

MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY

**OPEN MEETING MINUTES**

**April 26, 2018**

The special meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. at MMG.

The following were in attendance at this meeting:

<b>Authority Members</b>	<b>MMG Staff</b>
Les Hall	Anthony Williams
Gina Ramsey	Mark Harrison
Laura Pasternak	Randy Croxton
Mara Sierocinski	Tim Smoot
Clemis Kaikis	Robin Harris
Sharon Pinder	

**Attorney General's Office**  
Colleen Lamont, Assistant Attorney General

**AGENDA**

**MINUTES**

March 29, 2018

April 12, 2018

**NEW REQUEST**

Domesticity, LLC and Real Creative, LLC

JesseJay's LLC

**RENEWAL**

Advance Construction Services, Inc.

**MODIFICATION**

MidAtlanticBroadband, Inc./MidAtlanticBroadband of Maryland

**EXTENSION**

J Marshall & Associates, LLC

Paniagua's Enterprises, Inc.

Pinnacle Enterprise Business Solutions, LLC

Pro Electric, Inc. t/a Regal Construction

The closed session of the April 12, 2018, meeting was summarized. The Authority Board meeting was attended by Gina Ramsay, Laura Pasternak, Mara Sierocinski, Clemis Kaikis, Les Hall, 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 held to discuss the new requests of BingeNow, LLC and the renewal request of Chesapeake Home Healthcare, Inc. Both requests were approved.

MMG Staff presented the following minutes and extensions for approval:

**MINUTES**

March 29, 2018  
April 12, 2018

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the minutes with amendments.

**EXTENSION**

**Presenter:** Tim Smoot

**Applicant:** J. Marshall & Associates, LLC

**Loan Amount:** a) \$100,000 Line of Credit  
b) \$400,000 Term Loan

**Original Approval Date:** November 21, 2017

**Request:** Extension of the approval date to May 24, 2018.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Paniagua's Enterprises, Inc.

**Loan Amount:** \$300,000 Line of Credit

**Original Approval Date:** February 26, 2015

**Request:** Extension of the maturity date to June 28, 2018.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Pinnacle Enterprise Business Solutions, LLC

**Loan Amount:** \$200,000 Line of Credit

**Original Approval Date:** August 13, 2015

**Request:** Extension of the maturity date to June 28, 2018.

**EXTENSION**

**Presenter:** Randy Croxton

**Applicant:** Pro Electric, Inc. t/a Regal Construction

**Loan Amount:** \$75,000 Line of Credit (\$30,000 mobilization funding)

**Original Approval Date:** November 17, 2016

**Request:** Extension of the maturity date to June 28, 2018.

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

**REPORT**

**Presenter:** Anthony Williams

**Applicant:** Food Opportunity, Inc.

**Loan Amount:** \$368,850 Term Loan (47% guaranty)

**Original Approval Date:** March 12, 2018

**Comments:** City First has decided to provide Food Opportunity with an additional \$125,000 line of credit to support its working capital needs. Proceeds will be advanced against 75% of eligible receivables less than 90 days old and secured by the accounts receivables. All other liens will be subordinate to the City First term loan. The City First LOC brings the total financing to \$716,500.

City First total loan exposure will now be \$493,850. However, MSBDFA is only guaranteeing the \$368,850 term loan which will continue to have a senior secured position on all assets except for the accounts receivable. Otherwise, the additional line of credit will not negatively impact the term loan's security position. The line of credit will have a positive impact on the company's cash flow.


**Discussion:** The following was discussed:

- a) Effect on the MCBIF loan
- b) Events that led to City First Bank's willingness to provide a new line of credit
- c) MSBDFA's current and future lien position on the pledged collateral
- d) Intercreditor agreement

**Action Taken:** The report was accepted as presented. However, MMG was requested to present a modification request during the May 10, 2018, Authority Board meeting.

The Meeting then closed at 1:25 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.

**APPROVED:**

  
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Celester A. Hall  
Chairman

**DATE:**

5-31-18