

OFFICE OF FINANCE PROGRAMS
MARYLAND SMALL BUSINESS
DEVELOPMENT FINANCING
AUTHORITY

(MSBDFEA)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2012

ECONOMIC DEVELOPMENT
ARTICLE

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MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY
(MSBDFA)

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MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY (MSBDFA)

History and Program Description

The Maryland Small Business Development Financing Authority (MSBDFA) program was created by the Maryland General Assembly in 1978. The original purpose of MSBDFA was to promote the viability and expansion of businesses owned by economically and socially disadvantaged entrepreneurs. In the 2001 session of the Maryland General Assembly, House Bill 945 and Senate Bill 789 modified the MSBDFA statute concerning eligibility. MSBDFA's client base has been broadened to include all small businesses rather than only those that are owned by economically and socially disadvantaged entrepreneurs. The statute has been expanded to include small businesses that do not meet the established credit criteria of financial institutions, and consequently are unable to obtain adequate business financing on reasonable terms through normal financing channels. The Maryland Department of Business and Economic Development (DBED or Department) has engaged Meridian Management Group (MMG) to manage the program on the Department's behalf.

MSBDFA's financing activity continues to be supported through the repayment of loans, generation of interest income and the collection of fees. A brief summary of the program components of MSBDFA are provided below:

Contract Financing Program (CFP) provides financial assistance to eligible businesses in the form of direct loans and loan guaranties. The funds may be used for working capital and the acquisition of equipment needed to begin, continue, or complete work on contracts where a majority of funds are provided by a federal, state or local government agency or utilities regulated by the Public Service Commission. Financing in either form is limited to \$2,000,000 and must be repaid during the term of the contract. Interest rates range from the prevailing prime to prime plus 2 percent. Applicants may qualify for financing prior to contract award.

Guaranty Fund Program (GFP) provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions. A loan guaranty cannot exceed the lesser of 80 percent of the loan or \$2,000,000. Guaranties cannot exceed 10 years with an interest rate charged by the financial institution limited to prime plus two percent. GFP can also subsidize up to four percentage points of the interest being charged by the financial institution making the loan. The subsidy is subject to an annual review. Terms of repayment of the subsidy are negotiated directly with the borrower. Loan proceeds can be used for working capital, the acquisition and installation of machinery or equipment, refinancing of existing debt and the purchase of, and improvements to, real property owned or leased by the applicant.

Surety Bond Program (SBP) assists eligible small businesses in obtaining bid, performance or payment bonds necessary to perform on contracts where the majority of funds are provided by a government agency, public utility company or private entity. SBP directly issues bid, performance or payment bonds or guarantees a surety's losses incurred as a result of the contractor's breach of a bid, performance or payment bond. Bonds that are directly issued are limited to \$5,000,000. Guaranties are limited to 90% of the face value of the bond not to exceed a maximum participation of \$5,000,000. Guaranties on bonds remain in effect for the duration of the surety's exposure under the bond. Bonds issued directly will remain in effect for the duration of the qualified contract and any related warranty period. Bond premiums generally range from 2% to 3%. Also, a surety bond revolving line of credit may be established to directly issue or guaranty multiple bonds to a client within pre-approved terms, conditions and limitations.

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Equity Participation Investment Program's (EPIP) purpose is to expand business ownership by socially and economically disadvantaged entrepreneurs and small businesses that do not meet the established credit criteria of financial institutions and are unable to obtain adequate business financing on reasonable terms through normal financing channels. Financial assistance is provided through the use of loans, loan guaranties, and equity investments. The proceeds are used for the specific purpose of purchasing a franchise, acquiring an existing profitable business, developing a technology-based business and to start or expand other types of small businesses. Equity investments may take the form of the purchase of qualified securities, certificates of interest, interest in a limited partnership or other debt and equity investments. All equity investments must be disposed of by the end of the seventh year. Before a financing relationship is begun, a general agreement regarding the probable method of liquidation must be developed. The most common form of repayment is for the owner to buy back the EPIP investment at a predetermined pricing formula between the fourth and seventh year. In all cases, the recovery amount shall be the greater of its percentage of the current value of the business or the initial investment. The details of the four individual components of EPIP are:

