

SMALL BUSINESS LOAN FUND CORPORATION

MINUTES OF THE BOARD OF DIRECTORS

October 24, 2013

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, October 24, 2013, 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. John Pagliarini, and Mr. Richard DeMerchant.

Ms. Yahaira Placencia joined the meeting in progress at approximately 9:40 a.m.

The following Directors were absent: Mr. Jose Monteiro.

Also present were: Stacy Farrell, Corporation Secretary, Sean Esten, Corporation Administrator, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Staff, Mr. Marcel Valois, Executive Director of the Rhode Island Economic Development Corporation, and Tom Moses, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. **Call to Order.**

Mr. Fogarty called the meeting to order at 9:37 a.m.

2. **Approval of the Minutes of the Meeting held on September 26, 2013**

The first item to come before the Board was approval of the Minutes of the Board meeting held on September 26, 2013. Mr. DeMerchant noted that he would abstain from voting on the minutes as he was not in attendance at the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Fogarty, the motion to approve the Public and Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini and Mr. Fogarty.

The following Directors abstained from voting: Mr. DeMerchant.

The following Directors voted against the foregoing: None

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

3. Maintain the Executive Minutes of the September 26, 2013 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on September 26, 2013. Mr. DeMerchant noted that he would abstain from voting on the minutes as he was not in attendance at the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Fogarty, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini and Mr. Fogarty.

The following Directors abstained from voting: Mr. DeMerchant.

The following Directors voted against the foregoing: None

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

4. Report of Cash Position as of September 30, 2013

Staff asked if there were any questions or comments regarding the Cash Report for the period ended September 30, 2013 (Exhibit A). There was no discussion regarding this report.

Ms. Placencia joined the meeting at this time.

5. Delinquency Loan Report as of October 18, 2013

Mr. Esten asked if there were any questions regarding the Loan Delinquency report dated October 18, 2013 (Exhibit B). Mr. Esten noted that further discussion would take place in Executive Session regarding any legal action to be taken against delinquent Borrowers.

6. To Discuss Marketing of the Small Business Loan Fund

Mr. Marcel Valois, Executive Director of the Rhode Island Economic Development Corporation, addressed the Board. He indicated that since the last board meeting a Pre-Qualification Form had been developed and was being utilized by staff and was available on the Corporations website. He also told the Board that an email blast had gone out to approximately 9,000 people. The email outlined the program and directed interested applicants to go to the website and complete the pre-qualification form. In addition to these efforts he noted that the client services team continued to meet with business owners and spread the word about the Small Business Loan Fund.

7. Other Business

Mr. Esten addressed the board and provided them with a resignation letter (Exhibit C). He indicated that the Board should look for someone that could replace him as an Administrator of the Small Business Loan Fund and noted that his last day with the Rhode Island Economic Development Corporation would be October 25, 2013. The Board thanked Mr. Esten for his service. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to accept the resignation of Sean Esten as Administrator of the Small Business Loan Fund was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Ms. Placencia and Mr. DeMerchant.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

Executive Session

Mr. Fogarty suggested that the Board move into Executive Session. Upon motion duly made by Mr. Pagliarini 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. Pagliarini, Mr. DeMerchant and Ms. Placencia

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

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

8. Executive Session Vote Ratification

Mr. Fogarty indicated that there were no votes taken in Executive Session.

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. Pagliarini and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Pagliarini, Mr. DeMerchant and Ms. Placencia.

The following Directors voted against the foregoing: None

The following Directors were absent for the vote: Mr. Monteiro.

The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary