



THE FEDERAL TRANSFER REPORT™

Founder Adam Andrzejewski

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SBA LOANS SERVING WEALTHY LIFESTYLES

Fiscal Years 2007-2013: Quantifying Small Business Administration
(SBA) Loans into Entities Serving the *Wealthy Lifestyle*

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U.S. Senator Tom Coburn

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

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...”

Sen. Barack Obama

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About the Author: Adam Andrzejewski is the founder of OpenTheBooks.com. An entrepreneur and former candidate for Governor of Illinois, Andrzejewski is a national leader who advocates “every dime, online, in real time” government transparency. Mr. Andrzejewski is the author of this study- Federal Transfer Report- SBA Loans Serving the Wealthy Lifestyle and would like to thank Jack Norris from the University of Iowa for his significant research contribution to this report.

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SUMMARY:

Using public data released by the 2006 “Google Your Government Act” (Federal Funding Accountability and Transparency Act), we quantified tens of billions of dollars paid to companies serving the “Wealthy Lifestyle” during the years 2007-2013. **This sum represents, the Federal Transfer™ and is comprised of disclosed SBA loans and loan guarantees.**

Among the findings:

- \$67.23 billion in Federal Transfer™ SBA loans and loan guarantees flowed to 34,677 entities with a minimum amount of \$1 million (FY2007-2013).
- Amongst the \$1 million SBA *Wealthy Lifestyle* loan recipients are exclusive Rolex and other up-scale, affluent jewelers; Lamborghini and other luxury auto dealers; aesthetic enhancement and plastic surgery clinics; helicopter tour companies, BMW motorcycle dealers; wineries- including those in Napa Valley and Sonoma, CA; lodges and resorts in Jackson Hole, Cape Cod, Palm Beach, Lake Tahoe and across America; high-end private clubs for yachting, skiing, shooting, surfing, smoking cigars, and members-only country clubs; injury lawyers; artistic dental firms; venture capital, mezzanine finance & private investment pools; specialty companies including luxury pet resorts, golf courses, marinas & more!
- ***101% increase in \$1+ million SBA loans and loan guarantees*** during the last three years of the Obama Administration (2011-2013) vs. the period (2008-2010). \$1+ million SBA loans amounted to \$9.285B (2007), \$6.937B (2008), \$4.52B (2009), \$7.87B (2010), \$13.01B (2011), \$11.006B (2012), and \$14.767B (2013).
- ***\$252 million in the Federal Transfer™ via SBA loans flowed to Fortune 100 companies- who are off loading investment risk to taxpayers by subdividing their national distribution networks to receive low, taxpayer subsidized interest rates and guaranteed loans.***
- \$9.219 billion flowed into venture capital, capital partner firms, mezzanine finance firms, private investor funds and investment pools. Since 2007, 329 SBA loans and guarantees flowed to companies like Hercules Technology, CA; BB&T Capital, NC; and Gemini Investors, MA. *On average, investment banking firms each collected an average of \$28.23 million per transaction from the SBA.*

INTRODUCTION

SBA Loans and Loan Guarantees to the *Wealthy Lifestyle*

The motto of the Small Business Administration is as all-American as apple pie: “*The SBA helps Americans start, build and grow businesses.*” In January, 2012, President Barack Obama elevated the *Administrator of the Small Business Administration* to a cabinet level position.

But, proponents of Small Business Administration (SBA) loan programs will be hard pressed to justify many of the examples cited within our report. Basic questions regarding the SBA must be asked...

*What is the public purpose to lend up to \$5 million to businesses serving the **Wealthy Lifestyle**? Isn't it Robin Hood in reverse?*

All successful businesses pay taxes. Therefore, when the SBA approves a loan, by definition, taxpayer money is used to compete against another taxpaying business. Government loans of \$1 million plus create a potentially pernicious unlevelled playing field.

Which businesses are able to find Uncle Sam's favor? Since 2007, there have been nearly 35,000 “small business” loans between \$1 million and \$5 million. On average, that's more than one \$1 million plus loan for every three communities across America. *Who in your area has won the \$1 million SBA lottery prize?*

[Download our free Open The Books mobile app for Apple and Droid.](#) See who's receiving a piece of the federal pie in your ZIP code or nearby. Are there Million Dollar SBA Loans In Your Hometown? [Click here to slice, dice and display the list of 35,000 loans](#) by state, town, recipient, or sort by amount at [OpenTheBooks.com](#).

Why must working and middle class families fund these extravagant giveaways?

Under what hypothesis does the SBA use to reallocate taxpayer money to businesses serving *Wealthy Lifestyles*? How were these industries chosen?

We suspect “job creation”- as a public purpose. Arming a company with millions of taxpayer guaranteed dollars helps short run expansion, but is the gain sustainable? Certainly marketplace competitors might experience short run employment contraction and they are at a **distinct** disadvantage.

Is the “*don't fight the fed*” mantra of Wall Street morphing into Main Street's own version... “*don't fight the SBA?*”

Is Adam Smith's guiding hand now the gilded hand of government favor?

HIGHLIGHTS

☆ **EXCLUSIVE PRIVATE CLUBS: \$160.897 Million**

Loans awarded to exclusive country clubs, self-described “luxury gun clubs,” members-only beach clubs, hunting clubs and yacht clubs. Tens of millions of dollars also awarded to high-end tennis, racquet ball, and inline skating clubs. Tens of millions of dollars more conferred on cigar, fitness, and thoroughbred clubs across America.

Amongst our findings:

- **TOP 10 Country Clubs or Membership Clubs** receiving million dollar SBA loans or guarantees: 1. [Horseshoe Bend Country Club](#), Marietta, GA (**\$5.0 million**); 2. [Olympic Athletic Club](#), Seattle, WA (**\$4.807 million**); 3. [Stafford Hills Club](#), Tualatin, OR (**\$4.286 million**); 4. [Crystal Falls Golf Club](#), Dawsonville, GA (**\$4.28 million**); 5. [West Hills Country Club](#), Middletown, NY (**\$4.248 million**); 6. [Vernon Golf Club LLC](#), Waukesha, WI (**\$4.1 million**); 7. [Centennial Gun Club](#), Englewood, CO (**\$4.0 million**); 8. [Frisco Gun Club](#), Frisco TX (**\$3.282 million**); 9. [Springhurst Tennis Club](#), Louisville, KY (**\$2.95 million**); 10. [Vellano Country Club](#), Chino Hills, CA (**\$2.80 million**).
- **Interesting SBA loans or guarantees?**
[The Fairfield Beach Club](#), Fairfield, CT (**\$1.554 million**)
 Strict membership policy including no cell phones, except on the beach, but not in the clubhouse, pool, porches or tennis courts.



[Pequonnock Yacht Club](#), Bridgeport, CT (**\$2.0 million**)

The clubhouse commands an obstructed view across New Haven harbor directly into Long Island Sound. Club also sports a marina, balcony and dock. SBA helped the club on “disaster relief” in 2013.



Officers of the Pequonnock Yacht Club, [picture on website: http://www.pyc-nh.com/](http://www.pyc-nh.com/)

Case Study examples: Members-Only Country Club Loans or Guarantees

[Horseshoe Bend Country Club](#), Marietta, GA (\$5.0 million)

From website: *Horseshoe Bend Country Club is nestled in a magnificent rolling green horseshoe formed by the beautiful Chattahoochee River. Beautiful site molded into a premier golf and recreation club set in an incomparable community.*



Horseshoe Bend Country Club- <http://www.horseshoebendcc.com/web/pages/northstar>

[West Hills Country Club](#), Middletown, NY (\$4.248 million)

From website: *Founded in 1899, the multi-million dollar renaissance of the new West Hills Country Club is nearly complete, transforming it into one of the premier golf and country club facilities in the region. Mesmerizing for members, it has become the most exclusive venue for wedding couples as well. New tennis courts, redesigned pool, outdoor bar and cabanas create an elegant touch. The expanded and remolded clubhouse and restaurant takes the country club to a new level.*



West Hills Country Club- <http://www.westhillscountryclub.com/>

[Vellano Country Club](#), Chino Hills, CA (\$2.80 million)

From website: Vellano marks the arrival of the first Greg Norman Signature Golf Course in metropolitan Los Angeles. *“I have not seen land possessing this much natural beauty in a long time,” said Mr. Norman. “I am very excited about the opportunity to create a championship-caliber golf course on this exceptional piece of property.” ~ Greg Norman*



Photo of Vellano Country Club, Chino Hills, CA from website

Frisco Gun Club, Frisco TX (\$3.282 million)

From website: *Function and State of the Art, Luxury Gun Range and Club. Discover the nation's most unique, upscale luxury gun club. Indulge your passion for firearms here. There are no limitations at Frisco*



Gun Club – with its

45,000 square feet of building space, including an indoor shooting range with 40 lanes, over 7,000 square feet of retail space, a 100-person training room, and a private VIP Club members' lounge. If you can dream it – you can do it here.

