

**Meeting of the Suffolk Tobacco Asset Securitization Corporation  
(STASC)  
July 9, 2013**

**Minutes**

**Attendees:** Jon Schneider, Chairman and President, STASC; Terrence Pearsall, Treasurer & Secretary, STASC; Robert Fonti, Independent Director, STASC; Connie Corso, ex-officio STASC Member and County Budget Director; Dennis Brown, Bureau Chief, Municipal Law; Colleen Capece, County Special Projects Coordinator; and Janet Ford, County Attorney.

**Discussion regarding STASC By-Laws:** It was noted that C. Corso had raised several concerns at the March 2, 2012 meeting regarding settlement of the disputed payments and whether a letter should be sent to the NYS Attorney General urging a settlement. Receipt of the disputed payments would serve to mitigate the County's deficit. B. Peterson noted that even if a collective settlement were reached, the industry could continue to dispute settlement with an individual state. It is possible that NY could be left out of the settlement since cigarettes continue to be sold tax free on Native American reservations located in the state. After much discussion, it was determined that any such letter should be sent jointly by the Suffolk County Executive and Legislature, not STASC. All agreed that the letter should be drafted by Suffolk County's newly appointed bond counsel. D. Brown to speak with Todd Miles of Harris Beach.

**Discussion regarding STASC By-Laws and Status:** Discussion was led by D. Brown. He noted that the position of Chairman and President had been vacated by James Margo at the STASC meeting of August 9, 2012. The County Executive appointed Jon Schneider to replace James Margo. An overview of STASC history and present responsibilities was then provided by D. Brown and C. Capece.

**Minutes Approved:** The minutes from the August 9, 2012 meeting were approved. T. Pearsall made the motion, R. Fonti seconded. Minutes unanimously approved.

**Discussion regarding Appointment of Directors:** It was noted that the directors need to be appointed each year. D. Brown will request that the Chief Deputy, D. Cohen, have the County Executive re-appoint J. Schneider and R. Fonti. D. Brown will also request that the Presiding Officer, R. Lindsey, submit an appointing resolution to re-appoint T. Pearsall.

**Motion to Elect Directors:** A motion was made by R. Fonti to nominate J. Schneider as Chairman and President. T. Pearsall seconded. Motion unanimously approved. A motion was made by T. Pearsall to nominate R. Fonti as Vice President and Assistant Secretary. J. Schneider seconded. Motion unanimously approved. A motion was made by J. Schneider to nominate T. Pearsall as Treasurer and Secretary. R. Fonti seconded. Motion unanimously approved.

**Annual Motion to Ratify Policies:** Discussion was led by D. Brown. Policies need to be reviewed and re-adopted each year. J. Ford read an omnibus resolution detailing the policies. A copy of the resolution is attached hereto as "Exhibit A." Motion to adopt the resolution was unanimously approved.

**Discussion regarding Disputed Payments:** It was noted that receipt of the disputed payments would serve to mitigate the County's deficit. Some states have settled the litigation and question arose as to why New York has not. Payments are based upon domestic consumption. D. Brown explained that the New York dispute is centered on the taxation of cigarettes sold on reservations. Previously those cigarettes were stamped, but not taxed. Per D. Brown, that law has been amended. D. Brown to speak to STASC financial

advisor, Capital Markets for an update. D. Brown will also call Harris Beach to discuss the status of settlement of dispute and then call the New York State Attorney General to discuss.

**Discussion regarding RFQ for Accounting Services:** An RFQ will be issued for accounting services. A meeting will be held in the fall to discuss the RFQ responses and to select an accounting firm.

**Other items:** Per D. Brown, the professional liability policy maintained by STASC broadly covers “Insured Person”. Therefore, J. Schneider is covered by the policy.

**Adjourn:** Motion to adjourn was made by T. Pearsall, seconded by R. Fonti. Motion unanimously approved.