

LOAN COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, June 24, 2013

A regular meeting of the **Loan Committee of Connecticut Innovations, Incorporated** (the “Loan Committee”) was held on June 24, 2013, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order: In the absence of the Chairperson of the Loan Committee, Mr. Mulready, noting the presence of a quorum, called the meeting to order at 8:30 a.m. Loan Committee members present: Richard Mulready; Stephen Nocera (by phone); John Olsen (by phone); David Siegel (by phone); and Catherine Smith, Commissioner, Department of Economic & Community Development (by phone).

Absent: Michael Cantor

Staff present: Kevin Crowley, Claire Leonardi, Peter Longo, Ted Murphy, Sandra Rizza, Deb Santy, and Linda Wieleba.

2. Approval of Minutes:

Mr. Mulready asked the Loan Committee members to consider the minutes of the May 20, 2013 meeting.

Upon a motion made by Mr. Siegel, seconded by Mr. Nocera, the Loan Committee members voted unanimously in favor of adopting the minutes of the May 20, 2013 meeting as presented.

3. Items for Action:

SMALL BUSINESS INNOVATION PROGRAM

Ms. Santy reviewed the recommendations for funding under the Small Business Innovation Program:

- 1) ZetroZ, Inc., Trumbull, CT (Technology Talent Bridge);
- 2) SeeClickFix, New Haven, CT (Technology Talent Bridge);
- 3) Nalas Engineering Services, Inc., Centerbrook, CT (SBIR Acceleration and Commercialization Program); and
- 4) Ruckus Media Group, Inc., Wilton, CT (SBIR Acceleration and Commercialization Program)

Ms. Santy mentioned that Inertech, Danbury, which was approved by the Loan Committee in May 20, 2013, declined participation in the program, and no money has been disbursed to the company. In response to a question, Ms. Santy stated that the Connecticut presence requirement was too restrictive for the company.

Ms. Santy reported that as discussed at the May 20, 2013 Loan Committee meeting, the Chair of the Loan Committee approved Technology Talent Bridge Program grants that were in the pipeline so the interns could start work before today's meeting. She reviewed the process and due diligence performed by staff with respect to the Small Business Innovation Program. Ms. Santy explained that legislation was passed authorizing CI staff to approve transactions under \$150,000, and she described the proposed approval process by staff for transactions under the \$150,000 threshold. The Loan Committee members asked staff to provide a brief summary of the grants that are approved by staff on a regular basis.

Upon a motion made by Mr. Olsen, seconded by Mr. Siegel, the Loan Committee members voted in favor of approving the resolutions for the following companies for funding under the Small Business Innovation Program and the rescission of grant funding for Inertech, Danbury:

- 1) ZetroZ, Inc., Trumbull, CT (Technology Talent Bridge);
- 2) SeeClickFix, New Haven, CT (Technology Talent Bridge);
- 3) Nalas Engineering Services, Inc., Centerbrook, CT (SBIR Acceleration and Commercialization Program); and
- 4) Ruckus Media Group, Inc., Wilton, CT (SBIR Acceleration and Commercialization Program)

RESOLVED:

(1) that financing is approved under the Technology Talent Bridge Program of the Small Business Innovation Program for ZetroZ, Inc., Trumbull, CT in an amount not to exceed TWENTY-TWO THOUSAND FIFTY DOLLARS (\$22,050) for the purpose of hiring interns; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; Phil Siuta, Senior Vice President and Chief Financial Officer; and George Bellas, Vice President of Finance and Administration ("Authorized Officers") are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such financing to be effected, which documents shall (a) be executed by CI no later than June 30, 2013; and (b) contain such terms and conditions as the Authorized Officers shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Authorized Officer's

approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

RESOLVED:

(1) that financing is approved under the Technology Talent Bridge Program of the Small Business Innovation Program for SeeClickFix New Haven, CT in an amount not to exceed TWENTY-FOUR THOUSAND NINE HUNDRED DOLLARS (\$24,900) for the purpose of hiring interns; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; Phil Siuta, Senior Vice President and Chief Financial Officer; and George Bellas, Vice President of Finance and Administration (“Authorized Officers”) are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such financing to be effected, which documents shall (a) be executed by CI no later than June 30, 2013; and (b) contain such terms and conditions as the Authorized Officers shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Authorized Officer’s approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

