

**TOWN OF UNION
LOCAL DEVELOPMENT CORPORATION
MINUTES
FRIDAY, JUNE 20, 2013**

The Town of Union Local Development Corporation met for a regular meeting on Thursday, June 20, 2013 at the Town of Union Office Building, located at 3111 East Main Street, Endwell, NY 13760.

I. THE MEETING WAS CALLED TO ORDER AT 7:59 A.M.

MEMBERS PRESENT: Stephen Trichka, Diane Julian, Robert Corwin, Ross Peduto, Gary Leighton, David Roth

MEMBERS ABSENT: Dr. Leslie Distin, Donald Adams

OTHERS PRESENT: Alan Pope (LDC Counsel), Paul Ross (Real Life Board Games)

STAFF PRESENT: Joseph Moody (LDC Director), Robin Shimer (LDC Administrative Assistant)

II. APPROVAL OF THE MINUTES

Minutes of the Special LDC Board Meeting of June 7, 2013 were reviewed and approved.

Motion: Ross Peduto

Motion 2nd: Diane Julian

Motion: To approve the minutes of the Special LDC Board Meeting held on June 7, 2013 as written.

Vote: All yes, motion approved.

III. PRESIDENT'S REMARKS

Vice President Trichka welcomed Board members and all attendees to the meeting and extended his best wishes to Dr. Distin.

IV. DIRECTOR'S REMARKS

Mr. Moody provided Board members with an overview of the agenda and information about the loan request before the Board.

V. OLD BUSINESS

VI. NEW BUSINESS

- A. Mr. Moody introduced Mr. Ross and invited him to present information pertaining to his loan request. Mr. Ross shared insight about his initial endeavor to market his game approximately twenty years ago. He has since updated his Real Life Board Game plan, including graphic design and web site development, and is now seeking LDC loan financing. He would like to share the anticipated success of his board game with charitable organizations (such as the Binghamton YWCA ENCOREplus program for breast cancer awareness, and also to families in need) by donating \$2 from each game sold. Mr. Ross said there already is investing interest in

his board game, as evidenced by the offer of a local developer to buy the game's licensing rights. Mr. Ross said he owns the copyright to Real Life. He is disinclined to accept the private financing offer, as it would require giving up a huge financial portion of the game and reduce the level of funds for helping others. He affirmed his belief in the game's marketability.

Mr. Ross noted he was unsure if the Board members' careful consideration of his loan request – due to the Board's request for his presentation – was because of their possible concern his game would not successfully market, or was based on a desire to have absolute assurance of his ability to repay a loan. Mr. Ross said he needs \$20,000 to order the first 3,000 games. He plans to change aspects of the game bi-annually and to internationally market it depicting events common to countries where the game is sold. He plans to initially hire a part-time employee to update the web site and he will also need someone to process orders. He plans to eventually assemble the game locally. Production time is two months. If games are produced by September he believes he could sell 3,000 before Christmas. Mr. Trichka asked Mr. Ross what dynamics he based the projected pre-Christmas sales upon. Mr. Ross said he expects his unique life story to generate a lot of media interest. Fox 40 News has done a story and wants to do another, and the Today Show, Good Morning America, and Steve Harvey Show are potential coverage sources.

Mr. Leighton asked who would produce the games. Mr. Ross said the manufacturing company is located in Hong Kong. Mr. Leighton inquired about what age group the game is intended for. Mr. Ross said age fourteen and up is the audience. Mr. Leighton asked if the popularity of visual games poses a marketing challenge to Mr. Ross' board game. Mr. Ross noted such a challenge is possible with the younger age group, but the sizeable \$850 million board game industry offers considerable opportunity. Mr. Roth inquired who would be in charge of distributing charitable donations. Mr. Ross said he would oversee that process, and donation updates will be posted on the web site. Ms. Julian asked if people expressed sensitivity to the Twin Towers tragedy, Super Storm Sandy or other catastrophes during the test marketing of the game. Mr. Ross said no one commented on those disasters, but he was aware of a mixed response to the unrelated sale of Boston Strong bracelets allocating 25% of proceeds for Boston Marathon bombing victims.

Mr. Trichka noted the appeal an ascending unit production and sales approach would offer for building up to 3,000 ordered games. Mr. Ross said he negotiated with the producer to establish 3,000 as a minimal order, as 5,000 units were initially required. Mr. Corwin noted that if the anticipated publicity actually occurs it could likely be sufficient to generate 3,000 customer orders. Mr. Corwin asked Mr. Ross if he has had contact with the media sources he previously mentioned. Mr. Ross said he did. Mr. Peduto further inquired about age classification of game participants. Mr. Ross offered insight about the legal rationale for determining the age group.

