

DIVISION OF FINANCE PROGRAMS
MARYLAND SMALL BUSINESS
DEVELOPMENT FINANCING
AUTHORITY

(MSBDFA)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2010
ECONOMIC DEVELOPMENT
ARTICLE

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MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY
(MSBDFA)

TABLE OF CONTENTS

History & Program Description.....	1
Performance Since Inception of the Program Through June 30, 2010.....	3
Contract Financing Program.....	3
Long Term Guaranty Program.....	3
Surety Bond Program.....	4
Equity Participation Investment Program.....	4
Program Highlights for Fiscal Year 2010.....	5
Graduations.....	5
Delinquency & Default Status as of June 30, 2010.....	6
Equity Participation Investment Program (EPIP).....	6
Geographic Distribution of MSBDFA.....	7
Exhibits	
List of Approved Activity 07/01/09 – 06/30/10.....	9
List of Closed (Settled) Activity 07/01/09 – 06/30/10.....	11

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 the program 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. The program'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 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 is 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.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

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 774 transactions for nearly 540 businesses since operations begin in January 1980. Financial assistance for these transactions totaled approximately \$164.9 million. The MSBDFA program has had a substantial impact on Maryland's economy by helping local businesses create and retain approximately 18,600 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. The program is sometimes compelled to charge-off non-performing loans. The program charged off one (1) account in the portfolio, which consists of seventy-seven (77) accounts, during fiscal year 2010. The charge off was in the amount of \$60,577 and the program recovered \$145,000 from prior years charge offs. During the last 5 years, the program incurred aggregate net losses and claims paid of \$963,440 on average total outstanding loan balances equal to \$20,692,664. This equates to a loss rate of 5.0%. 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.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

The program 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.

The program's current portfolio is comprised of seventy-seven (77) transactions with an aggregate exposure equal to \$32.1 million. As of June 30, 2010, three (3) additional loans were pending settlement requiring a \$1.3 million commitment of funds from the program. Additionally, requests for another eighteen (18) loans that would require a \$4.7 million commitment of funds are under consideration.

CONTRACT FINANCING PROGRAM

Performance Since Inception

Since the program began, 292 transactions have been settled totaling \$44.4 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 2010

During fiscal year 2010, eleven (11) applications were approved for financing totaling \$3.2 million. Six (6) loans settled for a total of \$1.6 million. One (1) approval in the amount of \$100,000 is anticipated to settle in the next fiscal year and four (4) approvals in the amount of \$1,575,000 were withdrawn, expired or rescinded. Total exposure for the Contract Financing component of the program as of the end of the fiscal year was \$5.3 million covering sixteen (16) loans. Nine (9) loans totaling \$3.3 million were renewed or modified during the fiscal year.

Projected Performance for FY 2011

The program projects the approval of seventeen (17) applications during FY 2011. Approximately twelve (12) of these approvals are anticipated to close. The total amount of funds extended is projected to be \$2.5 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

This program component has settled guaranty transactions for 287 financings by banks and other lending institutions totaling \$54.2 million since legislation was enacted to commence program operations in 1984.

Program Performance 2010

During fiscal year 2010, six (6) applications were approved for \$2.4 million, requiring guarantee support by the program of \$1.5 million. The program settled three (3) guarantee transactions for \$1.8 million, which will utilize \$1.2 million of guarantee support. Four (4) approvals in the amount of \$640,000 were withdrawn, expired or rescinded. Of these, one (1) approval in the amount of \$50,000 was from the prior fiscal year. One (1) guarantee approval in the amount of \$200,000 was a renewal of an existing commitment.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Projected Performance for FY 2011

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 various Chambers of Commerce, and emphasizes the benefit and value of the Guaranty Fund. Unfortunately, the current economic crisis, including more stringent commercial bank lending criteria continue to have an adverse affect 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 FY2011. A total of eleven (11) loans are projected to be approved during fiscal year 2011. At least nine (9) are projected to close, requiring the commitment of program funds equal to approximately \$3 million.

SURETY BOND PROGRAM

Performance Since Inception

One Hundred One (101) projects have settled with bonds issued directly, or guaranteed, by the MSBDFA program since inception of the program in 1984. This equates to approximately \$53.9 million of financial assistance since inception. During this time period, five (5) claims equal to approximately \$405,928 have been paid as a result of defaults by companies using the program.

Program Performance 2010

During fiscal year 2010, thirteen (13) applications were approved for a total of \$11.5 million. Eleven (11) surety bond transactions closed, including one approval from the prior fiscal year. Theses closings required the commitment of \$10 million in program funds. One (1) approval in the amount of \$1 million, which required the commitment of \$1million in program funds, is anticipated to settle in the next fiscal year. Four (4) approvals in the amount of \$5.8 million were withdrawn, expired or rescinded. Of these, one (1) approval in the amount of \$100,000 was from the prior fiscal year. There were sixteen (16) bonding lines in the portfolio as of June 30, 2010 with bonds outstanding totaling \$10.8 million. Total commitments under the bonding lines of credit totaled \$16.7 million. One (1) bonding line, equal to \$2 million, was renewed during the fiscal year.

Projected Performance for FY 2011

The program projects the approval of approximately \$12 million during FY 2011 to facilitate bonding for thirteen (13) businesses. Approximately eleven (11) transactions are projected to settle and provide an estimated \$9 million of assistance. Most of the transactions are anticipated to be in the form of direct bonding lines, but an effort is in process to encourage commercial surety companies to utilize the bond guaranty capability of the program. This will enable the program 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 new law increased the maximum amount of bonding assistance the program is authorized to provide to \$5 million. Although the program does not have the financial 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 program has settled ninety three (93) loans or equity investments since inception in 1987. The assistance provided is equal to approximately \$15.6 million. During earlier years of the programs operation,

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

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 more traditional industry sectors.

Program Performance 2010

During fiscal year 2010, nine (9) loans were approved for a total of \$1.1 million. Six (6) loans closed, which required the commitment of \$682,000 in program funds. Two (2) loan approvals in the amount of \$225,000 were withdrawn, expired or rescinded. One loan approval, in the amount of \$225,000 is anticipated to settle in the next fiscal year. There were twenty eight (28) active accounts as of June 30, 2010, with aggregate outstanding balances of \$4.0 million. One (1) transaction in the amount of \$300,000 was a renewal of an existing commitment.

Projected Performance for FY 2011

The program projects approval of eleven (11) applications during FY 2011. Nine (9) transactions are anticipated to settle during the fiscal year requiring the commitment of approximately \$1.5 million of financial assistance. Three (3) approvals are anticipated to be for technology firms, three (3) to franchise operations, and five (5) will likely be to small businesses in more traditional industry sectors.

Program Summary for Fiscal Year 2010

During fiscal year 2010, MSBDFA approved a total of thirty nine (39) financing transactions for both new and existing clients which required the commitment of \$18.2 million in program funds. The Contract Financing component had eleven (11) approved requests for a total of \$3.2 million. The Guaranty Fund component had six (6) approved requests for a total of \$2.4 million, which will utilize \$1.5 million of guarantee support. The Surety Bond component had thirteen (13) approved requests totaling \$11.5 million. The Equity Participation Investment Program component had nine (9) approved requests totaling \$1.1 million.

In addition, MSBDFA approved twelve (12) renewals or modifications of existing credit facilities totaling \$5.7 million. The renewals or modifications were for nine (9) clients using the Contract Financing component for \$3.3 million, one (1) client using the Guaranty Fund component in the amount of \$100,000, one (1) client using the Surety Bond component in the amount of \$2 million, and one (1) client using the Equity Participation Investment Program component in the amount of \$300,000.

During the same period, twenty-six (26) transactions were settled in the form of loans, guaranties and surety bonds, totaling \$13.4 million. The allocation by program is: six (6) transactions under the Contract Financing component equal to \$1.6 million, three (3) transactions under the Guaranty Fund component requiring \$1.2 million of guarantee support, eleven (11) Surety Bonds equal to \$10 million and six (6) EPIP transactions equal to \$682,000.

Graduations for Fiscal Year 2010

Small businesses that progress beyond the need for financial assistance from the MSBDFA program are classified as graduates. In most 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 include companies that successfully repay their loans or satisfactorily have their bonds released, and no longer require financial assistance. During the past year, the fifteen (15) companies listed below graduated from the MSBDFA program:

GRADUATIONS FY 10

PROGRAM	BORROWER	ORIGINAL LOAN AMOUNT
Contract Financing	Fielding & Sons Trash Services, Inc.	\$60,000
Contract Financing	Info Tech & Telecom Engineering	\$500,000
Contract Financing	PHS Group, Inc.	\$500,000
Contract Financing	Proverbs 31, LLC	\$200,000
Contract Financing	Synthesis Technologies, Inc.	\$150,000
Guaranty Fund	ACCEL Corporation	\$100,000
Guaranty Fund	Everything Automotive, Inc	\$240,000
Guaranty Fund	Odyssey SST Bus & Truck Repair	\$801,600
Guaranty Fund	Stella May Contracting, Inc.	\$2,000,000
Surety Bond Fund	Albatross Steel & Processing, Inc.	\$1,000,000
Surety Bond Fund	Fielding & Sons Trash Services, Inc.	\$200,000
Surety Bond Fund	JLN Construction, LLC	\$2,250,000
Surety Bond Fund	Kennedy Fire Protection	\$2,000,000
Surety Bond Fund	Stella May Contracting, Inc.	\$2,000,000
EPIP	L & J Construction Services, Inc.	\$230,000

Problem Loan Status as of June 30, 2010

Problem loans are designated as “Special Assets”. As of June 30, 2010, 4 non-performing accounts with aggregate outstanding exposure of \$1.3 million were designated as Special Assets, and are part of the current MSBDFA portfolio. These consist of three (3) Guaranty Fund, and one (1) EPIP transactions. The Guaranty Fund accounts have aggregate guarantee exposure equal to \$614,000. The EPIP account includes two separate loans with a combined principal balance outstanding equal to \$674,000. 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. 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 \$2.4 million.

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 FY02, 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 are three (3) accounts with a balance outstanding equal to \$517,698.

Business Acquisition Component

There are five (5) accounts with a balance outstanding equal to \$1,340,988.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Technology Component

There are eight (8) accounts with a balance outstanding equal to \$1,816,681.

Other Business Types

There are twelve (12) accounts with maximum exposure in the amount of \$1,805,736, which includes loan balances outstanding equal to \$362,345, and credit availability under Surety Bonds and Lines of Credit equal to \$1,443,391.

Geographical Distribution of MSBDF A

Loans and Guarantees FY 2010

Region*	County	Approved			Closed		
		No.	% Total Amt	Original Expos. Loan Amt.	No.	% Total Amt	Original Expos. Loan Amt.
I Central Maryland	Anne Arundel	0	0.0	0,000	0	0	0
	Baltimore City	7	23.2	4,050,000	5	14.5	1,950,000
	Baltimore	4	2.1	360,000	2	0.9	115,000
	Carroll	1	0.6	100,000	1	0.7	100,000
	Cecil	0	0.0	0	0	0.0	0
	Howard	3	7.0	1,200,000	3	8.9	1,200,000
	Harford	1	5.7	1,000,000	0	0.0	0
	Sub-Total :	16	38.6	6,710,000	11	25.0	3,365,000
II Greater Washington	Frederick	1	5.7	1,000,000	1	7.5	1,000,000
	Montgomery	6	17.1	2,985,000	5	16.7	2,235,000
	Prince George's	11	23.3	4,066,000	7	38.9	5,212,000
	Sub-Total :	18	46.1	8,051,000	13	63.1	8,447,000
III Western Maryland	Allegany	2	1.0	180,000	1	0.6	80,000
	Garrett	0	0.0	0	0	0.0	0
	Washington	1	4.3	750,000	0	0.0	0
	Sub-Total :	3	5.3	930,000	1	0.6	80,000
IV Southern Maryland	Calvert	0	0.0	0	0	0.0	0
	Charles	0	0.0	0	0	0.0	0
	St. Mary's	0	0.0	0	0	0.0	0
	Sub-Total :	0	0.0	0	0	0.0	0
V Upper Eastern Shore	Caroline	0	0.0	0	0	0.0	0
	Kent	0	0.0	0	0	0.0	0
	Queen Anne's	1	1.3	225,000	0	0.0	0

