

**ORIGINAL TRANSCRIPT**

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MEETING MINUTES FOR THE NOVEMBER 12TH, 2010,  
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION BOARD  
MEETING, HELD AT THE LOUISIANA STATE EMPLOYEES  
RETIREMENT SYSTEM (LASERS) BUILDING, 8401 UNITED  
PLAZA, 4TH FLOOR BOARD ROOM, BATON ROUGE,  
LOUISIANA, 70809, COMMENCING AT 9:26 A.M.

REPORTED BY:  
MARK A. SMITH, CCR, RPR  
CERTIFIED COURT REPORTER

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1 BOARD MEMBERS PRESENT:

2

3 THOMAS COTTEN, CHAIRMAN

4 ALDEN ANDRE

5 HARRY AVANT

6 SHELLY FERRO

7 STEVEN GRISSOM

8 BAL SAREEN

9

10 STAFF MEMBERS PRESENT:

11

12 CAROLYN BARR

13 KATHY BLANKENSHIP

14 RICK BROUSSARD

15 BRENDA GUESS

16 KRISTY MCKEARN

17 RANDY VEILLON

18 DARIA VINNING

19 ROBERT CANGELOSI

20

21

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MR. COTTEN:  
We'll call to order the  
Louisiana Economic Development  
Corporation board meeting for  
November 12th.  
Daria, you want to call roll,  
please?  
MS. VINNING:  
A. J. Roy.  
(No response.)  
MS. VINNING:  
Jay Rousseau.  
(No response.)  
MS. VINNING:  
Alden Andre.  
MR. ANDRE:  
Here.  
MS. VINNING:  
Steven Grissom.  
MR. GRISSOM:  
Here.  
MS. VINNING:  
Shelly Ferro.  
MS. FERRO:  
Here.



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1 MS. VINNING:  
2 Mike Saucier.  
3 (No response.)  
4 MS. VINNING:  
5 Bal Sareen.  
6 MR. SAREEN:  
7 Here.  
8 MS. VINNING:  
9 Thomas Cotten.  
10 MR. COTTEN:  
11 Here.  
12 MS. VINNING:  
13 Harry Avant.  
14 MR. AVANT:  
15 Here.  
16 MS. VINNING:  
17 Louis Reine.  
18 (No response.)  
19 MS. VINNING:  
20 And Robert Stuart.  
21 (No response.)  
22 MS. VINNING:  
23 We have six out of eleven  
24 members, and we have a quorum.  
25 MR. COTTEN:



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1                   Okay, great. Thank you.  
2                   Okay, we need to approve the  
3                   minutes of the LEDC Finance  
4                   Committee meeting on October 8th.  
5                   I hope you have had a chance to  
6                   look at those.

7                   Do I have a motion?

8                   MR. ANDRE:

9                   Move.

10                  MR. COTTEN:

11                  Second?

12                  MR. AVANT:

13                  Second.

14                  MR. COTTEN:

15                  And any comments from the  
16                  public?

17                  (No response.)

18                  MR. COTTEN:

19                  Okay. So moved.

20                  MR. BROUSSARD:

21                  We need to take a vote.

22                  MR. COTTEN:

23                  Oh, excuse me. All in favor  
24                  say "aye."

25                  ALL BOARD MEMBERS:



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Aye.

MR. COTTEN:

All opposed?

(No response.)

MR. COTTEN:

Passed. Okay, Small Business Loan Program. First one on the list is Quality Concrete Group with Randy. You want to come up, Randy?

MR. VEILLON:

Good morning, Mr. Chairman, members of the board. I'd like to first introduce Mr. Jeff Poché. He's one of the owners of the company that we're going to approve, and Mr. Ron Shea is a commercial lender with Iberia Bank. I hope y'all can hear.

