

DIVISION OF FINANCE PROGRAMS
MARYLAND SMALL BUSINESS
DEVELOPMENT FINANCING
AUTHORITY

(MSBDFEA)

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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 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. 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 \$1,000,000 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 \$1,000,000. 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 or public utility. 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 \$1,000,000. Guaranties are limited to 90% of the face value of the bond not to exceed a maximum participation of \$1,350,000. 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. Also, a surety bond revolving line may be established to directly issue or guaranty multiple bonds to a principal 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 three individual components of EPIP are:

- Franchising Investments are limited to 45 percent of the total project cost or a maximum of \$1,000,000. The applicant is required to make an equity investment of no less than 10 percent 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 25% of the initial investment or a maximum of \$1,000,000. The applicant is required to make an equity investment of not less than \$75,000. 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 \$1,000,000 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 \$1,000,000 to start or expand their business entity. 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 on July 1, 2005.

Collectively, the MSBDFA program has financed approximately 697 transactions for nearly 463 businesses since operations begin in January 1980. Financial assistance for these transactions totaled approximately \$138.3 million. The MSBDFA program has had a substantial impact on Maryland's economy by helping local businesses create and retain approximately 17,000 employment opportunities in Maryland since the start of the program.

The MSBDFA program continues to maintain its capital base by minimizing loan losses. The program charged off one (1) account in the portfolio, which consists of seventy (70) accounts, during fiscal year 2007. The charge off was in the amount of \$167,081. The program recovered \$88,500 from prior years charge offs, resulting in a net loss of \$78,581 for fiscal year 2007. During the last 5 years, MSBDFA incurred net losses of \$559,000 on \$41.3 million in financings. This equates to a loss rate of 1.35%. The loss rate for the most recent seven (7) year period was 1.96%. With the exception of the Surety Bond program component, problem loans are managed by the Department's Special Assets Unit (SAU). Loans deemed to be at especially high risk are transferred to the SAU for monitoring and resolution.

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The program strives to help businesses achieve their 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 47 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 (70) transactions with an aggregate exposure equal to \$26 million. As of June 30, 2007, seven (7) additional loans were pending settlement requiring a \$3.4 million commitment of funds from the program. Additionally, requests for another sixteen (16) loans that would require a \$4.0 million commitment of funds are under consideration.

CONTRACT FINANCING PROGRAM

Performance Since Inception

Since the program began, 268 transactions have been settled totaling \$39.1 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 2007

During fiscal year 2007, eleven (11) applications were approved for financing totaling \$3.3 million. Seven (7) of loans settled for a total of \$1.99 million, including one (1) transaction in the amount of \$720,000 that was approved in the prior fiscal year. Two (2) approvals in the amount of \$400,000 are anticipated to close in the next fiscal year and three approvals in the amount of \$1,650,000 were rescinded. Total exposure for the Contract Financing component of the program as of the end of the fiscal year was \$5.5 million covering sixteen (16) loans. Four (4) loans totaling \$1.5 million were renewed during the fiscal year.

Projected Performance for FY 2008

The program is expected to approve twenty (14) applications during FY 2008. Approximately 8 of these approvals are anticipated to close. The total amount of funds extended is projected to be \$5.3 million. The majority of financings during the last five fiscal years have been in the form of direct loans. One guaranty was provided in support of a loan made by a financial institution. This trend will probably continue because the use of proceeds under the Guaranty Fund is not limited to government and utility contracts.

LONG TERM GUARANTY PROGRAM

Performance Since Inception

This program component has guaranteed 273 financings by banks and other lending institutions totaling \$49.3 million since legislation was enacted to commence program operations in 1984.

Program Performance 2007

During fiscal year 2007, five (5) applications were approved for \$7.2 million, requiring guarantee support by the program of \$2.3 million. The program closed five (5) guarantee transactions for \$3.5 million, including two (2) transactions in the amount of \$2.6 million that were approved in the prior fiscal year. These transactions required guarantee support equal to \$1.8 million. Two (2) approvals in the amount of \$6.3 million were rescinded. Three (3) loan guarantees in the amount of \$458,000 were renewed during the fiscal year.

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Projected Performance for FY 2008

A total of sixteen (16) loans are projected to be approved during fiscal year 2008. At least twelve (12) are projected to close, requiring the commitment of program funds equal to approximately \$5.0 million.

SURETY BOND PROGRAM

Performance Since Inception

Seventy (79) projects have been supported with bonds issued directly, or guaranteed, by the MSBDFA program since inception of the program in . This equates to approximately \$36.5 million of financial assistance since inception. During this time period, only three (3) claims totaling less than \$300,000 have been paid as a result of defaults by portfolio companies.

Program Performance 2007

During fiscal year 2007, fifteen (15) applications were approved for a total of \$12.9 million. Nine (9) surety bond transactions closed, including one transaction in the amount of \$450,000 that was approved in the prior fiscal year. These transactions required the commitment of \$8.4 million in program funds. Four approvals in the amount of \$2.7 million are anticipated to close in the next fiscal year and three (3) approvals in the amount of \$2.3 million were rescinded. There were nine (9) bonding lines in the portfolio as of June 30, 2006 with bonds outstanding totaling \$4.5 million. Total commitments under the bonding lines of credit totaled \$11.6 million. One (1) bonding line, equal to \$1.0 million, was renewed during the fiscal year.

Projected Performance for FY 2008

Management projects the approval of approximately \$13.2 million during FY 2008 to facilitate bonding for twelve (12) new businesses. Most of the transactions are anticipated to be in the form of direct bonding lines, but we intend to encourage commercial surety companies to utilize the bond guaranty capability of the program. Requests for bonding assistance may increase significantly because of House Bill (HB 169) which was passed during the 2006 Legislative Session. 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 provided seventy (77) loans or equity investments since inception of the program in 1987. The assistance provided is equal to approximately \$13.4 million. During the early years of the program, most of the transactions were made to franchise businesses. Over the past ten (10) years, however, the trend shifted significantly towards technology-based companies and companies in more traditional industry sectors.

Program Performance 2007

During fiscal year 2007, thirteen (13) loans were approved for a total of \$4.0 million. Seven (7) loans closed, including one (1) transaction in the amount of \$500,000 that was approved in the prior fiscal year. These transactions required the commitment of \$1.9 million in program funds. One (1) loan approval in the amount of \$275,000 is anticipated to settle during fiscal year 2008 and six (6) loan approvals in the amount of \$2.2 million were rescinded. There were twenty (26) active accounts as of June 30, 2007, with aggregate outstanding balances of \$6.0 million.

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Projected Performance for FY 2008

Management projects approval of a total of ten (10) applications during FY 2008. Six (6) of the transactions are anticipated to close during the fiscal year requiring the commitment of approximately \$2.9 million of financial assistance. Three (3) approvals are anticipated to be for technology firms, five (5) will likely be to small businesses in more traditional industry sectors and two may be to franchise operations.

Program Highlights for Fiscal Year 2007

During fiscal year 2007, MSBDFA approved a total of forty four (44) financing transactions for both new and existing clients. The Contract Financing component had eleven (11) approved requests for a total of \$3.3 million. The Guaranty Fund component had five (5) approved requests for a total of \$2.4 million. The Surety Bond component had fifteen (15) approved requests totaling \$12.9 million. The Equity Participation Investment Program component had thirteen (13) approved requests totaling \$3.7 million.

In addition, MSBDFA approved eight (8) renewals of existing credit facilities totaling \$3.0 million. The renewals were for four (4) clients using the Contract Financing component for \$1.5 million, three (3) clients using the Guaranty Fund component in the amount of \$457,500 and one client using the Surety Bond component in the amount of \$1.0 million.

During that same period, twenty-eight (28) transactions were closed in the form of loans, guaranties and surety bonds, totaling \$15.9 million, with an insured amount of \$14.0 million,. The allocation by program is: seven (7) transactions under the Contract Financing component equal to \$2.0 million; five (5) transactions under the Guaranty Fund component requiring \$1.7 million of insurance; nine (9) Surety Bonds equal to \$8.4 million and seven (7) EPIP transactions equal to \$1.9 million.

Graduations for Fiscal Year 2007

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 eleven (11) companies listed below graduated from the MSBDFA program:

GRADUATIONS FY 07

PROGRAM	BORROWER	ORIGINAL LOAN AMOUNT
Contract Financing	Immediate Systems Resources, Inc.	\$500,000
Contract Financing	Spirit Enterprises, Inc.	\$25,000
Guaranty Fund	Tele-Tector of Maryland, Inc.	\$750,000
Guaranty Fund	East Baltimore Enterprises	\$500,000
Guaranty Fund	EBA Engineering, Inc.	\$1,800,000
Guaranty Fund	Harbor Boating, Inc.	\$50,000
Surety Bond Fund	M-R Innoveers, LLC	\$300,000
Surety Bond Fund	Granite America, LLC	\$500,000
Surety Bond Fund	Sterling Construction Services	\$500,000
Surety Bond Fund	R & A Movers, Inc.	\$100,000
EPIP	Insite Solutions, LLC	\$325,000

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Problem Loan Status as of June 30, 2007

Problem loans are managed by the Special Assets Unit (SAU). As of June 30, 2007, five (5) Contract Financing accounts, one (1) Guaranty Fund account, two (1) Surety Bond accounts and five (5) EPIP accounts were being serviced by the Special Assets Unit. The combined amount of original approval of the five Contract Financing accounts is \$1,427,000, with a principal balance outstanding equal to \$1,303,000, which is in process of collection. The amount of original approval of the Guaranty Fund account is \$130,000, with a principal balance outstanding equal to \$46,000, which is in process of collection. The amount of original approval of the Surety Bond account is \$400,000, with a principal balance outstanding equal to \$69,000, which is in process of collection. The combined amount of original approval of the five EPIP accounts is \$2,714,000, with a principal balance outstanding equal to \$760,000, which is in process of collection.

A loan administered by SAU is considered to be delinquent when the payment of principal and/or interest is over **30** days past due, and in payment default when the payment is over **90** days past due. The lender initiates a default on a guaranteed loan. In FY02, DBED initiated a policy to "charge off" all loans that are 180 days past due. These loans are then monitored by SAU, if they had not previously been transferred to that unit for resolution. SAU works actively with small business clients that have defaulted in an effort to recover the State's resources.

Equity Participation Investment Program Update

Franchising Component

There are five (5) accounts with a balance outstanding equal to \$699,360. One (1) of this group with a balance outstanding equal to \$38,053 is managed by the Special Assets Unit (SAU).

Business Acquisition Component

There are three (3) accounts with a balance outstanding equal to \$1,050,685.

Technology Component

There are nine (9) accounts with a balance outstanding equal to \$2,412,570. Three (3) of this group with a balance outstanding equal to \$524,919 are managed by the Special Assets Unit (SAU).

Other Business Types

There are nine (9) accounts with a balance outstanding equal to \$1,894,498. One (1) of this group with a balance outstanding equal to \$741,476 is managed by the Special Assets Unit (SAU).

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Geographical Distribution of MSBDF A

Loans and Guarantees FY 2007

Region*	County	Approved			Closed		
		No.	%	Original Expos.	No.	%	Original Expos.
			Total Amt	Loan Amt.		Total Amt	Loan Amt.
I Central Maryland	Anne Arundel	0	0.0	0	0	0	0
	Baltimore City	7	12.5	2,835,000	10	32.1	4,505,000
	Baltimore	6	9.8	2,225,000	3	10.3	1,450,000
	Carroll	0	0.0	0	0	0.0	0
	Cecil	0	0.0	0	0	0.0	0
	Howard	1	0.3	60,000	1	0.4	60,000
	Harford	4	19.0	4,291,650	4	30.6	4,291,650
	Sub-Total :	18	41.6	9,411,650	18	73.4	10,306,650
II Greater Washington	Frederick	0	0.0	0	0	0.0	0
	Montgomery	2	6.6	1,500,000	0	0	0
	Prince George's	16	34.7	7,846,400	8	23.5	3,305,800
	Sub-Total :	18	41.3	9,346,400	8	23.5	3,305,800
III Western Maryland	Allegany	0	0.0	0	0	0.0	0
	Garrett	1	1.2	275,000	0	0.0	0
	Washington	1	4.4	1,000,000	0	0.0	0
	Sub-Total :	2	5.6	1,275,000	0	0.0	0
IV Southern Maryland	Calvert	2	5.1	1,150,000	0	0.0	0
	Charles	1	0.8	180,000	1	1.3	180,000
	St. Mary's	0	0.0	0	0	0.0	0
	Sub-Total :	3	5.9	1,330,000	1	1.3	180,000
V Upper Eastern Shore	Caroline	1	1.1	250,000	1	1.8	250,000
	Kent	0	0.0	0	0	0.0	0
	Queen Anne's	0	0.0	0	0	0.0	0
	Talbot	0	0.0	0	0	0.0	0
	Sub-Total :	1	1.1	250,000	1	1.8	250,000
V Lower Eastern Shore	Dorchester	0	0.0	0	0	0.0	0
	Somerset	0	0.0	0	0	0.0	0
	Wicomico	2	4.4	1,001,000	0	0.0	0
	Worcester	0	0.0	0	0	0.0	0
	Sub-Total :	2	4.4	1,001,000	0	0.0	0
	TOTAL:	44	100	22,614,050	28	100	14,042,450

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Approved Report

7/1/2006 Through 6/30/2007

<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>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDF A Contract Financing Direct</i>									
9/21/2006	Great Gourmet, Inc., The	560401	\$350,000.00	0.0%	\$0.00	Caroline	\$350,000.00	0	11
9/21/2006	Rehab Plus Staffing Group, Inc.	6120101	\$550,000.00	0.0%	\$0.00	Prince George's	\$0.00	0	0
10/19/200	Defsec Readiness Group, Inc.	6160101	\$1,000,000.00	0.0%	\$0.00	Montgomery	\$0.00	0	0
11/16/200	PHS Group, Inc./PHS Engineering, Inc.	6290101	\$500,000.00	0.0%	\$0.00	Prince George's	\$700,000.00	6	1
12/14/200	D&T Welding Contractor, LP	4460201	\$150,000.00	0.0%	\$0.00	Baltimore City	\$150,000.00	1	2
12/14/200	WorldCare Medical Distributors, Inc.	6340101	\$50,000.00	0.0%	\$0.00	Baltimore	\$50,000.00	1	1
2/21/2007	Professional Maintenance Systems, Inc.	6560101	\$75,000.00	0.0%	\$0.00	Baltimore City	\$175,000.00	3	5
3/8/2007	Shining Mountain Steel, Inc.	6590101	\$100,000.00	0.0%	\$0.00	Baltimore	\$100,000.00	8	0
3/8/2007	Thomas Jones Contractor	6580102	\$150,000.00	0.0%	\$0.00	Prince George's	\$378,000.00	0	12
5/24/2007	Core Enterprises, LLC	6880201	\$250,000.00	0.0%	\$0.00	Baltimore	\$250,000.00	5	6
6/14/2007	Albatross Steel and Processing, Inc.	600301	\$150,000.00	0.0%	\$0.00	Calvert	\$150,000.00	10	20
Totals:		11 Loans	\$3,325,000.00		\$0.00		\$2,303,000.00	34	58
<i>MSBDF A Guaranty Fund Guaranty</i>									
8/24/2006	Stella May Contracting, Inc.	4290501	\$750,000.00	33.3%	\$250,050.00	Harford	\$0.00	3	78
9/21/2006	Black Olive Development Corporation	4120201	\$5,060,000.00	19.7%	\$996,820.00	Baltimore City	\$5,410,000.00	38	0
11/16/200	Liz Karafin, Inc.	4300301	\$50,000.00	60.0%	\$30,000.00	Montgomery	\$500,000.00	0	3
12/14/200	Navtrak, Inc.	4210301	\$1,250,000.00	80.0%	\$1,000,000.00	Wicomico	\$1,250,000.00	0	82
12/14/200	Stella May Contracting, Inc.	4290601	\$1,000,000.00	50.0%	\$500,000.00	Harford	\$250,000.00	3	80
Totals:		5 Loans	\$8,110,000.00		\$2,776,870.00		\$7,410,000.00	44	243
<i>MSBDF A Surety Bond Direct</i>									
7/18/2006	Capitol Hill Building Maintenance, Inc.	5920101	\$1,000,000.00	100.0%	\$1,000,000.00	Anne Arundel	\$1,000,000.00	30	87
9/21/2006	Jason Winter Paugh, Sr. t/a Backbone	6110101	\$275,000.00	100.0%	\$275,000.00	Garrett	\$275,000.00	3	2
10/19/200	CATI, Inc.	4020301	\$2,000,000.00	100.0%	\$2,000,000.00	Prince George's	\$2,550,000.00	10	17
10/19/200	Environmental Engineering & Construction	4060401	\$1,250,000.00	100.0%	\$1,250,000.00	Prince George's	\$0.00	0	0
11/16/200	JLN Construction Services, LLC	4380201	\$2,250,000.00	100.0%	\$2,250,000.00	Baltimore City	\$2,250,000.00	3	18

