing Director
K2 Integrity
730 Third Avenue
New York, NY 10017

VIA EMAIL ONLY: bsussman@k2integrity.com

**RE: NOTICE OF AWARD: RFP #2022-RFP-144-14 Integrity Oversight Monitor
Life Science Investment Program**

Dear Mr. Sussman:

Thank you for your response to the Task Order Request for the above referenced program, including the requested clarification provided for the proposed pricing. I am pleased to inform you that K2 Integrity has been awarded this monitorship work with a total budget not-to-exceed \$156,350 for the duration of the monitorship, including the compliance work and related tasks.

We will schedule a kickoff meeting with the Life Science Investment Program team as soon as possible. NJEDA looks forward to working with K2 Integrity.

Sincerely,

Elizabeth George-Cheniara

[REDACTED]
Director, Legal Compliance
Accountability Officer

cc: [REDACTED], Chief Counsel
[REDACTED], Chief Compliance Officer
[REDACTED], Team Lead, Legal Compliance
2022-RFP-144-14

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY TASK
ORDER REQUEST**

[Reference RFP #2022-RFP-144-14

VENDOR NAME	Deloitte & Touche, LLP and K2 Integrity
PROJECT TITLE	Life Science Investment Program
DATE	6/26/2025
PROJECT SUMMARY	Integrity Oversight Monitoring (“IOM”) Services for Life Science Investment Program
DATE NEEDED	ASAP

NJEDA CONTACT (Name, Title, Address, E-mail & Telephone Number)	Life Science Investment Program questions: [REDACTED], Senior Product Officer, Venture Products [REDACTED]
	For general IOM program questions: [REDACTED], Director – Legal Compliance and Accountability Officer [REDACTED]

Cost Submission: Please provide a cost estimate for the above referenced project, in accordance with the Fee Schedule submitted for RFP #2022-RFP-144-16– Integrity Oversight Monitor. By providing a cost estimate, the Vendor is certifying that there is no Conflict of Interest with the subject request. By the date listed in the cover letter issuing this Task Order Request (TOR), the Vendor shall e-mail the New Jersey Economic Development Authority (NJEDA) a TOR Vendor Response Form provided by the NJEDA. Each estimate must include a Not-to-Exceed amount and statement.

WRITTEN NOTICE TO PROCEED MUST BE PROVIDED BY THE AUTHORITY BEFORE WORK ON THIS PROJECT MAY BEGIN.

PROJECT DESCRIPTION

For all COVID-19 Recovery Programs valued at \$20 million or more, the Engagement/TOR will be provided to the Primary and Secondary contractors. Their responses will be evaluated and awarded accordingly and should include pricing. For all other programs under \$20 million, the TOR will be first provided to the Primary Contractor. If there is a conflict with the Primary Contractor, the task order will be provided to the Secondary Contractor. This TOR is for Life Science Investment Program which is a competitive program funded with \$60,000,000 by the US Department of Treasury’s (US Treasury) State Small Business Credit Initiative (SSBCI).

Pursuant to RFP section 3.3.1, the awardee of this Task Order is requested to perform integrity monitoring services for the above referenced Life Science Investment Program in accordance with the requirements of the RFP, addenda, Executive Order 166 (Murphy, 2020), the COVID-19 Compliance Plan (Feb. 2022) and the Integrity Monitor Guidelines (June 2021). The awardee must provide quarterly and other reports in accordance with RFP section 3.3.2 utilizing the template attached to the RFP (and available online at <https://nj.gov/comptroller/doc/Integrity%20Monitor%20Report%20Template%20-%20Category%203.docx>). The awardee will work with the NJEDA’s Accountability Officer and other NJEDA staff to monitor the above referenced Life Science Investment Program

Program Background

SSBCI is a federal program administered by the US Treasury to strengthen programs of eligible jurisdictions that support private financing to small businesses. The program was first established in 2010, and a second round was funded by the American Rescue Plan Act (ARP) in the spring of 2021, with \$10 billion available overall, allocated non-competitively to states, territories, and Tribal governments. Of the \$10 billion of SSBCI funding, the State of New Jersey (“NJ” or “State”) was allocated \$255 million as per the allocation agreement signed on March 15, 2023.

Because the US Treasury required that state-level SSBCI applicants be a state department or agency capable of obligating the State, Governor Murphy designated the NJ Department of the Treasury (NJ Treasury) as the lead applicant for the Memorandum of Understanding (MOU), with NJEDA serving as a contracted entity to implement programs for the federal SSBCI application. The NJEDA’s Board of Authority (“Board”) approved an MOU with NJ Treasury regarding the arrangement for SSBCI 2.0.

These programs were developed in alignment with the Governor’s economic plan, *The State of Innovation: Building a Stronger and Fairer Economy in New Jersey*, which identified clean energy and life sciences as among the state’s targeted industries, set a goal of building the most diverse innovation ecosystem in the country, and emphasized the importance of easier access to capital for small businesses. This set of programs also built upon existing strengths and experiences within NJEDA.

