

DIVISION OF FINANCE PROGRAMS
MARYLAND SMALL BUSINESS
DEVELOPMENT FINANCING
AUTHORITY

(MSBDFA)

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2008
ECONOMIC DEVELOPMENT
ARTICLE

SECTION
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Maryland Department of Business and Economic Development

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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, 2008.....	3
Contract Financing Program.....	3
Long Term Guaranty Program.....	3
Surety Bond Program.....	4
Equity Participation Investment Program.....	4
Program Highlights for Fiscal Year 2008.....	5
Graduations.....	5
Delinquency & Default Status as of June 30, 2008.....	5
Equity Participation Investment Program (EPIP).....	6
Geographic Distribution of MSBDFA.....	7
Exhibits	
List of Approved Activity 07/01/07 – 06/30/08.....	8
List of Closed (Settled) Activity 07/01/07 – 06/30/08.....	10

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 \$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 722 transactions for nearly 488 businesses since operations begin in January 1980. Financial assistance for these transactions totaled approximately \$145.4 million. The MSBDFA program has had a substantial impact on Maryland's economy by helping local businesses create and retain approximately 17,700 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 four (4) accounts in the portfolio, which consists of seventy (77) accounts, during fiscal year 2008. The charge offs were in the amount of \$737,652, and the program recovered \$81,850 from prior years charge offs. During the last 5 years, the program incurred aggregate net losses and claims paid of \$689,096 on average total outstanding loan balances equal to \$17,099,000. This equates to a loss rate of 4.0%. 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.

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 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 (77) transactions with an aggregate exposure equal to \$29.9 million. As of June 30, 2008, seven (7) additional loans were pending settlement requiring a \$3.2 million commitment of funds from the program. Additionally, requests for another sixteen (16) loans that would require a \$3.8 million commitment of funds are under consideration.

CONTRACT FINANCING PROGRAM

Performance Since Inception

Since the program began, 276 transactions have been settled totaling \$40.6 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 2008

During fiscal year 2008, fifteen (15) applications were approved for financing totaling \$4.6 million. Eight (8) loans settled for a total of \$1.5 million, including two (2) transactions in the amount of \$300,000 that were approved in the prior fiscal year. Six (6) approvals in the amount of \$2,995,000 are anticipated to settle in the next fiscal year and two approvals in the amount of \$300,000 were withdrawn or rescinded. Total exposure for the Contract Financing component of the program as of the end of the fiscal year was \$6.1 million covering nineteen (19) loans. Four (4) loans totaling \$1.8 million were renewed during the fiscal year.

Projected Performance for FY 2009

The program projects the approval of fourteen (14) applications during FY 2009. Approximately 11 of these approvals are anticipated to close. The total amount of funds extended is projected to be \$2.8 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 of minimal use of the guaranty capability under Contract Financing will probably continue 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 279 financings by banks and other lending institutions totaling \$51.9 million since legislation was enacted to commence program operations in 1984.

Program Performance 2008

During fiscal year 2008, nine (9) applications were approved for \$8.9 million, requiring guarantee support by the program of \$3.1 million. The program settled six (6) guarantee transactions for \$7.9 million. One approval in the amount of \$500,000 is anticipated to settle in the next fiscal year, and two (2) approvals in the amount of \$449,000 expired or were rescinded.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Projected Performance for FY 2009

A significant level of marketing activity conducted by Meridian Management Group during the last quarter of fiscal year 2008 was directed toward the commercial banking community, and emphasized the value of the Guaranty Fund. This effort is anticipated to generate a moderate increase in guarantee transactions in FY 2009. A total of fourteen (14) loans are projected to be approved during fiscal year 2009. At least ten (10) are projected to close, requiring the commitment of program funds equal to approximately \$3.7 million.

SURETY BOND PROGRAM

Performance Since Inception

Eighty Four (84) projects have settled with bonds issued directly, or guaranteed, by the MSBDFFA program since inception of the program in 1984. This equates to approximately \$38.9 million of financial assistance since inception. During this time period, three (3) claims equal to approximately \$300,000 have been paid as a result of defaults by companies using the program.

Program Performance 2008

During fiscal year 2008, seven (7) applications were approved for a total of \$4.6 million. Five (5) surety bond transactions closed, including two transactions in the amount of \$1,125,000 that were approved in the prior fiscal year. These transactions required the commitment of \$2.4 million in program funds. Four approvals in the amount of \$3.4 million were withdrawn or rescinded. There were twelve (12) bonding lines in the portfolio as of June 30, 2008 with bonds outstanding totaling \$6.6 million. Total commitments under the bonding lines of credit totaled \$13.2 million. Two (2) bonding lines, equal to \$3.25 million, were renewed during the fiscal year.

Projected Performance for FY 2009

The program projects the approval of approximately \$7.2 million during FY 2009 to facilitate bonding for twelve (12) businesses. Approximately nine (9) transactions are projected to settle and provide an estimated \$5.4 million of assistance. 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 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 eighty three (83) loans or equity investments since inception of the program in 1987. The assistance provided is equal to approximately \$14.0 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 2008

During fiscal year 2008, six (6) loans were approved for a total of \$452,500. Six (6) loans closed, including one (1) transaction in the amount of \$275,000 that was approved in the prior fiscal year. These transactions required the commitment of \$587,500 in program funds. One (1) loan approval in the amount of \$140,000 was rescinded. There were twenty eight (28) active accounts as of June 30, 2008, with aggregate outstanding balances of \$5.8 million.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Projected Performance for FY 2009

The program projects approval of ten (10) applications during FY 2009. Eight (8) transactions are anticipated to settle during the fiscal year requiring the commitment of approximately \$2.6 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 Summary for Fiscal Year 2008

During fiscal year 2008, MSBDFDA approved a total of thirty seven (37) financing transactions for both new and existing clients. The Contract Financing component had fifteen (15) approved requests for a total of \$4.6 million. The Guaranty Fund component had nine (9) approved requests for a total of \$3.1million. The Surety Bond component had seven (7) approved requests totaling \$4.6 million. The Equity Participation Investment Program component had six (6) approved requests totaling \$452,500.

In addition, MSBDFDA approved seven (7) renewals of existing credit facilities totaling \$5.3 million. The renewals were for four (4) clients using the Contract Financing component for \$1.8 million, one (1) client using the Guaranty Fund component in the amount of \$250,000 and two (2) clients using the Surety Bond component in the amount of \$3.2 million.

During that same period, twenty-five (25) transactions were settled in the form of loans, guaranties and surety bonds, totaling \$12.5 million, with an insured amount of \$7.1 million,. The allocation by program is: eight (8) transactions under the Contract Financing component equal to \$1.5 million; six (6) transactions under the Guaranty Fund component requiring \$2.6 million of insurance; five (5) Surety Bonds equal to \$2.4 million and six (6) EPIP transactions equal to \$587,500.

Graduations for Fiscal Year 2008

Small businesses that progress beyond the need for financial assistance from the MSBDFDA 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 MSBDFDA 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 four (4) companies listed below graduated from the MSBDFDA program:

GRADUATIONS FY 08

PROGRAM	BORROWER	ORIGINAL LOAN AMOUNT
Contract Financing	Victory Global Solution, Inc.	\$500,000
Guaranty Fund	Mahogany, Inc.	250,000
Guaranty Fund	M&TD Bistro	\$910,000
EPIP	Marcus Express, Inc.	\$220,000

Problem Loan Status as of June 30, 2008

Problem loans are designated as “Special Assets”. As of June 30, 2008, 13 non-performing accounts with aggregate outstanding exposure of \$2,359,000 were designated as Special Assets, and are part of the current MSBDFDA portfolio. These consist of three (3) Contract Financing, three (3) Guaranty Fund, and seven (7) EPIP transactions. The Contract Financing accounts have an aggregate principal balance outstanding equal to \$521,000. The Guaranty Fund accounts have an aggregate principal balance outstanding equal to \$668,000. The EPIP accounts

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

have an aggregate principal balance outstanding equal to \$1,170,000. 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 five (5) Special Asset accounts from prior years are no longer part of the current MSBDFA portfolio, but continue to be a focus of long term collection efforts. These accounts have aggregate outstanding loan balances equal to \$1,068,000.