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>New Jobs</i>	<i>Retained Jobs</i>
2/21/2007	Professional Maintenance Systems, Inc.	6560102	\$100,000.00	100.0%	\$100,000.00	Baltimore City	\$0.00	0	0
3/8/2007	Thomas Jones Contractor	6580101	\$200,000.00	100.0%	\$200,000.00	Prince George's	\$0.00	0	0
3/21/2007	Environmental Engineering & Construction	4060601	\$2,000,000.00	100.0%	\$2,000,000.00	Prince George's	\$750,000.00	0	0
3/21/2007	Stella May Contracting, Inc.	4290701	\$2,000,000.00	100.0%	\$2,000,000.00	Harford	\$2,000,000.00	3	68
4/19/2007	D&T Welding Contractor, LP	4460301	\$650,000.00	100.0%	\$650,000.00	Baltimore City	\$800,000.00	8	5
4/19/2007	Service All, Inc.	6720101	\$500,000.00	100.0%	\$500,000.00	Prince George's	\$500,000.00	2	8
5/10/2007	Kennedy Fire Protection, LLC	6810101	\$2,000,000.00	100.0%	\$2,000,000.00	Harford	\$2,000,000.00	0	30
5/24/2007	Core Enterprises, LLC	6880101	\$1,050,000.00	100.0%	\$1,050,000.00	Baltimore	\$1,150,000.00	0	0
6/14/2007	Albatross Steel and Processing, Inc.	600201	\$1,000,000.00	100.0%	\$1,000,000.00	Calvert	\$1,000,000.00	10	20
Totals:		14 Loans	\$16,275,000.00		\$16,275,000.00		\$14,275,000.00	69	255
<i>MSBDFEA EPIP Guaranty</i>									
3/8/2007	Professional Mechanical Services, Inc.	6570102	\$401,400.00	100.0%	\$401,400.00	Prince George's	\$0.00	0	0
Totals:		1 Loan	\$401,400.00		\$401,400.00		\$0.00	0	0
<i>MSBDFEA EPIP Technology</i>									
3/8/2007	Odyssey Technologies, Inc.	4220401	\$200,000.00	0.0%	\$0.00	Prince George's	\$750,000.00	15	10
Totals:		1 Loan	\$200,000.00		\$0.00		\$750,000.00	15	10
<i>MSBDFEA EPIP Other Small Business</i>									
7/18/2006	Odyssey Technologies, Inc.	4220301	\$300,000.00	0.0%	\$0.00	Prince George's	\$300,000.00	11	10
9/21/2006	Rehab Plus Staffing Group, Inc.	6120102	\$200,000.00	0.0%	\$0.00	Prince George's	\$750,000.00	10	50
10/19/2006	Defsec Readiness Group, Inc.	6160102	\$500,000.00	0.0%	\$0.00	Montgomery	\$1,500,000.00	24	5
10/19/2006	Environmental Engineering & Construction	4060301	\$500,000.00	0.0%	\$0.00	Prince George's	\$500,000.00	0	0
10/19/2006	Paradise Hospitality Group, LLC	6190101	\$1,000,000.00	0.0%	\$0.00	Washington	\$1,100,000.00	15	25
1/17/2007	Keano, LLC	6400101	\$140,000.00	0.0%	\$0.00	Prince George's	\$2,850,000.00	0	25
3/8/2007	Midlantic Equipment Group, Inc.	6610101	\$400,000.00	0.0%	\$0.00	Baltimore	\$715,000.00	2	2
3/8/2007	Professional Mechanical Services, Inc.	6570101	\$55,000.00	0.0%	\$0.00	Prince George's	\$456,400.00	4	8
3/21/2007	Environmental Engineering & Construction	4060501	\$1,000,000.00	0.0%	\$0.00	Prince George's	\$500,000.00	10	30
6/14/2007	Poor Boy's Produce, Inc.	6940101	\$275,000.00	0.0%	\$0.00	Baltimore	\$275,000.00	0	11
6/14/2007	Professional Mechanical Services, Inc.	6570201	\$300,000.00	0.0%	\$0.00	Prince George's	\$300,000.00	0	0
Totals:		11 Loans	\$4,670,000.00		\$0.00		\$9,246,400.00	76	166