New Jersey’s SSBCI application proposed six programs, of which this is one:

- Blended Capital Investment (\$50M);
- Clean Energy Business Financing (\$80M);
- Life Science Investment (\$60M);
- SEDI Seed Fund (\$20M);
- Angel Match Program (\$20M); and
- Recovery Loan Loss Reserve (\$25M)

Life Science Investment Program

Since 1999, the Authority had committed more than \$64.5 million to 20 venture capital funds. This included three (3) fund commitments totaling \$7.8 million as part of SSBCI 1.0. The aggregate commitments resulted in direct investments into 114 NJ-based, early-stage companies, yielding over 6,500 jobs in New Jersey and a private leverage multiple in excess of 64.7 times. To deepen the success of its early-stage investment strategy, up to \$25 million was allocated to three managers identified for recommendation. The EDA sought to commit the balance of the \$60 million life science fund program allocation through one or more future Notice of Investment Opportunity (NIO) processes.

The Life Science Investment Program invested funds into one or more venture funds to support early-stage New Jersey life science businesses. The funding source for the program utilized \$60,000,000 from the State’s expected allocation of \$255,197,631 from the US Treasury’s SSBCI Funding, contingent on the final approval of the SSBCI application by the US Treasury and the execution of an allocation agreement between it and the New Jersey’s NJ Treasury. On February 9, 2023, NJEDA issued an NIO to gather submissions from venture capital managers who had demonstrated competency, capacity, and skill in managing early- to mid-stage investment strategies into start-up and early to mid-stage companies in the State. These managers were considered for investment and for managing a potential Life Science Seed Fund (“Fund”) to invest in life science and healthcare sector businesses. NJ life science funds were expected to have a significant impact in supporting new and ongoing life sciences activity in the State.

In May 2023, the Board approved the following:

- The commitment of an aggregate investment amount of up to \$25 million to limited partnerships or limited liability companies managed by Fund managers. This included up to \$12.5 million for Signet Healthcare Management LLC (Signet), up to \$5 million for Syridex Bio LLC (which was withdrawn due to a failure to raise the necessary matching funds), and up to \$7.5 million for Tech Council Ventures LLC (TCV).

- The delegation of authority to the Chief Executive Officer to determine the fund structure (held in a side-car vehicle) and to finalize fees and expenses with each fund manager based on the parameters outlined in the May 2023 Board memo.

Fund Manager Selection

After scoring is complete, the Authority determines in its sole discretion, whether to proceed with the proposed investment manager. After evaluating the responding Funds, the respondent(s) with the highest-scoring submission(s) is vetted and the Authority will determine whether to proceed.

The Authority reserves the right to:

- Request other supporting documentation from the respondent to support approval of this investment. All documents submitted by the respondent are non-returnable to the respondent.
- Modify, expand, or delete any portion(s) of the Scope of Services / Deliverables.
- Conduct interviews with the respondent fund managers.
- Terminate this Notice for any reason.
- Reject any submission in its sole discretion. Incomplete submissions or submissions not received by the due date will result in the submission being deemed nonresponsive and will not be reviewed or considered.

Eligibility Criteria

To have been eligible for evaluation and potential selection, respondents' submissions had to demonstrate the following, along with other requirements documented in the NIO:

- Familiarity with the compliance and reporting standards mandated by SSBCI.
- The ability to leverage allocated public funds for additional private capital to achieve at least a public/private ratio of 1:1 at the fund level.
- The knowledge and contacts necessary to source and invest in New Jersey's entrepreneurial life sciences industry.
- The fund had to currently be raising capital for a new fund, demonstrating that public funds stimulated private investment.

All interested fund managers were required to submit their submissions electronically by Friday, September 6, 2024.

Eligible Fund uses

- The fund managers must comply with SSBCI rules and requirements as issued by the U.S. Treasury.
- The Fund's ability to invest is conditional upon the Fund first meeting or exceeding the 1:1 private financing ratio.
- In addition to regular reporting provided for in the Fund agreements (which may include Limited Partnership Agreement (LPA) and NJEDA side letter agreement), the selected fund managers must transaction details and federally required certifications to NJEDA before each investment.
- The selected managers must comply with the required guidelines for an investment to be made with funds from their specific SSBCI allocation.
- The selected managers must ascertain that their intended investment is the first SSBCI investment into the prospective firm (including verification documentation).
- The prospective business must also be raising a capital round that meets the "early- to mid-stage" designation (typically rounds "pre-seed" to "Series B").
- No investments may be made in capital rounds with total round size of \$20 million or more. Multiple investment transactions into a specific company, such as follow-on investments, are permissible, provided that funds into any one company will not surpass \$20 million
- A minimum of 90% of the investments must be in companies with a New Jersey location. An NJ business is:
 - One which at least 50% of non-retail employees working or living in New Jersey, or 50% of payroll is paid to employees, living or working in NJ; or,
 - A business which has its headquarters in New Jersey, referring to a location where the business' high-level officers direct, control and coordinate the business' activities is in New Jersey and New Jersey has the highest

(or, equal to the highest) percentage of the business' U.S.-based full-time employees who are not primarily engaged in retail sales or other point of sale roles.

