

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

**October 29, 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, October 29, 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 Mrs. Ellen Corneau, Esq., Moses Afonso Ryan Ltd.

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 September 10, 2015**

The first item to come before the Board was the approval of the Minutes of the Board meeting held on September 10, 2015. 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 as presented.

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 September 10, 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 September 10, 2015. Upon motion duly made by Mr. DeMerchant and seconded by Ms. Falconi, 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 September 30, 2015**

Staff asked if there were any questions or comments regarding the Cash Report for the period ended September 30, 2015 (Exhibit A). There was no discussion regarding the report.

**5. Delinquency Loan Report as of October 23, 2015**

Staff asked if there were any questions regarding the Loan Delinquency report dated October 23, 2015 (Exhibit B). There were some concerns raised by the Board regarding Bradley Press and PW Enterprises. Mr. Ash indicated staff would work on a liquidation analysis on each for the next meeting. Mr. Price then advised the Board that Rome Packaging was currently in Receivership. He noted he expected full recovery upon sale of the real estate.

**6. Executive Session**

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, 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 9:39 a.m.

**7. Executive Session Vote Ratification**

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

- (a) To approve the request from Ninigret Pond Oyster Holdings, LLC for a \$100,000 loan subject to the conditions as outlined in Executive Session.

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

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

- (b) To approve the request from S2S Surgical, LLC for a \$150,000 loan subject to the conditions as outlined in Executive Session.

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 approve the request from Greenwich Safety, Inc. for a \$103,000 loan subject to the conditions as outlined in Executive Session.

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 approve the request from Rich Horan of Slater Technology Fund relating to their SSBCI investment with IlluminOss loan as recommended by staff in Executive Session.

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

(e) 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 Mr. Mercer, 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. Antonietta 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 10:53 a.m.

Respectfully submitted,

/s/ Stacy Farrell

Stacy Farrell, Secretary