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 six (6) accounts with a balance outstanding equal to \$867,031. Two (2) of this group with a balance outstanding equal to \$128,053 are designated as Special Assets Unit (SAU) accounts.

Business Acquisition Component

There are five (5) accounts with a balance outstanding equal to \$1,231,164.

Technology Component

There are ten (10) accounts with a balance outstanding equal to \$2,270,446. Three (3) of this group with a balance outstanding equal to \$530,743 are designated as Special Assets Unit (SAU) accounts.

Other Business Types

There are eight (8) accounts with a balance outstanding equal to \$1,264,535. Three (3) of this group with a balance outstanding equal to \$830,847 are designated as Special Assets Unit (SAU) accounts.

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

Geographical Distribution of MSBDFA
Loans and Guarantees FY 2008

Region*	County	Approved			Closed		
		No.	%	Original Expos.	No.	%	Original Expos.
			Total Amt	Loan Amt.		Total Amt	Loan Amt.
I Central Maryland	Anne Arundel	1	1.2	150,000	0	0	0
	Baltimore City	12	46.7	5,995,500	5	27.0	1,910,320
	Baltimore	4	6.3	804,300	2	6.0	425,000
	Carroll	3	4.3	550,000	3	7.8	550,000
	Cecil	0	0.0	0	0	0.0	0
	Howard	1	1.6	200,000	1	2.8	200,000
	Harford	1	2.7	350,000	1	4.9	350,000
	Sub-Total :	22	62.8	8,049,800	12	48.5	3,435,320
II Greater Washington	Frederick	3	14.0	1,800,000	0	0.0	0
	Montgomery	3	5.1	650,000	2	0.7	50,000
	Prince George's	7	16.1	2,065,000	7	30.7	2,175,000
	Sub-Total :	13	35.2	4,515,000	9	31.4	2,225,000
III Western Maryland	Allegany	0	0.0	0	0	0.0	0
	Garrett	1	1.9	250,000	1	3.5	250,000
	Washington	0	0.0	0	0	0.0	0
	Sub-Total :	1	1.9	250,000	1	3.5	250,000
IV Southern Maryland	Calvert	0	0.0	0	2	16.2	1,150,000
	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	2	16.2	1,150,000
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	0	0.0	0	0	0.0	0
	Talbot	0	0.0	0	0	0.0	0
	Sub-Total :	0	0.0	0	0	0.0	0
V Lower Eastern Shore	Dorchester	0	0.0	0	0	0.0	0
	Somerset	0	0.0	0	0	0.0	0
	Wicomico	1	0.2	25,000	1	0.4	25,000
	Worcester	0	0.0	0	0	0.0	0
	Sub-Total :	1	0.2	25,000	1	0.4	25,000
	TOTAL:	37	100	22,614,050	25	100	7,085,320

Approved Report

7/1/2007 Through 6/30/2008

<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>
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MSBDF A Contract Financing Direct

