

Salt Lake County Community Resources and Development
County Government Center, 2001 South State Street, South Building – Room S-2950
Economic Development Revolving Loan Fund (EDRLF)

Thursday, May 11, 2017

Meeting Minutes

<u>Attendees</u>	<u>Excused</u>	<u>Staff in Attendance</u>	<u>Guests</u>
Blake Thomas	Kelly Hartnett	Stephnie Gyllenskog, SLCo	Michael Proper
Mike Lunt	Beth Colosimo	Gordy Holt, UBLC	
Ken Krull	Whit Johnson	Stuart Clason, SLCo	
Karen Wiley	Andrew Larsen	Steven Barnes, SLCo	
Ching Xu	Melissa Jensen		
Brad Bertoch			
Laura Hayes			
Kent Vance			

1. **Welcome** – Chair Mike Lunt welcomed attendees.
2. **Approval of Minutes** – Kent made a motion to approve the minutes. Karen seconded. **Minutes approved.** Ching Abstained.
3. **Portfolio Update** –
 - a. **Loan Recipient Presentation** – Michael Proper with ClearCenter was present to update members regarding the last six months since receiving a loan. They have two products, Clear OS (operating system) and Clear VM (Virtual Management), both of which are fully patented. He said they have created eight new jobs that are low to moderate income subset and two that are not. He also has approval for more funding from an outside source. They now have a partnership with Hewlett Packard Enterprise. He went over their new website for members, which has been gaining mass adoption. He also showed a three-minute video regarding the company’s services and their successes. He briefly went over ClearCenter.com and ClearOS.com and how the website works for the public. He mentioned that their launch date is June 5, 2017.
4. **Company Workouts Update** – Brad gave an update regarding Prodatakey, as they just paid off their loan. Also, Flying Software Labs have raised \$3 million, and will have another \$1.5 million by June, and will likely pay their loan off this summer.
 - a. **Adamatic** – Debra spoke with Jordan this week and they are targeting closing their acquisition by the end of this month. The CEO has signed off on this and the only

hesitation is from the CFO, but since the others signed off he is very positive about it. We are looking for a payoff by June.

- b. **Extreme Ozone** – Brad said there was a letter sent to the county of recommendation that foreclosure procedures should begin. The mayor needs to sign this. Kent made a motion to recommend this loan is charged to the loan loss reserve and pursue collection through the County District Attorney’s Office. Mike seconded. **Motion approved.**
 - c. **Arterial insight** – Debra said there is no additional information, yet Gordy did receive a copy of chapter 7 bankruptcy for the CEO Todd Eldridge. This company was already in default, which will accelerate the payment. Gordy will continue to receive information from them.
 - d. **Monet Medical** – Debra just sent a summary write up regarding the latest transactions with Monet, and this was forwarded to members during the meeting. She was given a list of the 11 debtors and amount that was owed by each. Their total debt is \$2.78 million, and our loan is \$255,000. Andrew Caprio told Debra the company had sold and he handed the keys to the new owner. Debra said she heard the deal fell through, and Andrew was struggling with cash flow and wanted to walk away. They are also not cooperating with providing their current financials, stating that the numbers were incorrect. Members discussed options, and some suggestions were made. Members decided that a default letter should be sent out. Karen made a motion to send a demand letter to Andrew Caprio to call the loan due. Kent seconded. **Motion approved.**
5. **Loan Presentations** – None
 6. **Pipeline** – Brad said they are hopefully having Webporium (aka Megalopolis) to make a presentation in June. He is still working with Optimum foods, reviewing a couple of new companies, and working with a few others presently.
 7. **Reporting** –
 - a. Monthly report – Brad provided the monthly report and gave a new update to the report since ClearCenter had added a new job.
 8. **Other Business** – Brad said there is a potential issue to address to the committee, which is when there is someone who requests less than \$400,000. It becomes a problem for due diligence for small loans. He would like to have some different levels of due diligence to keep it in line economically for VentureCapital.org. He said he will discuss this with Andrew Larsen. They haven’t had small loans apply yet, but it’s a concern since they don’t have the proper resources to do so.
- Karen gave an update that UMLF are reorganizing and redesigning what they do. They did not accept the CDBG money they were awarded, but we will continue to service the existing loans, and they will continue to do loans with their other resources. They usually loan up to \$50,000.
9. **Next Scheduled Meeting** – June 8, 2017
 10. **Adjourn** – 4:50