



Annual Report 2012



BOARD OF DIRECTORS

Lending Team

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Lending Division

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Commercial lending

Carrie Beavers
VP
Loan Administrator

Jordan Blanchard
Loan Consultant
Loan Committee

John Shen
CEO
USEDLC

Bruce Thompson
President
USEDLC

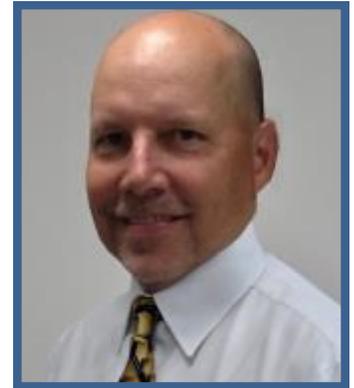
Stella Zhang
COO
USEDLC

Rick Wheeler
Senior Advisor

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No offer to lend to any borrower is made by this brochure. Offerings will be made pursuant to exemptions from registration requirements set out in applicable securities laws. This brochure is a summary only of certain important matters relating to offerings and is qualified in its entirety by the detailed information in the offering materials. Prospective borrowers should take note of the risk factors described therein.

THE OPPORTUNITY OF EXPANSION BASED FINANCING



Fred Mills
President, Lending Division

Having spent a career as a commercial real estate lender I have never seen a financial product more suited for the current business cycle. The financial crisis of 2008 provided a market correction with regard to real estate values and those relatively low real estate values combined with low interest rates have helped to restart the economy. Yet, many lenders are still unable to re-enter the market causing a shortfall of the capital needed to continue to fuel the current recovery.

The result is the opportunity of expansion based financing. In my opinion the combination of the SBA 504 and EB-5 programs is the perfect solution to meet the void left by traditional lenders. The program provides a tangible opportunity for borrowers to secure financing for their projects, while EB-5 investors have the opportunity to pursue their citizenship goals. Furthermore, the 504/EB-5 program provides an additional layer of security for the EB-5 investor by placing them in a 1st lien position on a secured asset with the SBA in a junior position.

2012 was definitely a turnaround year for many businesses and sectors of the economy. All signs point towards 2013 continuing that trend. With the 504/EB-5 program we are looking to 2013 and beyond to help provide continued support for a healthy recovery while providing sound investment opportunities for EB-5 investors.

MATCHING THE WORLD'S INVESTORS



"In my many years of working in government, I don't recall another instance where two United States government programs have been so perfectly joined together in mutual benefit."

....Bruce Thompson, President, USEDLC

504 and EB-5: "A Brilliant Match-up"

The union between the 504 Loan Program offered by the U.S. Small Business Administration (SBA) and the EB-5 Program offered by the U.S. Citizenship and Immigration Services (USCIS) is a brilliant match-up that has created and increased jobs in the United States and continues to serve and benefit the overall economy.

The SBA 504 Loan Program was created by the U.S. Congress to foster economic development, create and preserve jobs and stimulate economic expansion. Eligibility means a small business must create or retain one job per \$65,000 of program funding. The program provides real estate financing to small businesses with a long-term fixed rate in order to acquire capital assets for expansion or modernization.

The EB-5 Program is a United States visa plan for immigrant investors created by the Immigration Act of 1990. The program is designed to create jobs for U.S. citizens and boost the U.S. economy while assisting foreign investors with their petition for permanent residency. To obtain the visa, individuals must invest \$1,000,000 (or at least \$500,000 in a "Targeted Employment Area" - high unemployment or rural area), creating or preserving at least 10 jobs for U.S. workers excluding the investor and their immediate family.

USEDLC: "A Unique Match-Making Lender"

The United States Employment Development Lending Center (USEDLC) is a unique match-making lender experienced at pairing EB-5 investors to the ideal 504 loan project. USEDLC is an innovative EB-5 regional center designated by the USCIS to bring EB-5 investors from all over the world to boost California small businesses. USEDLC saw tremendous growth in the last two quarters of 2012. According to the fiscal year annual report filed by USCIS, USEDLC made a total of \$37 million in SBA 504 first loans and started the process of creating a total of 1,646 full time jobs in the state of California in the last three quarters of 2012.

Regulation of USEDLC falls under three major government agencies. USEDLC must pass greater regulative scrutiny compared to most other EB-5 businesses. In addition to the necessity of being compliant with applicable state and federal laws, the business must comply with specific regulations of the Securities & Exchange commission (SEC), the USCIS, and the California Finance Department.

The SEC regulates the security offerings issued to EB-5 investors. The USCIS, as the main regulatory agency for all EB-5 businesses, regulates the entire legal process from business designation to individual immigration petitions. In addition, USEDLC must comply with the California Department of Finance's Lenders Law and has had a valid Lender's license since 2010.