RESOLVED:

(1) that financing is approved under the SBIR Acceleration and Commercialization Program for Nalas Engineering Services, Inc., Centerbrook, CT in an amount not to exceed FIFTEEN THOUSAND DOLLARS (\$15,000); and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; Phil Siuta, Senior Vice President and Chief Financial Officer; and George Bellas, Vice President of Finance and Administration (“Authorized Officers”) are

authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such financing to be effected, which documents shall (a) be executed by CI no later than June 30, 2013; and (b) contain such terms and conditions as the Authorized Officers shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Authorized Officer's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

RESOLVED:

(1) that financing is approved under the SBIR Acceleration and Commercialization Program for Ruckus Media Group, Inc., Wilton, CT in an amount not to exceed THIRTY THOUSAND DOLLARS (\$30,000); and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; Phil Siuta, Senior Vice President and Chief Financial Officer; and George Bellas, Vice President of Finance and Administration ("Authorized Officers") are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such financing to be effected, which documents shall (a) be executed by CI no later than June 30, 2013; and (b) contain such terms and conditions as the Authorized Officers shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Authorized Officer's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

RESOLVED:

that financing which was approved under the Innovation Challenge Program of the Small Business Innovation Program for Inertech LLC, Danbury, Cobalt Therapeutics, LLC, New Haven, CT at the May 20, 2013 Loan Committee meeting in an amount not to exceed ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000), is hereby rescinded; and

CONNECTICUT WORKS FUND

- Approval of a Direct Loan Not to Exceed \$1,000,000 for the Benefit of UniMetal Surface Finishing, LLC, Thomaston, CT

Mr. Murphy reviewed the background of UniMetal Surface Finishing, LLC, located in Thomaston, CT. The company provides its customers with a fully integrated metal finishing operation which includes cleaning, deburring, plating/painting and heat treating. Mr. Murphy reviewed the terms and conditions of the proposed loan not to exceed \$1,000,000. With the loan, the company will be able to utilize its line of credit from People's Bank to support its continued growth. Questions arose regarding a capital reserve, and Mr. Murphy indicated that he will talk with the management team about capital reserve funds. In response to a question, Mr. Murphy explained some of the steps taken by the company to ensure that it keeps up-to-date with equipment and cutting edge techniques to meet the needs of its customers.

The Loan Committee members asked staff to provide information comparing the loan to the overall payroll. Questions arose regarding the underwriting and the reasons People's Bank want CI involved. Mr. Murphy reviewed the risks and benefits of the loan.

Upon a motion duly made by Mr. Siegel, seconded by Mr. Olsen, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a direct loan for UniMetal Surface Finishing, LLC, Thomaston, CT.

RESOLVED:

(1) that Connecticut Innovations, Inc. ("CI") approves a direct loan from the Connecticut Work Fund existing under Section 32-23ii of Connecticut General Statutes, as amended, for the benefit of UniMetal Surface Finishing, LLC, Thomaston, CT in an not to exceed ONE MILLION DOLLARS (\$1,000,000) with the terms and conditions recommended by staff; and

(2) that Claire Leonardi, Chief Executive Officer and Executive Director; Peter Longo, Executive Vice President and Chief Investment Officer; Phil Siuta, Senior Vice President and Chief Financial Officer; and George Bellas, Vice President of Finance and Administration (“Authorized Officers”) are authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such loan to be effected, which documents shall (a) be executed by CI no later than December 31, 2013; and (b) contain such terms and conditions as the Authorized Officers shall deem to be in the best interests of CI, including terms and conditions relating to the matters described in Section 6 of the Regulations, the Authorized Officer’s approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

4. Other Business:

There was no other business.

5. Adjournment:

There being no further business to discuss, the meeting was adjourned at 9:14 a.m.

Respectfully submitted,

Richard Mulready
Chairman of Loan Committee