

**MINUTES OF THE 40th MEMBERS' MEETING OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON APRIL 8, 2010 AT 1:38 P.M. AT
ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

MEMBERS AND DESIGNEES

PRESENT:

Judd S. Levy	Chairman
Elaine McCann	Division of the Budget, representing Robert Megna, Member
Susan L. Watson	State of New York Department of the State, Representing Lorraine Cortes-Vasquez, Director
Andrew A. SanFilippo	Member
Kenneth M. Bialo	Vice Chairman
William Myers	Member
Naomi Bayer	Member

Chairman Levy chaired the meeting; Joy F. Willig, Senior Vice President and Counsel, acted as secretary. The meetings of the Affiliated Agencies opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Members of the Tobacco Settlement Financing Corporation. A record of items considered by other Agencies is contained in the minutes of each Agency respectively.

Mr. Levy mentioned that the New York State Housing Finance Agency would be celebrating its 50th Anniversary on April 29th, 2010 at the luncheon held at the New York State Affordable Housing Finance Association, and that he hoped that all Board Members and Directors would be in attendance.

The next item on the agenda was the report of the Audit Committees. Chairman Levy reported that the Audit Committee had approved the minutes of the January 28, 2010 meeting, adopted a resolution approving the Internal Audit Internal Audit Work Plan for 2011, adopted a resolution approving the Disaster Recovery Audit Reports, reviewed, reviewed the evaluation of the Audit Committee's performance, reviewed Office of the State Comptroller's Follow-Up Report #2010-F-4 on Eligibility for Health Insurance Coverage, reviewed Office of the State Comptroller's Follow-Up Report #2010-F-5 on accuracy of Employee Retirement Reporting.

The next item on the agenda was the report of the Governance Committees. Chairman Levy reported that the Governance Committee had, approved the minutes of the January 28, 2009 meeting, adopted a resolution recommending approval of Equal Employment Opportunity and Affirmative Action Plans, were provided with materials for the self-evaluation of the Governance Committees.

The next item on the agenda was the approval of the minutes of the 39th Members' meeting for TSFC held on January 28, 2010.

There being no objections or corrections by the Members, the minutes were deemed approved.

The next item on the Agenda was a Resolution appointing Brian Lawlor as President and Chief Executive Officer of the Agencies. Mr. Levy highlighted certain Information contained in the materials provided to the Members in connection with this item under a separate cover, which is incorporated herein by reference. Mr. Levy noted that Mr. Lawlor had already been appointed by Governor David Patterson as Commissioner of the Division of Housing and Community Renewal and that he has extensive and laudable experience at DHCR. Mr. Levy requested a resolution appointing Mr. Lawlor to the position of President and Chief Executive Officer and authorizing the Chairman to set the compensation which would not exceed the compensation received by Priscilla Almodovar at the time of her resignation. The Members added their congratulations to those of Mr. Levy and shared positive experiences from their past work with Mr. Lawlor.

Ms. McCann moved to adopt the resolution; Mr. SanFilippo seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING THE APPOINTMENT OF BRIAN LAWLOR AS PRESIDENT AND CHIEF EXECUTIVE OFFICER.

The next item, which was added to the Agenda at the request of the Members, was to approve a Resolution thanking Judd S. Levy for his service as Acting President and Chief Executive Officer. The Members read the resolution attached hereto. The Members expressed gratitude for Mr. Levy's service as Acting President and CEO. Mr. Lawlor commended Mr. Levy for his devoted service to the Agencies and for his skilled leadership. Mr. Levy noted how proud he is of the accomplishments of the Agencies and highlighted the success of the Agencies in the past two years especially given the difficulties experienced by housing financing agencies across the country.

Ms. McCann moved to adopt the resolution; Mr. SanFilippo seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION THANKING JUDD S. LEVY FOR

HIS SERVICE AS PRESIDENT AND CHIEF EXECUTIVE OFFICER.

The next item on the Agenda was a Resolution reviewing and approving Equal Employment Opportunity and Affirmative Action Plans. Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference. The Members had no questions or issues to discuss regarding this item.

Ms. McCann moved to adopt the resolution; Mr. SanFilippo seconded the motion; and the following resolution was adopted unanimously:

A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION APPROVING EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION PLAN.

The next items on the agenda were presented for informational purposes. Information with respect to each of these items was provided to the Members in advance of the meeting, which information is incorporated herein by reference:

Quarterly Procurement Contract Report for period ending January 31, 2010

Report of Administrative Budget Expenditures for the First Quarter as of January 31, 2010.

Annual Review for: E.G. Bowman insurance brokerage agreement

Financial Statements Updates for the First Quarter Fiscal 2010

Quarterly Investment Reports for the period ending January 31, 2010.

Periodic Report of Agency Administration of Ethics Policies.

Financial Statement Update for the First Quarter Fiscal 2010.

There being no unfinished business, Ms. McCann moved to adjourn the meeting; Mr. SanFilippo seconded the motion; and the meeting was adjourned at 2:15 PM.


Secretary