Individual and corporate memberships available for purchase starting at \$7,000.

The Finest shooting experience in the country. Photo of Frisco Gun Club, Frisco, TX from website



Houston Yacht Club, La Porte, TX (\$2.0 million)

From website: *“Great People. Rich History. Family Fun. Unique Location. Since 1897.*



We offer top level racing, an unrivalled junior sailing program, numerous social events, and a variety of cruising and educational opportunities. Our beautiful clubhouse and new harbor are located directly on Galveston Bay. Founded more than 100 years ago, we have built a tradition of excellence in every aspect of yachting.”

Houston Yacht Club, La Porte, TX website

Milford Hills Hunt Club, Johnson Creek, WI (\$2.0 million)

From website: *“Milford Hills proudly offers Members' nearly 500 acres of hunting land spread over 12 Hunting Fields. Members are able to hunt Pheasant, Chukar Partridge,*



Quail, Duck and Pigeon. Each field

offers a wide variety of cover and landscapes, creating a memorable experience throughout the entire property.” A full-service property services include gunsmith, hunting, shooting, banquet wedding facility, fine dining, lodging, trading post, membership and events. Photos from Milford Hills Hunt Club website



TOP 48 SBA LOANS OR GUARANTEES TO EXCLUSIVE MEMBERSHIP CLUBS

RecipientOrContractorName	RecipientCityName	RecipientState	RecipientType	RecipientZipCode	FaceValue	DateSigned
Horseshoe Bend Country Club	MARIETTA	Georgia	23: Small business	300670000	\$ 5,000,000.00	9/13/2013
Meadow Lake Country Club, LLC.	ESCONDIDO	California	23: Small business	920260000	\$ 4,950,000.00	3/26/2013
Crystal Falls Golf Club	DAWSONVILLE	Georgia	23: Small business	305340000	\$ 4,828,000.00	7/20/2012
Olympic Racquet and Health Club Inc.	SEATTLE	Washington	23: Small business	981070000	\$ 4,807,000.00	1/21/2011
Stafford Hills Racquet & Fitness Club	TUALATIN	Oregon	23: Small business	970620000	\$ 4,286,000.00	11/28/2011
West Hills Country Club, LLC and West Hill	MIDDLETOWN	New York	23: Small business	109400000	\$ 4,248,000.00	3/7/2013
Vernon Golf Club, LLC	WAUKESHA	Wisconsin	23: Small business	531890000	\$ 4,100,000.00	4/11/2013
Centennial Gun Club LLC	ENGLEWOOD	Colorado	23: Small business	801120000	\$ 4,000,000.00	9/29/2010
Frisco Gun Club Inc.	FRISCO	Texas	23: Small business	750340000	\$ 3,282,000.00	11/9/2012
Springhurst Tennis Club Real Estate, LLC	LOUISVILLE	Kentucky	23: Small business	402410000	\$ 2,950,000.00	10/4/2012
Vellano Country Club, Inc.	CHINO HILLS	California	23: Small business	917090000	\$ 2,800,000.00	11/8/2012
Glenbrook Tennis Club LLC (OC) and Glenbro	NORTHBROOK	Illinois	23: Small business	600620000	\$ 2,300,000.00	4/29/2013
St. Simons Island Health & Fitness Club LL	SAINT SIMONS IS	Georgia	23: Small business	315220000	\$ 2,278,400.00	12/20/2011
Vernon Golf Club, LLC	WAUKESHA	Wisconsin	23: Small business	531890000	\$ 2,050,000.00	4/8/2013
Frisco Gun Club	FRISCO	Texas	23: Small business	750340000	\$ 2,049,000.00	2/10/2012
Victor Hills Golf Club, Inc	VICTOR	New York	23: Small business	145640000	\$ 2,020,000.00	4/5/2011
65 Oak Court, LLC dba Legacy Cigar Club	DANVILLE	California	23: Small business	945260000	\$ 2,000,000.00	9/30/2008
Dr. Lillian Roberts DBA Country Club Anima	Palm Desert	California	23: Small business	922600000	\$ 2,000,000.00	12/11/2007
Pequonnock Yacht Club, Inc.	BRIDGEPORT	Connecticut	23: Small business	660400000	\$ 2,000,000.00	6/7/2013
KINGSBURY CLUB MEDFIELD, INC.	MEDFIELD	Massachusetts	23: Small business	205200000	\$ 2,000,000.00	6/29/2007
MINOT COUNTRY CLUB, INC.	MINOT	North Dakota	23: Small business	587010000	\$ 2,000,000.00	4/6/2012
LAKEWOOD YACHT CLUB	SEABROOK	Texas	23: Small business	775860000	\$ 2,000,000.00	7/10/2009
HOUSTON YACHT CLUB, REORGANIZE	LA PORTE	Texas	23: Small business	775720000	\$ 2,000,000.00	2/2/2009
Milford Hills Hunt Club L.L.C./D & L Shoo	JOHNSON CREEK	Wisconsin	23: Small business	530380000	\$ 2,000,000.00	12/28/2010

RecipientOrContractorName	RecipientCityName	RecipientState	RecipientType	RecipientZipCode	FaceValue	DateSigned
La Canada Flintridge Country Club	LA CANADA FLINT	California	23: Small business	910110000	\$ 1,978,600.00	9/12/2013
River Club Golf Course, Inc.	NAPLES	Florida	23: Small business	341020000	\$ 1,900,900.00	2/1/2013
Farmington Tennis Club Inc.	FARMINGTON	Michigan	23: Small business	483360000	\$ 1,900,000.00	12/24/2009
Wickertree Tennis Club, LLC	COLUMBUS	Ohio	23: Small business	432290000	\$ 1,858,800.00	3/2/2011
CHEROKEE RUN COUNTRY CLUB	CONYERS	Georgia	23: Small business	300130000	\$ 1,817,500.00	11/16/2006
Thoroughbred Club, Inc.	LOS ANGELES	California	23: Small business	900360000	\$ 1,800,000.00	10/5/2011
Elite Sports Club - River Hills, Inc.	MILWAUKEE	Wisconsin	23: Small business	532090000	\$ 1,800,000.00	10/18/2012
Quit-Qui-OC Golf Club, Inc.	ELKHART LAKE	Wisconsin	23: Small business	530200000	\$ 1,794,000.00	5/26/2011
Creekview Golf Club Inc.	CRANDALL	Texas	23: Small business	751140000	\$ 1,767,000.00	12/23/2010
Nardis Gun Club SA, LLC	SAN ANTONIO	Texas	23: Small business	782190000	\$ 1,714,000.00	10/20/2011
Royal Tee Golf Club, Inc.	CAPE CORAL	Florida	23: Small business	339910000	\$ 1,687,000.00	6/20/2012
The Fairfield Beach Club, Inc.	FAIRFIELD	Connecticut	23: Small business	682400000	\$ 1,554,400.00	1/16/2013
Four Oaks Country Club, Inc.	DRACUT	Massachusetts	23: Small business	182600000	\$ 1,543,000.00	11/2/2012
Virginia Beach Racquet Club North Associ	VIRGINIA BEACH	Virginia	23: Small business	234540000	\$ 1,535,000.00	6/23/2011
FAIRHOPE YACHT CLUB INC	FAIRHOPE	Alabama	23: Small business	365330000	\$ 1,500,000.00	1/19/2007
BAYSIDE MARINA & YACHT CLUB IN	MONETA	Virginia	23: Small business	241210000	\$ 1,477,000.00	9/13/2007
TRILOGY GOLF CLUB AT POWER RAN	GILBERT	Arizona	23: Small business	852970000	\$ 1,476,000.00	11/30/2006
MEADOW CREEK GOLF CLUB INC	DRACUT (TOWN C	Massachusetts	23: Small business	182600000	\$ 1,472,000.00	3/6/2008
DFW Gun Club & Training Center, LLC; Pis	DALLAS	Texas	23: Small business	752350000	\$ 1,304,000.00	9/2/2011
SWAN CREEK GOLF CLUB	AVON	Illinois	23: Small business	614150000	\$ 1,300,000.00	2/19/2010
COUNTRY CLUB TEXACO	BATON ROUGE	Louisiana	23: Small business	708100000	\$ 1,247,600.00	11/16/2007
Hawk's Landing Country Club	SOUTHINGTON	Connecticut	23: Small business	648900000	\$ 1,247,000.00	12/30/2010
CENTERTON COUNTRY CLUB	PITTSBORO	New Jersey	23: Small business	831800000	\$ 1,237,000.00	6/23/2008
Governors Gun Club, LLC	POWDER SPRINGS	Georgia	23: Small business	301270000	\$ 1,220,000.00	6/17/2013

