

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 January 12th, 2017

Meeting Minutes

<u>Attendees</u>	<u>Excused</u>	<u>Staff in Attendance</u>	<u>Guests</u>	
Debra Berrisini	Melissa Jensen	Whit Johnson	Stephnie Gyllenskog, SLCo	Ron Frasier/Dustin
Andrew Larsen	Mike Lunt	Laura Hayes	Gordy Holt, UBLC	Bob King
Ken Krull	Beth Colosimo		Mike Gallegos, SLCo	
Karen Wiley	Kelly Hartnett			
Ching Xu	Kent Vance			
Brad Bertoch				

1. **Welcome** – Andrew Larson welcomed members.
2. **Approval of Minutes** – Beth made a motion to approve the minutes. Kent seconded. **Minutes approved. Kelly Hartnett abstained.**
3. **Board Business** – Mike Gallegos mentioned the district attorney for the County will come to the meeting next month to explain the open public meetings act for members. Karen discussed the forms that need to be filled out once a year. She went over the contents of each form and where to sign, etc. These included reviewing the Sexual Harassment & Discrimination Prevention Policy, the Disclosure Statement and Prohibited Acts, and the Volunteer Contract. Sharon Hansen came in to notarize signatures on the Disclosure Statement for the members.
4. **Company Update Report** –
 - a. **Extreme Ozone** – Debra said Kyle, the CEO, is committed to pay off this loan. He is spearheading on his own, and selling machines and has ordered additional inventory. Debra has helped work out his payments but can't put any numbers together until he has sold the inventory. Gordy has been helping him with inventory, and said he is headed to Texas with 50 machines and another 150 are ordered from China. He is waiting for the payments to come in for the 50 units that were invoiced on January 1st. Debra is confident he will come through, since he is doing this full time and wants to make payments. Members were concerned, but will wait to see what January's numbers are when they are ready.
 - b. **Arterial Insight** – Brad met with Todd with Arterial Insight, and he mentioned they just went to court last Friday with Zions Bank. They felt Zions was interested in coming to an agreement to work out the payments on their loan. Todd just sent in their most recent materials, and he is optimistic that they have regrouped the business and are focused on getting the machines sold. He is putting his plan together and is fairly

optimistic, if they can restructure with Zions, they feel like they will be successful. Andrew is trying to set up a meeting with all involved, and will follow up on Zions end to see who is working on the loan now.

Brad wanted to mention Adamatic will be going into a workout plan, and noted it is listed on the December statement.

5. **Loan Applicant Presentation –**

- a. **Discussion follow up on Simplure Power** – Members reviewed the information was provided and had some additional questions. There was concern they were not producing the numbers favorably, and haven't gained a lot of traction. Debra mentioned they had changed their business model. Suggestion that if they come up with another investor for up to \$200,000, or if this loan fund could just give them \$200,000 until they made some milestones. The feeling was that they were still too new. Andrew suggested to have them come back if they can show they have proven their new model. Andrew made the motion to pass on the request until they can come back when they have proven their new model. Ken seconded. **Motion Approved.**
- b. **Multivoice** – Ron Frasier, the CEO and founder of Multivoice, began his power point presentation. He explained they are a communications company and work through a radio system with their patented fusion devise. Their market is divided in two areas which is in sports (primarily football), and the company named OTTO Engineering focuses on all the other industries for the product. They had a strong launch in 2016 and sold 500 units in the football industries. The average sales price is \$1,250 per radio and headset. They are ready for 2017 sales with 1650 headsets ready to go. He brought an example of the radio and headset. They receive a royalty from OTTO Engineering who manufactures and assembles the device, and have a 20% equity ownership with a no payment, long term loan for inventory. Otto Engineering gave them \$240,000 cash, and they would like a \$400,000 short term loan with this loan fund, and will pay back early within 1 to 5 years max. They left and Debra said she would forward their package out to members, and set up a conference call with members in a couple of weeks to potentially vote. They are moving down the street after the roof collapsed in their last building.
- c. **BiteSize** – Bob King began with a power point presentation. He started to explain his past as a former CEO of 6 companies. He explained that the Bitesize solution is to break information into chunks through methodology, psychology; and technology. He went over the successes they have had, and showed their traction to date sales that are invoiced, and the Bitesize budget for 2017. The use of funds will be hiring people, training and resources, i.e. advertising. They need the money to market to healthcare, and other industries. He closed with their intellectual property and discussed their low to middle income hiring information. He left and members discussed. Concern regarding their 2017 budget, and that there is no positive cash flow. Members decided to ask for more information and maybe do a vote in two

weeks along with the other company. Debra will follow up with them on their projections and get back to members.

6. Pipeline – There was not enough time to go over the Pipeline.
7. Reporting – There was not enough time to go over the Reporting.
8. Other Business – Brad said they have their big venture conference on the 17th of February at the Grand America and have 28 companies so far, he wanted to let members know about a code to register for free to be able to attend the event.