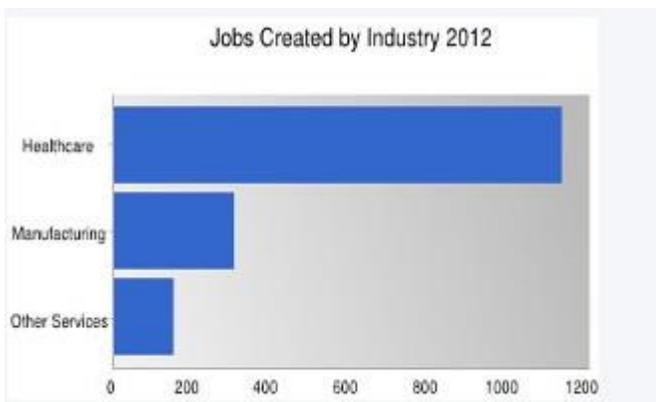
USEDLC PERFORMANCE STATISTICS

USEDLC saw tremendous growth in the last two quarters of 2012 as Fred Mills and his team joined the company. According to USEDLC's record and the 2012 fiscal year annual report (I-924A) filed to USCIS, USEDLC made a total of \$37,000,000 SBA 504 1st loans and started the process of creating a total of 1,646 full time jobs in the state of California in the last three quarters of 2012. USEDLC took another giant step at the beginning of 2013 by restructuring the operation and streamlining its wholesale program already tested late in 2012. According to the most recent 2013 fiscal year data collected by NADCO, (National Association of Development Companies) (See www.nadco.org) USEDLC was already ranked #1 in the U.S. as the most productive non-bank SBA 504 lender.

As of the end of February 2013, in terms of total amount of approved loans, USEDLC was ranked #12 in the U.S. among a total of 1,096 banks and financial institutions involved in SBA 504 lending. (See table on right)

USEDLC was also ranked high among all lenders in the U.S. by following parameters:

- ◆ #2 by total amount within the same city lender office is located (Long Beach, CA)
- ◆ #6 by total amount within the same SBA district (Santa Ana)
- ◆ #7 by total amount made to the 504 projects in the same state (California)



THE MOST PRODUCTIVE SBA 504 1ST LOAN LENDERS IN U.S. BY FEBRUARY 28, 2013

Rank	SBA 504 1st Loan Lender	Approved Dollars
1	JPMorgan Chase Bank, National Association	\$161,153,654
2	Bank of America, National Association	\$119,661,703
3	Wells Fargo Bank, National Association	\$106,799,882
4	Bank of the West	\$91,255,947
5	BBCN Bank	\$35,927,500
6	Zions First National Bank	\$34,283,827
7	Union Bank, N.A.	\$30,931,891
8	Branch Banking and Trust Company	\$30,179,788
9	TD Bank, National Association	\$29,468,931
10	City National Bank	\$29,117,567
11	Comerica Bank	\$25,636,599
12	US Employment Development Lending Center, LLC	\$25,000,000
13	Manufacturers and Traders Trust Company	\$22,774,430
14	OneWest Bank, FSB	\$22,592,062
15	California Bank & Trust	\$22,356,414
16	Citibank, N.A.	\$21,928,124
17	PNC Bank, National Association	\$21,247,460
18	Fifth Third Bank	\$20,240,525
19	Regions Bank	\$19,726,243
20	Bridge Bank, National Association	\$19,183,610

Data Source: NADCO (National Association of Development Companies) 504 statistics by Feb 2013. www.nadco.org

Pricing Information:

- *Originator retains all origination fees on the 1st lien* with the exception of the .50% SBA fee
- Maximum origination fee allowed: 2.00% (plus .50% for the SBA first mortgage fee)
- At the end of the first five years, all loans convert to Prime + 4.00%, adjusting quarterly
- All loans require a 5,5,5,5,5 prepayment penalty for years 1-5
- Accrual method is 365/360
- The initial interest rate will be the interest rate floor for the life of the loan

Off-sheet pricing available for certain, well qualified applicants (call for details)

General Information:

- All loans must be funded by USEDLC, no table-funding or loan sale is allowed
- First mortgage loan amounts: \$1MM to \$5MM
- Available in California only
- SBA 504 transactions only
- Construction financing available for light TI, heavy TI, or ground-up construction
- Refinances are generally not allowed unless there is an expansion, or buy-out of a partner, that will result in net job creation
- Long term ground leases may be considered
- Each small business applicant must be able to justify job creation

USEDLC Wholesale Lending will fund the interim second mortgage if requested

Underwriting Requirements:

- Amortization up to 30 years
- Term - 10 years
- Multi-Purpose DSCR: 1.00 or better for last fiscal year end tax return, or *justifiable* projections
- Special Purpose DSCR: 1.20x or better for last fiscal year end tax return, or *justifiable* projections

- FICO: Minimum 620 for all guarantors, 650 minimum on average
- LTV: 70% multi-purpose; 65% special purpose
- Down Payment must meet SBA minimum required
- Experience: Two years prior ownership or senior level management experience required