Summary: The SBA provided over \$160 million in low-cost loans and a taxpayer backstop to exclusive, members-only country, beach, "luxury gun," and yacht clubs. Tens of millions of dollars also lent to high-end tennis, and racquet ball clubs. Tens of millions of dollars more conferred on hunt, marinas, and cigar clubs across America. Taxpayers provide the incentive & backstop the risks. Some of these country clubs built new golf courses, pools, clubhouses, banquet facilities, outdoor waterfalls and bridges.

★ LUXURY INDULGENCES: \$760.0 Million

Hundreds of millions of dollars in loans to business serving the Wealthy Lifestyle including exclusive Rolex and other extravagant watch and diamond jewelers; Napa and Sonoma, CA wineries and others across America; Lamborghini and other luxury auto dealerships; cigar shops for aficionados; aesthetic and plastic surgery clinics; fine dining establishments; millionaire fast food franchise owners; hobbies of the rich; helicopter tour companies; BMW motorcycle dealers; upper-end beauty, spa, and other indulgent services.

Amongst our findings:

- \$20.959 million to exclusive Rolex jewelers flowed on 47 loans or loan guarantees from the SBA. These jewelers in towns like Petaluma and Santa Rosa, CA; Hinsdale and Chicago, IL; New York, NY; and Park City, Utah reaped taxpayer guaranteed, low-interest loans. The largest loan to a Rolex jeweler was [Razny Jewelers in Hinsdale, Highland Park, IL](#) for \$3.64 million. Federal data shows the loan was repaid.
- Additionally, 26 high-end jewelers received \$37.387 million from the SBA in loans or guarantees above \$1 million. [M.K. Diamonds & Jewelry in Beverly Hills, CA](#) received the most at \$3.894 million in September, 2013. [Bentrani Watches](#) in Miami, FL received \$5.0 million and one week later they [sold to Fossil watches](#).

Taxpayers are providing subsidized low-interest rate loans while assuming the risk of business default.

- \$3.497 million flowed to two Lamborghini auto dealers. **Lamborghini Chicago, IL** and **Lamborghini of Orange County, CA** are both out of business. Federal data shows that the Orange County loan was repaid but isn't showing repayment of the Chicago loan (the business is closed). Additionally, SBA dollars flowed to high-end auto dealers like [Beverly Hills Car Club](#) in 90210 (\$1.328 million) and millions of dollars to Lexus, Infinity, and other luxury automobile dealers across America.
- \$19.0 million flowed to eleven Napa Valley, CA wineries and another \$100 million plus of SBA loans and guarantees into Sonoma wine country bottlers, vineyards, management companies, bottlers- including portable methods, and hotels, inns and bed-in-breakfasts and within the industry in states across America. [Clos LaChance Winery](#), San Martin, CA received \$5.0 million for the owners "hobby run amok" to start a family winery. [Brian Arden Wines in the heart of Napa Valley, CA](#) received \$4.935 million to help pursue winemaking dreams in 2013. [Las Damas Estate Winery, Las Damas, TX](#) received \$4.57 million and "is defining the next generation of Texas winemaking and bringing the leisurely wine country lifestyle to the state."
- \$41.486 million flowed to twenty self-described "Plastic Surgeons" or "aesthetic clinics." [Ness Plastic Surgery, Wayzata, MN](#) received \$2.909 million to help their mission of "Improving You." [Napa Valley Plastic Surgery, Napa Valley, CA](#)

received \$1.835 million to help “*attract many patients from a greater distance who come to us to undergo treatment and recuperate in the beautiful Napa Valley.*” [**The Parker Skin & Aesthetic Clinic**](#), Beachwood, OH received \$2.0 million to help cosmetic, skin and esthetician services.

- \$20.053 million flowed into Cigar Shops- with \$2.0 million in SBA loan and guarantees going to [**Lone Wolf Cigar Company**](#), Wilshire Boulevard, West Los Angeles and Santa Monica, CA. Lone Wolf Cigar was founded in 1893 and built an exclusive, 3,000 square foot private membership cigar lounge for aficionados.
- \$393.013 million backed 256 restaurants across America. On average, these fortunate destination eateries procured loans or loan guarantees of \$1.535 million. [**Fox River Brewing Company, Oshkosh, WI**](#) received \$4.635 million for its micro-brew facility. TVP Restaurant Group owns [**Tender Greens vegetarian restaurant and received \\$4.74 million**](#) in SBA loans and loan guarantees for their 21 locations in California.

Even millionaire fast food franchisees received “small business” loans: [**Parade Restaurants LLC, Hackensack, NJ**](#) received \$4.0 million for roll-out into its collection of 45 Burger King (BK) restaurants (2013).- the largest number of New Jersey BK franchises. Ross Restaurant Group, Llc, Trenton, NJ another BK franchiser also received \$4.0 million. Rucker Restaurant Holdings, Llc, Mesa, AZ received \$3.475 million and they own [**56 Jack-N-The-Box restaurants with \\$70 million in sales.**](#)

- \$18.890 million to helicopter tour companies in the Grand Canyon and beyond in SBA loans and guarantees. [**5 Star Grand Canyon Helicopter Tours L.L.C., Boulder City, NV**](#) received \$1.0 million in 2012 for self-described “*luxury helicopter tours*” of the Grand Canyon. [**Sky Helicopters, Inc., Desoto, TX**](#) received \$1.081 million in 2012 with a business specialty in the training of newscopter pilots since 1992 and a helipad for the storage, maintenance, fuel and hangar space for helicopters. [**Maverick Helicopters, Las Vegas, NV**](#) received over \$5.978 million (years 2012-2013) for tours, private charter tours, VIP service to the Grand Canyon and Las Vegas strip with the “*newest and most advanced fleet in the world.*”
- \$3.296 million to BMW Motorcycle dealers including BMW Motorcycle of Little Rock, AR who received \$1.856 million in 2009. The [**dealership is no longer in business**](#) and federal checkbook data shows no money repaid.
- \$91.6074 million into 55 beauty spas across America. [**Emerald City Spa, Federal Way, WA**](#) received \$5.0 million to help men and women “*Release Your Inner Beauty- to promote health and eternal youth.*” [**Spa Castle, Denton, TX and Manhattan, NY**](#) received \$6.2 million (2010-2011) in-part to pioneer their five story concept of spa services: “*the perfect combination of Asian saunas and luxurious*

European spas.” [Tahoe Lakeshore Lodge and Spa, Lake Tahoe, CA](#) received \$3.529 million which the website states, “revitalize yourself on the tranquil shores of Lake Tahoe at Elements Day Spa.” [Milliken Creek Inn & Spa, Napa Valley, CA](#) received \$2.431 million and according to online accounts is “amongst the most coveted Napa spas and hotels.”

- \$17.674 million into 14 limousine companies mostly in New York, California and Florida. [Diva Limousine](#), received the most money (\$2.097 million). This limousine company chauffeurs the Hollywood stars and starlets.

Case Study examples: Luxury Indulgences- jewelry, cigars, wineries, luxury autos, helicopter tours, exquisite beauty and spa, limousines, plastic surgeons, etc.

M.K. Diamonds & Jewelry, Beverly Hills, CA (\$3.894 million)



From website:

... a highly regarded jewelry manufacturer that has grown into a prominent presence in the jewelry industry.

Our extensive line of engagement rings, diamond fashion jewelry, fancy yellow diamond rings, and expansive selection of certified diamonds makes M.K. Diamonds and Jewelry the manufacturer of choice worldwide.

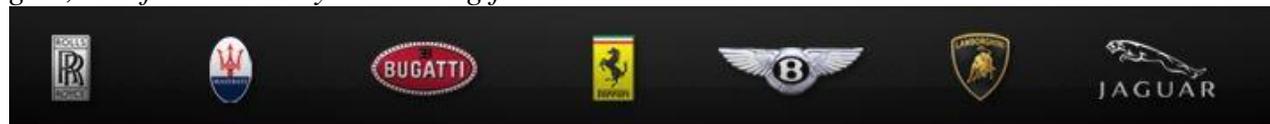
Beverly Hills Car Club, Los Angeles, CA (\$1.328 million)

From website: Selling Maserati, Jaguar, Bentley, Rolls Royce, Bugatti, Mercedes,



Porsche, Ferrari, Alpha Romeo, Aston Martin, Austin Healy, Lamborghini and Abarth exotic brand classic vehicles. Beverly Hills Car Club is a retail dealership with wholesale pricing. We specialize in European

and American classic cars, helping dealers find inventory for their dealerships, connoisseurs and enthusiasts find that rare gem, and first time Buyers looking for their dream car.



Clos LaChance Winery, San Martin, CA (\$5.00 million)

From website: A family owned and operated winery for over 10 years, Clos LaChance has vineyards, wine making and production operation, wine tasting room, direct sales and events. Also, the Winery has a wine club. The owner and founder is also the Chairman of the Board of Visitors and Fellows at U.C. Davis’ Department of Viticulture & Enology.



Photo of Clos LaChance Winery, San Martin, CA from website

Ness Plastic Surgery, Wayzata, MN, Wayzata, MN (\$2.909 million)

From website: *John Allan Ness, MD spent 17 years obtaining the world-class education and training that it takes to be a modern plastic surgeon; 3 years in academics, training the next generation of surgeons; has been in private practice for the past 12 yrs. Elected as President of the Minnesota Society of Plastic Surgeons. Views the Practice of plastic surgery to be the perfect fit for combining his loves of art and science.”*



Photo of Ness Plastic Surgery, Wayzata, MN from website

Napa Valley Plastic Surgery, Napa Valley, CA (\$1.835 million)

From website: *“Since 1984, Napa Valley Plastic Surgery has provided plastic and reconstructive surgery care to Northern California patients. Newly completed main office and nationally certified surgery center are in Napa... Though most of our patients are from the San Francisco Bay Area, we attract many patients from a greater distance- undergoing treatment and recuperating in the beautiful Napa Valley”*



Photo of Napa Valley Plastic Surgery, Napa Valley, CA from website

Lone Wolf Cigar Company, Wilshire Blvd, West LA & Santa Monica, CA (\$2.0M)

From website: *The original location in Downtown Santa Monica was established by Sargent I.E. Baracks in 1893, as one of the oldest established and still existing Tobacco Merchants on the West Coast. Specializing in Fine Cigars, Exclusive & Rare Cigars, Tobaccos, and Extraordinary Smoking Accessories and offering the most Extensive Selection available.*



Photo of Lone Wolf, Wilshire Blvd, West Los Angeles, CA from website

Maverick Helicopters, Las Vegas, NV (\$5.978 million)

From website: *Las Vegas Strip and Grand Canyon Helicopter Tours- Maverick top safety record of any tourism-based aviation company in the world. To date, Maverick has invested over \$85 million in Quiet Technology helicopters, making it the largest and youngest fleet of ECO-Stars in the world. The ONLY company in the world to be named twice to the Travel Channel's "10 Best Helicopter Thrills." More than 225,000 guests annually.*



Photo of Maverick Helicopters, Las Vegas, NV from website

5 Star Grand Canyon Helicopter Tours, Boulder City, NV (\$1.00 million)

From website: *the best way to experience the #1 natural wonder of the world- the Grand Canyon past geological rock formations that span millions of years. Other services include Las Vegas VIP Night Strip Helicopter Air Tour and/or air wedding ceremonies and charter service of Mercedes Benz VIP motor coach.*



Photo of 5 Star Grand Canyon Helicopter, Boulder City, NV from website

Emerald City Spa, Federal Way, WA (\$5.00 million)

From website: *Uses the same ancient traditions that have helped keep Asians looking vibrant beyond their years. Come discover the secrets of eternal youth. Largest spa in the Pacific Northwest at 16,000 square feet. Amenities include dry and wet sauna, private massage rooms, restaurant, 4 special treatment rooms, facial treatments, and social lounge.*



Photo of Emerald City Spa "Palace Spa," Federal Way, WA from website

Milliken Creek Inn & Spa, Napa Valley, CA (\$2.431 million)

From website: *Is committed to creating the relaxing atmosphere that is conducive to renewing yourself—mind, body and soul. We invite you to come calm your mind, nourish your body and soothe your soul in our tranquil, therapeutic sanctuary, where our highly experienced therapists and estheticians are completely devoted to your well-being. You will feel the comforting, Zen-like aura that is created by everything from the welcoming staff to the warm fireplace, a feeling that continues in the treatment rooms, with blissful beds, inspiring views, soft music and flickering candlelight.*



Photo of Milliken Creek Inn and Spa, Napa Valley, CA from website

Diva Limousine, Burbank, CA (\$2.097 million)

From website: *Company provides chauffeur services for Academy Awards, Grammys, Golden Globes, American Music Awards, Primetime Emmy Awards, and MTV VMA's.*



Diva Limousine is one of the nation's largest privately-held chauffeured ground transportation companies providing luxury sedans, hybrids, limousines, vans, SUV's and buses. The industry's platinum standard, 24/7 in 350 cities in 75

countries. Professional & entertainment clientele have remained loyal to Diva for over 21 years.

★ VACATION DESTINATIONS- PEOPLE & PETS: \$4.2129 Billion

Billions of dollars in loans flowed to business serving the Wealthy Lifestyle including lodges, resorts, high-end hotels, and other businesses serving the vacation destinations in Cape Cod, MA; Palm Beach, FL; Lake Tahoe, NV/CA; Park City, UT; Jackson Hole, WY; Naples, FL; Miami Beach, FL; Palm Springs, CA; and across the country. Additionally, extreme luxury resorts for pets were funded by the SBA.

Amongst our findings:

- Within the segment of \$1million to \$5 million SBA loans since 2007, \$808.335 million flowed to businesses with the key word, “Hotel”; \$3.057 billion (“Inn”); \$200.331 million (“Lodge”); and Resorts (\$147.077 million).
- \$75.946 million of SBA loans flowed into 49 high-end, luxury pet resorts across

America including [Wagmore Pet Resort](#), Boerne, TX (\$3.855 million)- is a “state-of-the-art” pet resort for dogs and cats; [PetSuites- Columbus](#), OH (\$2.40 million)- “state –of-the-art dog boarding,” cat hotel and special “cat villas”; [Forest Shadows Pet Resort](#), Magnolia, TX (\$2.14 million)- spa grooming and bathing including anal gland expression, and special skin treatments such as re-moisturizers. [Animal House Pet Hotel](#), Atlanta, GA (\$2.0 million)- spa, pampered, entertained and bestowed with the comforts of home.

- SBA loaned businesses in Naples, FL (\$50.56 million) including the [Esplanade Club](#) (\$1.5 million)- a prime Gulf Coast beachfront property of 121 units on 18 floors of high rise condominiums; [Cruise Naples](#) (\$4.72 million)- offering dolphin, sunset and sightseeing tours, boat and cruise ship tours, deep sea fishing, and jet ski rentals and guided tours; [Sweet Sunshine Hospitality](#) (\$2.6 million)- a seven floor condominium building within a gated community of Bay Forest, where 2 bedroom units rent for \$3500 per month; [William Huff Movers](#) (\$4.405 million)- specializing in complete concierge service for discerning clientele around the world: fine wine collections, family heirlooms, and irreplaceable art and antiques.
- \$64.423 million on 38 SBA loans flowed to marinas including [Summit North Marina](#), in Bear, DE (\$2.71 million); a former property owned by Roy Rogers, [Pleasure Point Marina](#) in Big Bear Lake, CA (\$2.80 million); and a start-up marina in Clarksville, TN, the [Clarksville Marina](#) (\$4.09 million) created for 85 boat slips.
- SBA loans in wealthy communities across America: [Beverly Hills, CA](#) (165 loans, TOP 30 loans = \$124.930 million); [Napa, CA](#) (187 loans, TOP 29 = \$55.00 million); [Park City, UT](#) (206 loans, TOP 14 = \$29.54 million); Hilton Head and Hilton Head Island, FL (TOP 10 = \$17.960 million).

Case Study examples: Vacation Destinations- People & Pets

[Cruise Naples, Naples, FL \(\\$4.72 million\)](#)

From website: *A father and son team bring five generations and 25 years in tourism to the company. Watching dolphins on narrated cruises, deep sea fishing, or jet-ski and boat rental, Cruise Naples has it all.*



Photo of Cruise Naples, Naples, FL from website

Alpine Hof Hotel, Jackson Hole, WY (\$5.0 million)

From website: *“Gemütlichkeit in the Tetons. What is Gemütlichkeit? There is no English translation of this Austrian word, but imagine a cozy, historic, welcoming mountain inn with a roaring fire, deep chairs, fabulous food, delicious wines and hot drinks, great friends, lots of laughter and music. With just 42 rooms, our goal is to combine the warmth and personalized service of bed and breakfast with the amenities of a full-service hotel.”*



Photo of Alpine Hof Hotel, Jackson Hole, WY from website

Tahoe Lakeshore Lodge & Spa, Lake Tahoe, CA (\$3.29 million)

From website: *Lake Tahoe’s ONLY Lakefront hotel and condominium property. Only the Sand lies between you and the Lake. Offering hotel and condominium lodging all iwht an incredible lake view and cozy fireplace, full service day spa, heated pool/hot tub and 500 feet of private beach. SBA loan in 2011*



Photo of Tahoe Lakeshore Lodge & Spa, Lake Tahoe, CA from website

Inns of Gevena National, Lake Geneva, WI (\$2.40 million)

From website: *The Inns offer 36 separately keyed guest rooms overlooking the stunning vistas of the Gary Player golf course as well as the gorgeous surrounding Wisconsin countryside. Located just 400 yards from the Geneva National Golf clubhouse, perfect for weddings, meetings, and catered events: spacious rooms, legendary golf, and delicious dining. SBA loan in 2012*



Lee Trevino



Arnold Palmer



Gary Player

Summit North Marina, Bear, DE (\$2.71 million)

From website: *Is rapidly becoming the most sought after recreational haven. Because Summit North Marina is so well protected, it is listed with the United States Coast Guard as a “Hurricane Hole,” the best place to be during the storm. No other marina facility on the northeastern Intracoastal Waterway can boast such a wealth of exclusive amenities so perfectly situated in natural, unspoiled surroundings.*



New “Floating Docks” at Summit North Marina, Bear DE from website

Clarksville Marina, Clarksville, TN (\$4.09 million)

From website: *is an impressive landmark achievement.*

Phase One is a resounding success with completion of 85 boat slips, the majority are leased.

“We feel like what’s going on here is something Clarksville hasn’t experience before. A marina is a family, a little town...”

Phase I and II plans for Clarksville Marina, Clarksville, TN from website



Pleasure Point Marina, Big Bear Lake, CA (\$2.80 million)

From website: *Pleasure Point Marina is the oldest continually operated marina in Big Bear, which opened in 1914. Cowboy legend Roy Rogers purchased the property and changed the name to its present name of Pleasure Point (1930s). A 100th year anniversary, the marina is full time membership owned. Also features a luxury fleet of pontoon boats.*



Photo of Pleasure Point Marina, Big Bear Lake, CA from website

Wagmore Pet Resort, Boerne, TX (\$3.855 million)

From website: *“Brand-new state of the art ‘green’ pet care facility! Lodge-like interior with river rock décor provides a soothing, natural aesthetic. But it’s what you don’t see that is most impressive like our rainwater catchment systems, solar thermal heating and cooling, and recycled building materials.”*



Photo of Wagmore Pet Resort, Boerne, TX from website

Barkaritaville Pet Resort, Corpus Christie, TX (\$1.40 million)

From website: *a luxury pet resort offering a full range of services such as boarding, daycare, grooming and retail in Corpus Christi featuring a Dog Park, Pet Hotel, Day Care, Grooming and Spa, Resort Shop, and Dog Wash.*

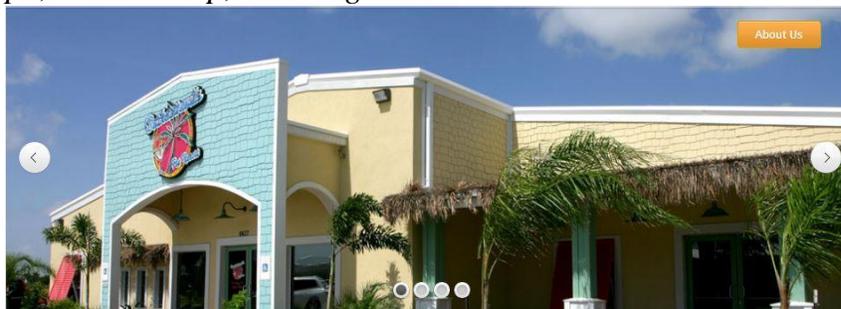


Photo of Barkaritaville Pet Resort, Corpus Christie, TX from website

Lindsey’s Rainbow Resort, Heber Springs, AK (\$2.955 million)

From website: *with new and improved log cabins of all sizes, the Pot O’ Gold Restaurant, Swimming Pool, the River Retreat Lodge for Big Events, Year Round camping with full hook ups and cable TV in our campground and World Class Trout fishing plus year around resort living. Own your own vacation home and boat slip on the Little Red River.*



Photos of Lindsey’s Rainbow Resort, Heber Springs, AR from website

☆ FORTUNE 100 COMPANIES: \$251.14 Million in SBA Loans

The motto of the Small Business Administration (SBA) echoes the purpose of federal loans to businesses: “*The SBA helps Americans start, build and grow businesses.*”

Among our findings:

- **Are the Small Business Administration loan programs being manipulated? \$251.14 million in small business loans went to ten Fortune 100 companies and their affiliated companies.** Taxpayers are providing subsidized low-interest rate loans while assuming the risk of business default.
- Contractors on Wal-Mart expansions received \$12.76 million in Surety Bonds from the SBA - taxpayer “guarantees of contractor performance” during facility expansions. Having the detail to “see into” the sub-contractor level payments shows that Wal-Mart was the net net beneficiary of these guarantees.

The Small Business Administration (SBA) issuing ‘Surety Bonds’, both entities assure businesses that contracts will be completed and capital preserved. **From SBA.gov:** “*SBA guarantees bid, performance and payment bonds issued by surety companies. This Federal guarantee encourages surety companies to bond small businesses who are having difficulty obtaining bonding on their own.*”

Case Study examples: FORTUNE 100

Fortune 100 companies- the wealthiest in the world- are off loading investment risk to taxpayers by gaming the system to receive low, taxpayer subsidized interest rates and guaranteed loans through the Small Business Association on their national distribution networks. Exclusive “affiliates” of ten Fortune 100 companies (2006-2012) were approved for millions in Small Business Administration (SBA) taxpayer-backed loans:

Chevron/Texaco (\$109.534 million), Ford Motor Co (\$67.612 million), General Motors (\$22.079 million), Exxon Mobile (\$18.702 million), Marathon Oil (\$13.013 million), Sears (\$9.235 million), State Farm (\$3.99 million), SuperValu (\$2.948 million), Allstate (\$2.76 million), and American Express (\$1.17 million).

Chevron: *Chevron/Texaco affiliated stations were issued the most SBA loans in the Fortune 100- \$109.534 million since 2006. Chevron used SBA loan programs designed for under-capitalized entrepreneurs (SBA 504) and loan guarantee programs “to aid small business which are unable to obtain financing” (SBA 7A). As Chevron expanded its retail dealers across the country, taxpayer’s picked-up millions in expansion plan financial risks. How is it that the affiliated business financially qualifies for Chevron licensing, but is so under-capitalized that it still qualifies for government loans?*

F_RecipientName	F_CFDAPr F_cocd	F_ContractingAgency	F_DateSigned	F_FaceValue	F
Sukh Bro Llc Dba: Okanogan Chev	7(A) Loan Guarantees	Small Business Administration	9/28/2012	\$900,000.00	
Hilltop Chevron	504 Certified Development Loans	Small Business Administration	8/31/2012	\$249,000.00	
Chevron Mart	504 Certified Development Loans	Small Business Administration	8/3/2012	\$363,000.00	
Rain Forest Chevron	504 Certified Development Loans	Small Business Administration	8/2/2012	\$52,000.00	
Rain Forest Chevron	504 Certified Development Loans	Small Business Administration	7/30/2012	\$795,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	7/24/2012	(\$407,000.00)	
Palo Cedro Chevron	504 Certified Development Loans	Small Business Administration	5/22/2012	\$659,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/4/2012	\$74,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/4/2012	\$361,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/4/2012	\$424,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/4/2012	\$286,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/4/2012	\$282,000.00	
Chevron	504 Certified Development Loans	Small Business Administration	5/3/2012	\$257,000.00	
Gold Gas; Inc. Dba Silver Chevron	7(A) Loan Guarantees	Small Business Administration	5/1/2012	\$1,815,000.00	
Joajoa; Inc. Dba Olympia Chevron	7(A) Loan Guarantees	Small Business Administration	4/13/2012	\$2,545,000.00	

Table: Chevron federal loan sample

Sears: *Sears and others used SBA loan and guarantee programs designed for under-capitalized entrepreneurs (SBA 504) or “to aid small business which are unable to obtain financing” (SBA 7A). As Sears expanded its retail dealers across the country, taxpayer’s picked-up millions in expansion plan financial risks. Is this a big company manipulation of a government program meant to help small businesses?*

F_RecipientName	F_CFDAPr F_cocd	F_ContractingAgency	F_ProjectDescription	F_DateSigned	F_FaceValue
Sears Roebuck And Company	7(A) Loan Guarantees	Small Business Administration	To Aid Small Businesses Which Are Unable To Obtain Financ	11/22/2011	\$25,000.00
Sears Retail Dealer	7(A) Loan Guarantees	Small Business Administration	Patriot Express	9/15/2011	\$56,000.00
Sears Retail Dealer	7(A) Loan Guarantees	Small Business Administration	Patriot Express	8/23/2011	\$144,000.00
Sears Retail	7(A) Loan Guarantees	Small Business Administration	To Aid Small Businesses Which Are Unable To Obtain Financ	8/10/2011	\$22,000.00
Sears Of Winfield	504 Certified Development Loans	Small Business Administration	To Assist Small Business Concerns By Providing Long Term F	5/23/2011	\$868,000.00
Sears Of Wellington	504 Certified Development Loans	Small Business Administration	To Assist Small Business Concerns By Providing Long Term F	5/13/2011	\$441,000.00
Sears Of Sturgis	7(A) Loan Guarantees	Small Business Administration	Patriot Express	3/29/2011	\$65,000.00
Sears Of Sturgis	7(A) Loan Guarantees	Small Business Administration	Patriot Express	3/29/2011	\$30,000.00
Sears Of Sturgis	504 Certified Development Loans	Small Business Administration	To Assist Small Business Concerns By Providing Long Term F	1/24/2011	\$207,000.00
Sears Of Sturgis	7(A) Loan Guarantees	Small Business Administration	To Aid Small Businesses Which Are Unable To Obtain Financ	1/19/2011	\$93,000.00
Sears Of Brookhaven	504 Certified Development Loans	Small Business Administration	To Assist Small Business Concerns By Providing Long Term F	12/23/2010	\$203,000.00
Sears Of Brookhaven	7(A) Loan Guarantees	Small Business Administration	To Aid Small Businesses Which Are Unable To Obtain Financ	12/20/2010	\$125,000.00

Table: Sears federal loans (SBA) sample

Wal-Mart: Contractors to Wal-Mart, the world’s largest retailer, received \$12.76 million in INSURANCE from the SBA underwriting Surety Bonds. With fiscal year 2013 sales of approximately \$466 billion, Wal-Mart employs 2.2 million associates worldwide. A majority of these SBA guarantees went to contractors engaged in multiple Wal-Mart upgrade and expansion projects. Wal-Mart is the net net beneficiary of lower contractor costs because of the taxpayer subsidized guarantees.

F_ProjectDescription	F_CFDAPr F_cocd	F_ContractingAgency	F_DateSigned	F_DollarsObligat
Walmart Supercenter 5799 Building Concrete An	Surety Bond Guarantees	Small Business Administration	9/7/2012	\$664,200.00
Walmart #2432 Subcontract #25031005	Surety Bond Guarantees	Small Business Administration	9/7/2012	\$415,600.00
Walmart: Concrete Building	Surety Bond Guarantees	Small Business Administration	8/24/2012	\$404,014.00
Walmart Supercenter 5799-00 Site Demo Earthw	Surety Bond Guarantees	Small Business Administration	8/21/2012	\$927,800.00
Walmart: Concrete Building	Surety Bond Guarantees	Small Business Administration	8/14/2012	\$827,918.00
Concrete Work #5960 Walmart	Surety Bond Guarantees	Small Business Administration	10/12/2011	\$283,044.00
Walmart Plumbing And Gas Piping	Surety Bond Guarantees	Small Business Administration	9/16/2011	\$301,760.00
Walmart Street Improvements On Egg Harbor Ro	Surety Bond Guarantees	Small Business Administration	2/23/2011	\$12,000.00
Walmart Street Improvements On Egg Harbor Ro	Surety Bond Guarantees	Small Business Administration	2/17/2011	\$20,000.00
Walmart #5898 Corpus Christi	Surety Bond Guarantees	Small Business Administration	2/15/2011	\$337,680.00
Walmart Store #897-01 Ft Stockton Tx	Surety Bond Guarantees	Small Business Administration	12/28/2010	\$333,270.00
Remodeling Walmart Store Gladstone Mo.	Surety Bond Guarantees	Small Business Administration	10/13/2009	\$240,000.00
Cast In Place Contrete For Walmart Expansion	Surety Bond Guarantees	Small Business Administration	9/10/2007	\$716,696.00

Table: Wal-Mart federal Insurance samples

☆ PRIVATE EQUITY FIRMS- Small Business Investment Co Act- \$9.219 Billion

The SBA describes this program as [a public-private partnership and has existed in various forms since 1958](#). With the 2009 American Recovery and Investment Act (Stimulus Bill), Congress expanded the authorization of the SBA to license and provide billions of dollars' worth of credit to non-traditional lenders, like private equity style firms.

Here's how it works: a private equity style firm raises millions of dollars from qualified limited partners, then the SBA provides 2x-3x leverage on invested capital. Therefore, [a \\$50 million fund becomes a \\$150- \\$200 million pool](#). This leverage is in the form of debentures at lower interest rates that are taxpayer guaranteed. *Funds can also be used to invest in the equity of the portfolio business.*

The portfolio of “small businesses” are mostly mature companies with stable dividend cash flows with up to \$15 million in EBITDA or \$50 million in revenues. The SBA guarantees commonly power 20% investment returns to limited partners of a well-managed fund.

Among our findings:

- **\$9.219 billion flowed into venture capital, capital partner firms, mezzanine finance firms, private investor funds and pools.** Since 2007, 329 SBA loans and guarantees flowed to companies like Westbury Investment Partners in Hauppauge, NY; Levine Leichtman Capital Partners in Beverly Hills, CA; and Multiplier Capital, LP of Chevy Chase, MD. *On average, the investment banking firms each collected an average of \$28.23 million per transaction.*
- **Top Ten SBA loans/guarantees to venture capital- private equity style firms:**
 - 1. Hercules Technology, Palo Alto, CA (\$298.8 million);**
 - 2. BB&T Capital, Winston Salem, NC (\$278.755 million);**
 - 3. Gemini Investors, Wellesley Hills, MA (\$233.56 million);**
 - 4. Fifth Street Mezzanine Partner, White Plains, NY (\$225 million);**
 - 5. Capitalsouth Partners, Charlotte, NC (\$188.50 million);**
 - 6. GMB Mezzanine Capital, Minneapolis, MN (\$177 million);**
 - 7. Contemporary Healthcare, Shrewsbury, NY (\$166.125 million);**
 - 8. Capitalspring, New York, NY (\$150 million);**
 - 9. Monroe Capital Partners, Chicago, IL (\$150 million);**
 - 10. RMCF II, New York, NY (\$131.055 million)**
- Some success stories of companies benefiting from this SBA- private equity program: Apple Computer, Intel, Staples, Federal Express and Whole Foods.

Case Study examples: Private Equity style firms and the SBA

Hercules Technology: Hercules Technology Growth Capital (HTGC- Nasdaq listed), Palo Alto, CA, has approximately \$1 billion in stock market cap. From the 2013 10-K filed with the Security and Exchange Commission (SEC), the two SBA backed Hercules funds represent 29.3% of the firms total assets. Hercules has maxed out the statutory cap of \$225 million in total debentures available to funds of “common management.” They back legislation to push the cap north of \$350 million.

Over the years, Hercules has locked in very attractive rates on capital from the SBA. For example, in a September 2011 press release, Hercules [announced that they “locked in a rate of 2.83% on \\$25,000,000 of financing.”](#)

Hercules has invested in 290 commitments totaling \$4.4 billion with 70 total Initial Public Offerings with Merger or Acquisition Exits. Hercules had 6 IPO’s in 2014 alone.

According to an [op-Ed by co-founder Manuel Henriquez](#), Hercules started in 2003 with funding from the SBA and is now a licensee extending capital for profit.

DateSigned	RecipientOrContractorName	RecipientCity	RecipientState	RecipientZipCode	RecipientType	Type	OriglSubsidy	FaceValue
6/9/2010	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 12,900,000.00
8/1/2007	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 77,200,000.00
1/30/2007	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 50,000,000.00
6/9/2009	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 6,500,000.00
12/4/2008	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 3,400,000.00
6/16/2010	HERCULES TECHNOLOGY III, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 75,000,000.00
4/27/2011	HERCULES TECHNOLOGY III, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 25,000,000.00
9/19/2012	HERCULES TECHNOLOGY III, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 24,750,000.00
5/30/2012	HERCULES TECHNOLOGY III, L.P.	PALO ALTO	California	943010000	UNITED ST	I	8	0 \$ 24,250,000.00

Table: Hercules Technology Growth Capital, Inc Sample SBA Loan Data at OpenTheBooks.com



Chart from Hercules Technology Website: <http://www.htgc.com/>

Case Study example continued...

Monroe Capital: *Monroe Capital (MRCC- Nasdaq listed), Chicago, IL, which manages about \$750 million in assets, has \$250 million within Monroe Capital Partners Fund LP-- of which, \$150 million is SBA backed debentures. Monroe Capital has a stock market cap of approximately \$128 million.*

Monroe Capital won the 2013 Small Mid-Market Lender of the Year and the 2013 and also won the 2013 Private Debt Investor's Unitranche Lender of the Year.

Monroe [describes their successful SBA backed fund in SEC documents](#) as providing senior, junior and mezzanine debt and equity co-investments for private equity-backed and privately held companies undergoing recapitalization, refinancing, acquisition and expansion.

In March, 2014, the firm announced that the SBA had approved another license and public filings discuss more licensure activity in the future.

On a phone call with a Monroe Partner, business practice insight was learned: 1. Monroe does similar lending to small businesses outside of an SBA guarantee, but profits are "a couple hundred basis points lower"; 2. Fund has greater than 20% returns to limited partners since 2011; 3. Most investments are in multi-generational, family-owned, and stable businesses.

DateSigned	RecipientOrContractorName	RecipientCity	RecipientState	RecipientZipCode	RecipientType	Type	OrigSubsidy	FaceValue
9/16/2011	MONROE CAPITAL PARTNERS FUND	CHICAGO	Illinois	606060000	UNITED ST	8	0	\$ 90,310,000.00
4/27/2011	MONROE CAPITAL PARTNERS FUND	CHICAGO	Illinois	606060000	UNITED ST	8	0	\$ 59,690,000.00

Table: *Monroe Capital Partners Sample SBA Loan Data at OpenTheBooks.com*



Photo from Monroe Capital Website: <http://www.monroecap.com/>

TOP 48 Events: Small Business Administration to Private Equity- Venture Capital Firms 2007-2013

RecipientOrContractorName	RecipientCity	RecipientState	RecipientType	RecipientZip	RecipientCountry	FaceValue	DateSigned
MONROE CAPITAL PARTNERS FUND L	CHICAGO	Illinois	23: Small business	606060000	UNITED STATES	\$ 90,310,000.00	9/16/2011
RMCF II SBIC FUND, L.P.	NEW YORK	New York	23: Small business	101110000	UNITED STATES	\$ 90,000,000.00	11/21/2011
HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	23: Small business	943010000	UNITED STATES	\$ 77,200,000.00	8/1/2007
CONTEMPORARY HEALTHCARE FND I	SHREWSBURY	New Jersey	23: Small business	770200000	UNITED STATES	\$ 76,800,000.00	9/4/2007
LEVINE LEICHTMAN CAPITAL PARTN	BEVERLY HILLS	California	23: Small business	902100000	UNITED STATES	\$ 75,000,000.00	3/24/2011
HERCULES TECHNOLOGY III L.P.	PALO ALTO	California	23: Small business	943010000	UNITED STATES	\$ 75,000,000.00	6/16/2010
CRYSTAL FINANCIAL SBIC LP	BOSTON	Massachusetts	23: Small business	21100000	UNITED STATES	\$ 75,000,000.00	6/19/2013
GMB MEZZANINE CAPITAL II, L.P.	MINNEAPOLIS	Minnesota	23: Small business	554020000	UNITED STATES	\$ 75,000,000.00	8/31/2011
EAGLE FUND II, L.P.	SAINT LOUIS	Missouri	23: Small business	631050000	UNITED STATES	\$ 75,000,000.00	1/30/2008
FIFTH ST MEZZANINE PRTS V, LP	WHITE PLAINS	New York	23: Small business	106060000	UNITED STATES	\$ 75,000,000.00	7/24/2012
FIFTH STREET MEZZANINE PARTNER	WHITE PLAINS	New York	23: Small business	106010000	UNITED STATES	\$ 75,000,000.00	2/26/2010
FIFTH STREET MEZZANINE PARTNER	WHITE PLAINS	New York	23: Small business	106010000	UNITED STATES	\$ 75,000,000.00	9/21/2010
BB&T CAPL PRTS MEZZANINE II LP	WINSTON SAL	North Carolina	23: Small business	271010000	UNITED STATES	\$ 75,000,000.00	2/6/2013
BB&T CAPL PRTS MEZZANINE II LP	WINSTON SAL	North Carolina	23: Small business	271010000	UNITED STATES	\$ 75,000,000.00	9/21/2011
CAPITALSOUTH PRTS SBIC FND III	CHARLOTTE	North Carolina	23: Small business	282040000	UNITED STATES	\$ 75,000,000.00	3/30/2011
CAPITALSOUTH PARTNERS SBIC FUN	CHARLOTTE	North Carolina	23: Small business	282040000	UNITED STATES	\$ 75,000,000.00	5/17/2010
LASALLE CAPITAL GROUP II-A, L.	CHICAGO	Illinois	23: Small business	606020000	UNITED STATES	\$ 70,000,000.00	9/13/2012
LEG PARTNERS III SBIC	NEW YORK	New York	23: Small business	101690000	UNITED STATES	\$ 70,000,000.00	6/22/2009
FREEPORT FINANCIAL SBIC FUND L	CHICAGO	Illinois	23: Small business	606540000	UNITED STATES	\$ 68,525,000.00	8/26/2013
GEMINI INVESTORS V L.P.	WELLESLEY HIL	Massachusetts	23: Small business	248100000	UNITED STATES	\$ 62,180,000.00	12/3/2010
GEMINI INVESTORS V, L.P.	WELLESLEY HIL	Massachusetts	23: Small business	248100000	UNITED STATES	\$ 62,000,000.00	9/19/2012
WESTBURY INVESTMENT PARTNERS S	HAUPPAUGE	New York	23: Small business	117880000	UNITED STATES	\$ 61,900,000.00	5/22/2009
WESTBURY INVESTMENT PARTNERS S	HAUPPAUGE	New York	23: Small business	117880000	UNITED STATES	\$ 61,900,000.00	5/30/2008
ALPINE INVESTORS IV SBIC LP	SAN FRANCISCO	California	23: Small business	941110000	UNITED STATES	\$ 60,000,000.00	2/2/2010

Table: Top 24 Largest SBA Disbursements- Private Equity Style Firms Since 2007-2013 OpenTheBooks.com

RecipientCountry	RecipientOrContractorName	RecipientCity	RecipientState	RecipientType	RecipientZip	RecipientCountry	FaceValue	DateSigned
COOK	CAPX FUND IV, L.P.	CHICAGO	Illinois	23: Small business	606060000	UNITED STATES	\$ 60,000,000.00	1/12/2012
COOK	MONROE CAPITAL PARTNERS FUND L	CHICAGO	Illinois	23: Small business	606060000	UNITED STATES	\$ 59,690,000.00	4/27/2011
NEW YORK	PRAESIDIAN CAPITAL OPPORTUNITY	NEW YORK	New York	23: Small business	100160000	UNITED STATES	\$ 59,100,000.00	3/8/2011
New York	CAPITALSPRING SBIC, LP	NEW YORK	New York	23: Small business	100190000	UNITED STATES	\$ 58,390,000.00	5/17/2012
JEFFERSON	HARBERT MEZZANINE PARTNERS II	BIRMINGHAM	Alabama	23: Small business	352440000	UNITED STATES	\$ 57,500,000.00	6/20/2007
Travis	ESCALATE CAPITAL PARTNERS SBIC	AUSTIN	Texas	23: Small business	787010000	UNITED STATES	\$ 57,500,000.00	11/29/2012
Montgomery	MULTIPLIER CAPITAL, LP	CHEVY CHASE	Maryland	23: Small business	208150000	UNITED STATES	\$ 57,190,000.00	9/19/2013
New York	BRIGHTWOOD CAPITAL SBIC I, LP	NEW YORK	New York	23: Small business	100200000	UNITED STATES	\$ 57,000,000.00	4/4/2012
NEW YORK	CAPITALSPRING SBIC, LP	NEW YORK	New York	23: Small business	100190000	UNITED STATES	\$ 55,340,000.00	9/15/2011
WAKE	TRIANGLE MEZZANINE FUND LLLP	RALEIGH	North Carolina	23: Small business	276120000	UNITED STATES	\$ 55,000,000.00	1/8/2008
ARLINGTON	SOLUTIONS CAPITAL I, L.P.	ARLINGTON	Virginia	23: Small business	222090000	UNITED STATES	\$ 55,000,000.00	8/28/2008
ARLINGTON	SOLUTIONS CAPITAL I, L.P.	ARLINGTON	Virginia	23: Small business	222090000	UNITED STATES	\$ 55,000,000.00	8/28/2008
FORSYTH	BB&T CAPITAL PARTNERS/WINDSOR	WINSTON-SAL	North Carolina	23: Small business	271010000	UNITED STATES	\$ 53,755,000.00	7/29/2008
WAKE	TRIANGLE MEZZANINE FUND II LP	RALEIGH	North Carolina	23: Small business	276120000	UNITED STATES	\$ 53,400,000.00	6/16/2010
Fairfield	BROOKSIDE MEZZANINE FUND III,	STAMFORD	Connecticut	23: Small business	69010000	UNITED STATES	\$ 52,000,000.00	8/12/2013
NEW YORK	DEERPATH FUNDING LP	NEW YORK	New York	23: Small business	101740000	UNITED STATES	\$ 51,735,000.00	3/23/2010
NEW YORK	GC SBIC IV, L.P.	NEW YORK	New York	23: Small business	100220000	UNITED STATES	\$ 51,700,000.00	7/21/2011
NEW YORK	MICHIGAN GROWTH CAP PRTS SBIC	NEW YORK	New York	23: Small business	100100000	UNITED STATES	\$ 50,060,000.00	11/9/2011
SANTA CLARA	HERCULES TECHNOLOGY II, L.P.	PALO ALTO	California	23: Small business	943010000	UNITED STATES	\$ 50,000,000.00	1/30/2007
Hartford	IRONWOOD MEZZANINE FUND III-A	AVON	Connecticut	23: Small business	60010000	UNITED STATES	\$ 50,000,000.00	7/25/2013
FULTON	PETRA GROWTH FUND II, L.P.	ATLANTA	Georgia	23: Small business	303390000	UNITED STATES	\$ 50,000,000.00	12/27/2007
Montgomery	MIDCAP FINANCIAL SBIC, L.P.	BETHESDA	Maryland	23: Small business	208140000	UNITED STATES	\$ 50,000,000.00	5/16/2012
MONTGOMERY	MIDCAP FINANCIAL SBIC, L.P.	BETHESDA	Maryland	23: Small business	208140000	UNITED STATES	\$ 50,000,000.00	9/21/2011
Hennepin	BAYVIEW CAPITAL PARTNERS III L	HOPKINS	Minnesota	23: Small business	553050000	UNITED STATES	\$ 50,000,000.00	6/22/2012

Table: Top 25-48 Largest SBA Disbursements- Private Equity Style Firms Since 2007-2013 OpenTheBooks.com

Summary: The Small Company Investment Act of 1958 is a public-private partnership which provides low-cost capital to venture investment- private equity style firms. In 2009, the program was expanded and current legislation would expand the scope further. Since the SBA caps total funding at \$225 million per “common management,” most of these firms also engage in the small to mid-size company lending business on a completely private basis. When engaged in private practice, the limited partner returns can be “a couple hundred basis points lower.” Taxpayers provide the incentive & backstop the risks.

METHODOLOGY & RESEARCH:

At www.OpenTheBooks.com, 1.5 billion lines of federal, state and local government transactions since 2000 are compiled in our data commons. Using our tool to run queries directly against the federal spending data using keywords, we quantified the federal flow of funds into each of Small Business loan and loan guarantee recipients.

In drafting the Report, it was important to showcase the deep level of detail contained in our data at www.openthebooks.com, i.e. the tables containing examples throughout the report. We have seldom drawn conclusions, but instead asked questions. But, needless-to-say, the Small Business Administration has many questions to answer.

Research Fellow Jack Norris from the University of Iowa searched, built, and organized the databases. Craig Mijares, Director of Information Technology at American Transparency, helped assemble and organize datasets. Matthew Tyrmand, Deputy Director of American Transparency, helped edit and disseminate this report. Adam Andrzejewski, founder of OpenTheBooks.com and Chairman of American Transparency, provided data interpretation, gave context and authored this report.

DISCLAIMER:

*This report quantifies the SBA **Wealthy Lifestyle** loans and loan guarantees since 2007-2013 from federal transactions compiled at www.openthebooks.com as a result of the Federal Funding Accountability and Transparency Act of 2006. **To the extent that the government makes mistakes in the reporting of inaccurate or incomplete data, our report will reflect these same mistakes.***

LIMITATIONS:

The Federal Funding Accountability and Transparency Act of 2006 was a milestone in government transparency. The nearly universe opacity of government had existed to keep “the public’s business”... private. The Act in 2006 has the potential of being the first step to ushering in a new era of citizen led government accountability.