Ineligible Fund uses

- Equipment acquisition and installation of \$2,000 or more and construction are not eligible uses.
- Speculative activity (futures trading, etc), earning more than 50% of net revenues from lending (unless investee is a Community Development Financial Institution or CDFI that is not a depository institution or a bank holding company), engaging in pyramid sales, illegal activities, or gambling (33% or more of annual revenue).
- Repayment of delinquent federal or state income taxes or repayment of taxes held in trust or escrow.
- Reimbursement of funds owed to any owner.
- Purchase of a portion of the ownership interest.
- Investment of SSBCI funds in any business in which an SSBCI insider has a personal financial interest, as defined in the SSBCI Capital Program Policy Guidelines. Upper management of the life sciences/health care investment firms or executives of the portfolio companies cannot have any relationship with SSBCI executives. This requirement is part of the required conflict of interest certification.
- The financial benefit of an investment candidate from more than one State approved SSBCI program at a time without prior written consent of the US Treasury.
- Fund managers may not combine financing from private tax credit-supported entities (i.e., entities that are funded through the sale of tax credits they received from a state) and SSBCI-supported programs for the same business purpose, or within the same investment or loan fund. No public funds of any kind may be counted for the 1:1 public/private matching for a portfolio company investment. Candidates are required to attest that private capital is not from financing provided by tax-credit supported vehicles, such as funds capitalized by the sale of state tax credits.
- Principals of the investor or the investees cannot be convicted of a sex offense against a minor (as such terms are defined in section 111 of the Sex Offender Registration and Notification Act (34 U.S.C. § 20911, formerly 42 U.S.C. § 16911)). For this purpose, "principal" is defined as if a sole proprietorship, the proprietor; if a partnership, each partner; if a corporation, limited liability company, association, development company, or other entity, each director, each of the five most highly compensated executives, officers, or employees of the entity, and each direct or indirect holder of 20 percent or more of the ownership stock or stock equivalent of the entity.
- There is to be no conflict of interest with SSBCI insiders and the officers/directors/owners of the investment firm. There can be no SSBCI influencer, family member, or person of financial interest to be involved in the designation of funds for SSBCI program.
- The funds are not to invest in a firm where NJEDA or the appointed investment manager(s) has a financial commitment or is related to a professional at the invested firm.

Approved Fund Managers

- **Up to \$12.5M SSBCI funds are Allocated to Signet Healthcare Partners.**
- **Up to \$7.5M SSBCI funds are allocated to Tech Council Ventures.**

Withdrawn Fund Manage

- **\$5M has been withdrawn from Syridex Bio due to lack of matching private dollars.**

Disbursement

SSBCI funds are disbursed to jurisdictions in three tranches. The first tranche was disbursed after U.S. Treasury approves the application and NJ Treasury signs and executes the allocation agreement with U.S. Treasury. The second and third tranches will be disbursed when the NJ Treasury certifies that it has expended, transferred, or obligated at least 80% of the prior disbursement of allocated funds. The second tranche must be drawn down at or before the three-year anniversary of the signing of the allocation agreement, and the final tranche must be drawn down at or before the six-year anniversary of the signing of the allocation agreement. US Treasury has informed EDA staff that the expected deadline to disburse the funds is 10 years. SSBCI administrative costs are limited to 5% of SSBCI funds in the first tranche and 3% of SSBCI funds in the second and third tranches.

Currently NJEDA has obligated \$20M to fund managers: \$12.5M to Signet Healthcare Partners and \$7.5M to Tech Council Ventures. While the fund managers are sourcing NJ life sciences/healthcare companies, there have not been any closed deals.

In addition, the Board has approved 3 additional fund managers upon the NJEDA's receipt of US Treasury's second SSBCI tranche disbursement.

Documents Attached

- Board Memorandum re New Jersey State Small Business Credit Initiative ("SSBCI") Life Science and Healthcare Fund Manager Approvals (12.19.2024)
- Board Memorandum re Fees and expenses cap increase for the New Jersey Black & Latino Seed Fund (BLSF), the SSBCI Socially & Economically Disadvantaged Individuals (SEDI) Seed Fund and Life Science Fund, and New Jersey Innovation Evergreen Fund (NJIEF) (6.12.2024)
- Board Memorandum re New Jersey State Small Business Credit Initiative ("SSBCI") Life Science/ Healthcare Venture Fund Manager Approvals. (5.10.2023)
- Board Memorandum re MOU with New Jersey Department of the Treasury of NJEDA Participation in State Small Business Credit Initiative (2.09.2021)
- NJEDA's Memorandum of Understanding: Memorandum of Understanding Between the State of New Jersey, Department of the Treasury and the New Jersey Economic Development Authority (2.10.2022)
- NJEDA's Notice of Investment Opportunity re New Jersey State Small Business Credit Initiative ("SSBCI") Life Science/ Healthcare Fund;

Deliverables

- **Quarterly Reports**

Integrity Monitors (IMs) shall submit draft quarterly reports to the NJEDA **five (5) business days** before the last day of the quarter detailing the specific services rendered during that quarter and any findings of waste, fraud, or abuse in accordance with the report templates found on OSC's website. The draft quarterly report is submitted to the NJEDA with a copy to the Integrity Monitoring mailbox: TreasuryIM@treas.nj.gov.