Iberia Bank of Baton Rouge is requesting a loan guaranty for Quality Concrete Group, LLC. Under the Small Business Loan Program, the guaranty will provide financing for accounts



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1 receivable and inventory with a  
2 revolving line of credit. The  
3 project satisfies the board's  
4 criteria for a startup business  
5 with a proven concept,  
6 experienced business management,  
7 and job growth. The company is  
8 requesting a million-dollar  
9 revolving line of credit, a loan  
10 from Iberia Bank. LEDC will  
11 guaranty 700,000, or 70 percent,  
12 of the million-dollar revolving  
13 line of credit to Iberia Bank.  
14 The day-one balance sheet  
15 reflects total paid-in-capital  
16 equity of 650,000, which  
17 satisfies LEDC's equity rule  
18 requirement for 20 percent equity  
19 for a startup business.  
20 Collateral offered will be a  
21 first security interest in  
22 accounts receivable and  
23 inventory. The term of the LEDC  
24 commitment is three years  
25 declining 33.3 percent annually.



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1 The company will create 30 new  
2 permanent jobs.

3 Quality Concrete Group, LLC,  
4 is located in Baton Rouge. Cash  
5 flow on the total RLOC is very  
6 strong over a 5-year  
7 amortization. Mr. Michael Price  
8 and Mr. Jeffrey Poché will  
9 personally guaranty the revolving  
10 line of credit. Quality Concrete  
11 Group is being formed to be a  
12 ready-mix concrete company. The  
13 majority of Quality's customers  
14 will be commercial, which will  
15 eliminate some of the risk  
16 associated with the current  
17 recession's effect on residential  
18 construction. The bank will  
19 require a lockbox of the accounts  
20 receivable, with a maximum  
21 concentration of 30 percent per  
22 account.

23 Based on analysis and review,  
24 staff recommends Quality Concrete  
25 Group for a guaranty in the event



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1 that the LEDC board chooses to  
2 approve this request.

3 Those are my comments, Mr.  
4 Chairman. Do I have any  
5 questions or comments?

6 MR. COTTEN:

7 Okay. Thank you. Any  
8 questions, comments from the  
9 board?

10 MR. ANDRE:

11 Yes. I have one. I'd like  
12 to ask, what do you offer to be  
13 able to get all the other  
14 customers to come over to you?

15 MR. POCHÉ:

16 Well, the biggest thing,  
17 really, is relationships that we  
18 currently have. Mike Price, my  
19 business partner, has actually  
20 been in the concrete business  
21 with Angelle for 15 years. He  
22 was our vice president -- he was  
23 Angelle's vice president of sales  
24 and marketing state-wide for  
25 cement and concrete for the state



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1 of Louisiana, and he really has  
2 strong relationships with a lot  
3 of large contractors in the Baton  
4 Rouge area. And I think that's  
5 really what's going to drive,  
6 ultimately, our ability to make  
7 the sales.

8 MR. ANDRE:

9 And a followup question:  
10 It's my sense that there's a  
11 surplus capacity for that right  
12 now at the present time; is that  
13 right?

14 MR. POCHÉ:

15 For ready-mix concrete?  
16 There has been historically --  
17 not historically -- there has  
18 been over the last, probably,  
19 year or so, and I will tell you  
20 that's probably been changing a  
21 little bit. Over the summer, we  
22 probably saw July, August,  
23 September, and October were  
24 actually fairly strong. October,  
25 actually, for the ready-mix



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1 business in Baton Rouge itself,  
2 was extremely strong; in fact,  
3 most of the plants actually were  
4 having trouble getting drivers.  
5 And I will tell you, I've kind of  
6 been kind of been looking at the  
7 business that was currently  
8 running the assets of which we're  
9 buying, and they're constrained  
10 by the number of drivers that  
11 they have at this point. So I'm  
12 confident that we're actually  
13 going to be creating probably  
14 seven or eight additional jobs  
15 immediately for drivers as we hit  
16 the ground running. So it  
17 definitely is seasonal and it's  
18 weather-related, but it's  
19 actually strengthened a bit over  
20 the last several months.

