

dollar amounts and figures were discussed between 38 Studios and the EDC senior staff (Stokes and Saul.)

- Ms. Cupelo was questioned about the board's knowledge of the "net proceeds" of the loan going to 38 Studios. According to Ms. Cupelo she as a board member was well aware of the reserve fund in regard to the loan given to 38 Studios. She stated she knew that they (38 Studios) wasn't going to get the entire 75 million dollars and that approximately 20-25 million would be placed in a reserve fund. She further stated that she knew about the new proceeds of the loan and that 38 Studios was only going to receive closer to 50 million before the EDC board voted on the loan issue.
- Ms. Cupelo also stressed that the board as a whole, and her in particular, were adamant that there should be 3rd party monitoring of 38 Studios after they received the loan.
- Ms. Cupelo was asked whether in her opinion it was common knowledge among the other board members that 38 Studios was in fact not receiving the entire 75 million they ask for. Ms. Cupelo declined to speculate about what other board members may or may not have known.
- She stated they (the board) were not shown or presented with anything that would have made them believe that 38 Studios was "doomed to fail" because they did not receive the entire 75 million.
- Even though she knew they weren't receiving the entire 75 million, Ms. Cupelo stated that she still fully believed that the amount they were receiving would be enough for 38 Studios to relocate to RI and complete the online game Copernicus.
- She was asked about how the board thought 38 Studios would fill the whole in regards to the 25 million that was placed in the reserve fund. She stated the board never addressed that issue.
- Ms. Cupelo stated that she has since heard that 38 Studios paid for their executives to move to RI, bought them personal computers and spend a lot of money that she as a businesswomen thought was unnecessary.
- Ms. Cupelo was asked why she thought the EDC employees pushed for this deal to go through or whether she thought somebody could have benefitted from this loan going through. She stated she did not know the answer to either of those questions.

DETECTIVE'S SIGNATURE

SUPERVISOR'S SIGNATURE