Prior to the posting of a quarterly report that contains findings of waste, fraud, or abuse, the NJEDA shall be permitted to respond to the findings and have that response included in the publicly posted report. This will allow the NJEDA to highlight any course corrections from the finding, or to contest any finding that it contends is inappropriate. An NJEDA response is due within fifteen (15) business days after receipt of a draft quarterly report. Fifteen (15) business days after the quarter-end, the IM will deliver its final quarterly report, inclusive of any comments from the NJEDA, to TreasuryIM@treas.nj.gov for distribution to the NJ State Treasurer, the New Jersey Governor's Disaster Recovery Office (GDRO), the NJ Senate President, the Speaker of the NJ General Assembly, the NJ Attorney General and the NJ OSC.

The IM quarterly reports will be posted on the GDRO transparency website pursuant to the Executive Order 166. The topics covered by the quarterly report should include the information included in the templates downloadable from NJ Office of the State Comptroller (OSC) website ([New Jersey Governor's Disaster Recovery Office \(GDRO\) – COVID-19 Oversight \(nj.gov\)](https://www.nj.gov/governor/disaster-recovery-office/gdro-covid-19-oversight)).

- **Additional Reports**

IMs must promptly prepare responses for OSC inquiries. OSC, GDRO and the State Treasurer may request that IMs prepare additional reports or prepare additional memoranda that will assist OSC in evaluating whether there is waste, fraud, or abuse in COVID-19 recovery programs administered by Recovery Plan Participants. OSC may also request that IMs or Recovery Program Participants share corrective action plans prepared by Recovery Plan Participants to address reported deficiencies and evaluate whether those corrective plans have been successfully implemented.

IMs are required to follow the Method of Operation for the Task Order Competition Process previously provided, with the following modification on time to submit:

i. Immediately, **but by no later than three (3) business days** of the IM's receipt of the TOR, the IM must advise NJEDA of any conflicts of interest.

ii. Within **14 calendar days** of the IM's receipt of the TOR, the IM must return a signed **Conflict of Interest Certification Statement (RFP Exhibit B2)** to [REDACTED], *whether or not a conflict exists*.

The IM must ensure that all pricing reflects itemized costs for all activities required for the Recovery Loan Loss Reserve Program including the "not-to-exceed" (NTE) pricing for: (a) all services within the year, *and* (b) for any additional necessary services that would exceed one (1) year. **The TOR response MUST include the NTE for the total cost of services for all applications and other IOM review criteria, as applicable, for the full duration of the project.** Pricing for **all IOM services** under this TOR associated with the Life Science Investment Program **must be listed in the TOR response** (i.e., "additional [applications/services] beyond the number quoted will be priced at the rate of [dollar amount] per [time/unit] through the end of the program, with an increase in the cost NTE CPI per annum."). The pricing will be evaluated based upon **the entirety** of the duration of the engagement and the proposal is to provide for this period. **ANY LIMITATIONS OR CAVEATS (SUCH AS LIMITING PRICING QUOTES OR SERVICES TO A SELF-SPECIFIED PERIOD OF TIME, i.e. ONE YEAR) SUBMITTED WITH THE PRICING SHALL BE REJECTED AND RENDER THE SUBMISSION NONRESPONSIVE.**

ADDITIONAL PARTIES TO RELY ON THE RESPONSE

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
TASK ORDER REQUEST
CONFLICT OF INTEREST CERTIFICATION STATEMENT
[Reference RFP #2022-RFP-144 (TOR-14)]**

I hereby certify that I am an authorized representative of the Vendor and can provide this Conflict of Interest Certification Statement on the Vendor's behalf.

I hereby certify and attest that to the best of my knowledge that the Vendor does not have a direct, familial, personal or monetary interest in the business entity, business site or project indicated below; nor does the Vendor or any employee, agent and/or representative of the Vendor currently have or have had any previous or existing personal or professional relationships with, interaction with, or done business with the project-specific business, site and/or with the current or previous owner(s). Further, neither Vendor nor any employee, agent and/or representative of the Vendor is now or has been employed by, or is a principal of, or is affiliated with the respective business, business sites, owner(s) or project involved with the Task Order Request (TOR) named below, in any manner.

To the best of my knowledge, neither the Vendor or any employee, agent or representative of the Vendor hold any ownership interest in the respective Task Order Request businesses or business sites which are the subject of the work to be performed, nor does Vendor under contract (other than the Authority Contract) to perform work or services, including representation for the same businesses or business sites referenced in the Task Order Request for the work to be performed.

During the performance of the work for the Task Order Request, should a conflict of interest arise, whether real or perceived, Vendor will immediately notify the New Jersey Economic Development Authority's Designated Contract Manager of the conflict and await the Authority's review and decision regarding Vendor's further participation.

I understand that, should a conflict exist, whether real or perceived, in the sole discretion of the Authority, Vendor shall immediately recuse itself from the work to be performed. In the event Vendor declines to complete and execute this Conflict of Interest Statement, Vendor understands that it will be removed from the work.

