

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

December 13, 2012

PUBLIC SESSION

A monthly meeting of the Board of Directors (the "Board") of the Small Business Loan Fund Corporation (the "Corporation") was held in public session at the offices of the Rhode Island Economic Development Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, December 13 2012, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. William Parsons, and Mr. Richard DeMerchant.

The following Director(s) were absent: Ms. Yahaira Placencia and Mr. Jose Monteiro.

Also present were: Earl Queenan, Corporation Administrator, Adam Quinlan, Corporation Administrator, Daniel Price, Corporation Administrator, Armeather Gibbs, RIEDC Staff, Stacy Farrell, Corporation Secretary, Christopher Cannata, Corporation Staff, Denise Barge, Corporation Staff, Tom Moses, Esq., Moses & Afonso, Ltd and Tom Carlotto, Esq., Shechtman Halperin Savage, LLP.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:31 a.m.

2. Approval of the Minutes of the Meeting held on November 15, 2012

The first item to come before the Board was approval of the Minutes of the Board meeting held on November 15, 2012. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Parsons, the motion to approve the Public Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Yahaira Placencia and Mr. Jose Monteiro.

3. Report of Cash Position as of November 30, 2012.

Mr. Queenan asked if there were any questions or comments regarding the Cash Report for the period ended November 30, 2012 (Exhibit A). There being none, there was no discussion of this report.

4. Delinquency Loan Report as of December 7, 2012

Mr. Queenan asked if there were any questions regarding the Loan Delinquency report dated December 7, 2012 (Exhibit B). There being none, there was no discussion regarding this report.

5. Access to Public Records Act (“APRA”) Policy Review

Mr. Moses noted that the policy had been distributed in the Board packages and asked if there were any questions regarding the policy (Exhibit C). He indicated that new requirements under the APRA law have been observed and that reviewing and adopting a formal policy was a best practice of the Board to ensure any public requests relating to SBLFC are addressed according to the law. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to approve the Access to Public Records Act (“APRA”) Policy as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Yahaira Placencia and Mr. Jose Monteiro.

6. Review of Department of Bank Regulations (“DBR”) Findings from Examination of RIEDC.

Mr. Fogarty acknowledged the receipt of the findings report (Exhibit D), however, asked that discussion of this topic be moved to a meeting involving all Board members. This item will be added as a topic for the next regularly scheduled Board meeting.

Executive Session

Mr. Fogarty suggested that the Board move into executive session. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to move the meeting into executive session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(6) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Yahaira Placencia and Mr. Jose Monteiro.

Public Session concluded and Executive Session began at 9:48 a.m.

7. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the following votes were ratified:

- (a) To approve the request of Old Mountain Lanes for a \$25,000 loan under the disaster relief program, subject to conditions outlined in Executive Session.
- (b) To approve the request of Sea Shell Motel for a \$25,000 loan under the disaster relief program, subject to conditions outlined in Executive Session.
- (c) To confirm the loan denials of the following companies:
 - Ships Wheel Brand Corporation d/b/a TJ Russell Company- \$250,000
 - Clean Management, Inc.- \$50,000
- (d) To table the request of Two Little Fish, Inc. for a \$20,000 loan under the disaster relief program until further information was provided.

The following Directors voted in favor of the foregoing: Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Ms. Yahaira Placencia and Mr. Jose Monteiro.

1. Other Business

Mr. Fogarty noted that there was an item listed under Executive Session relating to the discussion of legal counsel that was to be tabled until the next meeting to allow for all members to provide input on this subject.

There was additional discussion regarding a suggestion by the portfolio manager to develop a Request for Proposal (“RFP”) relating to a compliance audit of the funds administered through the Small Business Credit Initiative (“SSBCI”). It was noted that a draft of this proposal would be available at the next meeting for the Board to review.

2. **Adjournment**

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Parsons and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Parsons and Mr. DeMerchant.

The following Directors voted against the foregoing: None
The following Directors were absent for the vote: Ms. Yahaira Placencia and Mr. Jose Monteiro.

The meeting was adjourned at 11:09 a.m.

Respectfully submitted,

Stacy Farrell, Secretary