- Franchising Investments are limited to 49% of the total project cost or a maximum of \$2,000,000. The applicant is required to make an equity investment of no less than 10% of the total project costs. An independent appraisal of the business entity may be required to determine its value at the retirement of the debt or investment. Project costs generally range from \$50,000 to \$1 million. This was the first EPIP component to be established.
- Business Acquisitions are limited to 49% of the initial investment or a maximum of \$2,000,000. The applicant is required to make an equity investment of not less than 5% of the total cost of the acquisition. An independent appraisal of the business entity may be required to determine its value at the retirement of the debt or investment. Project costs generally range from \$100,000 to \$3 million. This component was added to the program in 1989.
- Technology Investments are limited to a maximum of \$2,000,000 in a business entity with a proven technological product or service. An independent appraisal of the business entity may be required to determine its value at the retirement of the debt or investment. Project costs generally range from \$100,000 to \$3,000,000. This component was added to the program in 1992.
- Other Small Businesses are limited to a maximum of \$2,000,000 to start or expand a business. An independent appraisal of the business may be required to determine its value at the retirement of the debt or investment. Project costs generally range from \$100,000 to \$3,000,000. This component was added to the program in July 2005.

Collectively, the MSBDFA program has financed approximately 824 transactions for approximately 590 businesses since operations begin in January 1980. Financial assistance for these transactions totaled approximately \$181.6 million. The MSBDFA program has had a substantial impact on Maryland's economy by helping local businesses create and retain approximately 19,151 employment opportunities in Maryland since the start of the program.

The MSBDFA program strives to preserve its capital base by minimizing loan losses. However, it is important to understand that the client population consistently presents a risk profile that diminishes their attractiveness to commercial banks and commercial surety companies. EPIP is sometimes compelled to "charge-off" or "pay claims" related to non-performing accounts. EPIP charged off two (2) accounts in the portfolio, which consists of ninety one (91) accounts, during fiscal year 2012. The program paid one claim related to an account in the portfolio. The charge offs were in the amounts of \$52,752 and 114,197. The claim payment was in the amount of \$1,419,977. EPIP recovered \$35,810 from prior years charge offs.

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During the last 5 years, EPIP incurred aggregate net losses and claims paid of \$2,145,204 on average total outstanding loan balances equal to \$25,890,662. This equates to a loss rate of 8.0%. With the exception of the Surety Bond program component, problem loans are managed directly by the Office of Finance Programs (OFP). Loans deemed to be at especially high risk are transferred to the OFP for monitoring and resolution.

EPIP strives to help businesses achieve long-term objectives of growth and profitability. To accomplish this objective, the financing must be structured to build equity and expand market share, ultimately enabling the business to graduate from the program by repaying their loan (or satisfying bonding requirements) and obtaining financing from traditional sources (banks and commercial sureties). MSBDFA had 43 companies graduate during the past 5 years. This process generally takes an average of approximately 3 years.

EPIP's current portfolio is comprised of ninety one (91) transactions with an aggregate exposure equal to \$24.7 million. As of June 30, 2012, five (5) additional loans were pending settlement, requiring a commitment of funds from the program in the amount of \$418,000. Additionally, requests for another fourteen (14) loans that would require a \$4.7 million commitment of funds are under consideration.

CONTRACT FINANCING PROGRAM

Performance Since Inception

Since the Contract Financing Program (CFP) began, 305 transactions have been settled totaling \$45.7 million. Substantially all of the loans were provided directly by MSBDFA. The others received funding from financial institutions supported by a MSBDFA loan guaranty.

Program Performance Fiscal Year 2012

During fiscal year 2012, twelve (12) applications were approved for financing totaling \$1.2 million. Eight (8) loans settled for a total of \$685,000. One (1) approval in the amount of \$100,000 is anticipated to settle in the next fiscal year and five (5) approvals in the amount of \$555,000 were withdrawn, expired or rescinded. Total exposure for the Contract Financing component of the program as of the end of the fiscal year was \$3.7 million covering eighteen (18) loans. Seven (7) loans totaling \$1.7 million were renewed or modified during the fiscal year.

Projected Performance for Fiscal Year 2013

The CFP projects the approval of sixteen (16) applications during fiscal year 2013. Approximately eleven (11) of these approvals are anticipated to close. The total amount of funds extended is projected to be \$2.2 million. The majority of financings continue to be in the form of direct loans. The trend of minimal use of the guaranty capability under Contract Financing is not likely to change because assistance is restricted to clients engaged in contracts with government entities or utility companies. Conversely, the more active use of guarantees will be concentrated under the Guaranty Fund, which is not limited to government and utility contract opportunities.

