

OPENTHEBOOKS.COM | AMERICAN TRANSPARENCY

U.S. SMALL BUSINESS ADMINISTRATION

QUANTIFYING LENDING PRACTICES FY2014 – FY2018



OPEN THE BOOKS OVERSIGHT REPORT



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SMALL BUSINESS ADMINISTRATION

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OPEN THE BOOKS OVERSIGHT REPORT

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Thomas W. Smith – Chairman of OpenTheBooks.com

“Open the Books is doing the work I envisioned when the Coburn-Obama bill became law. Their innovative app and other tools are putting sunlight through a magnifying glass.” March 11, 2014

Dr. Tom Coburn, Honorary Chairman of OpenTheBooks.com

OUR REPORT MADE POSSIBLE BY:

The “Federal Funding Accountability and Transparency Act of 2006”

Sponsors: Sen. Tom Coburn (R-OK) & Sen. Barack Obama (D-IL)

(Public Law 109-282, 109th Congress)

“Is the spending in the public interest or the special interest?”

– U.S. Sen. Tom Coburn

“I know that restoring transparency is not only the surest way to achieve results, but also to earn back the trust in government...”

– U.S. Sen. Barack Obama

PROLOGUE

The public's support of small business is as American as apple pie. And for good reason. Success of mom and pop businesses on Main Street is an important part of the American Dream. Small businesses strengthen our communities and grow our economy.

The U.S. Small Business Administration (SBA) is the federal agency charged with helping "Americans start, build and grow businesses." The administrator of the SBA is a cabinet-level position with discretion over billions of dollars and bully-pulpit power in its own right.

Taxpayers deserve to know how the agency is performing. Our *OpenTheBooks Oversight Report: Small Business Administration – Quantifying Lending Practices* reviewed the last five years (FY2014-FY2018). More than \$168.9 billion in loans and insurance guarantees were obligated and awarded

Our report looks at where the money went.

Unfortunately, struggling mom and pop shops weren't always the top recipients.

Small businesses in Beverly Hills, California received \$117 million. Specific recipients included doctors with practices on Wilshire Boulevard, a couture high fashion design school, and retailers selling alligator leather belts for \$750 and cowboy boots for \$3,400. A 30-year importer of French wine received \$1.75 million and \$2.155 million supported an eyeglass designer whose frames are worn by Tom Cruise and Brad Pitt.

Since FY2007, our auditors quantified more than \$280 million in lending to private country clubs, beach clubs, swim clubs, tennis clubs and yacht clubs across America – \$120 million flowed to these exclusive clubs during the five-years covered by this report.

Additionally, significant SBA lending went to Wall Street rather than Main Street. For instance, \$12.2 billion in lending flowed to highly capitalized venture capital, mezzanine finance firms, private investor funds and investment pools, none of which are traditional small businesses.

Our auditors found extensive SBA lending to business that cater to wealthy and exclusive lifestyles, i.e. luxury resorts, plastic surgery clinics, high-end spas, exclusive diamond brokers, and more. The SBA lending portfolio includes million-dollar loans to exclusive Rolex jewelers, Napa/Sonoma Valley wineries, aesthetic enhancement clinics, luxury pet resorts, and much more.

Our report shows that the SBA is in dire need of oversight. The public should be asking these hard questions:

How were these industries and subsidies chosen?

Why should working and middle-class citizens subsidize these businesses?

During a period of unprecedented economic prosperity, why is the SBA lending so much via million-dollar plus loans?

Why is the SBA lending to the Wall Street bankers?

When the SBA approves a loan, taxpayer money is used to favor one business over another. Is the SBA qualified to make these determinations?

Who We Are

American Transparency (website: OpenTheBooks.com) is a public charity. We do not accept government money. Our oversight reports present hard data so citizens, media, think tanks, politicians, and watchdogs can "follow the money." Our goal is to enhance public discourse with delineated facts.



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TOP 10 TAKEAWAYS

1. **\$168.9 billion in taxpayer obligations:** The SBA approved 543,081 loans for \$168.9 billion during a four-year period (FY2014-FY2018). It's a 52-percent increase in lending between 2014 – 2018. Year-over-year, there's a 17-percent increase (2017-2018).

SBA Lending – Year-Over-Year

FISCAL YEAR	TOTAL OF LOANS	NUMBER OF LOANS	AVERAGE LOAN VALUE
2014	\$26,740,266,962	64,285	\$415,964
2015	\$31,343,360,248	80,825	\$387,793
2016	\$33,333,955,197	95,362	\$349,552
2017	\$34,702,397,832	96,017	\$361,419
2018	\$40,584,672,822	206,592	\$196,448

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

2. **\$16.5 billion bad debt portfolio:** The SBA charged-off \$16.5 billion during the last nine years (FY2010-FY2018). Typically, bad debt experience isn't realized until five-years after the origination of the loan. So, years 2015 through 2018 will continue to show an even worse experience as the loans mature.

CHARGE-OFF LOANS BY YEAR (FAILED LENDING)

FISCAL YEAR	TOTAL OF ALL LOANS	BAD DEBT	BAD DEBT PERCENTAGE
2010	\$19,077,266,811	\$2,548,099,012	13.36%
2011	\$27,406,358,459	\$2,373,259,901	8.66%
2012	\$25,347,328,901	\$2,320,051,267	9.15%
2013	\$28,515,726,128	\$2,044,826,625	7.17%
2014	\$26,740,266,962	\$1,586,654,972	5.93%
2015	\$31,343,360,248	\$2,010,701,416	N/A
2016	\$33,333,955,197	\$1,829,888,314	N/A
2017	\$34,702,397,832	\$975,275,522	N/A
2018	\$40,584,672,822	\$808,085,965	N/A

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

3. **1,633% increase in disaster assistance lending.** In 2014, disaster loans amounting to \$426.6 million went to 6,244 recipients. By 2018, \$7.4 billion flowed to 140,249 recipients.

DISASTER LENDING—YEAR-OVER-YEAR

FISCAL YEAR	TOTAL OF LOANS	NUMBER OF LOANS	AVERAGE LOAN VALUE
2014	\$426,628,596	6,244	\$68,326
2015	\$412,929,958	11,448	\$36,070
2016	\$1,445,840,800	25,235	\$57,295
2017	\$1,765,921,442	27,264	\$64,771
2018	\$7,394,769,005	140,249	\$52,726

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

- 4. **A top-heavy loan portfolio:** \$1+ million loans comprise 57-percent of the SBA portfolio, or \$94 billion. Face amounts of \$500,000 or more represent 75-percent of all loans during the past five-years or \$120 billion since 2014.

