

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

November 10, 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
Mara Sierocinski	Stanley Tucker
Gina Ramsey	Michael Howard
Kenny Oreagba	Mark Harrison
	Tim Smoot
	Anica Ashbourne
	Robin Harris

Attorney General's Office
Roopesh Vijayan, Assistant Attorney General

AGENDA

MINUTES

October 27, 2022

EXTENSION

Mahogany, Inc.

NEW REQUEST

Aidar Health, Inc.

Keep Company, Inc. (Withdrawn from the agenda)

Move Logic, LLC

The closed session of the October 27, 2022, regular meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Laura Pasternak, Clem Kaikis, Chuck Martin, 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 Soaring Kite Books, LLC; and the new requests A.C. Development, LLC and VOB Trans & Shuttle Service, LLC. All the requests were approved.

1. Soaring Kite Books, LLC – Approve the following modifications: (1) a five month interest only period from November 1, 2022, through March 31, 2023; (2) increase the loan by \$61,500 from \$123,500 to \$185,000; (3) change the maturity date from June 30, 2027, to June 30, 2029; and (4) change the amortization from five years to eight years with full loan payments to begin April 1, 2023, with a balloon payment due at maturity
2. A.C. Development, LLC - \$150,000 EPIP line of credit
3. VOB Trans & Shuttle Service, LLC - \$75,000 EPIP term loan

MINUTES

October 27, 2022

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

EXT

Presenter: Randy Croxton

Applicant: Mahogany, Inc.

Loan Amount: \$1,250,000 Line of Credit (50% Guaranty)

Original Approval Date: September 8, 2011

Request: Approval was requested for an extension of the facility to January 26, 2023, to allow more time to prepare for a renewal request.

Discussion: There was limited discussion regarding the expected date for the latest company financial statements to be submitted to MSBDFA for review.

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

REPORT

Presenter: Les Hall and Randy Croxton

Comments: A policy matter associated with the new SSBCI funding affecting all board members was discussed. A Conflict Of Interest Statement will be sent to each board member, designated COMMERCE officials, as well as MMG staff directly involved in the underwriting of the deal in accordance with the US Treasury's requirements. Each signatory will be emailed and will have to confirm that the following are all true for each approved SSBCI funded deal. If one signatory cannot make the following representations, the deal will have to be approved using a different MSBDFA funding source.

1. I do not have a personal financial interest in [DEAL NAME];
2. None of my family members have a personal financial interest in [DEAL NAME]; and
3. None of my business partners have a personal financial interest in [DEAL NAME]

Discussion: The following was discussed:

1. Disclosure process of the connection with the deal being presented
2. Regular voting procedure versus participation in the presentation
3. Disclosure procedure of the deal if it is referred by a board member's bank affiliation

Action Taken: No action was required at this time, however, it was agreed that Bill Chen and Barbara Kountz, COMMERCE legal counsel, should be consulted to provide direction for the process.

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
Celester A. Hall
Chairman

DATE: Jan 3, 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: November 10, 2022

Time: 1:35 pm – 2:20 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: Gina Ramsey; 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 "C. Hall", written over a horizontal line.

Celester Hall
Chair