

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

February 23, 2023

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 267-930-4000/meeting ID 204072937.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Mara Sierocinski	Anthony Williams
Gina Ramsey	Michael Howard
Chuck Martin	Mark Harrison
	Anica Ashbourne
	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

MINUTES

February 8, 2023

EXTENSIONS

A.C. Development, LLC

Calmi Electrical Company, Inc.

Mobtown Fermentation, LLC dba Wild Kombucha

Point of Excellence Beauty Academy, LLC

Tres C, Inc. dba Jiffy Lube

The Ripp'd Canvas Corporation – Withdrawn. The deal closed on February 22, 2023

NEW REQUEST

BJP Hauling, LLC

Nsan Consulting, LLC

The closed session of the February 8, 2023, meeting was summarized. The Authority Board meeting was attended by Les Hall, Laura Pasternak, Clem Kaikis, Kenny Oreagba, Mara Sierocinski, and Sharon Pinder. 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 modification request of Orcana Biotech, LLC and the new request of The Sun Studio, LLC. Both requests were approved.

1. Orcana Biotech, LLC – Modify approval to (1) remove requirement for the guaranty of New Wave Packaging to assure FDA certification or to pay MSBDFA in the event there is no FDA certification; and (2) change the disbursement schedule
2. The Sun Studio, LLC - \$150,000 EPIP term loan subject to confirmation by Commerce that the borrower is operating a business that is eligible for financial assistance.

NOTE: Discussion with the Department is planned for early March to determine if MSBDFA can move forward with The Sun Studio, LLC transaction.

MINUTES
February 8, 2023

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

EXTENSION

Presenter: Anthony Williams

Applicant: A.C. Development, LLC

Loan Amount: \$150,000 (\$25,000 mobilization funding)

Original Approval Date: October 27, 2022

Comments: An approval extension to March 23, 2023, was requested to allow more time for the loan to close.

Discussion: There was limited discussion regarding the outstanding items needed to close the loan.

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

EXTENSION

Presenter: Anthony Williams

Applicant: Mobtown Fermentation, LLC dba Wild Kombucha

Loan Amount: \$150,000 EPIP Line of Credit

Original Approval Date: July 22, 2021

Comments: Approval is being requested for a 30-day extension of the line of credit to March 23, 2023, to allow more time to prepare a renewal request.

Discussion: There was limited discussion regarding the outstanding items needed to close the loan and proof of the account available to receive payments.

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

EXTENSION

Presenter: Michael Howard

Applicant: Tres C, Inc. t/a Jiffy Lube

Loan Amount: \$700,000 EPIP Term Loan

Original Approval Date: July 22, 2021

Comments: An approval extension to March 23, 2023, was requested to allow more time for the loan to close.

Discussion: There was limited discussion regarding the leasehold property and the total collateral value.

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

EXTENSION

Presenter: Randy Croxton

Applicant: Calmi Electrical Company, Inc.

Loan Amount: \$1,500,000 Surety Bond Line of Credit

Original Approval Date: November 22, 2022

Comments: An approval extension to March 23, 2023, 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.

EXTENSION

Presenter: Randy Croxton

Applicant: Point of Excellence Beauty Academy, LLC

Loan Amount: \$250,000 Surety Bond Direct

Original Approval Date: March 26, 2020

Comments: Approval is being requested for a 60-day maturity date extension of the facility to April 27, 2023, to allow more time to prepare a renewal request.

Discussion: There was limited discussion regarding the request.

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

NOTE:

Les Hall informed the Authority that the Department's Finance Programs Accounting and Administration Unit informed him that the dollar amounts of the approvals in the MSBDFA programs exceeds the Budget Appropriation for the programs established July 1, 2022.

He has advised MMG and internally the Department is discussing options available to help address the deficiency. The Department is determining what capabilities are available to help fill the void. It is possible that the board will potentially have to cease approving new transactions after this meeting. He will inform MMG and the Authority when he has more information.

SSBCI funds are available, but use of the funds remains difficult to deploy due to the federal requirements for use of the funds. For now, MSBDFA can look to the VLT program to fund the shortfall. The two transactions being presented today under the closed session may be approved, but there is uncertainty how soon they can be settled.

MMG will look at the approved transactions and identify those that will not settle and determine which transactions are still viable transactions to encumber the funds to make space for those transactions proceeding to settlement.

The Open Meeting then closed at 1:37 pm. 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- (Apr 14, 2023 09:21 EDT)

Celester A. Hall
Chairman

DATE: Apr 14, 2023

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: February 23, 2023

Time: 1:25 pm – 2:00 pm

Location: Held by conference call at 267.930.4000/684 358 366

Motion to close meeting made by: Gina Ramsey; Seconded by Charles Martin

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;
- (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;
- (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.



Celester Hall
Chair