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>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDFA EPIP Franchise</i>									
9/21/2006	Meta, Inc./Certapro Painters of Columbia	6100101	\$60,000.00	0.0%	\$0.00	Howard	\$130,000.00	11	0
5/10/2007	Help U Sell Gerri Walker Nurse &	6820101	\$180,000.00	0.0%	\$0.00	Calvert	\$400,900.00	30	0
	Totals:	2 Loans	\$240,000.00		\$0.00		\$530,900.00	41	0
	Grand Totals:	45 Loans	\$33,221,400.00		\$19,453,270.00		\$34,515,300.00	279	732

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Settled Report

7/1/2006 Through 6/30/2007

<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>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDFa Contract Financing Direct</i>									
11/20/200	Great Gourmet, Inc., The	560401	\$350,000.00	0.0%	\$0.00	Caroline	\$350,000.00	0	11
1/17/2007	D&T Welding Contractor, LP	4460201	\$150,000.00	0.0%	\$0.00	Baltimore City	\$150,000.00	1	2
2/12/2007	PHS Group, Inc./PHS Engineering, Inc.	6290101	\$500,000.00	0.0%	\$0.00	Prince George's	\$700,000.00	6	1
2/20/2007	WorldCare Medical Distributors, Inc.	6340101	\$50,000.00	0.0%	\$0.00	Baltimore	\$50,000.00	1	1
6/21/2007	Professional Maintenance Systems, Inc.	6560101	\$75,000.00	0.0%	\$0.00	Baltimore City	\$175,000.00	3	5
6/29/2007	Core Enterprises, LLC	6880201	\$250,000.00	0.0%	\$0.00	Baltimore	\$250,000.00	5	6
	Totals:	6 Loans	\$1,375,000.00		\$0.00		\$1,675,000.00	16	26
<i>MSBDFa Contract Financing Guaranty</i>									
9/27/2006	MidAtlantic Broadband of Maryland, Inc.	4080501	\$800,000.00	90.0%	\$720,000.00	Baltimore City	\$0.00	0	0
	Totals:	1 Loan	\$800,000.00		\$720,000.00		\$0.00	0	0
<i>MSBDFa Guaranty Fund Guaranty</i>									
8/2/2006	Odyssey SST Bus & Truck Repair, Inc.	5720101	\$801,600.00	50.0%	\$400,800.00	Prince George's	\$1,748,000.00	7	7
9/27/2006	MidAtlantic Broadband of Maryland, Inc.	4080401	\$1,845,500.00	54.0%	\$996,570.00	Baltimore City	\$1,400,000.00	4	15
10/5/2006	Stella May Contracting, Inc.	4290501	\$750,000.00	33.3%	\$250,050.00	Harford	\$0.00	3	78
1/17/2007	Stella May Contracting, Inc.	4290601	\$1,000,000.00	50.0%	\$500,000.00	Harford	\$250,000.00	3	80
	Totals:	4 Loans	\$4,397,100.00		\$2,147,420.00		\$3,398,000.00	17	180
<i>MSBDFa Surety Bond Direct</i>									
7/10/2006	D&T Welding Contractor, LP	4460101	\$600,000.00	100.0%	\$600,000.00	Baltimore City	\$450,000.00	3	3
11/20/200	Environmental Engineering & Construction	4060401	\$1,250,000.00	100.0%	\$1,250,000.00	Prince George's	\$0.00	0	0
12/18/200	CATI, Inc.	4020301	\$2,000,000.00	100.0%	\$2,000,000.00	Prince George's	\$2,550,000.00	10	17
1/17/2007	JLN Construction Services, LLC	4380201	\$2,250,000.00	100.0%	\$2,250,000.00	Baltimore City	\$2,250,000.00	3	18
4/11/2007	Stella May Contracting, Inc.	4290701	\$2,000,000.00	100.0%	\$2,000,000.00	Harford	\$2,000,000.00	3	68
5/16/2007	D&T Welding Contractor, LP	4460301	\$650,000.00	100.0%	\$650,000.00	Baltimore City	\$800,000.00	8	5
5/22/2007	Kennedy Fire Protection, LLC	6810101	\$2,000,000.00	100.0%	\$2,000,000.00	Harford	\$2,000,000.00	0	30