Properties must be in a qualified industry (CALL FOR CLARIFICATION):

- NAICS code 23 = Construction (includes specialty trade contractors and heavy/civil engineering)
- NAICS code 31-33 = Manufacturing (includes food/beverage/apparel manufacturing, printing companies, machine shops)
- NAICS code 51 = Information Services (includes publishers, movie theaters, music recording studios, telecommunications)
- NAICS code 54 = Professional Services (includes legal/accounting and veterinary services)
- NAICS code 62 = Health Services (includes physicians, outpatient centers, medical labs, nursing/residential care facilities)
- NAICS code 62 = Other Services (includes auto maintenance, hair nail salons, funeral homes, and car washes)

Geographical Requirements (CALL FOR CLARIFICATION):

- All properties must be located in a Targeted Employment Area (TEA)
- Qualifying areas are organized by MSA, county, city, or rural area designation
- Qualifying counties include: Butte, Fresno, Imperial, Kern, Kings, Madera, Merced, Riverside, San Benito, San Bernardino, San Joaquin, Shasta, Stanislaus, Sutter, Tulare, Yuba.
- Major qualifying cities include Los Angeles, Long Beach, Santa Ana, Lancaster/Palmdale, Oakland, Sacramento, Walnut Grove, Richmond, and more.

Hankook Trading



Total Loan Amount \$5 Million

Jobs Created: 130

Hankook Trading is one of the leading importers in the United States and has been one of the most competitive denim jean distributors in the Los Angeles Fashion District.

The US Employment Development Lending Center funded an approved SBA 504 loan for Hankook Trading in 2012 enabling the company to purchase property in the Los Angeles Fashion

Location: Los Angeles

district. The new building enables Hankook to have respective showrooms for each of it's 7 brand names and is expected to create 130 Jobs in a targeted development area.





Total Loan Amount \$6 Million

Jobs Created: 156

Location: Inglewood

The history of Crimson College goes back to 1930. The original campus was founded at Mines Field which now stands as Los Angeles International Airport.

In 2008 Crimson Aero Corporation acquired the Inglewood campus under the name Crimson Technical College with the goal of offering quality education in aviation maintenance to students around the world.

Using an SBA 504 loan from the US Employment Development Lending Center Crimson was able to purchase property in Inglewood in close proximity to Los Angeles International Airport. This expansion of Crimson is expected to create 156 jobs in a targeted development area hard hit by the economic downturn.

Summerset Assisted Living



*Senior Living
with Heart*



Total Loan Amount \$10 Million

Jobs Created: 500

Location: Rancho Cordova

In 2010 Summerset Assisted Living was formed to establish an assisted living and memory care facility. The US Employment Development Lending Center funded an approved SBA 504 loan for Summerset in 2012, allowing them to start construction on a 128 bed assisted living center. When the Center is complete in 2013 it is expected to create 500 jobs in the area.



Totally Kids®

Specialty Healthcare



Total Loan Amount \$8.5 Million

Jobs Created: 425

Location: Loma Linda

Totally Kids opened in 1994 to provide pediatric sub acute care for children who are medically fragile and/or dependent on technology.

As a thriving business, Totally Kids was looking to expand to a location in Loma Linda where they could provide more resident beds and a neo-natal wing.

The US Employment Development Lending Center funded an approved SBA 504 loan for Totally Kids in 2012. Construction started in December 2012 with an estimated completion date of late 2013.





Total Loan Amount \$1 Million

Jobs Created: 50

Location: Mira Loma

Etiwanda Montessori opened the Kingston Academy Preschool in March 2011. The school was successful, but due to the high rent of the facility, it was unable to operate at full capacity.

In 2012 The US Employment Development Lending Center funded an approved SBA 504 loan for Etiwanda Montessori Schools that allowed them to purchase the building the school operates in outright and hire the new staff members necessary for the school to operate at it's full capacity of 140 students. The approved SBA 504 loan enabled Etiwanda Montessori to provide existing and new clients with professional and trustworthy pre-school services.





After 11 years of servicing the city of Inglewood Dr. Carla White needed to expand. She had taken on 1,500 new patients from a retiring colleague.

The US Employment Development Lending Center funded an approved SBA 504 loan for Dr. White in 2012 that allowed her to purchase a larger office for her growing business in a targeted employment area.

Total Loan Amount \$500,000

Jobs Created: 25

Location: Inglewood

Foremost SENIOR CAMPUS



Total Loan Amount \$3.5 Million

Jobs Created: 175

Location: Hesperia

In April 2012, Medico Investments purchased a 96 bed assisted living and memory care facility in Hesperia. The facility was in need of a redesign and remodel to continue it's successful operation.

The US Employment Development Lending Center funded an approved SBA 504 loan for Medico in May 2012,

allowing them to improve Foremost Senior Campus, an assisted living center and senior apartments on the campus. When the Campus is complete in 2013 it is expected to create 500 jobs in the area.

