

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

**June 25, 2015**

**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, June 25, 2015, 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. Richard DeMerchant, Mr. John Pagliarini, Ms. Antonietta Falconi and Mr. Lee Mercer.

The following Directors were absent: None

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator and Mr. 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 9:34 a.m.

**2. Approval of the Minutes of the Meeting held on May 28, 2015**

The first item to come before the Board was the approval of the Minutes of the Board meeting held on May 28, 2015. It was noted that the Board preferred the vote relating to the appointment of legal counsel to read “by majority vote”. A motion was duly made by Mr. Mercer and seconded by Ms. Falconi, to approve the Public and Executive Session Minutes of the meeting noted above, with the recommended amendment, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

**3. Maintain the Executive Minutes of the March 26, 2015 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 May 28, 2015. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, 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, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

**4. Report of Cash Position as of May 31, 2015**

Staff asked if there were any questions or comments regarding the Cash Report for the period ended May 31, 2015 (Exhibit A). There was no discussion regarding the report.

**5. Delinquency Loan Report as of June 19, 2015**

Staff asked if there were any questions regarding the Loan Delinquency report dated June 19, 2015 (Exhibit B). Ms. Barge noted she was working with JC Imports on a possible modification. There was no further discussion regarding this report.

**6. State Small Business Credit Initiative (“SSBCI”) Discussion**

Staff asked that this item be tabled for discussion at a future meeting.

**7. Executive Session**

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. DeMerchant 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)(1), 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, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None  
Public Session concluded and Executive Session began at 9:41 a.m.

**8. Executive Session Vote Ratification**

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

- (a) To approve the request from Chronomatic, Inc. for a \$25,000 loan from the Energy Revolving Loan Fund.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None  
The following Directors were absent for voting: None

- (b) To reject to settlement offer proposed by Davin Wheels relating to a delinquent \$500,000 loan from 2006.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None  
The following Directors were absent for voting: None

- (c) To reject to settlement offer proposed by Vogue Communications relating to a delinquent \$50,000 loan from 2011.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None  
The following Directors were absent for voting: None

- (d) To seal the Executive Session Minutes.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None  
The following Directors were absent for voting: None

## **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 Ms. Falconi, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

The meeting was adjourned at 10:07 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary