

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

July 11, 2024

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.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Chuck Martin	Anthony Williams
Gina Ramsey	Mark Harrison
Ben Siegel	Michael Howard
	Tim Smoot
	Robin Harris

Attorney General's Office
Roop Vijayan, Assistant Attorney General

MINUTES

June 27, 2024

EXTENSION

Compost Crew, Inc.

MODIFICATION

Bon AppeSweet, Inc.

NEW REQUEST

Pelican Fly, LLC

The closed session of the June 27, 2024, meeting was summarized. The Authority Board meeting was attended by Les Hall, Sharon Pinder, Mara Sierocinski, and Gina Ramsey. 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 new request of The meeting was closed to discuss the modification request of Le Ravishe, LLC and Orcana Biotech, LLC. Both requests were approved.

1. Le Ravishe, LLC – Modification to allow a restructure of proposed restructuring, the Term Loan will be restructured as a 1-year term loan, amortized over 9 years with an interest rate of 6%; the LOC will be restructured as a 1-year term loan, amortized over 10 years with an interest rate of 6%; the Company will only be required to make payments of \$250 per month on the restructured LOC and the unpaid portion of the interest only payment will accrue and be added to the balance at the end of the term. The resulting balloon payment will be approximately \$40,170.08. MSBDFA will assess the progress and financial condition of the Company at the end of the term and determine whether to further restructure the LOC and Term Loan or begin collection efforts..
2. Orcana Biotech, LLC – Modification to allow the accrued interest on the Convertible Note to date of approximately \$56,305 continues to be accrued; the Convertible Note will have the right to convert at any time up to and including maturity. If converted, MSBDFA will obtain 40% ownership of Orcana Biotech, Inc., of which 20% ownership will be non-dilutable. The Convertible Note will have Board observation rights and if converted it will have two (2) Board of Director representatives on a board of five (5) or less and three (3) representatives on board greater than five; The collateral for the Convertible Note will be a first lien on all business assets excluding the NSA-Filler; the personal guaranty of Emmanuel Kornyo will remain. If the Convertible Note is converted, the collateral and guaranty will be released; waive the default of not submitting the quarterly company prepared 12/31/23 and 3/31/24 Financial statements.

MINUTES
June 27, 2024

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

EXTENSION

Presenter: Mark Harrison

Applicant: Compost Crew, Inc.

Loan Amount: \$1,122,000 EPIP SSBCI Term Loan

Original Approval Date: September 28, 2024

Comments: An extension of the approval date to the October 10, 2024 meeting was requested to allow more time for the financing to close.

Discussion: The following was discussed:

1. Status and use of the USDA grant; Anticipated approval timeframe
2. Anticipation of additional approval extensions
3. Specific regulatory issues in Montgomery County
4. Involvement of Montgomery County EDC/awareness of the project
5. Facility site has moved to Frederick County from Montgomery County
6. USDA approved relocation of the facility site

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

REPORTS

1. **Les Hall:** The status of the program funds for FY25 is still pending. COMMERCE is still compiling the June 30, 2024 numbers showing the starting point for the new fiscal year. The numbers should be available at the next scheduled meeting.
2. **Tim Smoot:** MMG will be phasing in a new trade name, MMG Capital Group, and will officially inform the COMMERCE in writing.

The Open Meeting then closed at 1:30 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
Celester A. Hall (Oct 15, 2024 14:07 EDT)

Celester A. Hall, Chairman

DATE: 10/10/24

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: 7/11/2024

Time: 1:27 pm – 2:11 pm

Location: Meridian Management Group, Inc., 826 East Baltimore Street, Baltimore, MD 21202/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]	[]	[]	[]
Ben Seigel, designee of Comptroller	[x]	[]	[]	[]
Charles Martin	[x]	[]	[]	[]
Kehinde Oreagba	[]	[]	[]	[]
Sharon Pinder	[]	[]	[]	[]
Gina Ramsey	[x]	[]	[]	[]
Mara Sierocinski	[]	[]	[]	[]

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.