

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

May 12, 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
Clemis Kaikis	Anthony Williams
Gina Ramsey	Mike Howard
Laura Pasternak	Mark Harrison
Kenny Oreagba	Timothy Smoot
Mara Sierocinski	Stanley Tucker
Chuck Martin	Latoya Haynes
	Robin Harris

**Attorney General's Office
Barbara Kountz, Deputy Counsel**

AGENDA

MINUTES

April 14, 2022

EXTENSIONS

Lyles Cleaning Services, LLC

Williams Consulting, LLC

Securemedy, Inc.

Withdrawn from the agenda. The owner has not signed the commitment letter and the approval has expired. This is not the first time the owner has not signed a commitment letter for an approved facility.

RENEWAL

MainStreet Technologies, Inc.

NEW REQUEST

Le Ravishe, LLC

The closed session of April 14, 2022, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Gina Ramsey, Laura Pasternak, Sharon Pinder, 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 modification of ZWE Logistics, LLC dba Compost Crew; and the new requests of CPB 1 LLC dba Chaps Bit Beef Glen Burnie, MAR Trucking, LLC, and Serenity Empire MD, LLC dba Taylor Farm Assisted Living. All the requests were approved.

1. Compost Crew, Inc. (formerly known as ZWE Logistics, LLC) – Modify terms as follows: (1) change investment from convertible note to purchase of Series A preferred stock; (2) decrease investment from \$300,000 to \$200,000; (3) eliminate MSBDFA’s put option; (4) eliminate MSBDFA’s board observation rights; (5) eliminate MSBDFA’s right to participate in next round of financing of more than \$5,000,000; (6) eliminate most favored nation clause; and (7) other modifications as noted in term sheet
2. CPB1, LLC dba Chaps Pit Beef Glen Burnie - \$325,000 EPIP term loan
3. MAR Trucking, LLC - \$85,000 EPIP term loan
4. Serenity Empire MD, LLC dba Taylor Farms Assisted Living - \$500,000 EPIP term loan

MINUTES

April 14, 2022

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

EXTENSION

Presenter: Randy Croxton

Applicant: Lyles Cleaning Services, LLC

Loan Amount: \$150,000 Line of Credit (mobilization of up to \$25,000)

Original Approval Date: February 11, 2016

Comments: Approval was requested for a 30-day maturity date extension of the line of credit through June 9, 2022, to allow more time to prepare a renewal request.

Discussion: There was limited discussion regarding the status of the company identifying a bank/MMG's MCBIF VLT Fund to pay off the MSBDFA facility; and VLT's prohibition against using its funds to pay off another state lender. MMG will need approval from Commerce to make the MCBIF VLT loan.

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

EXTENSION

Presenter: Anthony Williams

Applicant: Williams Consulting, LLC

Loan Amount: \$150,000 EPIP Revolving Line of Credit
(mobilization up to \$25,000)

Original Approval Date: March 8, 2018

Comments: Approval was requested for a 30-day maturity date extension of the line of credit through June 9, 2022, to allow more time to prepare a renewal request.

Discussion: The following was discussed:

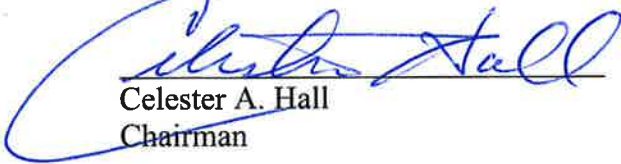
1. The facility's maturity date
2. Reason(s) for the delays in getting the financial information needed for a renewal
3. Actions MMG has taken/actions needed to expedite the process of getting financial information from borrowers
4. Consultant services available to assist borrowers in the preparation of their financial information.

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

NOTE: Congratulations for Gina Ramsey and Laura Pasternak winning Maryland's Top 100 Women Award and being inducted into the Circle of Excellence. Maryland's Top 100 Women recognizes high-achieving Maryland women who are making an impact through their leadership, community service, and mentoring.

The Open Meeting adjourned at 1:30 p.m.

APPROVED:


Celester A. Hall
Chairman

DATE:

7-12-22

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: May 12, 2022

Time: 1:30 pm – 2:15 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 Mara Sierocinski

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.



Celester Hall
Chair