

1                                   **VIRGINIA TOBACCO INDEMNIFICATION**  
2                                   **AND COMMUNITY REVITALIZATION COMMISSION**

3                                   701 East Franklin Street, Suite 501  
4                                   Richmond, Virginia 23219

5  
6  
7  
8  
9                                   **Research and Development Committee Meeting**

10                                  Monday, January 12, 2014

11                                  3:30 P.M.

12  
13                                  Crowne Plaza Hotel Downtown  
14                                  Richmond, Virginia

1 **APPEARANCES:**

2 The Honorable Kathy J. Byron, Chairman

3 The Honorable Charles W. Carrico, Sr.

4 Ms. Rebecca Coleman

5 The Honorable Maurice Jones, Secretary

6 Department of Commerce & Trade

7 The Honorable Daniel W. Marshall, III

8 Mr. A. Dale Moore

9 Ms. Sandra F. Moss

10 The Honorable Edward Owens

11 Dr. Todd Pillion

12 Mr. Kenneth O. Reynolds

13 The Honorable Frank M. Ruff, Jr.

14 The Honorable Ralph K. Smith

15

16

17

18

19

20

21

22

23

24

25

1 **APPEARANCES (cont'd):**

2 COMMISSION STAFF:

3 Mr. Timothy S. Pfohl – Interim Executive Director, Grants  
4 Program Administration Director

5 Mr. Ned Stephenson – Deputy Director

6 Ms. Stephanie S. Kim – Director of Finance

7 Ms. Sarah K. Capps – Grants Program Administrator,  
8 Southside Virginia

9 Ms. Sara G. Williams – Grants Program Administrator,  
10 Southwest Virginia

11 Ms. Carolyn Bringman – Performance Data Analyst

12 Ms. Suzette Patterson – Grants Office Manager

13 Ms. Stacey Richardson – Executive Assistant

14 Mr. Benjamin Dawson – Grants Assistant, Southside Virginia

15 Ms. Jessica Stamper – Grants Assistant, Southwest Virginia

16

17

18

19

20

21

22

23

24

25

1 DELEGATE BYRON: Good afternoon,  
2 everyone. We're running a little behind so I'm going to call the  
3 meeting to order of the Research and Development Committee  
4 and I'll ask Tim if he'll call the roll.

5 MR. PFOHL: Delegate Byron?

6 DELEGATE BYRON: Here.

7 MR. PFOHL: Senator Carrico?

8 SENATOR CARRICO: Here.

9 MR. PFOHL: Ms. Coleman?

10 MS. COLEMAN: Here.

11 MR. PFOHL: Secretary Jones?

12 SECRETARY JONES: Here.

13 MR. PFOHL: Delegate Marshall?

14 DELEGATE MARSHALL: Here.

15 MR. PFOHL: Mr. Moore?

16 MR. MOORE: Here.

17 MR. PFOHL: Ms. Moss?

18 MS. MOSS: Here.

19 MR. PFOHL: Mr. Owens?

20 MR. OWENS: Here.

21 MR. PFOHL: Dr. Pillion?

22 DR. PILLION: Here.

23 MR. PFOHL: Mr. Reynolds?

24 MR. REYNOLDS: Here.

25 MR. PFOHL: Senator Ruff?

1 SENATOR RUFF: Here.

2 MR. PFOHL: Senator Smith?

3 SENATOR SMITH: Here.

4 MR. PFOHL: You have a quorum.

5 DELEGATE BYRON: Thank you. I'll  
6 entertain a motion to approve the minutes of our last meeting  
7 on 9/24/14 and they're on the website.

8 DELEGATE MARSHALL: So moved.

9 DELEGATE BYRON: We have a motion  
10 and a second, all those in favor of approving the minutes say  
11 aye. (Ayes.) Opposed? (No response.) The minutes are  
12 approved. We have thirteen applications and Tim, if you  
13 would start and we're going to try to keep the review and this  
14 is the beginning and not the final decision making, we'll try to  
15 keep that as brief as we can, allowing for time for discussion  
16 or any questions after he is done with each one. At that time,  
17 we'll have the applicant to come forward to answer any  
18 questions and that's how we'll proceed.