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

V Lower Eastern Shore	Talbot	0	0.0	0	0	0.0	0
	Sub-Total :	1	1.3	225,000	0	0.0	0
	Dorchester	0	0.0	0	0	0.0	0
	Somerset	0	0.0	0	0	0.0	0
	Wicomico	1	8.7	1,520,000	1	11.3	1,520,000
	Worcester	0	0.0	0	0	0.0	0
	Sub-Total :	1	8.7	1,520,000	1	11.3	1,520,000
	TOTAL:	39	100	17,436,000	26	100	13,412,000

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Approved Report

7/1/2009 Through 6/30/2010

<i>Approved Client Name Date</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 /</i>	<i>New Retained Jobs</i>	<i>Jobs</i>	
<i>MSBDFA Contract Financing Direct</i>										
7/9/2009	Nixon Consultants, LLC	9920101	\$75,000.00	0.0%	\$0.00	Prince George's	\$75,000.00	N/A	4	1
8/13/2009	JPS Services, Inc. dba JPS	10280101	\$40,000.00	0.0%	\$0.00	Baltimore	\$40,000.00	N/A	2	27
8/13/2009	W & T Travel Services, LLC	10090101	\$700,000.00	0.0%	\$0.00	Prince George's	\$700,000.00	N/A	5	50
11/13/2009	A+ Quality Education, LLC	10560101	\$225,000.00	0.0%	\$0.00	Baltimore City	\$225,000.00	N/A	11	0
11/24/2009	Bradford Media Systems, LLC	10580101	\$50,000.00	0.0%	\$0.00	Prince George's	\$50,000.00	N/A	2	1
11/24/2009	Digital Video Solutions, Inc.	10730101	\$100,000.00	0.0%	\$0.00	Montgomery	\$100,000.00	N/A	8	0
2/25/2010	B&D Consulting, Inc.	11290101	\$750,000.00	0.0%	\$0.00	Washington	\$750,000.00	N/A	15	17
4/8/2010	Immediate System Resources,	3950301	\$1,000,000.00	0.0%	\$0.00	Baltimore City	\$1,000,000.00	N/A	2	23
6/14/2010	J.K. Datta Consultants, Inc.	7350301	\$75,000.00	0.0%	\$0.00	Baltimore	\$275,000.00	N/A	0	0
6/23/2010	The Webb Group, Inc.	11800101	\$100,000.00	0.0%	\$0.00	Baltimore City	\$100,000.00	N/A	0	0
6/23/2010	TRW Price Construction, LLC	8190301	\$125,000.00	0.0%	\$0.00	Baltimore City	\$475,000.00	N/A	5	15
Totals:		11 Loans	\$3,240,000.00		\$0.00		\$3,790,000.00	0	54	134
<i>MSBDFA Guaranty Fund Guaranty</i>										
7/9/2009	Sister2Sister, Inc.	9930101	\$50,000.00	50.0%	\$25,000.00	Prince George's	\$250,000.00	N/A	2	5
11/13/2009	Environmental Engineering &	4060901	\$1,500,000.00	66.7%	\$1,000,000.00	Prince George's	\$5,000,000.00	N/A	6	0
11/24/2009	MJD Entertainment, LLC t/a The	10920101	\$340,000.00	60.0%	\$204,000.00	Prince George's	\$340,000.00	N/A	2	3
1/15/2010	Wheeler Automotive, Inc.	8100201	\$200,000.00	50.0%	\$100,000.00	Carroll	\$700,000.00	N/A	0	15
2/25/2010	James M. Graves, DDS, P.A.	11280101	\$200,000.00	60.0%	\$120,000.00	Baltimore	\$200,000.00	N/A	0	3
5/18/2010	ACT Personnel Services, Inc.	10940201	\$100,000.00	80.0%	\$80,000.00	Allegany	\$100,000.00	N/A	0	4
Totals:		6 Loans	\$2,390,000.00		\$1,529,000.00		\$6,590,000.00	0	10	30

