

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

OPEN MEETING MINUTES

December 10, 2019

The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. at Meridian Management Group, Inc., 826 E. Baltimore Street, Baltimore, MD 21202.

The following were in attendance at this meeting:

Authority Members	MMG Staff
Les Hall	Randy Croxton
Clemis Kaikis	Anthony Williams
Gina Ramsey	Mark Harrison
Chuck Martin	Alex Agwuna
	Stanley Tucker
	Robin Harris

Attorney General's Office
Barbara Kountz, Deputy Counsel

AGENDA

MINUTES

November 14, 2019

EXTENSION

Agent of Change, LLC
CRW and Associates, LLC
OGOS Energy, LLC
Physical and Sports Rehab, Inc.

DAR Healthcare Services, LLC
Flight Fab, Inc.
Innovative Treatment Products, LLC
Mahogany, Inc.

RENEWAL

A-Connection, Inc.

MODIFICATION

Lyles Cleaning, LLC
Towana Spriggs M.D., LLC (Withdrawn)

NEW REQUEST

Bloosurf, LLC
Unico Government Solutions, LLC

The closed session of the November 26, 2019, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Laura Pasternak, Gina Ramsey, 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 new request of MidPoint Technology Group, LLC for a \$700,000 payment and performance bond. The request was unanimously approved.

MMG Staff presented the following minutes for approval:

MINUTES

November 14, 2019

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

EXTENSION

Presenter: Anthony Williams

Applicant: Agent of Change, LLC

Loan Amount: \$346,000 EPIP Term Loan

Original Approval Date: May 9, 2019

Request: An extension of the approval date to January 9, 2020, was requested.

Discussion: There was limited discussion regarding the timing of the loan closing.

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

EXTENSION

Presenter: Anthony Williams

Applicant: CRW and Associates, LLC

Loan Amount: \$1,000,000 Contract Financing Line of Credit

Original Approval Date: May 23, 2019

Request: An extension of the approval date to January 9, 2020, was requested.

Discussion: There was limited discussion regarding the outstanding documents 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: OGOS Energy, LLC

Loan Amount: \$200,000 Surety Bonding Line of Credit

Original Approval Date: May 25, 2017

Request: An extension of the maturity date to February 13, 2020, was requested.

Discussion: There was limited discussion regarding the progress of the business.

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

EXTENSION

Presenter: Anthony Williams

Applicant: Physical and Sports Rehab, Inc.

Loan Amount: \$100,000 Line of Credit (50% Guaranty)

Original Approval Date: June 28, 2018

Request: Extension of the maturity date to January 9, 2020, was requested.

Discussion: There was limited discussion regarding the financial statements needed to prepare the renewal request and the use of the facility to date.

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

EXTENSION

Presenter: Alex Agwuna

Applicant: DAR Healthcare Services, LLC
New Daycare Operating Company (TBD)

Loan Amount: \$180,000 EPIP Term Loan

Original Approval Date: September 12, 2019

Request: An extension of the approval date to February 13, 2020, was requested.

Discussion: There was limited discussion regarding the reasons for the delay in closing the loan.

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

EXTENSION

Presenter: Alex Agwuna

Applicant: Flight Fab, Inc.

Loan Amount: \$800,000 Contract Financing Line of Credit

Original Approval Date: September 12, 2019

Request: An extension of the maturity date to February 13, 2020, was requested.

Discussion: There was limited discussion regarding the borrower's inventory valuation and cash flow.

Action Taken: Upon motion duly made and seconded, the Authority unanimously approved the request as presented subject to MMG providing a progress report at the January 9, 2020 meeting.

EXTENSION

Presenter: Randy Croxton

Applicant: Mahogany, Inc.

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

Original Approval Date: September 8, 2011

Request: Extension of the maturity date to February 13, 2020, was requested.

Discussion: There was limited discussion regarding the status of the Bank's approval and the progress of the business.

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

EXTENSION

Presenter: Mark Harrison

Applicant: Innovative Treatment Products, LLC

Loan Amount: \$250,000 InvestMD Convertible Note

Original Approval Date: September 26, 2019

Request: Extension of the approval date to February 13, 2020, was requested.

Discussion: There was limited discussion regarding the borrower's ability to meet the raise requirements.

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

REPORT


Presenter: Stanley Tucker

Discussion: MMG will be working in collaboration with the Department of Commerce to make requests to the Maryland General Assembly during the upcoming budget hearings in 2020.

Action Taken: No action required.

The 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
Chairman

DATE: 2-14-20

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: December 10, 2019

Time: 1:33 pm – 2:54 pm

Location: Meridian Management Group, Inc., 826 East Baltimore Street, Baltimore, MD 21202

Motion to close meeting made by: Clemis Kaikis; 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.

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).

This statement is made by Celester Hall, Chair of the Maryland Small Business Development Financing Authority, Presiding Officer.



Celester Hall
Chair