Welltodo

February 1, 2016

Chairman Kleeb
Kansas State Capitol, Room 185-N
300 SW 10th St
Topeka, KS 66612

Chairman Kleeb and members of the Committee:

Thank you for your work thus far in the legislative session. My name is Chris Cardinal and I am the CEO of Welltodo, a tech startup using digital therapeutics to tackle preventable disease and reduce healthcare costs. . I wanted to take the time to weigh in on an issue of great importance to entrepreneurs in the State of Kansas, the extension of the Angel Investment Tax Credit. It is critically important that you support the passage of H.B. 2405.

Today, high-growth companies are creating a dynamic innovation economy, creating jobs and tax revenue that will impact our state for years to come. One of the necessities of building a high-growth company is that, at some point, most companies need to raise capital to keep their business growing at a fast pace. This is a process that isn't easy in Kansas—and it shouldn't be. Investors do their best to pick the most promising companies, and companies are constantly seeking to raise money from in- and out-of-state investors. The forces of the free market ultimately determine who does and doesn't get funding.

However, when Kansas companies compete not just locally but nationally for funding, we have to overcome the fact that in Kansas we have limited resources to aid in our development when compared with companies in Silicon Valley, Boston or Austin. In this equation, to make investing in Kansas companies more attractive, our ability to "sweeten the deal" with angel tax credits is an invaluable tool to make sure investors have an incentive to invest in local companies.

As I continue to grow my company and begin the process of raising angel capital, I am constantly asked by investors if I have been allocated any angel investment tax credits. It's already apparent to me just how important this incentive will be in convincing investors to inject capital into my company to help us grow and create jobs right here in Kansas. I know that many are concerned about supporting early-stage business because entrepreneurs are pressured by investors to move to the coasts as their companies become profitable. In my case, that couldn't be less of a concern. I am a life-long Kansan—from growing up in Salina, to attending KU and buying a home in Prairie Village—and I'm committed to growing my company in my home state.

I urge you to vote in favor of H.B. 2405, extend the Angel Investment Tax Credit, and in doing so, help entrepreneurs like me create jobs for years to come. The future of our state depends on it.

Thank you,

Christopher Cardinal

Chris Cardinal
CEO, Welltodo
Prairie Village, KS