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

<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 /</i>	<i>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDFA Surety Bond Direct</i>										
8/13/2009	Netcom Technologies, Inc.	10110101	\$1,100,000.00	0.0%	\$0.00	Montgomery	\$2,200,000.00	N/A	10	103
8/13/2009	Professional Mechanical	6570301	\$750,000.00	0.0%	\$0.00	Prince George's	\$750,000.00	N/A	3	5
8/13/2009	Riser Academies, Inc., The dba	10100101	\$1,000,000.00	0.0%	\$0.00	Frederick	\$1,000,000.00	N/A	5	22
9/3/2009	Wraparound Maryland, Inc.	10250101	\$1,520,000.00	0.0%	\$0.00	Wicomico	\$1,520,000.00	N/A	15	11
11/24/2009	E&R Services, Inc.	10720101	\$500,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	0	0
12/10/2009	Broughton Construction	10800101	\$2,000,000.00	0.0%	\$0.00	Baltimore City	\$2,000,000.00	N/A	0	15
12/10/2009	Netcom Technologies, Inc.	10110201	\$815,000.00	0.0%	\$0.00	Montgomery	\$815,000.00	N/A	0	0
12/10/2009	New City Construction, LLC	9530301	\$1,000,000.00	0.0%	\$0.00	Howard	\$1,200,000.00	N/A	4	12
1/28/2010	STAR Associates, Inc.	7930301	\$300,000.00	0.0%	\$0.00	Baltimore City	\$300,000.00	N/A	6	25
3/11/2010	Malill, LLC	11420101	\$750,000.00	0.0%	\$0.00	Montgomery	\$750,000.00	N/A	5	4
4/8/2010	Auston Contracting, Inc.	11510101	\$1,000,000.00	0.0%	\$0.00	Harford	\$1,000,000.00	N/A	4	14
4/8/2010	E&R Services, Inc.	10720201	\$500,000.00	0.0%	\$0.00	Prince George's	\$1,250,000.00	N/A	0	0
6/10/2010	Tote-It, Inc.	11740101	\$300,000.00	0.0%	\$0.00	Baltimore City	\$300,000.00	N/A	6	10
Totals:		13 Loans	\$11,535,000.00		\$0.00		\$13,085,000.00	0	58	221
<i>MSBDFA EPIP Other Small Business</i>										
7/9/2009	New City Construction, LLC	9530201	\$50,000.00	0.0%	\$0.00	Howard	\$50,000.00	N/A	0	0
7/28/2009	D.H. Porter Enterprises, LLC	7190301	\$12,000.00	0.0%	\$0.00	Prince George's	\$12,000.00	N/A	10	20
11/24/2009	E&R Services, Inc.	10720103	\$250,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	0	0
12/10/2009	Kent Cabinetry and Millwork, Inc.	10810101	\$225,000.00	0.0%	\$0.00	Queen Anne's	\$497,000.00	N/A	2	3
12/17/2009	ACT Personnel Services, Inc.	10940101	\$100,000.00	0.0%	\$0.00	Allegany	\$100,000.00	N/A	0	0
1/28/2010	New City Construction, LLC	9530401	\$150,000.00	0.0%	\$0.00	Howard	\$1,200,000.00	N/A	0	0
4/21/2010	James M. Graves, DDS, P.A.	11280201	\$125,000.00	0.0%	\$0.00	Baltimore	\$125,000.00	N/A	0	3
4/21/2010	Nature Isle, LLC	11520101	\$100,000.00	0.0%	\$0.00	Montgomery	\$220,000.00	N/A	4	1
4/21/2010	Nature Isle, LLC	11520102	\$120,000.00	0.0%	\$0.00	Montgomery	\$0.00	N/A	0	0
Totals:		9 Loans	\$1,132,000.00		\$0.00		\$2,204,000.00	0	16	27
Grand Totals:		39 Loans	\$18,297,000.00		\$1,529,000.00		\$25,669,000.00	0	148	519