19 MR. PFOHL: The Commission received  
20 thirteen new proposals for Research and Development funds  
21 in October. The decision point today for the Committee is  
22 whether or not to send these to the vetting process that's led  
23 on our behalf by Mr. Giles and the Virginia Economic  
24 Development Partnership. The proposals cumulatively  
25 request \$18 million. I'd point out to the Committee that of the

1 original \$100 million allocation for this program, we're at \$16  
2 million and change now and we expect to recover some money  
3 from non-performing grants. I would say the light at the end  
4 of the tunnel is getting visible.

5 Let me start and I'll try to talk very briefly  
6 about the staff comments and recommendations. And you've  
7 got the executive summary and the other four or five points  
8 that we ask from each of the applicants. We ask them to fill  
9 out the Research and Development opportunity, proof of  
10 concept and proposed R&D and commercial potential and  
11 intellectual foundations and that information is in your staff  
12 report and all that comes from the applicants themselves.

13 Starting with CML Recycling, request  
14 \$500,000 for a Pyrolysis of Waste Agricultural Scrap in  
15 Southern Virginia. The applicant is working with Southern  
16 Virginia Growth Alliance to consider sites in four Southern  
17 Virginia localities but a preferred site is not yet known. This  
18 actually appears to be a request for \$250,000 of grant funds  
19 for an overall \$500,000 project. You'll see some economic  
20 development outcomes there and I won't read all of those to  
21 you but we include those in the staff comments.

22 A business plan was included in the  
23 proposal but no statistical evidence that there is a sufficient  
24 stream of plastic waste in Southern Virginia to provide feed  
25 stock for a biofuel facility. The proposal also indicates that a

1 similar plant would be built in other areas of Virginia and the  
2 Eastern Shore is specifically mentioned as well as neighboring  
3 states. The commercialization payoff for the Tobacco Region  
4 may be a single Commission funded plant with modest job  
5 creation and wages. Ultimately as this request was submitted  
6 by a private for-profit company based in Virginia Beach and  
7 absent sponsorship by an eligible governmental or non-profit  
8 entity, it is ineligible for consideration in its current form and  
9 staff recommends no further action. If you want to stop me  
10 and ask any questions as we go through.

11 All right, the second proposal, Dan River  
12 Business Development Center, \$1.5 million requested for a  
13 Fiber Optic R&D Commercialization Facility. This is the  
14 second request from the IRFlex program, which received a \$2  
15 million R&D grant in 2010. Funds are requested in this phase  
16 for personnel, equipment, supplies and contractual. The  
17 request presents a clear proof of concept from the work  
18 leading up to and through the previous phase one grant.  
19 IRFlex's work has been strongly supported by federal military  
20 grants. The request clearly describes the additional products  
21 and markets that will be pursued in this phase. We do have  
22 some outcomes there and the proposal does not provide  
23 evidence of new, taxable, private capital investment and items  
24 of research or commercialization, which is the primary  
25 shortcoming of this request. Half of the \$2 million in

1 matching funds is already approved and the other half  
2 appears likely given the company's history of federal support.  
3 Matching funds are spread across different categories they are  
4 also requesting from the Commission and a thorough  
5 business plan is provided. The company appears to be solidly  
6 rooted in the Tobacco Region and while employment from  
7 phase one has not yet met expectation because of federal  
8 military cutbacks and the company shows a focus on new  
9 product development and new markets that could ultimately  
10 lead to the anticipated employment levels. The staff is  
11 recommending this proposal be sent to vetting. Any  
12 questions?

13 DELEGATE BYRON: Any questions?

14 MR. PFOHL: Moving on to the City of  
15 Danville, EcomNets Intuition Cyber Security Analytics. The  
16 request seeks funding for personnel, IT equipment,  
17 contractual, continuous and other costs to be used in  
18 developing preemptive security analytics for cyber intrusion  
19 detection and prevention. Given the constantly evolving  
20 nature of cybercrimes, it is difficult to understand from the  
21 proposal what the proof of concept is, what research steps are  
22 included in this project and what shelf-life the results would  
23 have in a world where new firewalls are created and evaded on  
24 an almost daily basis. Milestones and deliverables are  
25 exceedingly vague, with detail limited to repeated use of the



1 Floyd and has significant global operations. It was previously  
2 funded with a \$750,000 R&D grant in 2011. In the original  
3 request for funds were for new equipment and I'll tell you  
4 about how that request has been revised. The outcomes are  
5 four jobs in research and six in commercialization. Of the ten  
6 new jobs, eight are production associates and just two are  
7 scientist/technicians.