In commenting on financial projections, Mr. Moody cited the first three years' estimates. He expressed concern with the first year's projection of 12,000 unit sales essential for achieving the anticipated \$194,000 net sales amount. Mr. Trichka requested clarification as to the factors upon which the 3,000 minimum order was based. He asked if 3,000 units was the minimum number necessary for achieving a production cost of less than \$5.00 per unit, or whether the quantity of 3,000 was required for ordering the product, period. Mr. Ross initially said 3,000 was the manufacturer's minimum order and would not go under that amount (to produce the product). Mr. Trichka then sought affirmation from Mr. Ross that the manufacturer would not produce a lesser amount than 3,000 units for any price, whether the production price is less than or more than \$5.00 per game. Mr. Ross said he believed the manufacturer would generate a lesser number of games than 3,000 but at a production price higher than \$5.00 per unit. Mr. Trichka posed the question of whether marketplace viability can be optimally demonstrated by ordering less than 3,000 games while gaining market traction. Mr. Ross stated his concern that a two

month turnaround time is too lengthy for fulfilling customers' orders with a modest inventory. Ms. Julian inquired if all initial sales would be generated via on-line advertising. Mr. Ross affirmed his products will be advertised and sold on the internet. Mr. Roth asked if Mr. Ross anticipates selling games at retailers such as Toys 'R Us and Wal-Mart and who will handle those duties. Mr. Ross said marketing at retailers is his ultimate goal and he will do that work. Mr. Trichka inquired about plans for hiring employees. Mr. Ross said he plans to hire personnel to perform graphic design and internet order processing. Besides the aforementioned advertising means, Mr. Ross plans to market his games at malls. Mr. Corwin commented on upcoming local events and correlative marketing opportunities. He also mentioned that a major aspect of the potential success of the Real Life Board Game would be the publicizing of Mr. Ross' life story.

Mr. Leighton asked Mr. Ross if there is anything within his life story which he had not shared with the Board members that, if the Board were to approve his loan financing request, could prove to be embarrassing to the LDC Board. Mr. Ross said there was nothing in his life story that could be embarrassing to the Board. Mr. Corwin noted the importance for Board members to be fully informed, as the money the Board approves loans for is the public's money and not that of a private investor, and it is the public to whom the Board is accountable. Counsel Pope further inquired if there is anything of a convicted felon or a sexual offender background or anything like that which is not stated in Mr. Ross' loan application. Mr. Ross replied that he is on federal probation. He said Michael Pierce is his probation officer. Mr. Ross said he did not deserve to go to prison. He has three months of probation remaining. Mr. Ross encouraged the Board to speak with Mr. Pierce to learn more details of his situation. Mr. Pope shared with Mr. Ross that the Board members might very well say they hear and believe him, but due diligence dictates that the Board Attorney make the necessary call and report back to the Board.

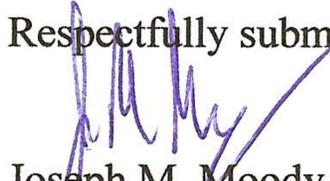
Mr. Trichka asked if there were further questions concerning the business plan or application. Mr. Corwin asked Mr. Ross why he would seek LDC financing if he had been approached by an investor who would provide a much greater amount of financing. Mr. Ross said he would have to give up thirty to forty percent of his business if a private investor provided funding. Ms. Julian said she applauded Mr. Ross' plan to donate a portion of profits for cancer awareness through the established ENCOREplus program, but she is concerned how Mr. Ross will filter out fraudulent donation requests from unscrupulous individuals portraying themselves as a family in need. Mr. Ross said he will cross-verify requests through local agencies. Mr. Trichka referred to the potential for deception and Mr. Ross' desire to help others as topics for further discussion. Mr. Trichka asked if there were any other questions. He thanked Mr. Ross for his presentation and insight on the major aspects of his proposal, including job creation. The Board members agreed they would do their best to provide Mr. Ross with a timely decision.

VII. OTHER BUSINESS

VIII. ADJOURNMENT

Mr. Trichka confirmed with Board members and Mr. Moody there was no additional business for discussion and declared the meeting adjourned at 8:48 a.m.

Respectfully submitted,


Joseph M. Moody
Director