LONG TERM GUARANTY PROGRAM

Performance Since Inception

The Long Term Guaranty Program (LTGP) component has settled guaranty transactions for 303 financings by banks and other lending institutions totaling \$57.8 million since legislation was enacted to commence program operations in 1984.

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Program Performance Fiscal Year 2012

During fiscal year 2012, seven (7) applications were approved for \$2.0 million, requiring guarantee support by the program of \$1.2 million. LTGP settled eleven (11) guarantee transactions for \$4.1 million, which will utilize \$1.8 million of guarantee support. Four (4) approvals in the amount of \$278,000 were withdrawn, expired or rescinded. Two (2) approvals for \$160,000, requiring guarantee support in the amount of \$98,000 are anticipated to close during the next fiscal year.

Projected Performance for Fiscal Year 2013

A significant level of marketing activity is conducted by Meridian Management Group (MMG) during the fiscal year. Much of it is directed toward the commercial banking community and other small business advocacy organizations, and emphasizes the benefit and value of the Guaranty Fund. Unfortunately, the current economic crisis, including more stringent commercial bank lending criteria continues to have an adverse effect upon program activity levels. New efforts are being made to reach out to economic development corporations across the State to enlist their help to encourage local banks to consider use of the Guaranty Fund in small business lending efforts. As financial institutions begin to increase commercial lending activities, MMG's efforts are anticipated to generate an increase in program activity during fiscal year 2013. A total of sixteen (16) loans are projected to be approved during fiscal year 2013. At least twelve (12) are projected to close, requiring the commitment of program funds equal to approximately \$2.5 million.

SURETY BOND PROGRAM

Performance Since Inception

One hundred seven (107) projects have settled under the Surety Bond Program (SBP) with bonds issued directly, or guaranteed, by the MSBDFA program since inception of the program in 1984. This equates to approximately \$56.9 million of financial assistance since inception. During this time period, nine (9) claims equal to approximately \$1.8 million have been paid as a result of defaults by companies using the SBP. Four (4) of these claims, equal to approximately \$1.4 million are attributable to the default of one company in SBP. An additional payment equal to approximately \$600,000 is anticipated to be paid during the next fiscal year.

Program Performance Fiscal Year 2012

During fiscal year 2012, four (4) applications were approved for a total of \$1.8 million. Three (3) SBP transactions closed. These closings required the commitment of \$825,000 in SBP funds. One (1) approval in the amount of \$980,000 was withdrawn, expired or rescinded. There were ten (10) bonding lines in the portfolio as of June 30, 2012 with bonds outstanding totaling \$3.7 million. Total commitments under the bonding lines of credit totaled \$7.0 million. Four (4) bonding lines, equal to \$4.0 million, were renewed during the fiscal year.

Projected Performance for Fiscal Year 2013

Demand for bonding assistance is expanding at a rapid pace. SBP projects the approval of approximately \$8.0 million during fiscal year 2013 to facilitate bonding for thirteen (13) businesses. Approximately eleven (11) transactions are projected to settle and provide an estimated \$5.8 million of assistance. Most of the transactions are anticipated to be in the form of direct bonding lines, MMG plans to continue its efforts to encourage commercial surety companies to utilize the bond guaranty capability of MSBDFA. This will enable the SBP to extend bonding assistance to a greater number of small businesses. The number of requests for bonding assistance may increase significantly if outreach to commercial surety companies is successful.

Also, the number of requests for bonding assistance may increase because of House Bill (HB 169) which was passed during the 2006 session of Maryland's General Assembly. The law increased the maximum amount of bonding assistance the SBP is authorized to provide to \$5 million. Although the SBP does not have the financial

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capacity to support \$5 million in bonding to a single client, approval of bonds or bonding lines of credit of up to \$2.0 million are anticipated.

EQUITY PARTICIPATION INVESTMENT PROGRAM

Performance Since Inception

The Equity Participation Investment Program (EPIP) has settled one hundred one (101) loans or equity investments since inception in 1987. The assistance provided is equal to approximately \$16.7 million. During earlier years of the programs operation, franchise businesses were the most active users of the resource. Over the past twelve (12) years, however, the trend shifted to a more diverse mix of technology-based companies, franchises, and firms in traditional industry sectors.