8                   The requested activities appear to build  
9 on the research findings from the previous grant, and  
10 outcomes appear to overlap with the initial R&D grant as the  
11 two research phases collectively lead to commercialization. A  
12 thorough business plan is provided and the investment  
13 outcomes seem to indicate and I'm going to jump ahead to the  
14 italicized note and talk about the revisions. It was originally  
15 submitted for \$2 million and the request was reduced to \$1.5  
16 and putting \$400,000 of the request over to research phase  
17 operating costs rather than long-lived equipment, which is  
18 now requesting \$1.1 million. The revised budget is better  
19 aligned to involve Commission funds in research phase costs  
20 and now proposes a two to one leveraging of private versus  
21 Commission funds. Staff notes this would have affected  
22 scoring if known earlier in the staff review and could have  
23 affected a vetting recommendation. However, TROF remains  
24 an option for this project. The applicant, I'm sure, will speak  
25 to the revisions at the Committee meeting. That being said,





1 Manufacturing Center in South Boston, purchase equipment  
2 and tooling, hire thirteen design engineers and assembly  
3 positions during research phases with private capital  
4 investment of a quarter million. Commercialization is stated  
5 at 47 jobs and one million private capital investment. The  
6 company states it hopes to raise \$4 million of equity via a  
7 Series A offering in spring 2015.

8                   A thorough business plan provides strong  
9 evidence of the technical aspects but lacks some detail  
10 regarding manufacturing, marketing and distribution. The  
11 plan estimates 45 to 50 high-skilled technical manufacturing,  
12 management, engineering and IT-related jobs during  
13 commercialization. The project budget is well-detailed and  
14 milestones and deliverables are clear. The majority of the  
15 budgeted costs are split equally between the Commission and  
16 matching funds. Given the clear technical details and the  
17 proof of concept, apparent market share potential and the  
18 prospect for significant manufacturing employment, staff  
19 recommends this be sent to vetting.

20                   UNIDENTIFIED: Yes, it's autonomous,  
21 it's six months to see, it's controlled autonomously.

22                   DELEGATE BYRON: There's a market for  
23 all of this data and?

24                   UNIDENTIFIED: The energy industry is  
25 one big market or customer, oceanographic data but energy is

1 the biggest one.

2 DELEGATE BYRON: Any other  
3 questions? All right.

4 MR. PFOHL: Moving on to IALR, Package  
5 Innovation and Development Center request for just under \$2  
6 million. The proposal seeks funds for equipment to  
7 accomplish further development of new plastic packaging  
8 technology as replacements for metal cans, glass jars, high-  
9 barrier extrusion blow-molded and so forth. It will focus on  
10 CPET plastic, which can be lower cost to steel and aluminum.  
11 Job creation during the research phase is listed at 38,  
12 averaging \$55,000 a year with capital investment of \$2  
13 million. Commercialization is estimated to entail 75  
14 manufacturing jobs averaging \$55,000 with \$3 million  
15 investment.

16 Matching funds will support a million  
17 and a half of additional equipment, half million of property  
18 improvement and approximately a million for operating costs.  
19 A thorough business plan provides strong evidence of the  
20 technical aspects but lacks detail regarding manufacturing,  
21 marketing and distribution. The company volunteers equity  
22 in the form of stock in Synergy Packaging Systems in  
23 exchange for the Commission's financial support. The project  
24 budget is well-detailed and Commission funds are entirely for  
25 equipment and milestones and deliverables are clear. Given

1 the clear technical detail in the proof of concept, the strong  
2 industry experience of the company leaders, established  
3 patents, apparent market share potential and the potential  
4 prospects for significant manufacturing employment, this was  
5 the highest scoring proposal in the staff review. Staff  
6 recommends vetting.

7 DELEGATE BYRON: Any questions?

8 MR. PFOHL: The next request from IALR  
9 for the Development of High Oil Biomass. The focus is on the  
10 increasing oil yields in biomass plants: Arundo, miscanthus  
11 and energy cane, and appears to have a very solid proof of  
12 concept and several established patents to support the project  
13 including previous validation on other plant species.  
14 Outcomes in research phase are three jobs and no private  
15 investment, all Commission funds appear to be requested to  
16 contract with IALR researchers to hire technicians, conduct  
17 plant propagation, manage field trials and so forth. Matching  
18 funds are to be committed by the company, San Diego based  
19 Algenetix, from an anticipated Series A2 financing in the  
20 spring of 2015 to pay the balance of contractual costs to IALR  
21 for this work.