TASK ORDER REQUEST DETAILS:

2022-RFP-144 (TOR-14) _____
RFP #

Life Science Investment Program _____
RFP Title

- Vendor hereby certifies and attests that, to the best of my knowledge, there is no conflict of interest, as indicated above, that would affect Vendor's ability to accurately, effectively and impartially perform the work required on the specific Task Order Request.
- Vendor hereby recuses itself from participating in the performance of any work required on the specific Task Order Request for the following reasons:

Michael Bernstein _____
Vendor Employee Name


Vendor Employee Signature

Associate Managing Director _____
Title
7/9/2025 _____
Date

Bradley Sussman _____
Vendor Contract Manager Name


Vendor Contract Manager Signature

Senior Managing Director _____
Title
7/9/2025 _____
Date



INTEGRITY MONITORING

K2 Integrity - Bid Submission-2022-RFP-144 – Integrity Oversight Monitor:

Task Order Request – Life Science Investment Program

Prepared for:

New Jersey Economic Development Authority

Attention:



Senior Product Officer, Venture Products
New Jersey Economic Development Authority
36 West State Street
P.O. Box 990
Trenton, NJ 08625-0990

July 24, 2025

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1. Management Overview and Technical Approach

1.1. Introduction

K2 Integrity, operating through K2 Intelligence, LLC (referred to herein as “K2 Integrity”) appreciates the opportunity to submit a proposal to the New Jersey Economic Development Authority (“EDA” or “the Authority”) to provide Integrity Oversight Monitor (“IOM”) services, Task Order Request (“TOR”) for the **Life Science Investment Program (“LSIP”)**.

K2 Integrity is the preeminent risk, compliance, investigations, and monitoring firm — built by industry leaders, driven by interdisciplinary teams, and supported by cutting-edge technology to safeguard our clients’ operations, reputation, and economic security. K2 Integrity represents the merger of K2 Intelligence, LLC an industry-leading investigative, compliance, monitoring, and cyber defense services firm founded in 2009 by Jeremy M. Kroll and Jules B. Kroll, the originator of the modern corporate investigations industry, and the Financial Integrity Network (“FIN”), a premier strategic advisory firm founded by Juan Zarate and Chip Poncy, former senior U.S. Treasury and government officials, dedicated to helping clients achieve their financial integrity goals.

Our teams include former senior government advisors, regulators, compliance officers, technology professionals, prosecutors, lawyers, law enforcement and intelligence professionals, forensic accountants, investigative journalists, and academics, each bringing a unique set of risk management, investigative, and advisory skills and perspectives to the client’s situation.

Headquartered in New York with offices in London, Washington, DC, Madrid, Geneva, Doha, Los Angeles, and Chicago, K2 Integrity employs a total global staff of more than 300 and maintains deep, diverse global networks. We act as advisors to governments, financial institutions, companies, and high-net-worth individuals; our clients frequently include public entities and authorities along with private companies across a wide variety of business sectors.

K2 Integrity advises governments, companies, boards, and individuals in business areas including integrity monitoring, investigations and disputes, regulatory compliance, cyber defense, construction and real estate, strategic risk and security, and private client services. We also assist financial institutions and governments with strategic advisory, policy, controls, and training to protect against the full range of illicit financing threats.

K2 Integrity is known for its strategic application of technology. Whether it is sophisticated digital forensic tools, deep web search capabilities, or sophisticated analytic platforms for interrogating massive data sets, we consistently produce efficient results for clients by knowing how and when to employ innovative technology.

K2 Integrity leverages unmatched multidisciplinary experience to develop cutting-edge solutions, stimulate business opportunities, and shape global economic security in a complex world. Whether it’s protecting clients’ assets or navigating the complex financial regulatory landscape to help clients identify, manage, and mitigate risk, K2 Integrity is a trusted advisor striving to meet and exceed clients’ goals in a rapidly changing world.

K2 Integrity is confident it can assist the Authority and provide a monitoring plan that can perform the requested services. We are uniquely qualified to provide the services requested in the Authority’s RFP. No other firm possesses decades of experience, depth of proprietary intelligence, and expertise in performing such services. As explained below, we are currently performing very similar IOM services on four engagements including for the Authority and other New Jersey agencies in which we monitored the expenditure of Covid-19 relief funds.

1.2. Management Overview and Technical Approach to Achieve the Scope of Work

K2 Integrity understands that the TOR calls for integrity monitoring services for the Life Science Investment Program (“LSIP”). LSIP is a \$60 million program that invests funds into one or more venture funds to support early-stage New Jersey life science businesses. In the LSIP, venture capital managers (“Fund Managers”) are selected by NJEDA for investment and to manage the Life Science Seed Fund (“the Fund”). K2 Integrity understands that the following two¹ Fund Managers were approved, totaling \$20 million:

- Signet Healthcare Partners – Up to \$12.5 million; and
- Tech Council Ventures – Up to \$7.5 million.

Further, we understand that the Board has approved three additional Fund Managers upon receipt of the second SSBCI tranche disbursement.

Eligibility Criteria:

- Familiarity with the compliance and reporting standards mandated by State Small Business Credit Initiative (“SSBCI”).
- The ability to leverage allocated public funds for additional private capital to achieve at least a public/private ratio of 1:1 at the fund level.
- The knowledge and contacts necessary to source and invest in New Jersey’s entrepreneurial life sciences industry.
- The fund had to currently be raising capital for a new fund, demonstrating that public funds stimulated private investment.

