

LOAN COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Tuesday, January 14, 2014

A regular meeting of the **Loan Committee of Connecticut Innovations, Incorporated** (the “Loan Committee”) was held on January 14, 2014, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order: Richard Mulready, Chairperson of the Loan Committee, noting the presence of a quorum, called the meeting to order at 12:00 p.m. Loan Committee members present: Michael Cantor, Chairperson of CI; Richard Mulready; John Olsen (arrived at 12:05 p.m.); and David Siegel.

Absent: Catherine Smith, Commissioner of the Department of Economic and Community Development.

Staff present: John Beir, Heidi Bieber, Kevin Crowley, Lisa Day, Peter Longo, James McGuinness, Shelly Mondo, Ted Murphy, Megana Patel, Christopher Penner, Doug Roth, Deb Santy, Glendowlyn Thames, David Wurzer, and Linda Wieleba.

Others present: Tal Cohen

2. Approval of Minutes:

Mr. Mulready asked the Loan Committee members to consider the minutes from the December 13, 2013 meeting/retreat.

Upon a motion made by Mr. Siegel, seconded by Mr. Cantor, the Loan Committee members voted in favor of adopting the minutes of the December 13, 2013 meeting/retreat as presented (Mr. Olsen was not present for the vote).

3. Small Business Innovation Program:

Ms. Santy reviewed the Small Business Innovation grants approved this month for AxioMX, Inc., Branford; Aperture Optical Science, Durham; Waste to Water, LLC, Wethersfield; LC Drives, Goshen; and Big Computing, LLC, Woodbridge.

4. Connecticut Works Fund:

- Approval of a Loan Guarantee in an Amount Not to Exceed \$380,000 for the Benefit of iDevices, LLC, Avon, CT.

Mr. Murphy discussed the request for a loan guarantee in an amount not to exceed \$380,000 from the Connecticut Works Fund for the benefit of iDevices, LLC, Avon. He provided an overview of the company and reviewed the terms and conditions of the loan. It was noted that the company has received preseed funding from CI and Small Business Innovations grants. In response to questions, Mr. Murphy explained staff's due diligence process.

Upon a motion made by Mr. Olsen, seconded by Mr. Siegel, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a loan guarantee from the Connecticut Works Fund in an amount not to exceed \$380,000 for the benefit of iDevices, LLC, Avon, CT:

RESOLVED:

(1) That Connecticut Innovations, Inc. ("CI") approves a 40% first-loss loan guarantee to Webster Bank, NA from the Connecticut Works Fund existing under Section 32-23ii of the Connecticut General Statutes, as amended. Said loan guarantee shall be for the purpose of working capital, in an amount not to exceed THREE HUNDRED EIGHTY THOUSAND DOLLARS (\$380,000) for a term not to exceed 39 months for the benefit of iDevices, LLC, Avon, CT with the terms and conditions recommended by staff; and

(2) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such loan guarantee to be effected; and (b) contain such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the proper 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.

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- Approval of a Direct Inducement Loan in an Amount Not to Exceed \$600,000 to Benefit Connecticut Mulch Distributors, Inc., Enfield, CT.

Mr. McGuinness reviewed the request for a direct loan in an amount not to exceed \$600,000 to benefit Connecticut Mulch Distributors, Inc., Enfield. He discussed the company and highlighted the number of jobs that will be retained and/or created in Connecticut as a result of the transaction. In response to a

question, staff indicated that one of the conditions of closing on the loan is confirmation that the company has sufficient contracts in place to support debt service. A general discussion ensued on employee benefits paid by companies. Staff was asked to include this item and discussion on the types of jobs created/retained on a future retreat agenda for further discussion.

Upon a motion made by Mr. Siegel, seconded by Mr. Olsen, the Loan Committee members voted in favor of approving the following resolution regarding a direct inducement loan in an amount not to exceed \$600,000 for Connecticut Mulch Distributors, Inc., Enfield, CT conditioned upon satisfactory evidence that the company has executed sufficient contacts to meet minimum debt service requirements:

RESOLVED:

(1) that Connecticut Innovations, Inc. ("CI") approves a direct loan from the Connecticut Works Fund established under Section 32-23ii of the Connecticut General Statutes, as amended, for the purpose of construction of Borrower's chip mill facility for expansion, in an amount not to exceed SIX HUNDRED THOUSAND DOLLARS (\$600,000), and for a term not to exceed 10 years, for the benefit of Connecticut Mulch Distributors, Inc., with the terms and conditions recommended by staff; and

(2) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such direct loan to be effected; and (b) contain such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the proper 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.

5. Date of Next Meeting: The Loan Committee members discussed the meeting calendar for the remainder of the year. After discussion, there was general consensus to meet in person immediately following Board of Director meetings when possible and to have telephonic meetings at 8:30 a.m. on Wednesdays (dates to be determined by the Chairperson and CI staff). Staff will provide the Loan Committee members with an updated list of meetings and times.

6. **Adjournment:**

There being no further business to discuss, the meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Richard Mulready
Chairman of the Loan Committee