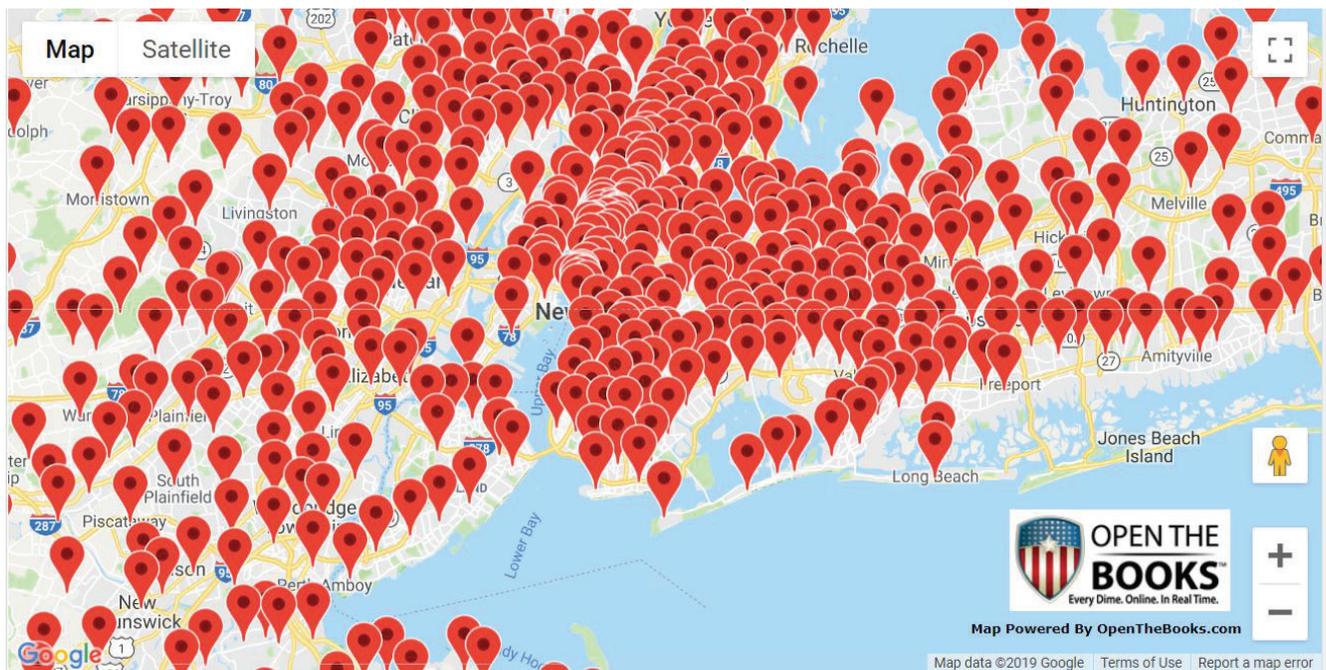
BANDED BY VALUE OF LOAN—SBA LOAN PORTFOLIO

VALUE OF LOAN	NUMBER OF LOANS	TOTAL LENDING
\$10,000,000+	277	\$11,116,355,000
\$5,000,000 - \$9,999,999	1,158	\$5,862,106,515
\$2,500,000 - \$4,999,999	8,920	\$29,885,906,386
\$1,000,000 - \$2,499,999	30,677	\$47,080,954,322
\$500,000 - \$999,999	37,696	\$26,302,859,163
\$250,000 - \$499,999	56,546	\$19,548,673,777
\$100,000 - \$249,999	104,724	\$15,711,383,954
\$50,000 - \$99,999	85,700	\$5,656,137,947
LESS THAN \$50,000	230,043	\$4,790,055,423

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

- 5. **Mapping the million-dollar loans:** 40,743 entities received a \$1+ million SBA loan (2014-2018) and over 75,000 businesses received million-dollar loans since 2007. On average, that’s a \$1+ million loan for two of every three communities across America.

**WHO IN YOUR AREA HAS WON THE \$1 MILLION SBA LOTTERY PRIZE?
SEARCH OUR MAP OF \$1+ MILLION SBA LOANS (2014-2018)**



- 6. **Beverly Hills, CA:** \$117 million flowed into businesses in Beverly Hills, California (90210, 90211, & 90212) and included loans and guarantees to a 30-year importer of French wine (\$1.75 million) and an eyeglass designer (\$2.2 million) whose frames are worn by actors Tom Cruise and Brad Pitt.

- 7. **Wealthy Lifestyle Lending:** \$120 million flowed to private country clubs, golf clubs, tennis clubs, beach and swim clubs, and yacht clubs across America since 2014. Since 2007, our auditors quantified \$280 million going to clubs within these exclusive categories.
- 8. **The Fortunate 300.** \$1 in every \$14 of all lending flowed to only 300 companies (see Small Business Investment Company section of report). The SBA approved loans to 543,081 recipients, however, the top 300 recipients received \$12 billion.
- 9. **Million-dollar lending on steroids.** Loans to businesses in the amount of \$1 million or more increased by 1,057 recipients and nearly \$3 billion last year.

MILLION-DOLLAR SBA LOANS

YEAR	NUMBER OF TRANSACTIONS	TOTAL LOAN VALUE
2014	6,827	\$15,740,493,843
2015	8,106	\$18,787,203,901
2016	8,492	\$19,537,125,071
2017	8,275	\$18,605,668,818
2018	9,332	\$21,574,830,590

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

- 10. **Lending by State:** Georgia ranked #5 in the amount of SBA lending even though the state is ranked #8 based on population.

TOP TEN STATES RECEIVING SBA LOANS

STATE	VALUE OF LOAN	NUMBER OF RECIPIENTS
CALIFORNIA	\$24,136,930,477	43,061
TEXAS	\$13,718,534,841	17,731
FLORIDA	\$9,319,226,942	5,238
NEW YORK	\$7,069,521,811	5,950
GEORGIA	\$5,791,478,575	3,640
ILLINOIS	\$5,077,792,509	954
OHIO	\$4,429,779,776	1,258
PENNSYLVANIA	\$4,236,210,698	1,098
NORTH CAROLINA	\$4,182,752,754	1,787
WASHINGTON	\$3,693,877,306	1,496

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.



SCOPE AND METHODOLOGY

Our *OpenTheBooks Oversight Report: Small Business Administration: Quantifying Lending Practices FY2014-FY2018* **report** provides taxpayers with macro statistics and case studies highlighting the details of various aspects of SBA lending.

Our organization acquired the federal data via the "Federal Funding Accountability and Transparency Act of 2006," Public Law 109-282, 109th Congress. This report updates our previous oversight report that [quantified SBA lending practices](#) between fiscal years 2007-2013.

We also used the Freedom of Information Act open data sets [posted](#) online and performance figures [disclosed](#) through the SBA portal.



The definition of “gross” lending or loans quantifies all approved and initially obligated lending transactions of the SBA. This report uses the gross loan for oversight purposes, except for the state and city section where we used net loan data.

The definition of “net” loans or lending is the sum of all approved and obligated loans minus all loans rescinded, canceled, or de-obligated to date from the lending portfolio of the SBA during the years 2014-2018.

In giving oversight to the Small Business Investment Companies (SBIC) program, we noticed that the SBA transactional data amounted to \$11.2 billion (2014-2018) vs. FOIA disclosure of \$12.1 billion in aggregate capital.

Here are the AWARD DESCRIPTIONS of all six types of SBA lending programs:

7(A) LOAN: “To Aid Small Businesses Which Are Unable To Obtain Financing In The Private Credit Marketplace.”

504 CERTIFIED DEVELOPMENT LOAN: “To Assist Small Business Concerns By Providing Long Term Financing Through The Sale Of Debentures To The Private Sector.”

SMALL BUSINESS INVESTMENT COMPANY (SBIC): “To Make Equity And Venture Capital Available To The Small Business Community For Their Growth, Expansion, And Modernization.”

DISASTER ASSISTANCE LOAN PROGRAM: “To Provide Loans To Restore As Nearly As Possible The Victims Of Physical Type Disasters To Pre-Disaster Conditions.”

SURETY BOND GUARANTEES: “Guarantee Surety Bonds Issued By Commercial Surety Companies For Small Businesses Unable To Obtain A Bond Without An SBA Guarantee.”

MICROLOAN PROGRAM: “Assist Eligible Applicants To Obtain Financial Assistance Through Intermediary Lenders And To Provide Technical Assistance By Providers Via Grants.”

PART 1

GEOGRAPHY

States

All 50 states, plus Washington D.C. and some United States territories, received money through the Small Business Administration (FY2014-FY2018). California (\$24.1 billion) received the highest number of loans, followed by Texas (\$13.7 billion), then Florida (\$9.3 billion) in third, New York (\$7.1 billion) fourth, and Georgia (\$5.8 billion) in fifth.

California - \$24.1 billion

The SBA lent \$24.1 billion to 43,061 businesses in California. In total, [3.9 million small businesses](#) are based in California with 7 million employees. Breakdown by program: 7(A) loans (\$17.2 billion), 504 loans (\$4.9 billion), SBIC (\$1.3 billion), surety bond guarantees (\$512.7 million), and microloans (\$11 million). California businesses received \$13.4 million in disaster loans primarily due to the Holiday Fire, Camp Fire, and Woolsey Fire.

Texas - \$13.7 billion

The SBA lent \$13.7 billion to 17,731 businesses in Texas. In total, [2.6 million small businesses](#) are based in Texas with 4.7 million employees. Breakdown by program: 7(A) loans (\$10.7 billion), 504 loans (\$1.2 billion), SBIC (\$704.5 million), surety bond guarantees (\$208.4 million), and microloans (\$8.4 million). Because of [Hurricane Harvey](#) in 2017, said to be one of the costliest hurricanes in history, Texas businesses received \$1.2 billion in disaster loans.

Florida - \$9.3 billion

The SBA lent \$9.3 billion to 5,238 businesses in Florida. In total, [2.5 million small businesses](#) are based in Florida with 3.3 million employees. Breakdown by program: 7(A) loans (\$6.6 billion), 504 loans (\$1.3 billion), disaster loans (\$1.1 billion), surety bond guarantees (\$336.2 million), and SBIC (\$78.7 million). In 2016, [Hurricane Matthew](#) and [Hurricane Hermine](#) both tore through Florida causing extensive, costly damage.

New York - \$7.1 billion

The SBA lent \$7.1 billion to 5,950 businesses in New York. In total, [2.1 million small businesses](#) are based in New York with 4 million employees. Breakdown by program: 7(A) loans (\$4.4 billion), SBIC (\$1.9 billion), 504 loans (\$745.6 million), surety bond guarantees (\$33.3 million), and microloans (\$19.6 million). A drought in 2016 - said to be the worst in decades for New York – led to disaster loans totaling \$711,000.

Georgia - \$5.8 billion

The SBA lent \$5.8 billion to 3,640 businesses in Georgia. In total, [1 million small businesses are based in Georgia](#) with 1.6 million employees. Breakdown by program: 7(A) loans (\$5.2 billion), 504 loans (\$481.8 million), surety bond guarantees (\$60.3 million), disaster loans (\$35.4 million), and microloans (\$2.5 million). In 2017 the Peach State experienced many natural disasters including tornadoes, a fire, and a hurricane, making it the [costliest](#) year in history.

CASE STUDY: WASHINGTON, D.C.

The SBA lent \$357.5 million to businesses located in Washington, D.C. Just on programs 7(A) and 504 loans, the SBA lent nearly \$250 million to 562 businesses (FY2014-FY2018).

A cross-section of 7 restaurants who collectively received nearly \$

618 H Partnership, 618 H Street HW | \$5 million

DC Winery, 385 Water Street SE | \$4.11 million

Chinatown Garden, 618 H Street NW | \$4 million

DC Brau Brewing, 3178 B Bladensburg Rd NE | \$2.3 million

Wharf Rapp, 1150 Maine Ave SW | \$1.18 million

Hellbender Brewing Company, 5788 Second Street | \$1.15 million

Bar Deco, 717 6th Street | \$1.1 million



Cities

SBA lending by city: Minneapolis, MN raked in \$1.1 billion in SBA lending – the fifth most for a city – even though it ranked 46th in population. Only New York (\$2.5 billion), Los Angeles (\$2.3 billion), Houston (\$1.6 billion), and Chicago (\$1.5 billion) had more SBA lending activity between FY2014-FY2018.

New York City, New York - \$2.5 billion

Primary ZIP Code: 10001

The SBA lent \$2.5 billion to 2,447 businesses in New York City.

Los Angeles, California - \$2.3 billion

Primary ZIP Code: 90001

The SBA lent \$2.3 billion to 3,541 businesses in Los Angeles.

Houston, Texas - \$1.6 billion

Primary ZIP Code: 77001

The SBA lent \$1.6 billion to 4,186 businesses in Houston.

Chicago, Illinois - \$1.5 billion

Primary ZIP Code: 60601

The SBA lent \$1.5 billion to 2,219 businesses in Chicago.

Minneapolis, Minnesota - \$1.1 billion

Primary ZIP Code: 55440

The SBA lent \$1.1 billion to 1,852 businesses in Minneapolis.

WANT TO SEE ALL \$1+ MILLION SBA LOANS IN YOUR CITY OR ZIP CODE?

Start searching our interactive map: [just click here](#), key your ZIP Code, “zoom-in” with the “+” key, click a PIN, and scroll down to see the results render in the chart beneath the map.

Map Name: Enter Zip Code (Optional): Map Type:

Search Rendered below

Map

Satellite

Year	Recipient Name	Loan Type	Amount	Zip
2015	Lazar Diamonds Inc.	7A	\$3,500,000.00	90013
2017	La Nymph Llc	7(A) Loan Guarantees	\$3,430,000.00	90013
2016	Marvimon Productions, Inc.	504	\$3,412,000.00	90013
2017	Very J Inc.	504 Certified Development Loans	\$2,921,000.00	90013

PART 2

RECIPIENTS BY LOAN CATEGORY

There were 543,081 recipients who received \$168.9 billion in loans and insurance guarantees during the five-year period. Here are the six program types and loan amounts over the five-year period:

SMALL BUSINESS ADMINISTRATION LOAN CATEGORIES

PROGRAM	VALUE	RECIPIENT COUNT
7(A) LOAN GUARANTEES	\$119,434,745,968	302,362
504 CERTIFIED DEVELOPMENT LOANS	\$23,010,459,080	29,210
SMALL BUSINESS INVESTMENT COMPANIES	\$12,147,895,000	315
DISASTER ASSISTANCE LOANS	\$11,446,089,801	210,440
SURETY BOND GUARANTEES	\$2,731,085,962	2,760
MICROLOAN PROGRAM	\$179,629,212	262

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

7(A) LOANS | \$119.4 billion

"TO AID SMALL BUSINESSES WHICH ARE UNABLE TO OBTAIN FINANCING IN THE PRIVATE CREDIT MARKETPLACE."

REQUIREMENTS: [Explained on the SBA website](#) applicants must have tried to use other financial resources, including personal assets, before applying for a loan. **Eligibility:** the business must be considered "small" within the specific industry, must be operating for profit, and must have reasonable equity to invest. There are many qualified purposes of 7(A) loans such as purchasing new land, machinery, and/or supplies.

Bad Debt: \$8.4 billion in 7(A) loans were "charged-off" against the program (FY2010-FY2018) according to SBA disclosures (3/2019). It takes five-years to realize full-exposure to bad debts. Therefore, bad debt will continue to increase on the 7(A)-loan portfolio.

TOP 7(A) LOAN RECIPIENTS:

THE GODDARD SCHOOL | \$44,168,300

A [nationally recognized](#) childcare provider for years of play-based curriculum. 470 franchises exist in 37 states and the headquarters is in King of Prussia, Pennsylvania, where "genuine learning takes place through fun."

THE GODDARD SCHOOL YEAR-BY-YEAR LOANS

YEAR	VALUE OF LOAN
2014	\$1,677,000.00
2015	\$656,500.00
2016	\$6,082,600.00
2017	\$17,470,000.00
2018	\$18,282,200.00



SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

S3 INTERNATIONAL, LLC. | \$25 million

FY2014-FY2018 | \$5 million each year

An “aircraft spare parts distribution, repair and overhaul services, and program management solutions to military and commercial aerospace customers around the world.” The company is headquartered in Milwaukee, Wisconsin. The SBA provided \$25 million for purpose of a “revolving line of credit for exports.”

