

**Tobacco Settlement Financing Corporation**  
**October 14, 2011**  
**Minutes of the Meeting**

A Tobacco Settlement Financing Corporation meeting was held in the Budget Officer's Conference Room on the 4th floor of the Department of Administration Building, One Capitol Hill, Providence, on Friday, October 14, 2011.

At 9:20 p.m., Rosemary Booth Gallogly, Director, Department of Administration called the meeting to order. Corporation members present were: Rosemary Booth Gallogly, James Thorsen and Robert Cusack. Andrew Reilly was absent. Other attendees were: Jim Wilkinson, CPA, Braver PC and Marc Leonetti, State Controller.

The first order of business is to approve the minutes of the June 24, 2011 meeting. A motion was made to approve the June 24, 2011 minutes by Mr. Thorsen. The motion was seconded by Mr. Cusack and approved unanimously.

The next item on the agenda is the approval of the 2011 Audit Report. Mr. Wilkinson from Braver, who serves as the Corporation's auditor, presented an overview of the financial statements and discussed the FY 2011 results.

The Chairperson, Ms. Booth Gallogly, noted the supplemental schedule that shows the difference between the MSA revenues received and what was expected. Comparing it to the estimates at the time of the 2002 bond issuance, MSA actually received were \$6.8 million less than what was anticipated. Compared to the estimates at the time the 2007 bonds were issued, actual MSA revenues were \$14.1 million less. She indicated estimated cumulative disputed payments are \$27 million.

A brief discussion on investments was held. The members discussed the desire the have short term investments more diversified in more holdings to minimize risk and Ms. Booth Gallogly indicated she would communicate that the the Trustee.

Rosemary Gallogly asked for a motion to approve the 2011 audit report. A motion was made to approve the audit report by Mr. Cusack. The motion was seconded by Mr. Thorsen and approved unanimously.

A motion was made to adjourn by Mr. Thorsen. The motion was seconded by Mr. Cusack and approved unanimously. The meeting adjourned at 9:30 p.m.

Respectfully submitted,

Robert Cusack  
Secretary