22 The commercialization concept envisions  
23 60,000 acres of marginal tobacco footprint land sufficient to  
24 supply a 200,000 ton per year processing facility in the region.  
25 Job creation numbers are based on an estimated three

1 hundred field management farming related jobs growing  
2 feedstock plants and twenty jobs at each of the seven  
3 anticipated processing plants in the region for a total of 140  
4 processing jobs. The company's business plan says two  
5 processing techniques are being investigated. Consequently,  
6 the projects for commercialization are lacking an adequate  
7 justification and details. It is reasonable to assume that a  
8 subsequent grant request may be forthcoming to further  
9 research and demonstrate processing technologies.

10                   The business plan also describes options  
11 for commercialization and states that Algenetix and its  
12 investors quote are contemplating building the first plant end  
13 quote but quote the alternative and preferable business model  
14 is that Algenetix will license the technology package to  
15 customers and investors interested in building and operating  
16 the integrated system. End quote. The sharing of some  
17 percentage of licensing revenues with IALR is reportedly being  
18 discussed but if the company opts for licensing over building a  
19 Tobacco Region plant, the terms of the grant agreement  
20 should the grant be awarded should require repayment of  
21 R&D funds from licensing revenues. Given the strong  
22 foundation of patents, a well-qualified team, and some  
23 prospect for Tobacco Region processing facility and assuming  
24 adequate protections are mutually agreeable for repayment of  
25 grant funds in the event that licensing is the chosen path and

1 a plant is not built in the region, staff recommends this  
2 proposal be sent to vetting.

3                   Region 2000 Research Institute for Fifth  
4 Generation Nanoseptic Surfaces. Funds are requested to  
5 assist the private beneficiary, which currently is housed at  
6 CAER, the research center, in developing its fifth generation  
7 product. Products are targeted to the healthcare, senior care  
8 and childcare industries to include travel mats for hospitality  
9 industry and business traveler, snack mats for education,  
10 counter mats for reception desks, placemats for food service,  
11 etc. Patent documents were filed in December 2011 with  
12 action expected in the coming summer. Research involves  
13 adjusting ingredients and antimicrobial technology and  
14 further researching primers, coatings, substrates and  
15 adhesives. Funds will be used to develop a fabrication unit for  
16 consistent and scalable product production. Funds are  
17 specifically requested for personnel, contractual, continuous,  
18 equipment, property, plant materials and so forth.

19                   It appears that as much as half or more  
20 of the request may be for company operations that are not  
21 R&D funding priorities, fulfillment, sales and marketing and to  
22 fund nearly eighty percent of the construction of a new  
23 production facility for the company in the New London  
24 Technology Park in Bedford County. A strong business plan is  
25 provided with the notable lack of detail on production and

1 manufacturing expenses. The applicant provides evidence of a  
2 commitment of matching funds from a bank and corporate  
3 investor. Outcomes are listed as twelve jobs, \$850,000 private  
4 investment in the research phase. Commercialization  
5 outcomes listed as 37 jobs but no commercialization phase  
6 private investment is listed. This proposal ran second in  
7 scoring due to clear proof of concept and prototypes,  
8 committed matching funds and creation of new jobs. Staff  
9 believes the budget can be reduced significantly to focus on  
10 the necessary research steps. While further budget  
11 negotiation is conducted by Commission staff and the project  
12 leaders, staff recommends this be sent to vetting.

13 DELEGATE BYRON: I want to say  
14 something about this and I think it's intriguing and those of  
15 you that are looking at some of the products, we have these in  
16 our Y and it's on the doors and the thing that's so great about  
17 it is it kills the germs when you touch it and everybody that  
18 walks in the door and we can certainly use that on the GA  
19 building while we're down here in session. This could be used  
20 in a shopping cart when you go to stores and they have all  
21 those things to kill the germs and hospitals. This is a Bedford  
22 grown product and the people actually live right there and it  
23 will be good to develop the technology on that.