21 MR. COTTEN:

22 Any other comments,  
23 questions?

24 MR. AVANT:

25 I'd like to make a motion we



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approve.  
MR. COTTEN:  
I got a motion. Do I have a  
second?  
MR. SAREEN:  
(Indicating.)  
MR. COTTEN:  
Second, okay. Is there any  
comments from the public?  
(No response.)  
MR. COTTEN:  
All right. Hearing none, all  
in favor say "aye."  
ALL BOARD MEMBERS:  
Aye.  
MR. COTTEN:  
All opposed, "nay."  
(No response.)  
MR. COTTEN:  
None? Okay. Next in line is  
Starboard Way. Randy is going to  
come up again.  
MR. VEILLON:  
Mr. Chairman, I'd like to  
introduce Mr. Bryan Haymon --



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1 he's going to be the owner of the  
2 new company -- and Mr. Gregg  
3 Gaudin, Vice President and  
4 Commercial Lender with Louisiana  
5 Business Bank, who brought this  
6 request to us. I'm presenting  
7 this on behalf of Seth Brown.

8 South Louisiana Business Bank  
9 of Prairieville is requesting a  
10 loan guaranty for Starboard Way,  
11 Inc., under the Louisiana Small  
12 Business Loan Program. This loan  
13 guaranty will provide financing  
14 and furnishes furniture,  
15 fixtures, and equipment. The  
16 project satisfies the LEDC Board  
17 criteria for an existing business  
18 with a proven concept, a niche in  
19 the market, and new job growth  
20 potential.

21 Starboard Way, Incorporated,  
22 was established October 1st,  
23 2010, for the purpose of  
24 acquiring Lobell's Aluminum  
25 Welding, dba Lobell's Custom



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1                   Boats. Lobell's Custom Boats has  
2                   been designing and manufacturing  
3                   high-quality custom aluminum  
4                   boats since 1969. In July 2009,  
5                   Mr. Lobell, the original owner,  
6                   sold the business to Mr. Bruce  
7                   Stone and Sharon Witmer.  
8                   Starboard Way is owned by Mr.  
9                   Bryan and Tammy Haymon. The loan  
10                  amount will be for \$87,119. The  
11                  guaranty is not to exceed  
12                  \$65,000, which is a 75-percent  
13                  guaranty on a 3-year term loan.

14                  We feel this little business  
15                  will be successful. I think Mr.  
16                  Hayman has just a couple of  
17                  comments he'd like to make, and  
18                  maybe Mr. Gaudin might make a  
19                  comment, too, about this.

20                  MR. HAYMAN:

21                  Yeah. The business has been  
22                  in business since 1969. Mr.  
23                  Lobell retired. We've -- in the  
24                  time frame between my purchase  
25                  agreement and now, I've actually



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1 purchased the business. I did a  
2 cash sale versus a finance sale.  
3 So we are up and running. We've  
4 got about \$350,000 in backlog  
5 already. Most of that puts us  
6 through the next year, so, you  
7 know, with the margins that were  
8 projected in the packet that was  
9 submitted, there shouldn't be any  
10 problem servicing this amount of  
11 debt. And, like I said, I have  
12 100 percent of the company  
13 purchased through my own cash.

14 MR. GAUDIN:

15 Just to add, like he said, he  
16 has already purchased the  
17 business and, like he said, he's  
18 got over 300,000 already  
19 injected, so thus the need to get  
20 a little bit of working capital.

21 MR. COTTEN:

22 Okay. Any comments,  
23 questions?

24 MR. AVANT:

25 What size boats do y'all



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1 construct?

2 MR. HAYMON:

3 Currently, we're constructing  
4 custom-built aluminum work boats  
5 anywhere from 18 to 50 feet in  
6 several different hull  
7 configurations and uses. I mean,  
8 we do the deck boats, we do the  
9 barges, and the cabin boats,  
10 predominantly.

11 MR. AVANT:

12 Has the BP spill increased  
13 your production?

14 MR. HAYMON:

15 The company saw -- didn't  
16 really see an increase in sales.  
17 It did help their revenues  
18 because the prices on their boats  
19 were able to go up. Since we're  
20 a custom-built shop, we don't  
21 keep an inventory in stock, you  
22 know, so we don't build ten boats  
23 and put them out for sale; we  
24 build by special order, custom  
25 order. So at the time of the



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1 spill, they did not have any  
2 inventory available to sell, but  
3 it did help their revenues and  
4 their bottom lines, their nets,  
5 by -- they were able to increase  
6 their prices due to demand.  
7 We're still seeing work on the  
8 brown-water portion of that, on  
9 the cleanup.

10 I'm quoting right now  
11 probably an average of one boat  
12 every other day, so three to five  
13 boats a week I'm quoting. And  
14 the typical wait time on a boat  
15 from our competitors right now is  
16 about six to eight months on a  
17 boat that size due to the volume  
18 of work they have. Our wait  
19 period right now is about eight  
20 to ten weeks. So I've got five  
21 boats in the queue now, and if  
22 someone placed an order for one  
23 tomorrow, I can get it to them,  
24 you know, in ten weeks, easily.  
25 So that kind of gives me an



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1 advantage in this smaller work  
2 boat area.

3 MR. AVANT:

4 Thank you.

5 MR. ANDRE:

6 Mr. Chairman, I move for  
7 approval.

8 MR. COTTEN:

9 I have a motion.

10 MS. FERRO:

11 Second.

12 MR. COTTEN:

13 Second. Any questions from  
14 the public?

15 (No response.)

16 MR. COTTEN:

17 Seeing none, all in favor say  
18 "aye."

19 ALL BOARD MEMBERS:

20 Aye.

21 MR. COTTEN:

22 Any opposed?

23 (No response.)

24 MR. COTTEN:

25 Passed. Okay, Treasurer's



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1 Report. Ms. Kathy Blankenship.  
2 MS. BLANKENSHIP:  
3 The Treasurer's Report as of  
4 November 12th, 2010, in general  
5 appropriations, our fiscal year  
6 '11 budget is \$1,000,000, and the  
7 two projects approved today  
8 were -- I'm sorry, previously  
9 approved projects in the amount  
10 of 295,313 for a subtotal of  
11 704,688. The two projects that  
12 were approved today, our exposure  
13 is \$191,335, for a remaining  
14 balance of 513,353. In EDAP, our  
15 appropriation is 12,785,658, and  
16 we've approved one project for  
17 130,000, and our balance is  
18 12,655,658. And I don't think  
19 there's been any change to the  
20 fund balance estimate from last  
21 night. And for next month, I  
22 will report that there will be an  
23 infusion of 814,000 into the fund  
24 from a clawback for the Union  
25 Tank project, so there will be



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1 additional revenues showing up  
2 next month. But that's not --  
3 that can't be depended on every  
4 year because if they come in  
5 compliance, then we wouldn't  
6 receive clawback payments. So  
7 that's a one-time revenue  
8 increase that we can count on for  
9 this year.

10 MR. COTTEN:

11 Any comments?

12 (No response.)

13 MR. COTTEN:

14 Okay. I need a motion to  
15 accept the Treasurer's Report.

16 MR. AVANT:

17 So move.

18 MR. COTTEN:

19 Second?

20 MS. FERRO:

21 Second.

22 MR. COTTEN:

23 All in favor?

24 ALL BOARD MEMBERS:

25 Aye.



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1 MR. COTTEN:  
2 Any opposed? Public  
3 comments, excuse me.  
4 (No response.)  
5 MR. COTTEN:  
6 Seeing none, let's do the  
7 vote one more time. All in  
8 favor?  
9 ALL BOARD MEMBERS:  
10 Aye.  
11 MR. COTTEN:  
12 Any opposed?  
13 (No response.)  
14 MR. COTTEN:  
15 So moved. Thank you. Okay,  
16 Accountant's Report. Carolyn  
17 Barr. Good morning.  
18 MS. BARR:  
19 Good morning. My name is  
20 Carolyn Barr. I'm standing in  
21 for Errol today to give the LEDC  
22 status report as of October 31st,  
23 2010.  
24 The total current amount of  
25 participation loans as of October



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1 31st was \$485,703. The total  
2 current amount of direct loans as  
3 of October 31st was \$8,151,007,  
4 of which \$193,750 was past-due.  
5 The total current amount of EDLOP  
6 loans as of October 31st was  
7 \$1,762,186. As of October 31st,  
8 there were 21 guaranteed loans,  
9 all of which were current, for a  
10 total of \$8,339,454. Regarding  
11 the allowance for loan losses as  
12 of October 31st, the  
13 participation and direct loan  
14 reserve was \$520,261, with a  
15 balance of \$8,636,710, and the  
16 EDLOP loan reserve was \$264,328,  
17 for a balance of \$1,762,186. The  
18 guaranteed loan loss reserve was  
19 \$1,501,102, with a balance, as  
20 mentioned, of \$8,339,454.

21 This concludes the  
22 Accountant's Report for the  
23 period of October 31st, 2010.

24 MR. COTTEN:

25 Thank you. Any comments?



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1 MR. ANDRE:

2 I have a question. On Page  
3 1, the Capital Fund, it says that  
4 we passed a motion in December  
5 of '04 to ask the legal  
6 department to pursue recovery.  
7 That's six years ago. What's  
8 happening with that?

9 MS. BARR:

10 I can't answer that. I don't  
11 know.

12 MR. BROUSSARD:

13 I think that's still a work  
14 in progress. Daryl Manning is  
15 actually the attorney of record  
16 for this workout. I think Daryl  
17 is still pursuing these guys for  
18 the payback, and it hasn't been  
19 resolved yet.

20 MR. ANDRE:

21 That's a long time,  
22 six years.

23 MS. BARR:

24 I had the same question. I  
25 don't know how to answer that.



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MR. GRISSOM:

Board members, we'll get a more detailed report and get that to you.

MR. COTTEN:

Do I have a motion on the Accountant's Report?

MR. ANDRE:

So move.

MR. COTTEN:

Second?

MR. AVANT:

Second.

MR. COTTEN:

Second. Any comments from the public?

(No response.)

MR. COTTEN:

Seeing none, all in favor?

ALL BOARD MEMBERS:

Aye.

MR. COTTEN:

Any opposed?

(No response.)

MR. COTTEN:



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1                   So move. Mr. Grissom,  
2                   President's Report.

3                   MR. GRISSOM:

4                   Thank you, Mr. Chairman. I  
5                   wanted to cover two items, fairly  
6                   brief, in the President's Report.  
7                   The first is a recent ranking  
8                   that the state received. In the  
9                   department, we track these very  
10                  aggressively in working to try to  
11                  improve the state's rankings from  
12                  a variety of public sources that  
13                  look at state business climate  
14                  and economic development issues.  
15                  And on November 1st, Louisiana  
16                  earned for its business climate  
17                  the highest rank ever, and we  
18                  were ranked No. 9. It was our  
19                  first time to be in the top 10,  
20                  and we actually jumped 16 spots  
21                  from 2009 to 2010. This was the  
22                  largest improvement in this  
23                  business climate ranking of any  
24                  other state in the country. The  
25                  ranking is conducted by Site



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1 Selection Magazine, and this was  
2 its 2010 top business climate  
3 rankings. And, again, the state  
4 had the largest improvement.  
5 Additionally, in the history of  
6 this ranking, it was only in 2009  
7 that the state broke into the top  
8 25. This year, we broke into the  
9 top 10. Prior to that, we had  
10 not broken into that top 25, and  
11 I think that had been over about  
12 10 to 15 years.

