

NEW MARKETS CASE STUDY



COMPANY

ASPEQ Holdings, Inc. is the parent company of INDEECO. Established in 1929, INDEECO designs and manufactures a complete line of heating equipment, including space heaters, industrial component heaters and electronic controls for commercial, industrial and marine markets located domestically and internationally. INDEECO maintains control over each step of the manufacturing process, crafting heating elements, fabricating sheet metal and building electronic controls.

INVESTMENT

Since 2008, ASPEQ Holdings has received \$14 million in financing raised in connection with the federal and Missouri New Markets programs. Both programs are designed to stimulate economic growth in communities that historically have been underserved by traditional sources of capital. The current owners of INDEECO were looking for a superior financing structure that would enable them to buy the company from second generation owners, and they needed access to flexible capital that would both facilitate the transition and foster new expansion.

IMPACT

The New Markets funding enabled INDEECO to sustain and transform the business through the recent recession. Since the initial investment was made in 2008, it has retained 66 employees at its Cuba location and created 106 jobs company-wide, for a current total of 315 employees. INDEECO reported its best earnings in the quarter following the investment, and the business continues to grow dramatically. INDEECO has purchased two additional businesses and consolidated some of the operations in northeastern Missouri, bringing jobs and an economic boost to the rural town of Monroe City. The company has attracted \$34 million in follow-on capital since the New Markets investment.

Missouri New Markets Tax Credit Program

Enacted in 2007, the Missouri New Markets Tax Credit program encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Missouri's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

Description
Heater Component
Manufacturer

Location
Cuba, MO

New Markets Investment
\$14 million

Follow-on Capital Attracted
\$34 million

Economic Impact
Jobs Created and Retained
315 Company-wide

Community Statistics
Unemployment Rate
6.9%
Poverty Rate
17.9%



NEW MARKETS CASE STUDY



COMPANY

Excel Boat Company is a boat manufacturer based in Mountain View, AR. Founded in 2009 to focus on shallow water boats, Excel Boat eventually ventured into the fishing boat market targeting serious hunters and fisherman. The company has grown to produce a full line of sport utility boats ranging from 15-20 feet with the ability to carry a multitude of engines.

INVESTMENT

In August 2014, Excel Boats received a \$1.61 million dollar investment facilitated through the Arkansas New Markets Jobs act and the federal New Markets program, both of which stimulate economic growth in communities that historically have been underserved by traditional sources of capital. The funding will provide Excel Boats with ample working capital, enabling the company to refinance expensive debt, purchase new equipment and provide additional training for new employees.

IMPACT

A tornado ripped through Mountain View, Arkansas in 2008 and in the process destroyed a local boat manufacturing company. With a skilled workforce known for their boat building capabilities in the area, then managers Glenn and Sharleen Foreman were determined to bring a boat manufacturing company back to the area. After opening Excel Boats in July of 2009, business led them to begin manufacturing a full line of sport utility boats. As their company continued to grow, local lenders were unable to provide Excel Boats with the amount of funding they need at terms that were beneficial to the company and their growth. The New Markets funding provided the company with an affordable financing option enabling them to purchase equipment and focus on their expansion. The investment supported the retention of 40 jobs and the creation of an additional 5-10 jobs immediately. The company plans to hire a total of 35 jobs over the next 14 months.

Arkansas New Markets Program

Enacted in 2013, the Arkansas New Markets Jobs Act encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Arkansas's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

Description
Boat Motor Manufacturing

Location
Mountain View, AR

New Markets Investment
\$1.61 million

Economic Impact
Jobs Created
35
Jobs Retained
40

Community Statistics
Unemployment Rate
6.5%
Poverty Rate
28.3%



NEW MARKETS CASE STUDY



COMPANY

GAME Equipment is an agricultural machinery manufacturer and distributor located in rural Louisiana. In 2002 John Deere ceased production of pineapple, vegetable and kenaf harvesting product lines. GAME was able to obtain rights to manufacture the discontinued machinery lines and fill the production gap. In 2007, GAME became an official John Deere dealer/distributor, which allows it to utilize Deere parts and suppliers while adding continuous sugar cane loaders to GAME's offerings. The company exports its locally made products internationally, most recently to a company in Nigeria.

INVESTMENT

Since 2010, GAME Equipment has received \$4.18 million. This investment was made in large part through the federal New Markets program and the Louisiana New Markets Development program. These programs stimulate economic growth in communities that historically have been underserved by traditional sources of investment capital.