Program Performance Fiscal Year 2012

During fiscal year 2012, ten (10) loans were approved for a total of \$1.3 million. Five (5) loans closed, which required the commitment of \$665,000 in EPIP funds. Three (3) loan approvals in the amount of \$420,000 were withdrawn, expired or rescinded. There were twenty nine (28) active accounts as of June 30, 2012, with aggregate outstanding balances of \$5.5 million. Three (3) transactions in the combined amount of \$350,000 were renewals of existing commitments.

Projected Performance for Fiscal Year 2013

EPIP projects approval of thirteen (13) applications during FY 2013. Ten (10) transactions are anticipated to settle during the fiscal year requiring the commitment of approximately \$2.0 million of financial assistance. Three (3) approvals are anticipated to be for technology firms, one (1) for a franchise operation, one (1) for a business acquisition, and eight (8) will likely be to small businesses in more traditional industry sectors.

Program Summary for Fiscal Year 2012

During fiscal year 2012, MSBDFA approved a total of thirty nine (39) financing transactions for both new and existing clients which required the commitment of \$7.2 million in program funds. The Contract Financing component had twelve (12) approved requests for a total of \$1.2 million. The Guaranty Fund component had thirteen (13) approved requests for a total of \$2.9 million, which will utilize \$1.6 million of guarantee support. The Surety Bond component had four (4) approved requests totaling \$1.8 million. The Equity Participation Investment Program component had ten (10) approved requests totaling \$1.3 million.

In addition, MSBDFA approved fifteen (15) renewals or modifications of existing credit facilities totaling \$6.1 million. The renewals or modifications were for seven (7) clients using the Contract Financing component for \$1.7 million, one (1) client using the Guaranty Fund component in the amount of \$80,000, four (4) clients using the Surety Bond component in the amount of \$4.0 million, and three (3) clients using the Equity Participation Investment Program component in the amount of \$350,000.

During the same period, twenty seven (27) transactions were settled in the form of loans, guaranties and surety bonds, totaling \$3.9 million. The allocation by program is: eight (8) transactions under the Contract Financing component equal to \$685,000, eleven (11) transactions under the Guaranty Fund component requiring \$1.8 million of guarantee support, three (3) Surety Bonds equal to \$825,000 and four (4) EPIP transactions equal to \$665,000.

Graduations for Fiscal Year 2012

Small businesses that progress beyond the need for financial assistance from the MSBDFA program are classified as graduates. In several instances, these businesses are now able to qualify for loans or surety assistance from private lenders or surety companies with minimal or no support from the MSBDFA program. Graduations also

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include companies that successfully repay their loans or satisfactorily have their bonds released, and no longer require financial assistance. During the past year, the seven (7) companies listed below graduated from the MSBDFA program:

GRADUATIONS FY 12

PROGRAM	BORROWER	ORIGINAL LOAN AMOUNT
Contract Financing	J.K. Data Consultants, Inc.	\$275,000
Contract Financing	SNS Construction, Inc.	\$100,000
Guaranty Fund	Kayden Premier Enterprises, Inc.	\$250,000
Surety Bond Fund	ACT Personnel Services	\$100,000
Surety Bond Fund	SNS Construction, Inc.	\$250,000
Surety Bond Fund	Wraparound of Maryland, Inc.	\$1,520,000
EPIP	Meta, Inc. t/a Certa Pro Painters	\$30,000
EPIP	Aqua Free Facilities Services	\$10,000

Problem Loan Status as of June 30, 2012

Problem loans are designated as “Special Assets”. As of June 30, 2012, 4 non-performing accounts with aggregate outstanding exposure of approximately \$973,000 were designated as Special Assets, and are part of the current MSBDFA portfolio. These consist of one (1) Contract Finance, one (1) EPIP, and two (2) Guaranty Fund transactions. The Contract Finance account has a balance of approximately \$151,000. The EPIP account has a balance of approximately \$238,000. The Guaranty Fund accounts have aggregate guarantee exposure equal to approximately \$584,000. These accounts are monitored closely and are the focus of long term collection efforts. The Department anticipates recovery of a material amount of delinquent loan proceeds.

As of June 30, 2012, three (3) clients were designated as Watch List accounts. These accounts have aggregate outstanding loan balances equal to approximately \$1.2 million. The accounts had recent operating problems that threatened the solvency of the company. The Watch List provides a mechanism for closer monitoring of the accounts. If problems persist, monitoring and collection activities will be intensified. Alternatively, if operating performance improves the Watch List designation may be removed. The Department anticipates that most of these accounts will be removed from the Watch List.