24 MR. PFOHL: Region 2000 Research  
25 Institute, the proposal for Critical Communications Voice and

1 Data Interchange System, request for \$904,372. The private  
2 beneficiary, Catalyst Communications, also benefitted from a  
3 Special Projects grant in FY12 for \$348,000 that provided test  
4 equipment for CAER and its telecommunication research  
5 focus. The majority of Commission funds are requested for  
6 personnel as well as some equipment, contractual and  
7 supplies. Job creation during the research phase is listed as  
8 seven with \$50,000 in private investment.

9                   Commercialization outcomes include  
10 seven jobs, which appear to be the same seven as in research  
11 because the proposal states an increase from fifteen current  
12 jobs to 22. Commission funds appear to be supporting  
13 existing staff and the majority of new jobs are identified as  
14 operations positions. We've gotten some clarification on that.  
15 The detailed budget was only provided at category level and  
16 insufficient for evaluating use of funds. The budget for  
17 Commission funds is not well-detailed and matching funds  
18 status is extremely vague and suggests that further project  
19 development is needed. While Catalyst is an established high-  
20 tech small business in Region 2000, the commercialization  
21 outcomes are very limited and lacking solid prospects for  
22 required matching funds and significant return on investment.  
23 Staff recommends no further action. No questions.

24                   Moving on to Southwest Virginia Higher  
25 Education Center Foundation for Smart Packaging and

1 Predictive Analytics to Reduce Abuse of Prescription Opioids.  
2 \$375,000 proposal. The private beneficiary Vatex  
3 Explorations LLC is operated by two principals based in Texas  
4 and Illinois. Vatex applied to the Commission twice in 2012  
5 for the Divert X project and the R&D Committee declined to  
6 recommend vetting or funding. Funds are requested for  
7 personnel, supplies, and other operational costs to create  
8 prototype units for testing and optional prototypes for child-  
9 proof blister package drug packaging. A business plan that  
10 was submitted indicates plans to then conduct a behavioral  
11 study with field tests on fifty patents and a pilot project. The  
12 budget appears to show \$2.6 million costs through pilot  
13 project stages and not just the \$750,000 sought in this  
14 proposal, suggesting this will require future support from the  
15 Tobacco Commission. The primary target audience is  
16 insurance companies but there's no evidence of their  
17 willingness to pay the projected product cost. Patent  
18 application filed in 2011 and not yet been ruled upon.  
19 Outcomes are listed as three jobs in the research phase and  
20 no capital investment. And that may include the two company  
21 principals and that's not clear if Commission funds would be  
22 used or spent in the region.

23 Commercialization outcomes are shown  
24 as sixty jobs with \$2 million private investment. Although the  
25 business plan states the company will be attractive to a broad

1 category of potential acquirers. So the probability for  
2 commercial stage job creation and investment within the  
3 Tobacco Region is questionable at best. Matching fund  
4 sources are not known and the Committee must decide if it  
5 chooses to commit funds as a first dollar investor in this  
6 product. Given the lack of committed matching funds,  
7 approved patents and potential exit strategies for the  
8 company, staff recommends no further action.

9 DELEGATE BYRON: Are there any  
10 questions?

11 MR. PFOHL: From the Southwest Higher  
12 Education Center Foundation, low cost, high pressure,  
13 hydrogen storage vessel using steel wire overwrap otherwise  
14 known as WireTough Phase 2 requesting \$2 million. The  
15 Foundation received a phase one grant of \$521,000 in 2010  
16 and that as critical in securing a mid-2014 a U.S. Department  
17 of Energy grant of \$2 million that is underway and will serve  
18 as the majority of the required matching funds. WireTough  
19 also states it will invest \$750,000 of its own funds in  
20 operations and facility. Funds are requested in the second  
21 phase for personnel, materials, equipment, site improvements  
22 and contractual. Outcomes are listed as five jobs and \$3  
23 million private investment in this second research phase and  
24 thirty jobs with a \$5 million private investment during  
25 commercialization.

1                   Outcomes appear to overlap with the  
2 initial R&D grant as the two research phases collectively lead  
3 to commercialization. A 20,000 square foot expansion is  
4 budgeted at \$240,000. If funding is approved after vetting if it  
5 goes that route, the question is whether this would be done at  
6 the company's current lease space or at an alternate site must  
7 be addressed cautiously. The proposal clearly states defined  
8 products and markets that are complementary to the  
9 Department of Energy funded research and the company's  
10 success in securing DOE support validates the technology  
11 that is under development. Based on the company's progress  
12 in developing its technology, securing substantial federal  
13 matching funds, and the potential for significant  
14 commercialization employment and investment, staff is  
15 recommending vetting.

