

Tobacco Settlement Financing Corporation
August 29, 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 29, 2014.

At 9:00 a.m., Thomas Mullaney, Chairman, called the meeting to order. Corporation members present were: Thomas Mullaney (Chair), James Thorsen, Andrew Reilly and Robert Cusack. Others in attendance were: Joe Larisa, from Larisa Law (co-Legal Counsel), Roger Bagley and Richard Van Dusen from Hawkins Delafield & Wood (Bond Counsel), Timothy Mungovan from Proskauer Rose (co-Legal Counsel), Paul Creedon from Citi, Maureen Gurghigian from FirstSouthwest, Scott Bielecki from Cameron & Mittleman and Suzanne Amerault from the State Budget Office. Joining by phone was Mark Thomas from Proskauer Rose, Jamison Sadlon from Hawkins Delafield & Wood and Steve Fox from FirstSouthwest.

The first item on the agenda was to approve the minutes of the July 15, 2014 meeting. Mr. Cusack asked Chairman Mullaney if there had been any substantial changes to the minutes since the Board last viewed them and the Chairman replied only small grammatical changes had been made. Chairman Mullaney made a motion to approve the minutes of the July 15, 2014 meeting, Mr. Cusack seconded the motion, all were in favor.

Next on the agenda was to approve the minutes of the August 7, 2014 meeting. A motion to approve the minutes was made by Mr. Thorsen, Mr. Cusack seconded the motion, all were in favor.

The third item on the agenda was to update the Board on the pending litigation. Mr. Larisa stated that he had a chambers conference with Judge Silverstein and at that conference the Judge asked the other side whether they object to Judge Silverstein assigning this case to the business calendar. There was no objection. Mr. Mungovan added that an answer and counter-claim was filed on behalf of the Corporation with Judge Silverstein on Monday, August 25, 2014.

The fourth agenda item was an update on the issuance of the 2014 series A & B refunding bonds to refund the 2002 series. Mr. Creedon of Citi handed out briefing materials that he had prepared showing current market conditions and transaction benefits to existing bondholders. Mr. Creedon pointed out, from the briefing materials, the benefits of the refunding to the bondholders. A copy of the materials is attached.

Mr. Reilly then made a motion to amend the agenda to include a public comment section based on the request by Joe Larisa. Mr. Cusack seconded the motion, all were in favor.

Chairman Mullaney then invited Scott Bielecki from Cameron Mittleman to the table to address the Board. Mr. Bielecki stated that they represent the plaintiff in this case #BP 143817 and his clients' object to proceeding to move forward on this deal for the reasons set forth in the previously filed complaint.

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.

Mr. Thorsen made a motion to exit Executive Session, 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.

Mr. Thomas asked Mr. Creedon what the JJ Kenney value of the 2007 Bonds Oppenheimers B & C's. Mr. Creedon said that as of August 7, 2014 the JJ Kenney valuation for both the B & C bondholders was \$1.29 Million.

Mr. Bagley reviewed the updated resolution. He passed out a new Resolution to the Board and informed them that it was the same as the July 15 version, to amend it to change the 2007A bonds to a date not earlier.

Mr. Cusack made a motion to adjourn, Mr. Reilly seconded the motion, all were in favor.