Eligible Fund Uses:

- The fund managers must comply with SSBCI rules and requirements as issued by
- the U.S. Treasury.
- The Fund’s ability to invest is conditional upon the Fund first meeting or exceeding the 1:1 private financing ratio.
- In addition to regular reporting provided for in the Fund agreements (which may include Limited Partnership Agreement (LPA) and NJEDA side letter agreement), the selected fund managers must transaction details and federally required certifications to NJEDA before each investment.
- The selected managers must comply with the required guidelines for an investment to be made with funds from their specific SSBCI allocation.
- The selected managers must ascertain that their intended investment is the first SSBCI investment into the prospective firm (including verification documentation).
- The prospective business must also be raising a capital round that meets the “early- to mid-stage” designation (typically rounds “pre-seed” to “Series B”).
- No investments may be made in capital rounds with total round size of \$20 million or more. Multiple investment transactions into a specific company, such as follow-on investments, are permissible, provided that funds into any one company will not surpass \$20 million
- A minimum of 90% of the investments must be in companies with a New Jersey location. An NJ business is:

¹ \$5M has been withdrawn from Syridex Bio due to lack of matching private dollars.

- One which at least 50% of non-retail employees working or living in New Jersey, or 50% of payroll is paid to employees, living or working in NJ; or,
- A business which has its headquarters in New Jersey, referring to a location where the business' high-level officers direct, control and coordinate the business' activities is in New Jersey and New Jersey has the highest (or, equal to the highest) percentage of the business' U.S.-based full-time employees who are not primarily engaged in retail sales or other point of sale roles.

1.3. General Approach

Designing, implementing, and managing proactive integrity monitoring and anti-fraud engagements is a core competency of K2 Integrity. As a result, K2 Integrity has an intimate understanding of the risks inherent in federal grant and disaster recovery programs, and knowledge of how to apply our methodologies in an independent fashion while collaborating and calibrating our work with decision-makers.

K2 Integrity has performed this type of work with multiple agencies in the past and continues to do so. In 2020 through present, we were instrumental in assisting the Authority, The New Jersey Department of Agriculture, the New Jersey Department of State, the New Jersey State Police, and the New Jersey Office of Higher Education in monitoring their expenditures of Covid-19 recovery funds.

We have performed integrity monitoring for major disaster recovery engagements since 2001, with our work on the clean-up of the World Trade Center site. Since then, we have performed these services in other engagements for a host of government agencies, including the New Jersey Department of Environmental Protection, the New Jersey Transit Corporation, the Port Authority of New York & New Jersey, the New York State Empire Development Corporation, and the Metropolitan Transportation Authority. Our experience on these past and current disaster recovery engagements allows us to design and implement efficient monitoring methodologies that will minimize the time and expense required to perform the services required on the engagement.

Our proposed work plan approach, as further described in the following sections of this document, focuses on practicality and real-world solutions to how grant funds and grant disbursements are managed. Our years of integrity monitoring experience enable us to target engagement-specific risks, not wasting resources in areas that do not require scrutiny. As we identify problems, we strive to get to the heart of the matter and design solutions to address and prevent integrity issues without burdening the engagement's progress. We also follow through to ensure that proposed solutions work and do not adversely impact the fulfilment of our clients' goals.

We understand that our clients have limited resources. We understand that while we cannot effectively monitor every transaction on every engagement, we maximize our efforts to focus on those activities or transactions most susceptible to risks of fraud, waste, and abuse. We can accomplish these objectives successfully, despite our clients' resource limitations, because we employ a cost-effective, intelligence-driven approach designed to identify the areas of greatest risk (both in terms of impact and likelihood of occurrence), and the controls in place to mitigate those risks, so that we can target the use of our resources and make our sampling of processes and controls maximally effective. This pragmatic approach avoids duplication of the routine operational reviews of program management controls and processes and provides a value-add for an affordable cost.

K2 Integrity's approach is distinguished by the following characteristics:

Solutions-oriented, Not Process-Driven

We believe that there is no such thing as a routine situation. We work to understand the problem before forming the solution. We are experts at analyzing internal data, documents, and communications and marrying that to market and situational intelligence to give our clients an edge.

Decades of Combined Experience

Our senior practitioners bring decades of experience as leaders in their fields and deliver the best solutions to our clients.

Strategic Application of Technology

Whether using sophisticated digital forensic tools, analytic platforms for interrogating massive data sets, or cutting-edge case management systems, K2 Integrity consistently relies on technology to deliver the most effective solution to our clients.

Tailored to the Needs of the Client

We address client challenges from every possible angle and work tirelessly to craft solutions as quickly and efficiently as the particular situation requires. Our investigations frequently support the legal strategies of law firms.

Multidisciplinary Breadth

Our teams can engineer multifaceted solutions that always put our clients' needs first. Using the latest technological, data, and analytical tools, our teams address client challenges from every angle and discipline to craft solutions.

Nimble Teams

With global experience and local knowledge, we are able to go anywhere in the world at a moment's notice, including many remote or difficult locations. In addition to drawing on our own collective experience, we partner with a worldwide network of experts and practitioners in every field and capacity. This footprint allows us to service client needs wherever and whenever they arise.

