Motion: R. Bacon

Second: S. Hunt

NCA LRC Approved 02/08/2023

**North Country Alliance Local Development Corporation**

**Loan Review Committee Meeting**

**January 17th, 2023 at 1 PM**

**Minutes**

The North Country Alliance Local Development Corporation held a NCA Loan Review Committee meeting on Wednesday January17th, 2023 at 1:00 PM via WebEx. Meeting number (access code): 2633 224 7822. Tap to join from a mobile device (attendees only)

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**Present:** Ross Pancoe, Ron Bacon, Brian Gladwin, Steve Hunt, Al Dunham, and Marijean Remington

**Excused:** None

**Others:** Lyle Eaton (JCIDA), Dave Zembiec (JCIDA), and Matt Siver (DANC)

**Call to Order:** The meeting was called to order at 1:01 by Brian Gladwin

1. **New Business:**
	1. None
2. **Loan Review Request – LCO Destiny, LLC. dba Timeless Frames – Request for $125,000 for 5 years at WSJ prime minus 1% with a floor of 5% fixed at closing.** M. Siver gave an overview of the loan request indicating that the JCIDA would be participating with the NCA on this loan and the JCIDA would share a 1st co-proportional mortgage and assignment of rents and leases on 1 Fisher Circle Road, Watertown, NY in addition to a 1st co-proportional lien position with the JCIDA on all business assets of LCO Destiny, LLC dba Timeless Frames. M. Siver indicated that Lisa Weber the owner would have to inject $37,500 in cash/equity for the project. The company currently employs 28 and will seek to add 7 employees as a result of the project. M. Siver indicated to the committee that the company has experienced heavy losses in 2020, 2021, and 2022 and the company is in the process of consolidating operations, reducing their foot print, and reduced their bank debt to an EIDL loan of $400,000. The company lost a major A.C. Moore and determined that they were not able to turn a profit with Amazon. LCO Destiny is requesting the funds from the JCIDA and NCA for working capital to use as a financial buffer to jump start growth. M. Siver indicated that Ms. Weber’s personal financial statement looked good and her credit score was a 776 with no derogatory accounts on public record and a $150,000 annual income from LCO Destiny, LLC. M. Siver then turned over the presentation to D. Zembiec who gave an overview of the companies situation, Lisa Weber’s management ability, and desire to protect these jobs and a good employer in the local area. R. Bacon asked D. Zembiec why there are no tax returns and D. Zembiec reiterated what Ms. Weber had mentioned in an email response that due to the loss of Timeless Décor she had delayed/extended her tax filing and she plans on getting a significant refund from the carry back provision of the CARES act. B. Gladwin asked how Ms. Weber is as far as management and D. Zembiec indicated that she has a positive track record with the company although they have admittingly have had a tough time during COVID and the supply chain issues caused by the pandemic. D. Zembiec mentioned that Lisa Weber has been on the board of the local hospital and various charitable foundations and has a good standing in the business community. D. Zembiec said he would characterize her as a very capable manager. B. Gladwin commented that he thought this project was geared towards a job preservation and growth strategy to right the business and D. Zembiec thought that was an accurate way to characterize the project. R. Pancoe asked about the stocks and bonds available on her personal financial statement as additional security and L. Eaton thought those would be available as LCO Destiny is not a public traded company. D. Zembiec expressed that he believed the valuation of a 1st mortgage on the real estate was sufficient to cover our loan and R. Bacon agreed that in many cases we are subordinate and do not get a 1st mortgage position and thought the collateral was okay without taking anything additionally from Lisa Weber personally. R. Pancoe thought that this was a good mission based request to save jobs as she has run this as a successful business before and that she understands her issues and is trying to right her own ship. S. Hunt expressed that he agrees with R. Pancoe and the information collected was helpful in making a case for the loan. A. Dunham felt that this was a good project as well and hopes we can help the business regain its profitability.
	* 1. Motion: A. Dunham
		2. Second: S. Hunt
		3. All in favor to approve; 01/17/2023
3. **Adjournment:**
	* 1. Motion: B. Gladwin
		2. Second: A. Dunham
		3. All approved 01/17/2023

The next North Country Alliance Loan Review Committee meeting is scheduled to be held as needed.