IMPACT

At a time when GAME needed additional funding for equipment purchases, its traditional lender refused to extend their line of credit. The New Markets financing provided the funding needed to maintain operations and retain 21 full-time employees. Since receiving the investment, GAME has hired an additional 19 employees.

Description
Agricultural Machinery
Manufacturer

Location
Napoleonville, LA

New Markets Investment
\$4.18 million

Economic Impact
Jobs Created
19
Jobs Retained
21

Community Statistics
Unemployment Rate
9.95%
Poverty Rate
35.46%



Louisiana New Markets Jobs Act

Enacted in 2006, the Louisiana New Markets Jobs Act encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Louisiana's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

NEW MARKETS CASE STUDY

Hybrid Plastics®

Superior Technology for Superior Products



COMPANY

Hybrid Plastics is a nanotechnology company that manufactures a chemical additive that can increase the strength and longevity of a wide range of products. This additive, called Polyhedral Oligomeric Silsesquioxane (POSS®), was originally developed in an Air Force Research Lab by Dr. Lichtenhan and Dr. Schwab. The team has since formed Hybrid Plastics and started commercializing POSS technology.

INVESTMENT

In 2013, Advantage Capital Partners committed to investing a total of \$500,000 in Hybrid Plastics in connection with the Mississippi Small Business Investment Credit Act (MSBIC), an economic growth and development program focused on providing capital to small businesses. The funding is part of a \$5 million investment round to advance the commercialization of POSS and support the working capital needs associated with Hybrid Plastic's expected growth.

IMPACT

Commercializing this new product will require Hybrid Plastics to expand its staff as production ramps up. The New Markets investment will allow the company to retain its 20 current employees and hire 10 more, increasing its staff to 30. Hybrid also brings a highly technical industry to the area and provides the potential for increased employment.

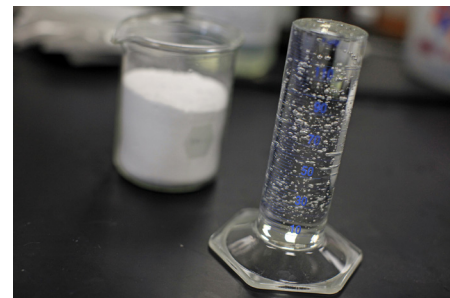
Description
Nanotechnology
Manufacturer

Location
Hattiesburg, MS

New Markets Investment
\$500,000

Economic Impact
Jobs Created
20
Jobs Retained
12

Community Statistics
Unemployment Rate
12.8%
Poverty Rate
36%



Mississippi Equity Investment Tax Credit Program

Enacted in 2007, the Mississippi Equity Investment Tax Credit program encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Mississippi's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

NEW MARKETS CASE STUDY



COMPANY

Integrated 3D is focused on the industrial production of finished, high-value, structurally complex parts using 3D and advanced manufacturing technologies. Using the latest in production-capable additive laser sintering technology machinery, the company manufactures finished parts in both metal and plastic that have the structural integrity for immediate use or for insertion into assemblies. Integrated 3D is a certified Oregon Emerging Small Business (ESB) and Woman-owned Business Enterprise (WBE) partnership.

INVESTMENT

In 2014, Integrated 3D received \$1.7 million in funding through the Oregon and federal New Markets programs. The funding provides Integrated 3D with much needed start-up capital to purchase equipment and fund the early stages of the company.

IMPACT

As a start-up company in the technology sector, finding funding was extremely difficult for Integrated 3D. After being turned away by a number of financial institutions, the New Markets funding enabled the company founders to continue pioneering the world of 3D manufacturing, a technology that is still in its infancy. Additionally, the company has created a total of 6 jobs and plans to grow to 12 over the next two years.

Description
3D Parts Manufacturer

Location
The Dalles, OR

New Markets Investment
\$1.7 million

Economic Impact
Jobs Created
6

Community Statistics
Unemployment Rate
8.7%
Poverty Rate
12.3%



Oregon Low Income Communities Jobs Initiative

Enacted in 2011, the Oregon Low Income Community Jobs Initiative encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Oregon's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

NEW MARKETS CASE STUDY



COMPANY

Kentucky Chrome Works manufactures luxury alloy wheels and is the exclusive chrome plate supplier for the Corvette. In 2009, Kentucky Chrome Works (KCW) began adding chrome plating to RONAL Speedline wheels. Switzerland-based RONAL is the preferred supplier to the top names in the automotive industry. KCW and RONAL provide chrome-plated aluminum alloy wheels for luxury vehicles, supplying more than 4 million wheels a year to General Motors, BMW, Volkswagen, Mercedes and Fiat.