An additional thirteen (13) Special Asset accounts that were charged-off in prior years are no longer part of the current MSBDFA portfolio, but continue to be the focus of long term collection efforts. These accounts have aggregate outstanding loan balances equal to approximately \$2.9 million. One account was abandoned during fiscal year 2012 because collection efforts have been fully exhausted. This account had an outstanding balance in the amount of \$490,731.

A loan is considered to be delinquent when the payment of principal and/or interest is over **30** days past due, and in payment default when a payment is over **90** days past due. For loans from financial institutions that participate in the Guaranty Fund, the lender’s loan policy determines when a default is to be declared. In fiscal year 2002, DBED initiated a policy to “charge off” all loans that are 180 days past due. These loans are then designated as “Special Assets” and are actively managed in an effort to protect or recover the State’s resources.

Equity Participation Investment Program Summary

Franchising Component

There is one account with a balance outstanding equal to \$500,000.

Business Acquisition Component

There are four accounts with a total balance outstanding equal to \$1,812,266.

Technology Component

There are eight (8) accounts with a total balance outstanding equal to \$1,802,514.

Other Business Types

There are sixteen accounts with a total balance outstanding equal to \$1,404,000.

**Geographical Distribution of MSBDFA
Loans and Guarantees FY 2012**

Region*	County	Approved			Closed		
		No.	%	Original Expos.	No.	%	Original Expos.
			Total Amt	Loan Amt.		Total Amt	Loan Amt.
I Central Maryland	Anne Arundel	4	4.54	267,500	4	6.78	267,500
	Baltimore City	6	22.49	1,325,000	4	28.28	1,115,000
	Baltimore	3	10.19	600,000	2	3.80	150,000
	Carroll	0	0.0	0	0	0.0	0
	Cecil	0	0.0	0	0	0.0	0
	Howard	2	1.87	110,000	2	7.86	310,070
	Harford	0	0.0	0	0	0.0	0
	Sub-Total :	15	39.09	2,302,500	12	46.73	1,842,570
II Greater Washington	Frederick	0	0.0	0	0	0.0	0
	Montgomery	3	5.52	325,000	3	8.24	325,000
	Prince George's	15	30.64	1,805,000	9	33.61	1,325,000
	Sub-Total :	18	36.16	2,130,000	12	41.85	1,650,000
III Western Maryland	Allegany	1	0.81	48,000	0	0.0	0
	Garrett	0	0.0	0	0	0.0	0
	Washington	0	0.0	0	0	0.0	0
	Sub-Total :	1	0.81	48,000	0	0.0	0
IV Southern Maryland	Calvert	0	0.0	0	0	0.0	0
	Charles	1	1.02	60,000	1	2.54	100,000
	St. Mary's	0	0.0	0	0	0.0	0
	Sub-Total :	1	1.02	60,000	1	2.54	100,000
V Upper Eastern Shore	Caroline	2	5.94	350,000	2	8.88	350,000
	Kent	0	0.0	0	0	0.0	0
	Queen Anne's	1	0.34	20,000	0	0.0	0
	Talbot	0	0.0	0	0	0.0	0
	Sub-Total :	3	6.28	370,000	2	8.88	350,000
V Lower Eastern Shore	Dorchester	0	0.0	0	0	0.0	0
	Somerset	0	0.0	0	0	0.0	0
	Wicomico	1	16.64	980,000	0	0.0	0
	Worcester	0	0.0	0	0	0.0	0
	Sub-Total :	1	16.64	980,000	0	0.0	0
TOTAL:	39	100	5,890,500	27	100	3,942,570	