MONTAGUE FARMS, INC. | \$25 million

A 4th generation family-owned and operated producer and exporter of food-quality grain.” Located in Virginia, Montague Farms makes products to support several commodities such as tofu, soymilk, and miso. The farm used \$25 million in lending for the purpose of a “revolving line of credit for exports” – \$5 million was extended each year from 2014-2018.

Flashback: 7A loans

PLASTIC SURGERY CLINICS | \$50.9 million

SBA lending to 115 individual plastic surgery clinics amounted to \$50.9 million (FY2010-FY2018). 7(A) loans were made across the USA: examples include Holcomb-Kreithen Plastic Surgery & Medspa, Tampa & Sarasota, FL (\$3.6 million); Ness Plastic Surgery, Wayzata, MN (\$2.99 million); Aesthetic Plastic Surgery Center, Thomasville, GA (\$2.7 million); Aristocrat Plastic Surgery, Great Neck, NY (\$2.5 million); and Ambay Plastic Surgery, Wesley Chapel, FL (\$2.25 million).

TOP 50 7(A) LOAN RECIPIENTS

RECIPIENT	VALUE OF LOAN
THE GODDARD SCHOOL	\$44,168,300.00
S3 INTERNATIONAL, LLC	\$25,000,000.00
MONTAGUE FARMS, INC.	\$25,000,000.00
INTERCO TRADING, INC.	\$25,000,000.00
SD AND SONS, INC.	\$24,200,000.00
BRIGHTON CROMWELL, LLC	\$22,500,000.00
ZINNANTI PROPERTIES II, LLC	\$20,868,000.00
ESSENCE CORP.	\$20,000,000.00
DEMETECH CORPORATION	\$20,000,000.00
AVENTURE INTERNATIONAL AVATION	\$20,000,000.00
ARNCO, INC.	\$20,000,000.00
ALARIS AEROSPACE SYSTEMS, LLC	\$19,000,000.00
CHEF’S CHOICE PRODUCE	\$18,755,000.00
DYNAMIC SEALING TECHNOLOGIES,	\$18,000,000.00
TC MARKETING, LLC	\$17,400,000.00
CALIFORNIA COASTAL INVESTMENTS	\$16,459,000.00
MIDWEST SALT, LLC	\$16,450,000.00

continued...

TOP 50 7(A) LOAN RECIPIENTS *continued...*

RECIPIENT	VALUE OF LOAN
DELCOLINE, INC.	\$16,000,000.00
EXPORT GLOBAL METALS, INC	\$15,500,000.00
UNITED SOURCE ONE	\$15,000,000.00
T&M INVESTMENTS OF MIAMI, INC	\$15,000,000.00
STONE LOCK GLOBAL, INC.	\$15,000,000.00
KING PARKING LOT LLC	\$15,000,000.00
HUDSON PECAN CO., INC.	\$15,000,000.00
EASTERLIN PECAN CO., INC.	\$15,000,000.00
ADISTEC CORPORATION	\$14,700,000.00
MJCI SAN JULIAN LLC	\$14,625,000.00
NGUYEN POULTRY FARM	\$14,494,600.00
101 E. WALNUT BUSINESS VENTURE	\$14,451,600.00
E.F. MARBURGER AND SON, INC.	\$14,065,000.00
HERI AUM, LLC	\$14,035,000.00
TRIPLE B FOODS, INC.	\$14,000,000.00
SOUTHERN CROSS AVIATION, LLC	\$14,000,000.00
DELTON SOUTH VALLEY, LLC	\$13,940,000.00
WIRTZ HOLDING COMPANY, INC.	\$13,900,000.00
STEINDL & STEINDL, INC.	\$13,627,700.00
ATLANTA MOTORSPORTS PARK, LLC	\$13,615,000.00
INTERNATIONAL DIVISION, INC.	\$13,500,000.00
BLUE CHIP HOTELS ASSET GROUP-B	\$13,491,000.00
BAAM, INC.	\$13,463,800.00
WILD SALES, LLC	\$13,000,000.00
MAVEN ENGINEERING CORPORATION	\$13,000,000.00
ARIZONA COLLISION SPECIALISTS,	\$12,488,000.00
STONE ARCH COMMODITIES LLC	\$12,100,000.00
AAXIS GROUP CORPORATION	\$12,003,800.00
WOOD FIBER INTERNATIONAL, INC.	\$12,000,000.00
ROCKY MOUNTAIN AMUSEMENTS INC	\$12,000,000.00
J.E. JONES LUMBER CO.	\$12,000,000.00
EAST 49 LLC	\$12,000,000.00
COMMERCIAL LYNKS INC.	\$12,000,000.00

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

504 CERTIFIED DEVELOPMENT LOANS | \$23 billion

“TO ASSIST SMALL BUSINESS CONCERNS BY PROVIDING LONG TERM FINANCING THROUGH THE SALE OF DEBENTURES TO THE PRIVATE SECTOR.”

REQUIREMENTS: The [504 Certified Development Loan](#) is a long-term, fixed-rate loan used to aid in the expansion or modernization of a company. One of the requirements for this loan is tangible net worth less than or equal to \$15 million.

The loans are typically structured in the following way: the SBA provides 40% of the total project costs, a participating lender covers up to 50% of the total project costs, and the borrower contributes 10% of the project costs. Under certain circumstances, a borrower may be required to contribute up to 20% of the total project costs.

Bad Debt: \$4.9 billion in 504-loans were “charged-off” against the program (FY2010-FY2018) according to SBA disclosures (3/2019). It takes five-years to realize full-exposure to bad debts. Therefore, bad debt will continue to increase on the 504-loan portfolio.

Example of bad debt: Lamborghini auto dealers | \$4.53 million

Three Lamborghini auto dealers received SBA 504 lending: Lamborghini Ohio (\$1 million); Lamborghini of Orange County (\$2.0 million); and Lamborghini Chicago, Inc. (\$1.5 million). The loan to the Orange County dealership was canceled. In 2010, the loan to the Ohio dealership was “charged-back” on a gross amount of \$213,000. In 2013, the loan to the Chicago dealership was “charged-back” on a gross amount of \$1.25 million.

TOP 504 LOAN RECIPIENTS (FY2014-FY2018):

HOLIDAY INN PROPERTIES | \$230.5 million

All types of ‘Holiday Inn’ properties received 504 program loans. These hotel chains are independently owned and operated under the Intercontinental Hotel Group (IHG). It’s one of the largest hotel chains in the world.

HOLIDAY INN PROPERTIES LOANS BY YEAR

YEAR	VALUE OF LOAN
2014	\$73,287,000.00
2015	\$19,686,000.00
2016	\$66,911,000.00
2017	\$52,979,000.00
2018	\$17,582,000.00



SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

HAMPTON INN AND SUITES | \$142.2 million

[Hampton Inn and Suites](#) has “over 2,000 locations in North America, Europe, India and are growing globally.” Hampton’s are independently owned and operated and are part of the larger Hilton company of hotels.

CULVER'S | \$69 million

Culver's started as a "single family owned restaurant in small-town, rural Wisconsin to a fan favorite far and wide." Their stores are independently owned and operated across the country with an all-American menu known especially for its frozen custard.

Flashback: \$1.1 billion to Holiday Inns

\$1.1 billion in 504 certified development loans flowed to Holiday Inn, Holiday Inn Express, Holiday Inn Suites, and other Holiday Inn properties since 1991 through 2018. Other hotel chains also received significant funding include: Hampton Inn properties (\$562 million); Days Inn properties (\$322.6 million); Super 8 properties (\$314.8 million); and Comfort Suites (\$257 million).

TOP 50 504 CERTIFIED DEVELOPMENT LOAN RECIPIENTS

RECIPIENT	VALUE OF LOAN	RECIPIENT	VALUE OF LOAN
HOLIDAY INN EXPRESS	\$45,623,000.00	HOLIDAY INN - WILLOWBROOK	\$10,726,000.00
HOME2 SUITES	\$25,560,000.00	COMFORT INN & SUITES	\$10,702,000.00
ZAXBY'S	\$23,331,000.00	HYATT PLACE	\$10,475,000.00
CULVER'S	\$22,181,000.00	ZION MARKET	\$10,084,000.00
COMFORT SUITES	\$22,143,000.00	COMFORT INN	\$9,893,000.00
LA QUINTA INN & SUITES	\$20,653,000.00	JAIPUR LIVING INC.	\$9,620,000.00
HILTON GARDEN INN	\$20,035,000.00	COUNTRY INN AND SUITES	\$9,489,000.00
SPRINGHILL SUITES BY MARRIOTT	\$18,196,000.00	TSW ALLOY WHEELS	\$9,456,000.00
HAMPTON INN & SUITES	\$17,800,000.00	MULBERRY HOLDINGS LLC	\$9,404,000.00
QUALITY INN	\$17,318,000.00	BCWJ813, LLC	\$9,311,000.00
HAMPTON INN AND SUITES	\$16,665,000.00	COURTYARD BY MARRIOTT	\$9,242,000.00
HOLIDAY INN EXPRESS & SUITES	\$16,574,000.00	DAIRY QUEEN	\$8,744,000.00
BAYMONT INN & SUITES	\$16,439,000.00	KZ KITCHEN CABINET AND STONE,	\$8,718,000.00
FAIRFIELD INN AND SUITES	\$15,330,000.00	MALOUF FINE LINENS	\$8,690,000.00
TRU BY HILTON	\$15,254,000.00	PUBLISHER SERVICES, INC	\$8,684,000.00
HAMPTON INN	\$14,554,000.00	HOME2 SUITES BY HILTON	\$8,481,000.00
SPRINGHILL SUITES	\$13,825,000.00	EXCELLENCE ASSISTED LIVING FAC	\$8,412,000.00
HOLIDAY INN EXPRESS AND SUITES	\$12,868,000.00	MICROTEL INN & SUITES	\$8,395,000.00
CANDLEWOOD SUITES	\$12,507,000.00	SLEEP INN & SUITES	\$8,298,000.00
S.J. DISTRIBUTORS INC.	\$12,492,000.00	SLEEP INN	\$8,234,000.00
HOLIDAY INN	\$12,480,000.00	CASPERS ICE CREAM, INC.	\$8,083,000.00
STAYBRIDGE SUITES	\$11,057,000.00	TOWNEPLACE SUITES BY MARRIOTT	\$8,044,000.00
SAN FRANCISCO SPICE CO.	\$11,000,000.00	JSSK LLC	\$7,903,000.00
NIHAL DEVELOPMENT LLC	\$10,936,000.00	MELLOW MUSHROOM	\$7,791,000.00
FAIRFIELD INN & SUITES BY MARR	\$10,919,000.00	COLD STORAGE SOLUTIONS I, INC.	\$7,764,000.00

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

SMALL BUSINESS INVESTMENT COMPANIES (SBIC) | \$12.1 billion

“TO MAKE EQUITY AND VENTURE CAPITAL AVAILABLE TO THE SMALL BUSINESS COMMUNITY FOR THEIR GROWTH, EXPANSION, AND MODERNIZATION.”

REQUIREMENTS: Wall Street style bankers are licensed in amounts up to \$150 million, although some companies hold multiple licenses up to \$350 million. These firms have regulations on what they can and cannot invest in. For example, they cannot invest in real estate, U.S. small businesses with more than 49 employees overseas, and re-lenders.

Program: The SBIC is defined as a “privately owned and managed investment fund that’s licensed and regulated by the SBA.” Some benefits of this program include flexible terms, increased financial scale, and enhanced returns potential.

SBIC PROGRAM - YEAR BY YEAR

YEAR	NUMBER OF TRANSACTIONS	TOTAL LOAN VALUE
2014	76	\$2,548,885,000
2015	69	\$2,603,095,000
2016	65	\$2,514,295,000
2017	47	\$1,959,750,000
2018	58	\$2,521,870,000

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

Bad Debt: \$1.7 billion in SBIC capital was “charged-off” against the program (FY2010-FY2018) according to SBA disclosures (3/2019). It takes five-years to realize full-exposure to bad debts. Therefore, bad debt will continue to increase on the SBIC portfolio.

TOP SBIC RECIPIENTS:

STONEHENGE OPPORTUNITY FUND | \$199.5 million

2014 (\$49.45 million) | 2017 (\$75 million) | 2018 (\$75 million)

Stonehenge Opportunity Fund – the largest SBIC recipient – “specializes in investment in middle market, later stage, buyouts, mature, recapitalizations, and mezzanine transactions.” Their equity investments range from \$5 million to \$20 million and are located in Ohio.

BALANCE POINT CAPITAL PARTNERS | \$192 million

2014 (\$42 million) | 2015 (\$62.1 million) | 2016 (\$87.85 million)

Balance Point Capital Partners “invests unitranche, subordinate, mezzanine debt, structured, preferred, and common equity into middle-market companies.” Balance Point takes a long-term approach to partnerships and looks to build lasting relationships. The company is based in Connecticut. Some of their successes include ACL Airshop, Corepower Yoga, and HelloWorld.

SILVER LAKE WATERMAN FUND | \$184.1 million

2014 (\$34.1 million) | 2015 (\$58.71 million) | 2018 (\$91.29 million)

[Silver Lake Waterman Fund](#) applies the “strategic insights of an experienced industry participant, the operating skill of a world-class management team, and sophisticated investing and structuring capabilities” in their business. The fund has been around since 1999 and has invested in around 100 different ventures for over \$43 billion. The company is based in California. Some of their successes include Alibaba Group, AMC, and Ancestry.

Flashback:

Hercules Technology Growth Capital, Palo Alto, CA (\$298.8 million)

This private equity firm has multiple SBIC licenses for up to \$350 million in lending. The firm is listed on Wall Street (HTGC, Nasdaq). Hercules started in 2003 with funding from the SBA and is now a licensee extending capital for profit. **Recently, its Chief Executive Officer Manuel Henriquez [was among those charged in the college-admission cheating conspiracy.](#)**

TOP 50 SBIC LOAN RECIPIENTS

RECIPIENT	STATE	VALUE OF LOAN
STONEHENGE OPPORTUNITY FUND	OHIO	\$199,450,000
BALANCE POINT CAPITAL PARTNERS	CONNECTICUT	\$191,995,000
SILVER LAKE WATERMAN FUND	CALIFORNIA	\$184,070,000
MCLARTY CAPITAL PARTNERS	WASHINGTON D.C.	\$182,700,000
GMB MEZZANINE CAPITAL	MINNESOTA	\$171,000,000
NEWSRING MEZZANINE CAPITAL	PENNSYLVANIA	\$152,955,000
BOATHOUSE CAPITAL	PENNSYLVANIA	\$150,000,000
CALTUS PARTNERS	CALIFORNIA	\$150,000,000
CRESCENT DIRECT LENDING	MASSACHUSETTS	\$150,000,000
DEERPATH FUNDING ADVANTAGE	NEW YORK	\$150,000,000
ESCALATE CAPITAL PARTNERS	TEXAS	\$150,000,000
FIVE POINTS CAPITAL MEZZANINE FUND	NORTH CAROLINA	\$150,000,000
NEW MOUNTAIN FINANCE	NEW YORK	\$150,000,000
PENNANTPARK	NEW YORK	\$150,000,000
RIVERSIDE MICRO-CAPITAL FUND	NEW YORK	\$150,000,000
STELLUS CAPITAL	TEXAS	\$150,000,000
MIDWEST MEZZANINE FUND	ILLINOIS	\$139,800,000
SEACOAST CAPITAL PARTNERS	MASSACHUSETTS	\$139,140,000
GARMARK SBIC FUND	CONNECTICUT	\$136,985,000
ARGOSY INVESTMENT PARTNERS	PENNSYLVANIA	\$136,400,000
FIDUS MEZZANINE CAPITAL	ILLINOIS	\$125,000,000
GEMINI INVESTORS	MASSACHUSETTS	\$123,000,000
SBJ FUND	CALIFORNIA	\$122,050,000

continued...

TOP 50 SBIC LOAN RECIPIENTS *continued...*

LEEDS NOVAMARK CAPITAL	VIRGINIA	\$120,000,000
QS CAPITAL STRATEGIES	NEW YORK	\$120,000,000
MONROE CAPITAL CORPORATION	ILLINOIS	\$115,000,000
TRAILHEAD FUND LIIMITED PARTNERS	MINNESOTA	\$113,725,000
SALEM INVESTMENT PARTNERS	NORTH CAROLINA	\$111,800,000
C3 CAPITAL PARTNERS	MISSOURI	\$108,300,000
SEAM FUND	OREGON	\$107,600,000
ALPINE INVESTORS	CALIFORNIA	\$105,000,000
PLEXUS FUND	NORTH CAROLINA	\$105,000,000
NORTHCREEK MEZZANINE FUND	OHIO	\$104,015,000
PHAROS CAPITAL PARTNERS	TENNESSEE	\$102,225,000
BLUE SAGE CAPITAL	TEXAS	\$100,000,000
CONVERGENT CAPITAL PARTNERS	MINNESOTA	\$100,000,000
MEDLEY SBIC	NEW YORK	\$100,000,000
PETRA GROWTH FUND	TENNESSEE	\$100,000,000
RENOVUS CAPITAL PARTNERS	PENNSYLVANIA	\$100,000,000
RESOLUTE CAPITAL PARTNERS FUND	TENNESSEE	\$100,000,000
SARATOGA INVESTMENT CORPORATION	NEW YORK	\$100,000,000
ST. CLOUD CAPITAL PARTNERS	CALIFORNIA	\$100,000,000
VPC SBIC	ILLINOIS	\$100,000,000
GRAYCLIFF MEZZANINE FUND	NEW YORK	\$96,375,000
AVANTE MEZZANINE PARTNERS	CALIFORNIA	\$95,000,000
TRINITY CAPITAL FUND	ARIZONA	\$92,835,000
CCP-IV-SBIC	INDIANA	\$92,775,000
KIAN MEZZANINE PARTNERS	NORTH CAROLINA	\$91,000,000
MERION INVESTMENT PARTNERS	PENNSYLVANIA	\$89,900,000
TECUM CAPITAL PARTNERS	PENNSYLVANIA	\$88,455,000

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

DISASTER LOANS | \$11.4 billion

“TO PROVIDE LOANS TO RESTORE AS NEARLY AS POSSIBLE THE VICTIMS OF PHYSICAL TYPE DISASTERS TO PRE-DISASTER CONDITIONS.”

REQUIREMENTS: Disaster Assistance Loans are low-interest and are provided to businesses and homeowners in the aftermath of natural disasters. In order to qualify, there must be a “declared disaster” like the California wildfires or Hurricane Harvey. The loan addresses physical damage, such as repairing and replacing physical assets; or economic injury, helping to cover business expenses post disaster.

DISASTER LENDING—YEAR-OVER-YEAR

FISCAL YEAR	TOTAL OF LOANS	NUMBER OF LOANS	AVERAGE LOAN VALUE
2014	\$426,628,596	6,244	\$68,326
2015	\$412,929,958	11,448	\$36,070
2016	\$1,445,840,800	25,235	\$57,295
2017	\$1,765,921,442	27,264	\$64,771
2018	\$7,394,769,005	140,249	\$52,726

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

Bad Debt: \$1.4 billion in Disaster Assistance-loans were “charged-off” against the program (FY2010-FY2018) according to SBA disclosures (3/2019). It takes five-years to realize full-exposure to bad debts. Therefore, bad debt will continue to increase on the Disaster Assistance-loan portfolio.

Flashback:**2010-2014 bad debt experience**

20% of all SBA disaster assistance loans failed during a five-year period from FY2010-FY2014. Total lending was \$5.5 billion: 2010 (\$627.5 million); 2011 (\$782.8 million); 2012 (\$747 million); 2013 (\$2.9 billion); and 2014 (\$426.6 million). Bad debts reported by the SBA included 2010 (\$304.8 million); 2011 (\$209.4 million); 2012 (\$164.9 million); 2013 (\$176.3 million); and 2014 (\$204.7 million). \$1 in every \$5 in lending failed during this period.

TOP DISASTER ASSISTANCE LOAN RECIPIENTS: MADELAINE CHOCOLATE NOVELTIES | \$7.6 million

Madelaïne Chocolate Novelties in New York, established in 1949, are dedicated “to perfecting the superior taste and quality of our chocolate.” Madelaïne Chocolate Novelties was hit hard during Hurricane Sandy and received \$7.6 million in 2015.

LOVE CITY CAR FERRIES, INC. | \$3.4 million

Love City Car Ferries, Inc.’s mission is “to promote a safe, efficient, affordable, maritime experience for Virgin Islands’ residents and visitors, in an atmosphere where decisions are made with a heart for the people.” The ferry system shuttles between many islands including St. John and St. Thomas. Both Hurricane Irma and Maria swept through the Virgin Islands, bringing devastation to many businesses.

ABUNDANT LIFE CHURCH | \$2 million

Abundant Life Church in Louisiana believes “it is vital for everyone to experience Jesus Christ in their life and change the world around us.” Hurricane Harvey destroyed many things in 2017 throughout the gulf coast prompting a major disaster declaration.



TOP 50 DISASTER LOAN RECIPIENTS

RECIPIENTS	STATE	VALUE OF LOAN
MULTIPLE RECIPIENTS	MULTIPLE	\$6,322,882,457
REDACTED DUE TO PII	MULTIPLE	\$453,537,304
MADELAINE CHOCOLATE NOVELTIES, INC.	NEW YORK	\$8,347,400
HEART COUNCIOSNESS CHURCH	CALIFORNIA	\$4,000,000
ASCENSION WASTERWATER TREATMENT	LOUISIANA	\$3,689,800
LOVE CITY CAR FERRIES	VIRGIN ISLANDS	\$3,362,400
WESTGATE CONDOMINIUM ASSOCIATION	RHODE ISLAND	\$3,090,600
KAL HOSPITALITY	OKLAHOMA	\$2,402,200
OHCO, LTD.	TEXAS	\$2,250,000
BRIDGEVIEW BANQUET	NEW YORK	\$2,225,400
UNITED COMMUNITY BAPTIST CHURCH	NEW YORK	\$2,214,100
MEMORIAL HILLS TOWNHOMES	TEXAS	\$2,051,000
AMITE BAPTIST CHURCH	LOUISIANA	\$2,046,400
2625 PLAZA MANAGEMENT CORPORATION	FLORIDA	\$2,000,000
A.B.R.M.P. GROUP L.L.C.	MISSISSIPPI	\$2,000,000
ABUNDANT LIFE CHURCH	LOUSIANA	\$2,000,000
ADVENTURE INVESTMENTS	LOUISIANA	\$2,000,000
ARTIS-NAPLES	FLORIDA	\$2,000,000
CENTRAL OIL OF BATON ROUGE	LOUSIANA	\$2,000,000
CENTURY HOSPITATLITY	TEXAS	\$2,000,000
CONDOMINIO LOS PINOS	PUERTO RICO	\$2,000,000
CYPRESS/RAVENEUX	TEXAS	\$2,000,000
EMBER INDUSTRIES, INC.	TEXAS	\$2,000,000
EVERBEAUTY	NEW JERSEY	\$2,000,000
HOSPITAL COMUNITARO BUEN SAMARITANO	PUERTO RICO	\$2,000,000
JULIUS YOUNG HOSIERY	NEW JERSEY	\$2,000,000
KEMP & SON	TEXAS	\$2,000,000
KUNWAR RAM	TEXAS	\$2,000,000
NY TERMINALS	NEW JERSEY	\$2,000,000
OXFORD ALLOYS, INC.	LOUISIANA	\$2,000,000
PRIDE PRODUCTS CORP.	NEW YORK	\$2,000,000
ROCKAWAY CARE CENTER	NEW YORK	\$2,000,000
SAPPHIRE HILL VILLAGE CONDOMINIUM OWNERS'	VIRGIN ISLANDS	\$2,000,000
SHAFIIL INVESTMENTS.	TEXAS	\$2,000,000
SUNSHINE SHOPPING CENTER	VIRGIN ISLANDS	\$2,000,000
SYLVAN DALE RANCH	COLORADO	\$2,000,000

continued...

TOP 50 DISASTER LOAN RECIPIENTS *continued...*

THE OXFORD COUNCIL OF CO-OWNERS	TEXAS	\$2,000,000
THE ROTON POINT ASSOCIATION	CONNECTICUT	\$2,000,000
VANELIS	MISSISSIPPI	\$2,000,000
WATERFALL APARTMENTS	TEXAS	\$2,000,000
THE SUGAR WAREHOUSE CONDOMINIUM	NEW YORK	\$1,959,300
KINGWOOD VILLIAGE ESTATES CONDOMINIUMS	TEXAS	\$1,957,300
TDW LEGACY TRUST	TEXAS	\$1,949,400
BIG ELK MEADOWS WATER ASSOCIATION	COLORADO	\$1,926,700
GMD SHIPYARD CORPORATION	NEW YORK	\$1,920,900
EVELYN RUBENSTEIN JEWISH COMMUNITY CENTER	TEXAS	\$1,902,500
QUEEN CHARLOTTE HOTEL CORPORATION	VIRIGN ISLANDS	\$1,883,200
ISLAND CONCEPTS, L.L.C.	LOUISIANA	\$1,846,300
AMERICAN PRODUCTIVITY & QUALITY CENTER	TEXAS	\$1,844,300
A1 IMAGING CENTERS	FLORIDA	\$1,831,500

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

SURETY BOND GUARANTEES | \$2.7 billion

“GUARANTEE SURETY BONDS ISSUED BY COMMERCIAL SURETY COMPANIES FOR SMALL BUSINESSES UNABLE TO OBTAIN A BOND WITHOUT AN SBA GUARANTEE.”

REQUIREMENTS: Deemed a small business as defined by the SBA, to have a small contract (up to \$6.5 million for non-federal contracts, and up to \$10 million for federal contracts), and to pass the evaluation. [Surety Bond Guarantees](#) assist small businesses by helping them win contracts by guaranteeing that the work will be completed thereby giving customers peace of mind. These loans fall into several categories namely the initial bid, payment, performance, and ancillary (i.e. maintenance).

TURNER STRATEGIC TECHNOLOGIES | \$24.7 million

2017 (\$8.2 million) | 2018 (\$16.4 million)

[Turner Strategic Technologies](#) is a “Class A General Contractor and a Service Disabled, Veteran Owned and Operated Business.” Located in Virginia, they provide many services including scope development, new construction, and environmental remediation.

ECLIPSE COMPANIES | \$20.4 million

2017 (\$4.2 million) | 2018 (\$16.2 million)

[Eclipse Companies](#) “knows how to work the dirt and meet your underground utilities requirements. We focus on a wide range of projects in the private, municipal, and government sectors.”

J&K CONTRACTING | \$18 million

2017 (\$6.5 million) | 2018 (\$11.5 million)

[J&K Contracting](#) is a “full-service underground utility contractor.” They are located in Iowa and provide services for deep sanitary sewers, storm sewers, and water installation.

MICROLOAN PROGRAM | \$179.6 million

“ASSIST ELIGIBLE APPLICANTS TO OBTAIN FINANCIAL ASSISTANCE THROUGH INTERMEDIARY LENDERS AND TO PROVIDE TECHNICAL ASSISTANCE BY PROVIDERS VIA GRANTS.”

REQUIREMENTS: The [Microloan Program](#) aims to provide small loans (up to \$50,000) to small businesses and certain not-for-profit childcare centers to help start and expand the business. These types of loans can be used for working capital, inventory or supplies, furniture or fixtures, and machinery or equipment. The businesses cannot use these loans for existing debt or real estate. There were a total of 372 recipients.

ECONOMIC AND COMMUNITY DEVELOPMENT INSTITUTE | \$4.6 million

[Economic and Community Development Institute](#) has “assisted Ohio’s entrepreneurs through their one-stop-shop business services model, suited to meet the needs of all entrepreneurs, regardless of what business stage they’re in.”

ECONOMIC AND COMMUNITY DEVELOPMENT INSTITUTE FUND YEAR-TO-YEAR LOANS

YEAR	VALUE OF LOAN
2014	\$1,250,000
2015	\$1,000,000
2016	\$800,000
2017	\$800,000
2018	\$700,000



SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

LIFTFUND | \$4.2 million

2016 (\$2.5 million) | 2017 (\$1.7 million)

[LiftFund](#) “for over twenty years we’ve provided millions of dollars in microloans and other small business loans to deserving entrepreneurs.” Headquartered in Texas, LiftFund has many different locations throughout the country in order to best serve many different communities.

UNION COUNTY ECONOMIC DEVELOPMENT CORPORATION | \$4 million

2014 (\$1.25 million) | 2015 (\$1.25 million) | 2017 (\$1.5 million)

[Union County Economic Development Corporation](#) is a “private, non-profit economic development corporation, dedicated to boosting local economies and strengthening communities through business development and job creation.” Located in New Jersey, the UCEDC has provided over \$61 million in loans creating 6,000 jobs, and training 10,500 entrepreneurs.

Bad Debt: \$5.3 million in Micro-loans were “charged-off” against the program (FY2010-FY2018) according to SBA disclosures (3/2019). It takes five-years to realize full-exposure to bad debts. Therefore, bad debt will continue to increase on the micro-loan portfolio.

PART 3

LENDING TO THE WEALTHY LIFESTYLE

Resorts**WINERIES | \$68.3 million**

There were 115 wineries receiving SBA loans totaling over \$68 million. The top five wineries included Hoopes Family Vineyard and Winery (\$5 million), Lytton Vineyard & Winery (\$5 million), The Winery at Elk Manor (\$5 million), Folktale Winery & Vineyards (\$4.3 million), and Texas Winery Owners Group (\$4.1 million). [Hoopes Family Vineyard and Winery](#) is located in Napa, California and had its first grapes planted in 1983 with it being family run ever since. [Lytton Vineyard and Winery](#) is located in Temecula, California, with no website, little public information is known about the winery. [The Winery at Elk Manor](#) is located in North East, Maryland was closed in 2016 after being a fully functioning wedding and event venue for many years.

**TENNIS CLUBS | \$39.2 million**

There were 49 different tennis clubs, shops, and academies receiving SBA loans totaling over \$39 million. The top five tennis clubs included Eagle Tennis Club (\$5 million), Parker Tennis Co. (\$5 million), RR Tennis Development (\$5 million), Berhe Tennis (\$4.4 million), and Dent Tennis Academy (\$4.3 million). [Eagle Tennis Club](#) is located in Eagle, Idaho and houses 12 indoor courts and has custom tennis programs for all ages and skill levels. [Parker Tennis Co.](#) is located in Parker, Colorado and was opened in 2004 by a husband and wife teaching first from neighborhood courts and a high school, eventually building their own facility for teaching. [RR Tennis Development](#) is located in Englewood, Colorado and aims to be a premier facility providing elite and personalized instruction.

**YACHT CLUBS | \$35.5 million**

There were 74 yacht clubs, groups, centers, and charters receiving SBA loans totaling over \$35 million. The top 5 yacht clubs included Yachting Solutions (\$4.6 million), Keystone Resort & Yacht Club (\$4.2 million), The Coastal Yacht Hangar (\$3.8 million), Elite Marine Yacht Services (\$3.7 million), and Colonial Beach Yacht Center (\$2.7 million). [Yachting Solutions](#) is located in Rockport, Maine is one of the most recognized names in boat sales, brokerage, restorations, and customizations. [Keystone Resort and Yacht Club](#) is located in Mannford, Oklahoma, with no website, and little public information. [The Coastal Yacht Hangar](#) is located in Beaufort, North Carolina, and does not have a website, but from the owner's LinkedIn, it appears that the company has been open since 2007 and is a dry-slip large boat storage facility.



GUN CLUBS | \$35.7 million

There were 75 gun clubs, shops, and ranges receiving SBA loans totaling over \$35 million. The top five gun clubs included Eagle Gun Club (\$4 million), On Target Gun Club (\$2.6 million), Eagle Gun Range (\$2 million), Full Metal Jacket Gun Range (\$1.6 million), Gun IL Investments (\$1.6 million). [Eagle Gun Club](#), located in Oak Forest, Illinois, aims to have a family oriented atmosphere with safety, education, and training at the forefront of their minds. [On Target Gun Club](#) is located in Peachtree City, Georgia and boasts state-of-the-art facilities with a simulator, self-defense classes, a large selection of firearms and shooting accessories, and shooting lanes. Eagle Gun Range is located in Dallas, Texas and is the premier indoor shooting facility in the area with a 72-degree shooting environment.



HELICOPTER COMPANIES | \$17.8 million

There were 36 helicopter companies receiving SBA loans totaling over \$17 million. The top five helicopter companies included [Sunshine Helicopters](#) (\$5 million), Marble Mountain Helicopters (\$2.9 million), Helicopter Parts International (\$1.9 million), Seacoast Helicopters (\$1.5 million), and Wings Air Helicopters (\$1.5 million). Sunshine Helicopters is located in Kahului, Hawaii is owned by a husband and wife duo that once owned a charter boat business, until they decided to launch Sunshine Helicopters in 1985. [Marble Mountain Helicopters](#) is located in Medford, Oregon and does not have a website, but from public information, it was founded in 2006. [Helicopter Parts International](#) is located in Minden, Nevada and is a supplier of military and commercial aviation parts and components.



COUNTRY CLUBS | \$18.5 million

There were 46 country clubs that received some type of SBA loan totaling over \$18 million. The top five country clubs included Indianwood Golf and Country Club (\$5 million), Summit Chase Country Club (\$3 million), Northgate Country Club Management (\$2.3 million), ML Country Club (\$2.1 million), and Country Club Investment Properties (\$1.9 million). [Indianwood Golf and Country Club](#) is located in Lake Orion, Michigan, has been open since 1925, and four major championships have been played at the golf course. [Summit Chase Country Club](#) is located in Snellville, Georgia and offers golf, tennis, swimming, and special event planning. [Northgate Country Club Management](#) is located in Houston, Texas and was purchased in 2012 by an individual who has been in the private club industry for over 40 years and aims to provide a first class private club experience.



APPENDIX

SMALL BUSINESS ADMINISTRATION LOANS BY STATE AND U.S. TERRITORY

STATE	VALUE OF LOAN	STATE	VALUE OF LOAN
ALABAMA	\$1,088,389,706	MONTANA	\$440,949,088
ALASKA	\$381,761,092	NEBRASKA	\$648,732,794
AMERICAN SAMOA	\$10,688,300	NEVADA	\$1,165,198,721
ARIZONA	\$3,034,956,483	NEW HAMPSHIRE	\$506,756,697
ARKANSAS	\$982,713,076	NEW JERSEY	\$3,304,529,435
CALIFORNIA	\$24,136,930,477	NEW MEXICO	\$565,510,639
COLORADO	\$3,532,369,889	NEW YORK	\$7,069,521,811
CONNECTICUT	\$1,564,701,427	NORTH CAROLINA	\$4,182,752,754
DELAWARE	\$331,814,116	NORTH DAKOTA	\$269,432,633
FEDERATED STATES OF MICRONESIA	\$130,000	NORTHERN MARIANA ISLANDS	\$1,031,769
FLORIDA	\$9,319,226,942	OHIO	\$4,429,779,776
GEORGIA	\$5,791,478,575	OKLAHOMA	\$1,164,635,959
GUAM	\$24,162,495	OREGON	\$1,857,655,305
HAWAII	\$292,616,589	PENNSYLVANIA	\$4,236,210,698
IDAHO	\$909,759,562	PUERTO RICO	\$1,559,805,677
ILLINOIS	\$5,077,792,509	RHODE ISLAND	\$426,882,038
INDIANA	\$2,522,614,692	SOUTH CAROLINA	\$1,529,426,525
IOWA	\$755,896,081	SOUTH DAKOTA	\$355,138,113
KANSAS	\$927,576,631	TENNESSEE	\$1,721,699,790
KENTUCKY	\$829,537,769	TEXAS	\$13,718,534,841
LOUISIANA	\$933,112,834	UTAH	\$2,537,021,284
MAINE	\$480,503,537	VERMONT	\$219,370,229
MARSHALL ISLANDS	\$75,000	VIRGIN ISLANDS	\$300,965,210
MARYLAND	\$1,718,296,925	VIRGINIA	\$2,295,683,840
MASSACHUSETTS	\$2,690,512,518	WASHINGTON	\$3,693,877,306
MICHIGAN	\$3,560,525,795	WASHINGTON D.C.	\$357,468,852
MINNESOTA	\$3,398,133,308	WEST VIRGINIA	\$165,845,534
MISSISSIPPI	\$750,168,401	WISCONSIN	\$2,751,279,122
MISSOURI	\$2,327,334,794	WYOMING	\$169,803,202

SOURCE: 2014 - 2018 UNITED STATES SMALL BUSINESS ADMINISTRATION DATA COMPILED BY OPENTHEBOOKS.COM VIA FREEDOM OF INFORMATION ACT.

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Adam Andrzejewski, Founder and Chief Executive Officer, authored this report. **Matthew Tyrmand**, Deputy Director at Large, disseminated this report to national media. **Craig Mijares**, Chief Operating Officer at American Transparency, assembled and organized datasets. **Madalen Strumpf**, Oversight Manager, managed our data investigation and oversight teams. **Lauren Renslow**, Communication Specialist, helped draft and edit the report.

This report quantifies federal transactions compiled at www.openthebooks.com as a result of the Federal Funding Accountability and Transparency Act of 2006. To the extent the government makes mistakes in reporting inaccurate or incomplete data, our report will reflect these same mistakes.



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