INVESTMENT

In January 2012, Kentucky Chrome Works received \$3 million in funding. The funds were raised in connection with the Kentucky New Markets Development program, which strengthens and stimulates economic growth in communities historically underserved by traditional sources of capital.

IMPACT

The New Markets financing enabled Kentucky Chrome Works to expand its production line and secure much-needed working capital. The financing enabled the company to hire 11 new employees at the business and retain all existing 44 employees.

Description
Luxury Allow Wheels
Manufacturer

Location
Horse Cave, KY

New Markets Investment
\$3 million

Economic Impact
Jobs Created
11
Jobs Retained
44

Community Statistics
Unemployment Rate
8.73%
Poverty Rate
23%



Kentucky New Markets Development Program

Enacted in 2010, the Kentucky New Markets Development program encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Kentucky's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

NEW MARKETS CASE STUDY



COMPANY

Quoddy is a high-end, hand sewn shoe manufacturer based in Lewiston, Maine. Established over 100 years ago, Quoddy offers many varieties of shoes, boots and moccasins through various retailers such as J Crew as well as online stores. CEO John Andreliunas, a long-time executive in the footwear industry, joined Quoddy in 2009 and rejuvenated the company, tripling sales over the last four years.

INVESTMENT

The \$500,000 funding provided through the federal and Maine New Markets programs was critical to the continued growth at Quoddy. Quoddy has focused on developing brand recognition and improving the craftsmanship of the product, opening doors in the wholesale channel for the company. Quoddy has had great success over the past few years, but the the company needed additional funds to build its sales function and brand awareness. The New Markets funding provided that capital and will support continued growth for the company.

IMPACT

The New Markets capital has allowed Quoddy to retain all 37 of its employees. With the increase in funds for sales, the company hopes to add an additional 20 jobs over the next 18 months. The importance of this investment is deeper than the impact on Quoddy. Historically, the Maine shoe industry supported over 30,000 jobs. Today, it is down to approximately 1,000 due to importation of shoes and closure of many local shoe manufacturing plants. Keeping Quoddy and its leather shoe production in Maine has been very important to the local economy.

Description
Hand-sewn Shoe
Manufacturer

Location
Lewiston, ME

New Markets Investment
\$500,000

Economic Impact
Jobs Created
Approximately 20
Jobs Retained
37

Community Statistics
Unemployment Rate
16.7%
Poverty Rate
28.4%



Maine New Markets Capital Investment Tax Credit Program

Enacted in 2011, the Maine New Markets Investment Tax Credit program encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Maine's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.

NEW MARKETS CASE STUDY



VINEBURG MACHINING INC.

COMPANY

Vineburg Machining, Inc. is a veteran-owned, full service precision machine shop providing quality services for long-term customers ranging from local and federal governmental agencies; commercial OEMs; medical, architectural, beverage and automotive companies; and semi-conductor and drone component manufacturers. Working with all types of metals, the company produces high-quality parts from its CNC lathe and mills and provides high end CNC milling and turning.

INVESTMENT

In 2014, Vineburg Machining received \$2.75 million in federal and Nevada New Markets funding, both of which stimulate economic growth in communities that historically have been underserved by traditional sources of capital. The funding will serve as growth capital to improve the company's production capabilities.

IMPACT

The New Markets funding will enable the company to purchase new equipment and acquire and add improvements to the current facility. As Vineburg diversifies its customer base and sales increase, the funding will ensure that Vineburg can meet demand for its products, allowing the company to handle a much heavier workload. The new equipment will increase efficiency through the use of robotics. The company will retain its 36 current employees and expects to create 10 additional jobs.

Description

Full Service Precision
Machine Shop

Location

Mound House, NV

New Markets Investment

\$2.75 million

Economic Impact

Jobs Created

10 projected

Jobs Retained

36

Community Statistics

Unemployment Rate

7.6%

Poverty Rate

30.1%



Nevada New Markets Jobs Act

Enacted in 2013, the Nevada New Markets Jobs Act encourages investment in promising small businesses located in distressed communities throughout the state. Modeled after the federal New Markets Tax Credit program, the goal of the state program is to attract large, long-term investors to Nevada's low-income communities, promoting new expansion, creating new job opportunities and building on existing growth in the state.