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Approved Report

7/1/2011 Through 6/30/2012

<i>Approved Date</i>	<i>Client Name</i>	<i>Loan Amount</i>	<i>Loan Percentage</i>	<i>Guarantor Guarantee</i>	<i>Loan Costs</i>	<i>County</i>	<i>Total Project Pro / Actual</i>	<i>Trainees Jobs</i>	<i>New Retained Jobs</i>
<i>MSBDF Contract Financing Direct</i>									
7/14/2011	Metal Men, LLC	12840101	\$100,000.00	0.0%	\$0.00	Baltimore County	\$100,000.00	N/A	5 4
7/14/2011	Super Kids Uniforms, Inc.	12830101	\$150,000.00	0.0%	\$0.00	Baltimore County	\$200,000.00	N/A	5 8
8/11/2011	Ren Reinforcing Steel Co.	12930101	\$30,000.00	0.0%	\$0.00	Baltimore City	\$30,000.00	N/A	8 1
9/8/2011	D.H. Porter Enterprises, LLC	7190401	\$125,000.00	0.0%	\$0.00	Prince George's	\$125,000.00	N/A	0 0
9/8/2011	STAR Associates, Inc.	7930601	\$50,000.00	0.0%	\$0.00	Baltimore City	\$50,000.00	N/A	0 0
10/13/2011	Business Interface of Maryland, LLC	13140101	\$275,000.00	0.0%	\$0.00	Prince George's	\$275,000.00	N/A	16 8
10/26/2011	Securemedy, Inc.	13230101	\$60,000.00	0.0%	\$0.00	Charles	\$60,000.00	N/A	20 13
11/10/2011	AU & Associates, Inc.	13290102	\$25,000.00	0.0%	\$0.00	Prince George's	\$55,000.00	N/A	12 17
12/19/2011	Tadesse & Associates, Inc.	13520102	\$50,000.00	0.0%	\$0.00	Montgomery	\$225,000.00	N/A	4 2
3/15/2012	Unified Solutions Services, LLC.	13670101	\$60,000.00	0.0%	\$0.00	Howard	\$60,000.00	N/A	2 1
12/08/2011	The Great Gourmet, Inc.	560403	\$150,000.00	0.0%	\$0.00	Caroline	\$150,000.00	N/A	0 0
6/21/2012	Warren Brothers Construction, LLC	11980201	\$100,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	5 2
Totals:		12 Loans	\$1,175,000.00		\$0.00		\$1,330,000.00	0	77 56
<i>MSBDF Guaranty Fund</i>									
8/11/2011	Essex Construction, LLC/Essex	12920101	\$250,000.00	75.0%	\$187,500.00	Prince George's	\$500,000.00	N/A	2 8
8/11/2011	Essex Construction, LLC/Essex	12920102	\$250,000.00	75.0%	\$187,500.00	Prince George's	\$0.00	N/A	0 0
9/8/2011	Mahogany, Inc. and Mahogany	4330501	\$1,250,000.00	50.0%	\$625,000.00	Baltimore City	\$1,250,000.00	N/A	2 70
9/8/2011	Pro Spex, Inc.	13000101	\$50,000.00	50.0%	\$25,000.00	Prince George's	\$50,000.00	N/A	2 2
10/26/2011	Strativia, LLC dba Strativia Software	13210101	\$100,000.00	50.0%	\$50,000.00	Prince George's	\$100,000.00	N/A	4 3
11/10/2011	AU & Associates, Inc.	13290101	\$30,000.00	50.0%	\$15,000.00	Prince George's	\$0.00	N/A	0 0
5/17/2012	ProCare Home Health Providers,	13860101	\$60,000.00	80.0%	\$48,000.00	Allegany	\$60,000.00	N/A	6 49
Totals:		7 Loans	\$1,990,000.00		\$1,138,000.00		\$1,960,000.00	0	16 132
<i>MSBDF Surety Bond Direct</i>									
12/8/2011	Digital Video Solutions, Inc.	10730201	\$400,000.00	0.0%	\$0.00	Baltimore City	\$400,000.00	N/A	1 1
12/19/2011	Linwood C. Scott Jr. Inc. dba LCSJ	12380201	\$250,000.00	0.0%	\$0.00	Prince George's	\$300,000.00	N/A	4 2
12/19/2011	Tadesse & Associates, Inc.	13520101	\$175,000.00	0.0%	\$0.00	Montgomery	\$175,000.00	N/A	0 0
3/15/2012	Wraparound Maryland, Inc.	10250201	\$980,000.00	0.0%	\$0.00	Wicomico	\$980,000.00	N/A	20 60
Totals:		4 Loans	\$1,805,000.00		\$0.00		\$1,855,000.00	0	25 63