Independence and Insight

We are proud of what we have come to stand for: good outcomes, honest outcomes, and a reputation not only for risk advisory, consulting and compliance excellence, but for our independence and insight. Because of it we are trusted by governments around the world.

1.4. Addressing Potential Problems

Given our extensive experience assisting agencies such as the Authority, The New Jersey Department of Agriculture, the New Jersey Department of State, the New Jersey State Police, and the New Jersey Office of Higher Education in monitoring their expenditures of Covid-19 recovery funds, we feel fully equipped to effectively handle any problems that may arise over the scope of this engagement. Our recent engagement with the Authority has given us specific familiarity with Agency procedures, programs, and staff, and should mitigate any potential problems that may arise.

1.5. Proposed Work Plan

Upon notification of an award and execution of a written engagement letter for a Task Order, K2 Integrity professionals will work closely with NJEDA to plan and conduct the following four-phases of work to assist NJEDA in achieving its objectives:

1.5.1. Kickoff and Identification of Monitorship Needs

Objective

During this phase of work, K2 Integrity will work with the NJEDA to plan and scope the project to ensure that key stakeholders are aligned with the project objectives, related deliverables, and timelines.

Project Kick-off Meeting

During this initial phase of work, K2 Integrity will coordinate a project kick-off meeting with key NJEDA personnel. The purpose of the kick-off meeting is to ensure that all stakeholders are aligned on the project objectives, scope, timelines, and deliverables.

Preparation of an Information Request

K2 Integrity will prepare a preliminary information request including relevant policies, procedures, and internal controls implemented by NJEDA. This may include, but will not necessarily be limited to the following:

- Documentation evidencing processes, controls, and technologies implemented to support the execution of applicable programmatic, financial, and administrative requirements set forth in Federal-State grant agreements, sub-grant award agreements, and applicable Federal and State laws, regulations, and guidelines in its administration of SSBCI funds and American Rescue Plan (“ARP”); Additional programmatic funds received from the State; and other Federal Agency for this purpose and subject to an Integrity Oversight Monitoring requirement.
- Results of quality assurance reviews and assessments associated with the payments process to ensure that they are following Federal and State regulations.
- Grants management policies and procedures.
- Accounting policies and procedures including, but not limited to, procurement, payments, expense reimbursement process, financial reporting, and accounts reconciliation process.
- Code of conduct, compliance program, and other governance related documentation.
- Results of prior risk assessments and related risk and control matrix.
- Audit reports including the identification of prior internal control deficiencies and management’s response regarding the same.
- Board memoranda related to the program subject to monitorship.
- Periodic reports and other financial reports that NJEDA produces or receives in its management of the grants and its program utilizing grant funding.
- Grant application processing data.

Identify Expenditures Subject to Monitorship

- K2 Integrity will review information obtained to identify funds subject to monitorship and develop a schedule for operational and internal controls review.
- K2 Integrity understands that NJEDA currently estimates \$60 million funded by the SSBCI.
- K2 understands that as of this RFP, two (2) Fund Managers have been approved by NJEDA, totaling \$20 million.

1.5.2. Ongoing Program Risk Assessment

Objective

K2 Integrity understands that the scope of work for the initial risk assessment for the LSIP may be included separately in the Phase 1 or 2 of this program, or NJEDA TOR for Risk Assessment released on March 24, 2023. As such, K2 Integrity will review the risk assessment created under that TOR and will provide any ongoing risk assessment services as needed including, but not limited to: (i) reviewing the operational effectiveness of key control activities against the initial risk matrix to determine residual risk, and (ii) updating the risk assessment to address information obtained throughout the monitorship of the LSIP. K2 Integrity will ensure that there is no duplication or overlap of services related to the risk assessment.

1.5.3. Substantive Testing of Investment Transactions

Objective

During this phase of work, K2 Integrity will perform monitoring and testing of control operational effectiveness inclusive of transaction testing.

K2 Integrity understands the importance of NJEDA's deadlines, and as such, will be nimble in our approach to conducting tasks in a timely and efficient manner. K2 Integrity professionals will work closely with designated NJEDA personnel to coordinate and perform the following tasks to achieve the project objectives.

Identification of High-risk Areas Subject to Testing

Based on the reviewed risk assessment from the prior TOR, and knowledge of the LSIP, K2 Integrity will work with NJEDA to identify potential areas of focus of the transaction testing. This may include, but is not necessarily limited to, the following:

- Investments made in transactions participating in financing rounds with a total round size of \$20 million or more;
- Investments in transactions participating in financing round size of \$5 million or less;
- Multiple investment transactions into a specific company;
- Investments are the first SSBCI investment into a company; and
- SSBCI investment and transaction level requirements.

Review Investment Transactions

With respect to the investment transactions, K2 Integrity will request and review investment transaction details received and select a risk-based sample of transactions for testing using a combination of random and judgmental sampling designed to provide appropriate coverage of populations subject to monitorship and assess potential red flags. Transactional attributes to be tested include, but are not limited to, the following:

- Investment transactions meeting or exceeding the 1:1 private financing ratio;
- Transaction details and federally required certifications are provided to NJEDA before each investment;
- Compliance with SSBCI guidelines;
- Investment is the first SSBCI investment into the prospective firm with verification documents;
- Prospective business is raising a capital round that meets the "early to mid-stage" designation(s); and
- 90% of investments are in New Jersey based companies.

