



U.S. Department of the Treasury

State Small Business Credit Initiative (SSBCI)
APPLICATION

Applicants must complete and submit this application form, relevant attachments, and the signature form on or before 5:00 pm ET June 27, 2011, to Treasury. The completed application and relevant attachments must be saved and emailed to SSBCIapplications@treasury.gov.

For the purposes of this application, the term "Applicant" shall include all States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands, and under the circumstances described in title III, section 3004(d) of the Small Business Jobs Act of 2010 (P.L. 111-240) (the "Act"), a municipality of a State of the United States to which the Act has given a special permission under section 3004(d) of the Act.

Section 1: Applicant Information
1A. Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)
1B. Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.
Organization Name: City of Laramie, WY
Check one of the following boxes as appropriate for the organization:
X State Department or Agency
Municipality
Other Political Subdivision
Organizational DUNS: 783281892 Registration Active in CCR: X Yes No
Employer/Taxpayer Identification Number (EIN/TIN): 83-6000072
Authorized Official's Name: Janine Jordan Title: City Manager
Street Address: Post Office Box C City: Laramie
State: WY Zip Code: 82073
1C. Name and contact information of person to be contacted on matters concerning this application.
Name: Janine Jordan Title: City Manager
Email: jjordan@ci.laramie.wy.us Phone: 307.721.5226
1D. Contracting Entity. Complete this Section if the organization(s) or /entity(ies) administering one or more of the programs described in this application are different from Applicant listed in Section 1B.
1. Name of Contracting Entity: Wyoming Smart Capital Network, LLC Program Name: Credit Guarantee Program Seed Capital Network Program
Indicate (by checking the appropriate box below) if such entity is:
X Agency or Department of another State
For-profit Entity Supervised by State
Non-profit Entity Supervised by State

Name of Authorized Official:	Robert Heard	Title:	Managing Director
Street Address:	4218 Cheyenne Drive	City:	Laramie
State:	WY	Zip Code:	82072

*Enter contact person information below:*

Name:	Robert Heard	Title:	Managing Director
Email :	<a href="mailto:rheard@dcnteam.com">rheard@dcnteam.com</a>	Phone:	405.848.3572

2. Name of Contracting Entity: Development Capital Networks LLC      Program Name: Credit Guarantee Program Seed Capital Network Program

*Indicate (by checking the appropriate box below) if such entity is:*

Agency or Department of another State

X For-profit Entity Supervised by State

Non-profit Entity Supervised by State

Name of Authorized Official:	Paul Huleatt	Title:	Managing Director
Street Address	10565 N 114th Street, Ste 110	City:	Scottsdale
State	AZ	Zip Code:	85259

*Enter contact person information below:*

Name:	Paul Huleatt	Title:	Managing Director
Email	phuleatt@dcnteam.com	Phone:	602.795.8825

**1E. Have all legal actions been taken pursuant to applicable State laws that are necessary to enable the designee to implement the Applicant program(s) described herein? Check the appropriate box.**

<input type="checkbox"/>	No – Do not continue with this application
<input checked="" type="checkbox"/>	Yes – Please attach a narrative describing the necessary legal actions that have been or need to be taken. The narrative should confirm that (1) the entity is legally capable to bind the State, territory or municipality to obligations with the Federal Government; and (2) the legal mechanisms are in place for the State, territory, or municipality to accept the transfer of SSBCI funds and deliver funds to the entity designated in Section 1B. <b>Please refer to attorney opinion letter from the City of Laramie and the attached letters of designation from Joint Applicants.</b>

**Section 2 Amount Requested**

**2A. Enter the total amount of SSBCI funds requested. Do not exceed the amount allocated by Treasury under Act to the State, territory or municipality.**

Amount: \$13,168,350

**2B. Will all or part of the requested amount be used as collateral for a qualifying loan or swap funding facility?**

Yes, all of the requested amount      Yes, part of the requested amount      X      No

*If yes, provide the following information:*

Amount of funding:

Names(s) of private financial entity(s):

*Attach commitment letter from source of financing. If commitment letter is unavailable, use the attachment for Section 2B to describe the items and structure of the transaction. The description should not exceed 1 page.*

**2C. If applying for more than one program enter the information below for each program (use the attachment for Section 2C if more space is needed for additional programs):**

1.	Name of Program	Credit Guarantee Program			CAP	X	OCSP	Amount Requested:	\$10,168,350
2.	Name of Program	Seed Capital Network Program			CAP	X	OCSP	Amount Requested:	\$ 3,000,000
3.	Name of Program				CAP		OCSP	Amount Requested:	
4.	Name of Program				CAP		OCSP	Amount Requested:	
5.	Name of Program				CAP		OCSP	Amount Requested:	

**2D. For both CAPs and OCSPs, use attachment for Section 2D to indicate how the Applicant plans to use SSBCI funds to provide access to capital for small businesses (1) in low- and moderate-income communities, (2) in minority communities, (3) in other underserved communities, and to (4) women- and minority-owned small businesses. The Applicant's plans must include a narrative on how the Applicant will monitor the performance of its plans to provide access to capital to small businesses meeting these criteria.**



<p><b>4C.</b> Leverage calculations: Provide an attachment showing the calculation and the assumptions for the first two boxes above. If the Applicant expects to achieve the 10:1 private leveraging target through subsequent private financing to the small businesses over time, the attachment should show the expected private leverage year-by-year and cumulatively through December 31, 2016, the last date through which Applicants are expected to report program performance. Please refer to the SSBCI Program Guidelines for examples.</p>
<p><b>4D.</b> Is the OCSP a new program or an existing program? Check the appropriate box.</p> <p style="text-align: center;"> <input checked="" type="checkbox"/> New, beginning with SSBCI                      <input type="checkbox"/> Existing </p>
<p><b>4E.</b> Provide documentation (use the attachment for Section 4E) describing the anticipated benefits from each OCSP to the (a) State, (b) its businesses, (c) its residents, and (d) describe the extent to which resulting small business lending will expand economic opportunities. For Loan Guarantee Programs, States must provide detailed assumptions concerning estimated number of loans and estimated loan amounts during the course of the SSBCI. States that are enacting new Collateral Support Programs should present detailed assumptions concerning estimated loan volume and overall Federal collateral support used for such loans. Documentation should not exceed 5 pages. The metrics used should include, but need not be limited to:</p> <ul style="list-style-type: none"> <li>• Jobs created</li> <li>• The number and value of new OCSP small business loans</li> <li>• Increase in sales, income or other tax revenues paid by businesses or employees</li> </ul>
<p><b>4F.</b> Provide documentation (use the attachment for Section 4F) for each OCSP describing (1) operational capacity, (2) skills, and (3) experience of the management team of the State OCSP. Documentation should not exceed 5 pages. The metrics used should include, but need not be limited to:</p> <ul style="list-style-type: none"> <li>• Qualifications and financial industry experience of senior management</li> <li>• Experience of senior management in operating CAPs or OCSPs</li> <li>• Adoption of industry best practices (e.g., use of risk management strategies employed by analogous successful programs)</li> </ul>
<p><b>4G.</b> Provide documentation (Applicants should use the attachment for Section 4G) for each OCSP describing the capacity of OCSP staff to manage increases in the volume of its small business lending. Documentation should not exceed 2 pages. Evidence cited should include, but need not be limited to:</p> <ul style="list-style-type: none"> <li>• Financial strength</li> <li>• Operational capacity</li> </ul>
<p><b>4H.</b> Provide documentation (Applicants should use the attachment for Section 4H) for each OCSP describing the internal accounting and administrative controls systems used by the OCSP staff and the means they use to safeguard against (a) waste, (b) loss, (c) unauthorized use, and (d) misappropriation. This description should not exceed 3 pages. If available, evidence cited should include, but need not be limited to:</p> <ul style="list-style-type: none"> <li>• Periodic internal audits</li> <li>• Annual independent audits (including management letters)</li> <li>• Program financial statements current within the last 6 months.</li> <li>• Accounting and financial reporting system compliant with OMB Circular A-127</li> </ul> <p>In addition, if available, the Applicant must attach a copy of the most recent independent financial audit or program financial statements for each OCSP, dated within the last six months. If no independent financial audit or program financial statements exist for the OCSP, then the Applicant must attach a copy of the independent financial audit or program financial statements, dated within the last six months, for the entity implementing each OCSP as identified in the response to Section 1B or 1D of the application.</p>
<p><b>Section 5: Compliance.</b></p>
<p><b>5A.</b> Check any or all of the boxes below to indicate how the Applicant plans to staff oversight of compliance activities?</p> <p style="text-align: center;"> <input type="checkbox"/> Current Staff  <input type="checkbox"/> New Staff  <input checked="" type="checkbox"/> Contract Staff </p>
<p><b>5B.</b> Provide a narrative statement (Applicants should use the attachment for Section 5B) describing what reporting mechanisms, audits, or other activities (a) the Applicant has in place or (b) need to be implemented to enable the Applicant to conduct oversight and meet annual reporting requirements for the proposed programs. Documentation should not exceed 3 pages.</p>