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Settled Report

7/1/2009 Through 6/30/2010

<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 /</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>MSBDFA Contract Financing Direct</i>										
12/30/2009	JPS Services, Inc. dba JPS	10280101	\$40,000.00	0.0%	\$0.00	Baltimore	\$40,000.00	N/A	2	27
4/5/2010	A+ Quality Education, LLC	10560101	\$225,000.00	0.0%	\$0.00	Baltimore City	\$225,000.00	N/A	11	0
6/21/2010	Immediate System Resources,	3950301	\$1,000,000.00	0.0%	\$0.00	Baltimore City	\$1,000,000.00	N/A	2	23
6/25/2010	Digital Video Solutions, Inc.	10730101	\$100,000.00	0.0%	\$0.00	Montgomery	\$100,000.00	N/A	8	0
6/25/2010	J.K. Datta Consultants, Inc.	7350301	\$75,000.00	0.0%	\$0.00	Baltimore	\$275,000.00	N/A	0	0
6/29/2010	TRW Price Construction, LLC	8190301	\$125,000.00	0.0%	\$0.00	Baltimore City	\$475,000.00	N/A	5	15
Totals:		6 Loans	\$1,565,000.00		\$0.00		\$2,115,000.00	0	28	65
<i>MSBDFA Guaranty Fund Guaranty</i>										
12/23/2009	Environmental Engineering &	4060901	\$1,500,000.00	66.7%	\$1,000,000.00	Prince George's	\$5,000,000.00	N/A	6	0
5/24/2010	Wheeler Automotive, Inc.	8100201	\$200,000.00	50.0%	\$100,000.00	Carroll	\$700,000.00	N/A	0	15
6/3/2010	ACT Personnel Services, Inc.	10940201	\$100,000.00	80.0%	\$80,000.00	Allegany	\$100,000.00	N/A	0	4
Totals:		3 Loans	\$1,800,000.00		\$1,180,000.00		\$5,800,000.00	0	6	19
<i>MSBDFA Surety Bond Direct</i>										
9/17/2009	Wraparound Maryland, Inc.	10250101	\$1,520,000.00	0.0%	\$0.00	Wicomico	\$1,520,000.00	N/A	15	11
10/9/2009	Riser Academies, Inc., The dba	10100101	\$1,000,000.00	0.0%	\$0.00	Frederick	\$1,000,000.00	N/A	5	22
11/1/2009	Netcom Technologies, Inc.	10110101	\$1,100,000.00	0.0%	\$0.00	Montgomery	\$2,200,000.00	N/A	10	103
12/1/2009	Milestone Tarant, LLC	9550101	\$2,200,000.00	0.0%	\$0.00	Prince George's	\$2,200,000.00	N/A	5	50
1/13/2010	Professional Mechanical	6570301	\$750,000.00	0.0%	\$0.00	Prince George's	\$750,000.00	N/A	3	5
2/3/2010	Netcom Technologies, Inc.	10110201	\$815,000.00	0.0%	\$0.00	Montgomery	\$815,000.00	N/A	0	0
2/8/2010	E&R Services, Inc.	10720101	\$500,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	0	0
4/8/2010	New City Construction, LLC	9530301	\$1,000,000.00	0.0%	\$0.00	Howard	\$1,200,000.00	N/A	4	12
4/27/2010	STAR Associates, Inc.	7930301	\$300,000.00	0.0%	\$0.00	Baltimore City	\$300,000.00	N/A	6	25
6/23/2010	E&R Services, Inc.	10720201	\$500,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	0	0
6/30/2010	Tote-It, Inc.	11740101	\$300,000.00	0.0%	\$0.00	Baltimore City	\$300,000.00	N/A	6	10
Totals:		11 Loans	\$9,985,000.00		\$0.00		\$10,285,000.00	0	54	238

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 /</i>	<i>New Retained Jobs</i>	<i>Jobs</i>
<i>MSBDFE EPIP Other Small Business</i>										
8/18/2009	New City Construction, LLC	9530201	\$50,000.00	0.0%	\$0.00	Howard	\$50,000.00	N/A	0	0
11/13/2009	D.H. Porter Enterprises, LLC	7190301	\$12,000.00	0.0%	\$0.00	Prince George's	\$12,000.00	N/A	10	20
4/8/2010	New City Construction, LLC	9530401	\$150,000.00	0.0%	\$0.00	Howard	\$1,200,000.00	N/A	0	0
6/22/2010	Nature Isle, LLC	11520101	\$100,000.00	0.0%	\$0.00	Montgomery	\$220,000.00	N/A	4	1
6/22/2010	Nature Isle, LLC	11520102	\$120,000.00	0.0%	\$0.00	Montgomery	\$0.00	N/A	0	0
6/23/2010	E&R Services, Inc.	10720103	\$250,000.00	0.0%	\$0.00	Prince George's	\$0.00	N/A	0	0
Totals:		6 Loans	\$682,000.00		\$0.00		\$1,482,000.00	0	14	21
Grand Totals:		26 Loans	\$14,032,000.00		\$1,180,000.00		\$19,682,000.00	0	102	343