16                   DELEGATE BYRON: Any questions?

17                   MR. PFOHL: The Washington County  
18 Industrial Development Authority submitted a request for  
19 Hermetically Sealed Epoxy Power Terminal for Electrical  
20 Equipment, seeking \$722,590. The private company doing  
21 the research was Bristol Compressors and you've heard from  
22 them in the previous funding cycle. Bristol Compressors were  
23 approved for an \$808,000 R&D grant this past May to test  
24 flammable refrigerants for its compressors. The development  
25 of a sealed power terminal appears to be one of several

1 additional research tasks as BCI complies with the federally  
2 mandated move to alternative refrigerants. Patent documents  
3 for the sealed power terminal were filed in 2007 and published  
4 in 2009. The company has indicated that other compressor  
5 components will also be researched as part of that move  
6 although those are not identified at this time. Funds are  
7 requested for personnel, contractual and materials. Matching  
8 funds are shown as the company's on-hand investment in like  
9 amounts in the same three budget categories.

10 Outcomes are listed as four jobs, new  
11 technical hires, and no private investment in research stage,  
12 and fifty jobs and \$1.8 million investment during  
13 commercialization. The power terminals if approved would be  
14 manufactured by BCI and subsequent material as indicated  
15 the six new hires would be specifically manufacturing the  
16 terminals as indicated in their business plan. Outcomes  
17 appear to overlap the initial R&D grant as the two research  
18 phases collectively lead to UL underwriters approvals and  
19 commercialization. As in the Floyd request, this is a company  
20 that is long-established in the footprint, conducting ongoing  
21 product development for its core line of business. It also  
22 appears that future funding requests may be forthcoming to  
23 research other aspects of a flammable refrigerant compressor.  
24 The project received solid scores for established patent,  
25 presence in the region and private investment during

1 commercialization but fewer points for the limited jobs in  
2 production of the terminals. Staff suggests this be  
3 resubmitted at a future date in conjunction with additional  
4 identified research tasks for the refrigerant conversion  
5 process. That's the end of our list.

6 DELEGATE BYRON: You've heard them  
7 all, folks. Anyone have any questions? Hearing none, I  
8 certainly thank Tim for all the work in reviewing these thirteen  
9 requests. It made a delightful holiday.

10 MR. PFOHL: I'd have to thank Sara  
11 Williams, who had much more activity in the review of these  
12 things and developed a new scoring system in reference to all  
13 that. We were at the Hotel Roanoke in mid-December and  
14 Sarah Capps.

15 DELEGATE BYRON: Thank you. I'm  
16 going to ask now before we take any action on these for us to  
17 go into executive session and I believe we have a motion.

18 MS. LOCKERMAN: If you would adopt a  
19 motion that you all go into executive session in accordance  
20 with the provision of the Virginia Freedom of Information Act  
21 2.2-3711 section A1, for purpose of discussing a personnel  
22 matter.

23 DELEGATE MARSHALL: So moved.

24 DELEGATE OWENS: Second.

25 DELEGATE BYRON: All in favor, say aye.

1 (Ayes.) Thank you. I'm going to ask if everyone would please  
2 leave the room.

3

4 NOTE: AN EXECUTIVE SESSION IS HELD, WHEREUPON  
5 THE COMMITTEE RECONVENES AT 6:10 P.M., VIS:

6

7 MS. LOCKERMAN: Whereas the  
8 Research and Development Committee of the Tobacco  
9 Commission have convened a closed meeting in accordance  
10 with the Freedom of Information Act and whereas the Act  
11 requires a certification by the Committee that such a meeting  
12 was conducted in conformity with Virginia Law. I'm going to  
13 ask that you all adopt the resolution that the Committee  
14 hereby certifies that to the best of each member's knowledge,  
15 only public business lawfully exempted from the open meeting  
16 requirements under the Act and only such business matters  
17 as were identified in the motion by which the closed meeting  
18 was convened, were heard, discussed or considered by the  
19 Committee in that meeting. We also need to do a roll call vote.

