

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

October 13, 2022

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Sharon Pinder	Anthony Williams
Clem Kaikis	Stanley Tucker
Kenny Oreagba	Michael Howard
	Mark Harrison
	Anica Ashbourne
	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

October 13, 2022

EXTENSION

BuildSol, LLC

NEW REQUESTS

April Cook Salon, LLC dba April Cook Salon Suites

One Leg Up Pets, LLC

The closed session of the September 22, 2022, special meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Mara Sierocinski, and Chuck Martin. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the renewal request of Care Management Consulting, LLC; and the modification requests of Agent of Change, LLC and YJ LLC. All the requests were approved.

1. Care Management Consulting, LLC – Renewal of EPIP line of credit (reduction from \$400,000 to \$200,000)
2. Agent of Change, LLC – Modify payment obligations through the end of 2022
3. YJ, LLC dba Inca Chicken – Modify payment obligations as follows: (1) defer accrued and unpaid interest through September 30, 2022, until after the maturity date; (2) defer initial monthly payment of interest until November 1, 2022; and (3) defer initial monthly payment of principal and interest until May 1, 2023

MINUTES

September 22, 2022

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the minutes as presented.

EXTENSION

Presenter: Tim Smoot

Applicant: BuildSol, LLC

Loan Amount: \$250,000 EPIP Term Loan

Original Approval Date: August 11, 2022

Comments: An approval extension to October 27, 2022, was requested to allow more time for the loan to close.

Discussion: There was limited discussion regarding the request.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented.

NOTES:

1. Les Hall, Chairman, informed the Authority members of the 6 remaining scheduled meetings for this last quarter of the year and requested all board members who are close to 50% or less attendance to make an earnest effort to attend the remaining meetings.
2. Randy Croxton, MMG, spoke about the current prime rate and its connection with the rates MSBDFA will set for its borrowers. The question was posed whether MSBDFA should continue to tie its rate to the prime rate given the current inflation and the increases in the prime rate.

Les Hall informed the meeting of the statutory maximum, prime rate plus 2%, and requested the discussion to be tabled until this year's annual portfolio review.

3. Anthony Williams, MMG, informed the meeting of Sweet10, Inc.'s investors unwillingness to sign the SSBCI letter as presented requiring the investors to state that their investment would not have been made but for the MSBDFA SSBCI investment. As a result, the loan closed as follows:

\$522,300	EPIP TL
\$727,700	InvestMD TL

4. Stanley Tucker, MMG, informed the meeting of the need for a new candidate to be nominated as a board member.

Les Hall requested the background information of the proposed candidate be submitted to him for review. The actual recommendation may be deferred until the next administration is onboard.

The Open Meeting then closed at 1:35 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

APPROVED:

Celester A. Hall - COMMERCE -
Celester A. Hall - COMMERCE - (Nov 15, 2022 12:48 EST)

Celester A. Hall
Chairman

DATE:

Nov 15, 2022

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**PRESIDING OFFICER'S WRITTEN STATEMENT FOR CLOSING A MEETING
UNDER THE OPEN MEETINGS ACT
(General Provisions Article § 3-305)**

1. Recorded vote to close the meeting:

Date: October 13, 2022

Time: 1:37 pm – 2:33 pm

Location: Held by conference call only due to COVID 19 pandemic at
470.869.2200/428 245 6027

Motion to close meeting made by: Clemis Kaikis; Seconded by Sharon Pinder

Vote to Close Session:

	AYE	NAY	ABSTAIN	ABSENT
Celester Hall, Chair, Designee Secretary of Commerce	[x]	[]	[]	[]
Clemis Kaikis, designee of Comptroller	[x]	[]	[]	[]
Charles Martin	[]	[]	[]	[x]
Kehinde Oreagba	[x]	[]	[]	[]
Laura Pasternak	[]	[]	[]	[x]
Sharon Pinder	[x]	[]	[]	[]
Gina Ramsey	[]	[]	[]	[x]
Mara Sierocinski	[]	[]	[]	[x]

2. Citation of statutory authority to close session (check all that apply): This meeting is being closed under General Provisions Article § 3-305(b), only:

____ (1) To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;

___ (2) To protect the privacy or reputation of individuals concerning a matter not related to public business;

___ (3) To consider the acquisition of real property for a public purpose and matters directly related thereto;

___ (4) To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;

___ (5) To consider the investment of public funds;

___ (6) To consider the marketing of public securities;

X (7) To consult with counsel to obtain legal advice on a legal matter;

___ (8) To consult with staff, consultants, or other individuals about pending or potential litigation;

___ (9) To conduct collective bargaining negotiations or consider matters that relate to the negotiations;

___ (10) To discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans;

___ (11) To prepare, administer, or grade a scholastic, licensing, or qualifying examination;

___ (12) To conduct or discuss an investigative proceeding on actual or possible criminal conduct;

X (13) To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter;

___ (14) Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, *if* public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.

3. Disclosure of the topics to be discussed, for each citation checked above:

§3-305(b)(13) topics: Discussion and evaluation of the applications received from potential borrowers for financial assistance under programs of the Maryland Small Business Development Financing Authority, which applications include the disclosure of financial information of private individuals and confidential commercial and financial information.

§3-305(b)(7) topics: Legal advice from counsel to the Authority with respect to the applications.

4. For each topic listed in #2, disclosure of the reason for discussing it in closed session rather than in open session:

§3-305(b)(13): Financial information of private individuals is protected from disclosure under the Maryland Public Information Act (§4-336) and confidential commercial and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).

§3-305(b)(7): Protection of the attorney-client privilege.

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.

A handwritten signature in blue ink, appearing to read "Celester Hall", written over a horizontal line.

Celester Hall
Chair