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<i>Approved Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDFA EPIP Business Acquisition</i>										
10/26/2011	Brown, Curry, Detry, Taylor dba Heart	13220101	\$250,000.00	0.0%	\$0.00	Prince George's	\$1,000,000.00	N/A	8	1
Totals:		1 Loan	\$250,000.00		\$0.00		\$1,000,000.00	0	8	1
<i>MSBDFA EPIP Other Small Business</i>										
9/8/2011	Nature Isle, LLC	11520201	\$100,000.00	0.0%	\$0.00	Montgomery	\$100,000.00	N/A	4	1
10/13/2011	Elliott, Johnson & Johnson, LLC	13130101	\$50,000.00	0.0%	\$0.00	Howard	\$737,000.00	N/A	5	1
10/26/2011	Heritage Custom Lawn and	13190101	\$350,000.00	0.0%	\$0.00	Baltimore County	\$350,000.00	N/A	10	30
11/10/2011	QEI Construction, LLC	13260101	\$75,000.00	0.0%	\$0.00	Anne Arundel	\$115,000.00	N/A	3	1
11/10/2011	QEI Construction, LLC	13260102	\$40,000.00	0.0%	\$0.00	Anne Arundel	\$0.00	N/A	0	0
2/9/2012	Great Gourmet, Inc., The	560501	\$200,000.00	0.0%	\$0.00	Caroline	\$700,000.00	N/A	0	17
6/4/2012	Habakkuk Music, Inc.	12530201	\$70,000.00	0.0%	\$0.00	Howard	\$70,000.00	N/A	0	0
7/28/2011	Kent Cabinetry & Millwork	10810101	\$20,000.00	0.0%	\$0.00	Queen Anne's	\$20,000.00	N/A	0	0
6/21/2012	Apples And Oranges Fresh Market,	13940101	\$150,000.00	0.0%	\$0.00	Baltimore City	\$1,105,000.00	N/A	11	0
Totals:		9 Loans	\$1,055,000.00		\$0.00		\$3,197,000.00	0	33	50
<i>MSBDFA/SSBCI</i>										
12/8/2011	Pridgen Funeral Service, PA	12210201	\$85,000.00	50.0%	\$42,500.00	Prince George's	\$1,010,000.00	N/A	3	1
2/9/2012	Ely, Inc.	13480101	\$350,000.00	50.0%	\$175,000.00	Prince George's	\$375,000.00	N/A	2	18
2/9/2012	Hailes Holding, Llc Db	13490101	\$95,000.00	50.0%	\$47,500.00	Prince George's	\$110,000.00	N/A	33	0
2/9/2012	Hats in the Belfry, Inc.	13470101	\$225,000.00	50.0%	\$112,500.00	Anne Arundel	\$0.00	N/A	0	0
2/9/2012	Hats in the Belfry, Inc.	13470102	\$80,000.00	50.0%	\$40,000.00	Anne Arundel	\$305,000.00	N/A	0	16
3/29/2012	Anthony Pearson, Inc. dba On Tar	0000000	\$100,000.00	50.0%	\$50,000.00	Prince George's	\$500,000.00	N/A	3	75
Totals:		6 Loans	\$935,000.00		\$467,500.00		\$2,300,000.00	0	41	110
Grand Totals:		39 Loans	\$7,210,000.00		\$1,605,500.00		\$11,642,000.00	0	200	412

