

Tobacco Settlement Financing Corporation
August 21, 2014
Minutes of the Meeting

A Tobacco Settlement Financing Corporation meeting was held in the Executive Conference Room on the 4th floor of the Department of Administration Building, One Capitol Hill, Providence, on Thursday, August 21, 2014.

At 2:00 p.m., Thomas Mullaney, Chairman, called the meeting to order. Corporation members present were: Thomas Mullaney (Chair), James Thorsen and Robert Cusack. Others in attendance were: Joe Larisa, from Larisa Law (co-Legal Counsel), Roger Bagley and Howard Zucker from Hawkins Delafield & Wood (Bond Counsel), Timothy Mungovan, Mark Thomas and Martin Bienenstock from Proskauer Rose (co-Legal Counsel), Thomas Green and Paul Creedon from Citi, Maureen Gurghigian and Adam Krea from FirstSouthwest, Leah Miraldi from Cameron & Mittleman, Chantal Sarrasin from House Finance, Claire Richards from the Governor's Office and Suzanne Amerault from the State Budget Office. Joining by phone was James Eustis? from Hawkins Delafield. Board member Andrew Reilly was absent.

The first item on the agenda was to update the board on the proposed refunding of the 2002 Series bonds. Thomas Green of Citi handed out a market update to the board members. Mr. Green informed the board that the current market conditions are favorable for the 2014 transactions. He also stated that the tobacco market is very volatile, but at this point, favorable and the MMD has never been more favorable. Mr. Green noted that there are significant risks if we delay the deal and shared with the group an example of a recent deal that didn't go through due to a delay and change in market conditions.

Chairman Mullaney asked Mr. Green how much of a move in the market could put this deal in jeopardy. Mr. Green stated that on July 15 we were just slightly above the minimum objective, therefore in his opinion, even a slight move may put this deal at risk. Chairman Mullaney then asked Mr. Green if he felt, in terms of timing, if pricing this deal during a holiday week would have any impact. Mr. Green's opinion was that the holiday week will have minimal impact. Ms. Gurghigian concurred.

Chairman Mullaney asked for a motion to move the meeting into Executive Session pursuant to R.I. General Laws 42-46-5(a)(2). The motion was made by Mr. Thorsen, seconded by Mr. Cusack and approved unanimously.

While in Executive Session, the Corporation members and the Corporation's legal counsel engaged in communications that are protected from disclosure by the attorney-client privilege and/or the attorney work-product doctrine.

Chairman Mullaney asked for a motion to exit Executive Session, made by Mr. Thorsen, seconded by Mr. Cusack. All were in favor.

Back in open session, Chairman Mullaney made a statement that no votes were taken during the Executive Session of this meeting. Chairman Mullaney asked for a motion to adjourn, Mr. Cusack made the motion, seconded by Mr. Thorsen, all were in favor.