Applicants must save the completed PDF application and attachments and email to [SSBCIapplications@treasury.gov](mailto:SSBCIapplications@treasury.gov)  
Applicants must complete, sign, and email the signature page with the application and attachments.

Attachment - Question 1.A – Joint Applicants

The Wyoming municipalities of:

**Casper**

Honorable Paul C. Bertoglio, Mayor  
200 North David, Casper, Wyoming 82601  
307-235-8224

**Cody**

Honorable Nancy Tia Brown, Mayor  
1338 Rumsey Avenue, POB 2200, Cody, Wyoming 82414  
307-527-7511

**Douglas**

Honorable Bruce A. Jones, Mayor  
101 North 4th Street, POB 1030, Douglas, Wyoming 82633  
307-358-3462

**Edgerton**

Honorable H.H. “Buck” King, Junion, Mayor  
311 North 2nd Street, POB 407, Edgerton, Wyoming 82635-0407  
307-437-6763

**Gillette**

Honorable Tom Murphy, Mayor  
201 East 5th Street, POB 3003, Gillette, Wyoming 82717  
307-686-5203

**Green River**

Honorable Hank Castillon, Mayor  
50 East 2nd North Street, Green River, Wyoming 82935  
307-872-6136

**Hanna**

Honorable Tony Poulos, Mayor  
301 South Adams, POB 99, Hanna, Wyoming 82327  
307-325-9424

**Hartville**

Honorable Darrell L. Offe, Mayor  
200 West Gambell Street, Hartville, Wyoming 82215  
307-836-2288

**Laramie**

Janine Jordan, City Manager  
406 Ivinson Street, POB C, Laramie, Wyoming 82073  
307-721-5226



Honorable Guy Chapman, Mayor  
Post Office Box 190, Midwest, Wyoming 82643  
307-437-6513

### **Pine Bluffs**

Caryn Miller, CEO Town Administrator  
220 Main Street, POB 429, Pine Bluffs, Wyoming 82082  
307-245-3746

### **Powell**

Honorable Scott Mangold, Mayor  
270 North Clark Street, POB 1008, Powell, Wyoming 82435  
307-754-5106

### **Rawlins**

Honorable Kenneth C. Klouda, Mayor  
521 West Cedar Street, POB 953, Rawlins, Wyoming 82301  
307-328-4500

### **Rock Springs**

Honorable Carl R. Demshar, Jr., Mayor  
212 D Street, Rock Springs, Wyoming 82901  
307-352-1510

### **Sundance**

Honorable Paul Brooks, Mayor  
213 Main Street, POB 542, Sundance, Wyoming 82729-0542  
307-283-3451

### **Wheatland**

Honorable Jean Dixon, Mayor  
600 South 9<sup>th</sup> Street, Wheatland, Wyoming 82201  
307-322-2962

