

**SMALL BUSINESS LOAN FUND CORPORATION
MINUTES OF THE BOARD OF DIRECTORS**

September 25, 2014

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 Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, September 25, 2014, 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. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors were absent: Mr. Joseph Monteiro, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

Also present were: Mr. William Ash, Director of Financial Services for the Rhode Island Commerce Corporation, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator, Mr. Christopher Cannata, Manager of Client Services for the Rhode Island Commerce Corporation, and Mr. Tom Moses, Esq., Moses Afonso Ryan Ltd and Mr. John Garrahy, Esq., Moses Afonso Ryan Ltd.

Mr. DeMerchant presided over the meeting.

1. Call to Order.

Mr. DeMerchant called the meeting to order at 9:39 a.m.

2. Approval of the Minutes of the Meeting held on July 31, 2014

The first item to come before the Board was the approval of the Minutes of the Board meeting held on August 28, 2014. A motion was duly made by Mr. Pagliarini and seconded by Mr. Mercer, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

3. Maintain the Executive Minutes of the August 28, 2014 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 August 28, 2014. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, 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. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

4. Report of Cash Position as of August 31, 2014

Staff asked if there were any questions or comments regarding the Cash Report for the period ended August 31, 2014 (Exhibit A). There was no discussion regarding this report.

5. Delinquency Loan Report as of September 19, 2014

Staff asked if there were any questions regarding the Loan Delinquency report dated September 19, 2014 (Exhibit B). It was noted that one of the companies on the report, Inquest Technologies, had made a payment which brought the account current. There was no further discussion regarding this report.

Executive Session

Mr. DeMerchant suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. Pagliarini and seconded by Mr. Mercer, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) 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. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

Public Session concluded and Executive Session began at 9:42 a.m.

6. Executive Session Vote Ratification

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

- (a) To table the request from Kenneth Castellucci & Associates, Inc. for a \$250,000 loan until the next meeting of the Board.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

- (b) To accept a settlement of the debt to Schulz Boat in the amount of \$120,000 to be paid within 30 days.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

Adjournment

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

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Yahaira Placencia, and Mr. Lee Mercer.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: Mr. Joseph Monteiro, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The meeting was adjourned at 9:54 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary