

Executive Committee Minutes  
Tuesday, December 5, 2000  
General Assembly Building  
Conference Room 3E  
10:00 a.m.

*Amended and Approved 1-8-2001*

**Members Present**

Charles R. Hawkins  
William W. Bennett  
Clarence D. Bryant  
Kathy J. Byron  
Isiah Hopkins  
John Forbes  
Joseph P. Johnson  
Gary Walker

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Carthan Currin, Executive Director  
Frank Ferguson (Deputy Attorney General)  
Steve Sheppard (Sr. Asst. Attorney General)  
Ellen Sharpe (Hazel & Thomas) by telephone  
Bruce Christman (Hazel & Thomas) by telephone

**Members Absent**

Terry Kilgore  
William Wampler  
Whit Clement  
Allen Dudley

**Senator Hawkins** welcomed all to meeting.

*Delegate Bennett made a Motion to Recess and reconvene into a Closed Meeting.*

**Motion:**

*Delegate Byron Seconded*

*All ayes*

*No nays*

*Members then went into Closed Session.*

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*After closed meeting a Certification of Closed Meeting was read by the Executive Director and a roll called for certification. The certification was unanimous (Certification attached)*

**Senator Hawkins** then gave a background summary on Tobio and the reason for the meeting. The purpose of the meeting is to formalize the discussion started in South Boston on agreement between Tobio and the Tobacco Commission for a loan of \$2 million. The conditions that were set forth in South Boston were that the Commission would enter into this agreement if Tobio met certain conditions. Tobio was to reach an agreement with CropTech to buy stock and to sign an agreement to give Tobio certain rights to be the sole entity to provide certain biomass to CropTech for the purposes of genetically altering tobacco plants, producing enzymes to be harvested and made into pharmaceutical products for the open market. Modifications in the contract are to be made in the stock provisions and also to exclude CropTech from the contract. The loan agreement is between the Commission and Tobio. Stock is to be the collateral. There will not be a need for further meetings to execute the loan document. The Executive Director has been given the authority to do this. Money is to be released as follows; \$500 thousand upon the signing of the agreement and \$1.5 million upon the purchase of the stock.

**Delegate Bennett** explained again to Chris Cook, CEO of Tobio, that \$500 thousand would be forwarded to Tobio upon the signing of the agreement and \$1.5 million released as such time as stock transfer is actually made.

**Mr. Cook** indicated that this is understood.

*Delegate Bennett made a motion that encompasses all of the above discussion, modifications to the agreement and, includes the authority for the Executive Director to execute such documents between Tobio and the Tobacco Commission for the gross amount of \$2 million- making up two separate checks. One for \$500 thousand for initial payment and the other for \$1.5 million for stock purchase. Also, the Executive Director may have the authority to address any issues that may arise within the parameters established by the Executive Committee pertaining to the agreement.*

**Delegate Johnson** inquired as to whether Stock Certificates will be delivered to the Executive Director.

**Senator Hawkins** replied that the attorneys could handle this, however, a photocopy of the Stock Certificates should be sent to **Delegate Johnson**.

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*Motion seconded*

**Roll Call Vote**

*Bennett-aye*

*Byron-aye*

*Bryant-aye*

*Forbes-aye*

*Hopkins-aye*

*Johnson-aye*

*Walker-aye*

*Hawkins-aye*

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*Motion passed*

**Mr. Clarke Lewis** (Mays & Valentine) gave a brief update on indemnification payments. The last round of checks will "likely" go out by the end of the week. This includes about 200-250 people that did not meet the deadline. Since the Commission extended the deadline Mays Valentine has received an extra 50 claims. Mr. Lewis thinks these people are very grateful for the extended deadlines and "we have a happy group of people. Mays will be doing the 1099 statements for Phase I and the TLAP payments in the next few weeks.

**Mr. Currin** directed the Committee to an updated handout "Revised Revenue Estimates from the Department of the Treasury." (attached) This will effect the Commission's anticipated source, which was estimated to be approximately \$65 million and is now estimated to be approximately \$62 million. Also, Mr. Currin informed the Committee that staff as of November 30th has received 38 applications for funding. The two Economic Subcommittees will be reviewing and awards will be make in February.

There was a short discussion between Mr. Bryant and Mr. Ferguson regarding the "Pircs Case" on behalf of tobacco growers whereas afterwards a motion was seconded to adjourn.

Meeting adjourned approximately 12:00 Noon.

Respectfully Submitted \_\_\_\_\_

Carthan F. Currin, III  
Executive Director & Secretary for the Commission