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Settled Report

7/1/2011 Through 6/30/2012

<i>Settled Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>MSBDFA Contract Financing Direct</i>										
8/16/2011	Queen's Quality Painting, LLC	12710101	\$50,000.00	0.0%	\$0.00	Baltimore County	\$50,000.00	N/A	1	3.5
10/13/2011	STAR Associates, Inc.	7930601	\$50,000.00	0.0%	\$0.00	Baltimore City	\$50,000.00	N/A	0	0
12/9/2011	D.H. Porter Enterprises, LLC	7190401	\$125,000.00	0.0%	\$0.00	Prince George's	\$125,000.00	N/A	0	0
2/15/2012	Metal Men, LLC	12840101	\$100,000.00	0.0%	\$0.00	Baltimore County	\$100,000.00	N/A	5	4
2/9/2012	The Great Gourmet	560403	\$150,000.00	0.0%	\$0.00	Caroline	\$150,000.00	N/A	0	0
3/1/2012	Tadesse & Associates, Inc.	13520102	\$50,000.00	0.0%	\$0.00	Montgomery	\$225,000.00	N/A	4	2
4/16/2012	Securemedy, Inc.	13230101	\$100,000.00	0.0%	\$0.00	Charles	\$100,000.00	N/A	20	13
5/15/2012	Unified Solutions Services, LLC.	13670101	\$60,000.00	0.0%	\$0.00	Howard	\$60,000.00	N/A	2	1
Totals:		8 Loans	\$685,000.00		\$0.00		\$860,000.00	0	32	23.5
<i>MSBDFA Guaranty Fund</i>										
7/7/2011	Arham Enterprises, Inc.	12140101	\$1,256,000.00	19.9%	\$250,069.60	Howard	\$1,566,000.00	N/A	0	6
7/20/2011	STAR Associates, Inc.	7930501	\$80,000.00	50.0%	\$40,000.00	Baltimore City	\$80,000.00	N/A	12	0
8/10/2011	Angarai International Inc & Angarai	12650101	\$150,000.00	50.0%	\$75,000.00	Prince	\$428,000.00	N/A	5	10
11/22/2011	Pro Spex, Inc.	13000101	\$50,000.00	50.0%	\$25,000.00	Prince	\$50,000.00	N/A	2	2
12/8/2011	Strativia, LLC dba Strativia Software	13210101	\$100,000.00	50.0%	\$50,000.00	Prince	\$100,000.00	N/A	4	3
12/22/2011	Mahogany, Inc. and Mahogany	4330501	\$1,250,000.00	50.0%	\$625,000.00	Baltimore City	\$1,250,000.00	N/A	2	70
2/3/2012	Essex Construction, LLC/Essex	12920101	\$250,000.00	75.0%	\$187,500.00	Prince	\$500,000.00	N/A	2	8
2/3/2012	Essex Construction, LLC/Essex	12920102	\$250,000.00	75.0%	\$187,500.00	Prince	\$0.00	N/A	0	0
Totals:		8 Loans	\$3,386,000.00		\$1,440,069.60		\$3,974,000.00	0	0	27 99
<i>MSBDFA Surety Bond Direct</i>										
2/3/2012	Digital Video Solutions, Inc.	10730201	\$400,000.00	0.0%	\$0.00	Baltimore City	\$400,000.00	N/A	1	1
2/9/2012	Linwood C. Scott Jr. Inc. dba LCSJ	12380201	\$250,000.00	0.0%	\$0.00	Prince	\$300,000.00	N/A	4	2
3/1/2012	Tadesse & Associates, Inc.	13520101	\$175,000.00	0.0%	\$0.00	Montgomery	\$0.00	N/A	0	0
Totals:		3 Loans	\$825,000.00		\$0.00		\$700,000.00	0	5	3
<i>MSBDFA EPIP Business Acquisition</i>										
12/31/2011	Brown, Curry, Detry, Taylor dba Heart	13220101	\$250,000.00	0.0%	\$0.00	Prince	\$1,000,000.00	N/A	8	1
Totals:		1 Loan	\$250,000.00		\$0.00		\$1,000,000.00	0	8	1

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

<i>Settled Date</i>	<i>Client Name</i>	<i>Loan</i>	<i>Loan Amount</i>	<i>Guarantor Percentage</i>	<i>Loan Guarantee</i>	<i>County</i>	<i>Total Project Costs</i>	<i>Trainees Pro / Actual</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>MSBDFEA EPIP Other Small Business</i>										
9/29/2011	Nature Isle, LLC	11520201	\$100,000.00	0.0%	\$0.00	Montgomery	\$200,000.00	N/A	4	1
2/7/2012	QEI Construction, LLC	13260101	\$75,000.00	0.0%	\$0.00	Anne Arundel	\$115,000.00	N/A	3	1
2/7/2012	QEI Construction, LLC	13260102	\$40,000.00	0.0%	\$0.00	Anne Arundel	\$0.00	N/A	0	0
3/20/2012	Great Gourmet, Inc., The	560501	\$200,000.00	0.0%	\$0.00	Caroline	\$700,000.00	N/A	0	17
Totals:		4 Loans	\$415,000.00		\$0.00		\$1,015,000.00	0	7	19
<i>MSBDFEA/SSBCI</i>										
3/28/2012	Hats in the Belfry, Inc.	13470101	\$225,000.00	50.0%	\$112,500.00	Anne Arundel	\$0.00	N/A	0	0
3/28/2012	Hats in the Belfry, Inc.	13470102	\$80,000.00	50.0%	\$40,000.00	Anne Arundel	\$305,000.00	N/A	0	16
6/12/2011	Ely, Inc.	13480101	\$350,000.00	50.0%	\$175,000.00	Prince George's	\$375,000.00	N/A 2	18	
Totals:		3 Loans	\$655,000.00		\$327,500.00		\$680,000.00	0	2	34
Grand Totals:		27 Loans	\$6,216,000.00		\$1,767,569.60		\$8,229,000.00	0	0	81 179.5