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

<i>Settled Date</i>	<i>Client Name</i>	<i>Loan #</i>	<i>Loan Guarantor</i>	<i>Loan Amount</i>	<i>County Percentage</i>	<i>Total Project Guarantee</i>	<i>New Retained</i>	<i>Costs</i>	<i>Jobs</i>	<i>Jobs</i>
6/21/2007	Professional Maintenance Systems, Inc.		6560102	\$100,000.00	100.0%	\$100,000.00	Baltimore City	\$0.00	0	0
6/29/2007	Core Enterprises, LLC		6880101	\$1,050,000.00	100.0%	\$1,050,000.00	Baltimore	\$1,150,000.00	0	0
Totals:		9 Loans		\$11,900,000.00		\$11,900,000.00		\$11,200,000.00	27	141
<i>MSBDFEA EPIP Business Acquisition</i>										
9/27/2006	MidAtlantic Broadband/Economic		4090102	\$358,414.55	0.0%	\$0.00	Howard	\$500,000.00	20	5
9/27/2006	MidAtlantic Broadband/Economic		4090301	\$500,000.00	0.0%	\$0.00	Howard	\$0.00	0	17
Totals:		2 Loans		\$858,414.55		\$0.00		\$500,000.00	20	22
<i>MSBDFEA EPIP Technology</i>										
9/27/2006	MidAtlantic Metro Broadband Services, Inc.		4200202	\$62,955.83	0.0%	\$0.00	Baltimore City	\$0.00	10	4
6/19/2007	Odyssey Technologies, Inc.		4220401	\$200,000.00	0.0%	\$0.00	Prince George's	\$750,000.00	15	10
Totals:		2 Loans		\$262,955.83		\$0.00		\$750,000.00	25	14
<i>MSBDFEA EPIP Other Small Business</i>										
7/28/2006	Odyssey Technologies, Inc.		4220301	\$300,000.00	0.0%	\$0.00	Prince George's	\$300,000.00	11	10
11/20/2006	Environmental Engineering & Construction		4060301	\$500,000.00	0.0%	\$0.00	Prince George's	\$500,000.00	0	0
6/28/2007	Professional Mechanical Services, Inc.		6570101	\$55,000.00	0.0%	\$0.00	Prince George's	\$456,400.00	4	8
6/28/2007	Professional Mechanical Services, Inc.		6570201	\$300,000.00	0.0%	\$0.00	Prince George's	\$300,000.00	0	0
Totals:		4 Loans		\$1,155,000.00		\$0.00		\$1,556,400.00	15	18
<i>MSBDFEA EPIP Franchise</i>										
12/18/2006	Meta, Inc./Certapro Painters of Columbia		6100101	\$60,000.00	0.0%	\$0.00	Howard	\$130,000.00	11	0
6/22/2007	Help U Sell Gerri Walker Nurse &		6820101	\$180,000.00	0.0%	\$0.00	Calvert	\$400,900.00	30	0
Totals:		2 Loans		\$240,000.00		\$0.00		\$530,900.00	41	0
Grand Totals:		30 Loans		\$20,988,470.38		\$14,767,420.00		\$19,610,300.00	161	401