20 MR. STEPHENSON: Delegate Byron?

21 DELEGATE BYRON: Yes.

22 MR. STEPHENSON: Senator Carrico?

23 SENATOR CARRICO: Yes.

24 MR. STEPHENSON: Ms. Coleman?

25 MS. COLEMAN: Yes.

1 MR. STEPHENSON: Secretary Jones?  
2 SECRETARY JONES: Yes.  
3 MR. STEPHENSON: Delegate Marshall?  
4 DELEGATE MARSHALL: Yes.  
5 MR. STEPHENSON: Mr. Moore?  
6 MR. MOORE: Yes.  
7 MR. STEPHENSON: Ms. Moss?  
8 MS. MOSS: Yes.  
9 MR. STEPHENSON: Mr. Owens?  
10 MR. OWENS: Yes.  
11 MR. STEPHENSON: Dr. Pillion?  
12 DR. PILLION: Yes.  
13 MR. STEPHENSON: Mr. Reynolds?  
14 MR. REYNOLDS: Yes.  
15 MR. STEPHENSON: Senator Ruff?  
16 SENATOR RUFF: Yes.  
17 MR. STEPHENSON: Senator Smith?  
18 SENATOR SMITH: Yes.  
19 DELEGATE BYRON: Thank you.

20 Secretary Jones?

21 SECRETARY JONES: Madam Chair, I'd  
22 like to make a motion and it has about three parts. I hope I  
23 can get it right. And the motion is as follows. First, with  
24 respect to the current application that we're sending on to  
25 vetting that those be sent on with an instruction to our

1 partner VEDP to ensure that the reviewers of those  
2 applications have primarily investment expertise, financial  
3 expertise and business expertise.

4 DELEGATE BYRON: The first part is that  
5 we're sending on the ones the staff recommended be sent.

6 SECRETARY JONES: Sending them on  
7 but with instructions to ensure that the review panel has the  
8 appropriate investment expertise and that's the first part. The  
9 second part is that instruction to our staff that to come back  
10 to us with a recommendation by our next meeting in May to  
11 change our vetting process to ensure that we're getting the  
12 expertise that I just mentioned, in a sustainable fashion going  
13 forward. And that expertise is in the financial area, the  
14 business area, in the investment area. Those three primarily,  
15 making sure that people that are reviewing these applications  
16 for us are reviewers who have those kind of skill sets.

17 DELEGATE OWENS: Second.

18 DELEGATE BYRON: Any questions from  
19 the Committee members? Do you all understand what the  
20 motion was? All in favor say aye. (Ayes.) Opposed, no? (No  
21 response.) That motion is carried.

22 DELEGATE MARSHALL: Madam  
23 Chairman, I'd like to make a motion that we send request  
24 numbers 2987, 2981, 2984, 2983, 2980 and 2982 to vetting.

25 DELEGATE OWENS: Second.

1 DELEGATE BYRON: Did everyone hear  
2 that? Those are all the ones that the Committee recommends  
3 and staff recommended. All in favor say aye. (Ayes.)  
4 Opposed? (No response.) That motion is carried. Do we have  
5 any other business, Tim?

6 MR. PFOHL: No, ma'am, nothing further.

7 DELEGATE BYRON: Any public  
8 comments? Seeing none, we're adjourned.

9

10 PROCEEDINGS CONCLUDED.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## 1 CERTIFICATE OF THE COURT REPORTER

2  
3 I, Medford W. Howard, Registered Professional  
4 Reporter and Notary Public for the State of Virginia at large,  
5 do hereby certify that I was the court reporter who took down  
6 and transcribed the proceedings of the **Virginia Tobacco**  
7 **Indemnification and Community Revitalization**  
8 **Commission Research & Development Committee meeting**  
9 **when held on Monday, January 12, 2015 at 3:30 p.m. at**  
10 **the Crowne Plaza Hotel Downtown, Richmond, Virginia.**

11 I further certify this is a true and accurate  
12 transcript, to the best of my ability to hear and understand  
13 the proceedings.

14 Given under my hand this 24<sup>th</sup> day of January,  
15 2015.

16  
17  
18 \_\_\_\_\_  
19 Medford W. Howard

20 Registered Professional Reporter

21 Notary Public for the State of Virginia at Large

22  
23 My Commission Expires: October 31, 2018.

24 Notary Registration Number: 224566

25