13 So I'm very excited about  
14 that movement in the positive  
15 direction the state is having and  
16 also excited about the public  
17 recognition that the state is  
18 receiving. We use this very  
19 aggressively in our marketing  
20 efforts, particularly with  
21 executives from out-of-state  
22 companies. The outside  
23 endorsement associated with these  
24 rankings accompanied by  
25 testimonials from companies that



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1 have been successful in Louisiana  
2 we found to be our most effective  
3 way of communicating with  
4 decision-makers who are  
5 unfamiliar with Louisiana, and it  
6 appears to be working. Any time  
7 we test our messages and our  
8 marketing, advertising, those are  
9 really the two tactics that are  
10 achieving results and really  
11 starting to turn people's minds  
12 and perspectives about  
13 Louisiana's a place for business  
14 investment and growth, so we're  
15 excited about that.

16 The second thing I wanted to  
17 highlight for our board members  
18 is there's a handout we have  
19 provided you. This is a  
20 nine-page handout that provides  
21 an overview of the department's  
22 priorities, and this is something  
23 that we recently updated and  
24 distributed across the department  
25 to the entire LED team. What



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1           this document does is it really  
2           provides some context of how the  
3           department and state has  
4           performed over the last several  
5           years. It outlines the eight  
6           core areas of focus for the  
7           department, and I encourage you  
8           if you have a few minutes just to  
9           read through it. It's a good  
10          overview; it will give you a good  
11          understanding of what's going on  
12          across the department, whether  
13          it's marketing-related, focused  
14          on national recruitment, focused  
15          on expansion/retention within the  
16          state, small business community  
17          development, state economic  
18          competitiveness, a variety of  
19          very important topics, and,  
20          really, I think summarizes in a  
21          pretty crisp and compelling way.  
22          It also describes the success we  
23          received with our Louisiana  
24          FastStart Program on workforce,  
25          and I believe for the next LEDC

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1 board meeting, we're going to  
2 have Jeff Lynn, our executive  
3 director of that program, present  
4 to the board. We did that about  
5 a year ago, and since that time,  
6 the Louisiana FastStart Program  
7 has made great strides, and so I  
8 think it will be a very  
9 interesting presentation for our  
10 board.

11 So with that, I'll wrap it  
12 up. I just want to thank you for  
13 being here on this Friday, and I  
14 very much appreciate your  
15 service.

16 MR. COTTEN:

17 Thank you, Steven. I think a  
18 couple of issues here is we've  
19 given a handout of the board  
20 meetings for 2011. Make sure you  
21 have a copy of that. April 15th  
22 looks a little suspect to me.  
23 But I was asked to inquire on  
24 December 12th, our next board  
25 meeting, is everyone going to be



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1 available, if there was some  
2 conflict.

3 MS. GUESS:

4 December 10th.

5 MR. COTTEN:

6 December 10th; excuse me.

7 Thank you. Just might want to  
8 look and check your calendars.  
9 So we may defer that meeting or  
10 something, or --

11 MR. BROUSSARD:

12 Can we have a show of hands  
13 who would not attend?

14 MR. SAREEN:

15 (Indicating.)

16 MR. AVANT:

17 I'm questionable.

18 MR. BROUSSARD:

19 Okay. Those two.

20 MS. GUESS:

21 Well, we'll contact the other  
22 board members, as well, to make  
23 sure we can at least get six  
24 again for the December meeting.  
25 We do have some EDAP contracts



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1                   that need to be reviewed at the  
2                   December meeting because they  
3                   become -- December 31st is the  
4                   deadline for them, so we will  
5                   need to conduct some business in  
6                   December. But we'll be -- I know  
7                   that's only like three weeks  
8                   away, but we'll be giving you  
9                   guys a call probably individually  
10                  to make certain that your  
11                  schedules are available.

12                                 MR. COTTEN:

13                                 Thank you. Well, if nothing  
14                                 else, I think we're ready to  
15                                 adjourn. Motion?

16                                 MS. FERRO:  
17                                 Motion to adjourn.

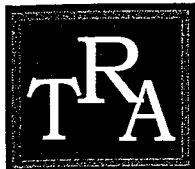
18                                 MR. AVANT:  
19                                 Second.

20                                 MR. COTTEN:  
21                                 Thank you.

22

23                   (Whereupon the meeting was concluded at 9:51  
24                   a.m.)

25



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