



**DEPLOYMENT COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Special Meeting Minutes

Friday, December 11, 2020
11:30 a.m. – 12:00 p.m.

A special meeting of the Deployment Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on December 11, 2020.

Due to COVID-19, all participants joined via the conference call.

Committee Members Present: Binu Chandy (DECD), Michael Li (DEEP), Steven Meier (OTT), Matt Ranelli and Lonnie Reed

Committee Members Absent: None

Staff Attending: Sergio Carrillo, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Cheryl Samuels, Ariel Schneider, Eric Shrago

Others present: None

1. Call to Order

- Michael Li called the meeting to order at 11:37 am.

2. Public Comments

- No public comments.

3. Consent Agenda

Resolution #1

Motion to approve the minutes of the Deployment Committee meeting for November 18, 2020.

Upon a motion made by Matthew Ranelli and seconded by Binu Chandy, the Deployment Committee voted to approve Resolution 1. None opposed, and Steven Meier and Lonnie Reed abstained. Motion unanimously.

4. Investment Recommendation

a. Acumentrics Share Buyout Offer

- Bert Hunter explained the Acumentrics transaction as a Legacy CT Clean Energy Fund Investment. The Green Bank entered into a Memorandum of Understanding with

Connecticut Innovations to oversee the investments but there is nothing actively occurring with them at this time. Currently there are investors in Acumentrics who would like to simplify the capital and ownership structure of the company, hence the current proposal. Bert Hunter continued to explain the company background and investment history.

- The fairness opinion prepared by Carta Valuations concerning the proposed selling value was determined by the Green Bank Finance Team as reasonable. The actionable options are:
 - To take no action and hold the common shares received on conversion.
 - To elect to participate in the offer as a buyer pro rata to the holdings of the participating buyers (but it seems unusual to continue with this investment due to Acumentrics's out-of-state status and that the business doesn't fall within the Green Bank's typical investments). Brian Farnen mentioned that there was much discussion with the Board early on with the transition to the new green bank model about investing in this kind of technology, and it was decided to step away and focus elsewhere.
 - To sell the common shares owned at the offer of \$0.23 each.
- The transaction is set to close on December 15, 2020 and so the Green Bank needs to respond with their decision before then. The Green Bank staff's recommendation is to sell the common shares.
 - Lonnie Reed agreed to the staff's recommendation but asked if the Green Bank is guaranteed to receive the money. Bert Hunter said the recommendation is a minimum of \$0.23 per share, so if it is less than that then a resolution would be brought before the Deployment Committee again.
 - Michael Li asked in what scenario the shares could be more than \$0.23 per share, which Bert Hunter responded that there isn't a likely situation in which it would occur, but there are some extenuating circumstances as to why it could, such as a group of minor shareholders banding together to challenge the Carta valuation, but he surmised that this is a very low probability event.
 - Matthew Ranelli asked to confirm that the Deployment Committee is the proper authority, and not the Board of Directors, to make sure everything is done correctly within the bylaws. He asked if this should go to the Board under the policies as a write-off or loss. Bert Hunter said it would not, as the ACG Committee, in approving the annual CAFR, signed off on valuation adjustments annually which would cover this transaction. Thus, the Board has fully recognized the diminution of value. Since the transaction has been previously written down to \$1, the sale will result in a gain being recognized on the financial statements. Brian Farnen agreed that given the current value of the shares and sale value, this current investment decision falls under the Deployment Committee authority. Matthew Ranelli seemed satisfied but just wanted to make sure that everything is correctly handled as to not cause an audit issue down the line.
 - Matthew Ranelli asked for an amendment to the resolution to be sure everything is covered. Bert Hunter explained it is covered under the Carta Valuations in the third WHEREAS clause.
 - Binu Chandy asked if the resolution included the \$1 carrying value which would affect the gains of the Green Bank. Bert Hunter said as written the resolutions did not, however he suggested an amendment to the resolution to include "which would result in a gain for the Green Bank of \$225,120.70, taking into account the existing carrying value of the investment on Green Bank's financial statements of \$1.00" at the end of the second WHEREAS clause.
 - Steven Meier asked if the 45% discount for low marketability was fair, which Bert Hunter responded that while he personally had no experience against which to

benchmark Carta's work, he added that Carta's work was represented as being prepared in compliance with the guidance regarding valuation methodologies published by the American Institute of Certified Public Accountants and they contained extensive support in their valuation report for their conclusion of the discount factor they used. This was also discussed with staff of CI who did not assert that the determination of value was unreasonable.

Resolution #2

WHEREAS, the Connecticut Green Bank ("Green Bank") has a legacy ownership interest in Acumentrics Holdings Corporation ("Acumentrics") is a Walpole, Massachusetts company, by virtue of assuming the assets and liabilities of the Connecticut Clean Energy Fund (as administered by Connecticut Innovations, Incorporated, "CCEF/CI") when the Green Bank was formed July 1, 2011 pursuant to Public Act 11-80;

WHEREAS, Green Bank and other shareholders of Acumentrics will receive a proposal (the "Proposal") to buy the 978,790 shares of common stock (the Shares") Green Bank owns (which are held of record by Connecticut Innovations, Incorporated ("CI") for the benefit of Green Bank) for a price per share of \$0.23 for a total sale price of \$225,121.70 which would result in a gain for the Green Bank of \$225,120.70, taking into account the existing carrying value of the investment on Green Bank's financial statements of \$1.00;

WHEREAS, staff has reviewed the valuation of Acumentrics completed by Carta Valuations LLC, following the guidance regarding valuation methodologies of the American Institute of Certified Public Accountants Accounting and Valuation Guide: Valuation of Privately Held-Company Equity Securities as Compensation, and has found the determination of value to be reasonable in the circumstances and summarized the background and findings related to the Shares in a memorandum submitted to the Deployment Committee dated December 11, 2020;

WHEREAS, the Deployment Committee, considered the potential for realization of economic benefit if the Green Bank retained the Shares versus disposing of the Shares pursuant to the Proposal, and determined that since the investment is not in line with the current business strategy of the Green Bank and the proceeds from sale of the Shares pursuant to the Proposal could be of benefit for programs or activities related to low-to-moderate families and vulnerable communities;

NOW, therefore be it:

RESOLVED, that the Deployment Committee approves the sale by Connecticut Innovations, Incorporated as holder of record for the benefit of Connecticut Green Bank of the 978,790 common shares of Acumentrics Holdings Corporation for a price per common share of not less than \$0.23 as explained in a memorandum to the Deployment Committee dated December 11, 2020; and

RESOLVED, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents as they shall deem necessary and desirable to affect the sale by Connecticut Innovations, Incorporated of the common shares of Acumentrics Holdings Corporation.

Upon a motion made by Matthew Ranelli and seconded by Steven Meier, the Deployment Committee voted to approve Resolution 2 as amended. None opposed or abstained. Motion approved unanimously.

5. Adjourn

Upon a motion made by Lonnie Reed and seconded by Matthew Ranelli, the Deployment Committee Meeting adjourned at 12:07 pm.

Respectfully submitted,

Michael Li, Chairperson