### **Cheyenne**

Honorable Richard L. Kaysen  
2101 Oneil Avenue, Cheyenne, Wyoming 82001  
(307) 637-6300



U.S. Department of the Treasury

## State Small Business Credit Initiative

### SIGNATURE PAGE

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The authorized state official must complete this application signature page, print and affix signature at the bottom of the page. The completed and signed application signature page must be emailed as part of the application form and attachments to [SSBCIapplications@treasury.gov](mailto:SSBCIapplications@treasury.gov)

#### APPLICANT INFORMATION

Enter the name of the Applicant:

Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name:

Check one of the following boxes as appropriate for the organization:

- State Department or Agency  
 Municipality  
 Other Political Subdivision

Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

#### SIGNATURE OF AUTHORIZED OFFICIAL

Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.

Name:

Title:

Email:

Phone:

Signature: *Kenyne Schlager*  
(Sign in ink)

Date Signed:



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Name:

Title:

Email:

Phone:

Signature:  
(Sign in ink)

Date Signed:



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Organizational DUNS

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Name:  Title:

Email:  Phone:

Signature:  Date Signed:



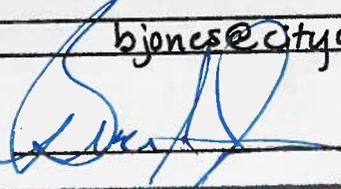
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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: [ DOUGLAS ]	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: [ City of Laramie ]	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency	
<input checked="" type="checkbox"/> Municipality	
<input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	[ 78-328-1892 ]
Employer/Taxpayer Identification Number (EIN/TIN):	[ 83-6000072 ]
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: [ BRUCE A. JONES ]	Title: [ MAYOR ]
Email: [ bjones@cityofdouglas.org ]	Phone: [ 307-358-3462 ]
Signature: (Sign in ink) 	Date Signed: [ July 20, 2012 ]



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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Edgerton"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency	
<input checked="" type="checkbox"/> Municipality	
<input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="H.H. King, Jr."/>	Title: <input type="text" value="Mayor"/>
Email: <input type="text" value="townofe@rtconnect.net"/>	Phone: <input type="text" value="(307)437-6763"/>
Signature: (Sign in ink) <u>H.H. King, Jr.</u>	Date Signed: <u>July 20, 2012</u>



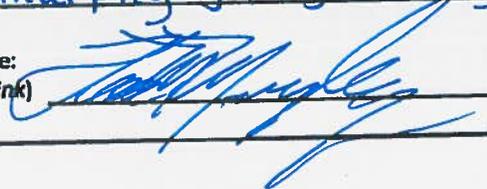
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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Gillette"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency	
<input checked="" type="checkbox"/> Municipality	
<input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Tom Murphy"/>	Title: <input type="text" value="Mayor"/>
Email: <input type="text" value="murphytjro@gillette.wy.gov"/>	Phone: <input type="text" value="(307) 686-5203"/>
Signature: (Sign in ink) 	Date Signed: <input type="text" value="July 20, 2012"/>



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Organization Name:

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Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

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Name:

Title:

Email:

Phone:

Signature:

(Sign in ink)

Date Signed:



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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Hanna"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency	
<input checked="" type="checkbox"/> Municipality	
<input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Tony D. Foidas"/>	Title: <input type="text" value="Mayor-Town of Hanna"/>
Email: <input type="text" value="Tfoidas@hanna.mayoreunion-tel.com"/>	Phone: <input type="text" value="307 325 9420"/>
Signature: (Sign in ink) <input type="text" value="Tony D Foidas"/>	Date Signed: <input type="text" value="July 20, 2012"/>



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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Hartville"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/>	State Department or Agency
<input checked="" type="checkbox"/>	Municipality
<input type="checkbox"/>	Other Political Subdivision
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Darrell L. Offe"/>	Title: <input type="text" value="Mayor"/>
Email: <input type="text" value="dloffe@vistabeam.com"/>	Phone: <input type="text" value="307 836 3129"/>
Signature: <input type="text" value="Darrell L. