

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

February 8, 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
Gina Ramsey	Anthony Williams
Clem Kaikis	Michael Howard
Mara Sierocinski	Mark Harrison
Kenny Oreagba	Stanley Tucker
Sharon Pinder	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

MINUTES

January 26, 2023

EXTENSION

Aidar Health, Inc.
Mahogany, Inc.
Move Logic, LLC

MODIFCATIONS

Orcana Biotech LLC

NEW REQUEST

The Sun Studio, LLC

The closed session of the January 26, 2023, meeting was summarized. The Authority Board meeting was attended by Les Hall, Gina Ramsey, Clem Kaikis, Chuck Martin, and Kenny Oreagba. 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 requests of Keep Company, Inc., Agent of Change, LLC, and Tres C, Inc.; and the new requests of H.S.A Transportation Services, LLC, Muna's Heart Nursing Services, Inc., and Orcana Biotech, LLC. All the requests were approved.

1. Keep Company, Inc. – Modify approval to waive requirement that MEPIF’s rights and obligations can only be waived with the written consent of MEPIF. Language will be added to investment documents that the consent of MEPIF is required for changes to any rights that inure solely to MEPIF that may be affected, amended or deleted or if any exclusive rights may be impaired.
2. Tres C, Inc. dba Jiffy Lube – Modify the approval as follows: (1) accept the leasehold appraisal value of \$761,000 and require the company to provide additional collateral satisfactory to the Authority to bring the total value up to \$1,000,000; (2) reduce the life insurance requirement of John Davis from \$350,000 to \$44,000 and add the life insurance requirement of Brent Davis of at least \$300,000; and (3) extend the approval to February 23, 2023
3. H.S.A. Transportation Services, LLC - \$183,000 EPIP term loan
4. Muna’s Heart Nursing Services, Inc. - \$100,000 EPIP term loan
5. Oceana Biotech, LLC - \$1,200,000 EPIP convertible term note and \$300,000 EPIP line of credit

MINUTES
January 26, 2023

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

MODIFICATION

Presenter: Mark Harrison

Applicant: Aidar Health, Inc.

Loan Amount: \$200,000 EPIP Series Seed Preferred Stock

Original Approval Date: November 10, 2022

Comments: An approval extension to March 9, 2023, was requested to allow more time for the loan to close.

Discussion: There was limited discussion regarding the nature of the business and 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: Randy Croxton

Applicant: Mahogany, Inc.

Loan Amount: 1. \$1,250,000 Line of Credit (50% Guaranty)
2. \$1,500,000 Surety Bonding Line of Credit

Original Approval Date: 1. September 8, 2011
2. May 14, 2020

Request: Approval was requested for an extension of the facility to April 13, 2023, to allow more time to prepare for a renewal request.

Discussion: There was limited discussion regarding the need for an additional extension of the Guaranty Line of Credit and the status of the Bank's renewal.

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

NEW REQUEST

Presenter: Randy Croxton

Applicant: Move Logic, LLC

Loan Amount: \$140,000 EPIP Term Loan

Original Approval Date: November 10, 2022

Comments: An approval extension to March 9, 2023, was requested to allow more time for the loan to close.

Discussion: There was limited discussion regarding the outstanding issues to resolve to close the loan.

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

The Open Meeting then closed at 10:20 a.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- (Mar 2, 2023 15:38 EST)

Celester A. Hall
Chairman

DATE:

Mar 2, 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 8, 2023

Time: 10:20 am – 11:08 am

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: Laura Pasternak; Seconded by Clemis Kaikis

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", is written over a horizontal line.

Celester Hall
Chair