7/12/2007	Hoke Construction Solutions, LLC	7030102	\$50,000.00	0.0%	\$0.00	Frederick	\$200,000.00	3	3
8/23/2007	D.H. Porter Enterprises, LLC	7190101	\$250,000.00	0.0%	\$0.00	Prince George's	\$250,000.00	0	150
10/11/200	Aqua Free Facilities Services, Inc.	7280101	\$40,000.00	0.0%	\$0.00	Prince George's	\$40,000.00	5	10
11/1/2007	Datta Consultants, Inc.	7350101	\$150,000.00	0.0%	\$0.00	Baltimore	\$150,000.00	2	8
11/8/2007	Mainstreet Technologies, Inc.	7360101	\$250,000.00	0.0%	\$0.00	Baltimore City	\$250,000.00	0	25
12/13/200	Consolidated Services, Inc/Consol.	7500101	\$350,000.00	0.0%	\$0.00	Harford	\$350,000.00	14	22
2/14/2008	Thomas Jones Contractor	6580201	\$275,000.00	0.0%	\$0.00	Prince George's	\$275,000.00	0	12
3/12/2008	Kinion, LLC	7670101	\$200,000.00	0.0%	\$0.00	Howard	\$200,000.00	52	14
3/24/2008	InfoTech & Telecom Engineering Institute,	7950101	\$500,000.00	0.0%	\$0.00	Montgomery	\$500,000.00	10	5
4/17/2008	Bore-It, Inc.	8080101	\$80,000.00	0.0%	\$0.00	Baltimore	\$80,000.00	0	11
4/17/2008	Thomas Construction, LLC	8090101	\$150,000.00	0.0%	\$0.00	Allegany	\$150,000.00	2	8
5/8/2008	Flight Fab, Inc.	7910101	\$470,000.00	0.0%	\$0.00	Baltimore	\$470,000.00	8	35
6/12/2008	Proverbs 31 Investments, LLC	8150101	\$25,000.00	0.0%	\$0.00	Prince George's	\$25,000.00	0	0
6/24/2008	Mainstreet Technologies, Inc.	7360301	\$1,500,000.00	0.0%	\$0.00	Baltimore City	\$1,500,000.00	74	23
6/24/2008	TRW Price Construction, LLC	8190101	\$250,000.00	0.0%	\$0.00	Baltimore City	\$250,000.00	10	4
Totals:		15 Loans	\$4,540,000.00		\$0.00		\$4,690,000.00	180	330

MSBDF A Guaranty Fund Guaranty

7/12/2007	Black Olive Development Corporation	4120401	\$5,060,000.00	19.7%	\$996,820.00	Baltimore City	\$7,355,000.00	38	0
8/3/2007	Investors One Housing Corporation	7130101	\$300,000.00	75.0%	\$225,000.00	Howard	\$395,000.00	3	35
10/11/200	Cambridge Industries, Inc.	7240101	\$570,000.00	80.0%	\$456,000.00	Baltimore City	\$630,000.00	0	33
10/11/200	Stella May Contracting, Inc.	4290801	\$1,000,000.00	65.0%	\$650,000.00	Harford	\$1,500,000.00	0	80
10/11/200	Stella May Contracting, Inc.	4290802	\$500,000.00	50.0%	\$250,000.00	Harford	\$0.00	0	0
11/8/2007	HLB Properties, LLC	7370101	\$200,000.00	80.0%	\$160,000.00	Carroll	\$5,544,000.00	5	33
11/20/200	B&B Trash Company, Inc.	7420101	\$149,000.00	70.0%	\$104,300.00	Baltimore	\$149,000.00	2	4
3/24/2008	Genesis Learning, Inc.	7660101	\$1,400,000.00	40.0%	\$560,000.00	Prince George's	\$1,400,000.00	10	56

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>
3/24/2008	Timeout, Inc.	7850101	\$200,000.00	80.0%	\$160,000.00	Carroll	\$200,000.00	0	55
4/17/2008	Wheeler Automotive, Inc.	8100101	\$500,000.00	50.0%	\$250,000.00	Carroll	\$500,000.00	0	24
5/8/2008	DoraTech Solutions, LLC	7870101	\$500,000.00	50.0%	\$250,000.00	Baltimore City	\$500,000.00	10	0
Totals:		11 Loans	\$10,379,000.00		\$4,062,120.00		\$18,173,000.00	68	320
<i>MSBDF A Surety Bond Direct</i>									
7/12/2007	Hoke Construction Solutions, LLC	7030101	\$100,000.00	0.0%	\$0.00	Frederick	\$0.00	0	0
9/14/2007	Wycliffe Enterprises, Inc.	7180101	\$1,600,000.00	0.0%	\$0.00	Frederick	\$1,600,000.00	2	5
11/20/200	C.L. Myles Contracting Company, Inc.	7430101	\$781,000.00	0.0%	\$0.00	Baltimore City	\$781,000.00	0	9
3/24/2008	Earth & Tree, LLC	7940101	\$250,000.00	0.0%	\$0.00	Garrett	\$250,000.00	4	5
5/8/2008	Mainstreet Technologies, Inc.	7360201	\$270,000.00	0.0%	\$0.00	Baltimore City	\$270,000.00	17	23
5/8/2008	STAR Associates, Inc.	7930101	\$826,000.00	0.0%	\$0.00	Baltimore City	\$826,000.00	0	65
6/12/2008	Environmental Engineering & Construction	4060701	\$2,000,000.00	0.0%	\$0.00	Prince George's	\$2,000,000.00	0	0
Totals:		7 Loans	\$5,827,000.00		\$0.00		\$5,727,000.00	23	107
<i>MSBDF A EPIP Other Small Business</i>									
7/12/2007	Keano, LLC	6400201	\$140,000.00	0.0%	\$0.00	Prince George's	\$2,850,000.00	0	25
8/23/2007	Navtrak, Inc.	4210401	\$25,000.00	0.0%	\$0.00	Wicomico	\$1,300,000.00	0	82
10/11/200	Athletic Footwear Express, Inc.	7290101	\$130,750.00	0.0%	\$0.00	Baltimore City	\$180,750.00	0	3
10/11/200	Donmarc Enterprises, LLC	7300101	\$56,750.00	0.0%	\$0.00	Baltimore City	\$227,000.00	0	2
1/17/2008	Aqua Free Facilities Services, Inc.	7280201	\$10,000.00	0.0%	\$0.00	Prince George's	\$10,000.00	0	0
Totals:		5 Loans	\$362,500.00		\$0.00		\$4,567,750.00	0	112
<i>MSBDF A EPIP Franchise</i>									
7/12/2007	Optimal Health and Nutrition, Inc.	7040101	\$90,000.00	0.0%	\$0.00	Prince George's	\$200,000.00	4	0
Totals:		1 Loan	\$90,000.00		\$0.00		\$200,000.00	4	0
Grand Totals:		39 Loans	\$21,198,500.00		\$4,062,120.00		\$33,357,750.00	275	869

Settled Report

7/1/2007 Through 6/30/2008

<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>									
9/5/2007	Thomas Jones Contractor	6580102	\$150,000.00	0.0%	\$0.00	Prince George's	\$378,000.00	0	12
10/30/200	Albatross Steel and Processing, Inc.	600202	\$150,000.00	0.0%	\$0.00	Calvert	\$1,000,000.00	10	20
11/14/200	D.H. Porter Enterprises, LLC	7190101	\$250,000.00	0.0%	\$0.00	Prince George's	\$250,000.00	0	150
2/6/2008	Datta Consultants, Inc.	7350101	\$150,000.00	0.0%	\$0.00	Baltimore	\$150,000.00	2	8
2/12/2008	Consolidated Services, Inc/Consol.	7500101	\$350,000.00	0.0%	\$0.00	Harford	\$350,000.00	14	22
4/28/2008	Thomas Jones Contractor	6580201	\$275,000.00	0.0%	\$0.00	Prince George's	\$275,000.00	0	12
5/6/2008	Kinion, LLC	7670101	\$200,000.00	0.0%	\$0.00	Howard	\$200,000.00	52	14
6/10/2008	Aqua Free Facilities Services, Inc.	7280101	\$40,000.00	0.0%	\$0.00	Prince George's	\$40,000.00	5	10
	Totals:	8 Loans	\$1,565,000.00		\$0.00		\$2,643,000.00	83	248
<i>MSBDFa Guaranty Fund Guaranty</i>									
11/9/2007	Stella May Contracting, Inc.	4290801	\$1,000,000.00	65.0%	\$650,000.00	Harford	\$1,500,000.00	0	80
11/9/2007	Stella May Contracting, Inc.	4290802	\$500,000.00	50.0%	\$250,000.00	Harford	\$0.00	0	0
11/30/200	Cambridge Industries, Inc.	7240101	\$570,000.00	80.0%	\$456,000.00	Baltimore City	\$630,000.00	0	33
12/28/200	HLB Properties, LLC	7370101	\$200,000.00	80.0%	\$160,000.00	Carroll	\$5,544,000.00	5	33
1/25/2008	Black Olive Development Corporation	4120401	\$5,060,000.00	19.7%	\$996,820.00	Baltimore City	\$7,355,000.00	38	0
4/24/2008	Timeout, Inc.	7850101	\$200,000.00	80.0%	\$160,000.00	Carroll	\$200,000.00	0	55
4/30/2008	Genesis Learning, Inc.	7660101	\$1,400,000.00	40.0%	\$560,000.00	Prince George's	\$1,400,000.00	10	56
6/11/2008	Wheeler Automotive, Inc.	8100101	\$500,000.00	50.0%	\$250,000.00	Carroll	\$500,000.00	0	24
	Totals:	8 Loans	\$9,430,000.00		\$3,482,820.00		\$17,129,000.00	53	281
<i>MSBDFa Surety Bond Direct</i>									
10/30/200	Albatross Steel and Processing, Inc.	600201	\$1,000,000.00	0.0%	\$0.00	Calvert	\$0.00	0	0
6/25/2008	Mainstreet Technologies, Inc.	7360201	\$270,000.00	0.0%	\$0.00	Baltimore City	\$270,000.00	17	23
6/27/2008	Earth & Tree, LLC	7940101	\$250,000.00	0.0%	\$0.00	Garrett	\$250,000.00	4	5
6/30/2008	Environmental Engineering & Construction	4060701	\$2,000,000.00	0.0%	\$0.00	Prince George's	\$2,000,000.00	0	0
	Totals:	4 Loans	\$3,520,000.00		\$0.00		\$2,520,000.00	21	28

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>New Jobs</i>	<i>Retained Jobs</i>
<i>MSBDFEA EPIP Other Small Business</i>									
9/21/2007	Poor Boy's Produce, Inc.	6940101	\$275,000.00	0.0%	\$0.00	Baltimore	\$275,000.00	0	11
12/1/2007	Odyssey Technologies, Inc.	4220302	\$300,000.00	0.0%	\$0.00	Prince George's	\$0.00	0	0
12/27/200	Navtrak, Inc.	4210401	\$25,000.00	0.0%	\$0.00	Wicomico	\$1,300,000.00	0	82
3/12/2008	Athletic Footwear Express, Inc.	7290101	\$130,750.00	0.0%	\$0.00	Baltimore City	\$180,750.00	0	3
3/12/2008	Donmarc Enterprises, LLC	7300101	\$56,750.00	0.0%	\$0.00	Baltimore City	\$227,000.00	0	2
6/10/2008	Aqua Free Facilities Services, Inc.	7280201	\$10,000.00	0.0%	\$0.00	Prince George's	\$10,000.00	0	0
	Totals:	6 Loans	\$797,500.00		\$0.00		\$1,992,750.00	0	98
<i>MSBDFEA EPIP Franchise</i>									
8/29/2007	Optimal Health and Nutrition, Inc.	7040101	\$90,000.00	0.0%	\$0.00	Prince George's	\$200,000.00	4	0
	Totals:	1 Loan	\$90,000.00		\$0.00		\$200,000.00	4	0
	Grand Totals:	27 Loans	\$15,402,500.00		\$3,482,820.00		\$24,484,750.00	161	655