Utilizing information learned from the risk assessment and initial analysis of data, we will determine the appropriate weighting of random and judgmental sampling to best identify noncompliant and fraudulent transactions. We will identify potential exceptions based on the transactions testing, which will include potential exceptions to established controls as well as potential indicators of fraud, waste, or abuse. We will conduct follow-up inquiries to obtain an understanding of the root cause of the exceptions and provide recommendations regarding control remediation. Testing and follow-up activity will include inquiry, observations, and forensic analysis of books and records to ensure that procedures and controls were executed based on program requirements and that Authority financial data reconcile with transactional and source data.

K2 Integrity’s team of forensic accountants, investigative attorneys, forensic engineers, and investigators are available to conduct onsite monitoring, interviews, and data capture in the event of noncompliance with reporting requirements, unresponsiveness, allegations of misuse of funds, or other high-risk.

K2 Integrity has a vast network of professionals in additional areas of practice, including commercial lending and economic development incentives structuring, who are available to provide services at NJEDA’s discretion should the need arise.

1.5.4. Reporting

K2 Integrity will provide draft quarterly reports to the Authority, with a copy to TreasuryIM@treas.nj.gov, on the last day of the quarter detailing the specific services rendered and any findings of waste, fraud, or abuse. K2 Integrity will utilize the report templates on the Office of the State Comptroller’s website for submittal.

1.5.5. Engagement Timeline

K2 Integrity has prepared the following proposed timeline for the initial year of the Task Order based on the information presently available at the time of proposal. The timeline may need to be adjusted due to circumstances as they arise including, but not limited to, requirements of Task Orders that the Authority may issue.

Key Milestone:	Date:
TOR Award	July 3, 2025
Kick-Off Meeting	July 9, 2025
IOM Information Request	July 15, 2025
Obtain Requested Information	July 18, 2025
Interviews of Authority Stakeholders	July 29, 2025
Conduct Quarterly Compliance Testing	July 30, 2025 – September 15, 2025
Issue Interim Report	September 15, 2025
Draft Quarterly Report Preparation	September 19, 2025
Draft Quarterly Report Submission	September 29, 2025
Conduct Quarterly Compliance Testing	October 2, 2025 – December 15, 2025
Issue Interim Report	December 19, 2025
Draft Quarterly Report Preparation	December 22, 2025
Draft Quarterly Report Submission	December 29, 2025
Conduct Quarterly Compliance Testing	January 5, 2026 – March 16, 2026
Issue Interim Report	March 20, 2026
Draft Quarterly Report Preparation	March 23, 2026
Draft Quarterly Report Submission	March 30, 2026
Conduct Quarterly Compliance Testing	April 1, 2026 – June 15, 2026
Issue Interim Report	June 22, 2026

Key Milestone:	Date:
Draft Quarterly Report Preparation	June 25, 2026
Draft Quarterly Report Submission	June 30, 2026

2. Organization Chart



3. Key Team Member List

Our Key Team Members for this TOR are identified below:

Key Team Member	Proposed Role
Bradley Sussman	Executive Oversight of IOM Team
Tejah Duckworth	Project Management
Michael Bernstein	Management of All Audit Functions

4. NJEDA Task Order Request – Vendor Response Form

Attached please find K2 Integrity's TOR Vendor Response Form, RFP Exhibit B3, as Appendix 1.

K2 understands that two (2) applicants have been approved. K2 Integrity's proposes to review up to 33.33% of the overall budget of \$60 million for the LSIP. K2 Integrity's total budget for this TOR is not-to-exceed \$156,350.

Appendix 1 – Vendor Response Form

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY
TASK ORDER REQUEST - VENDOR RESPONSE FORM**
[Reference RFP #2022-RFP-144]

TASK ORDER REQUEST # 144-14

The undersigned, having familiarized himself/herself with the conditions affecting the cost of the work and with the Authority Contract documents agrees to furnish all mobilization, insurances, labor, materials and services, and perform all work as described in the Contract documents, per the rates included in the Fee Schedule. The Contractor is responsible for verifying and estimating all quantities for providing the prices.

CONTRACTOR NAME	K2 Integrity		
PROJECT SUMMARY	Life Science Investment Program		
COVID-19 Recovery Programs valued at \$20 million or more	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
STANDARDIZED POSITIONS/TITLES	HOURLY RATES	NUMBER OF HOURS	PRICE
Senior Executive / Manager	\$340	11	\$ 3,740
Mid-Level Manager	\$290	329	\$ 95,410
Low-level (or similar title)	\$220	260	\$ 57,200
Administrative/Support Staff	\$195	-	\$ -
		600	
TOTAL PRICE			\$156,350
<p>Contractor agrees as follows: Project completion shall be consistent with the dates outlined on the Task Order Request. Scheduling of all work shall be coordinated with the Authority. Consultant represents that there is no conflict of interest in the performance of this Task Order Request. The Authority is a tax-exempt organization: [REDACTED].</p>			

Respectfully submitted,

K2 Integrity

 Name of Firm


 Senior Managing Director
 Signature & Title

Bradley Sussman

 Name of Individual
 7/14/2025

 Date

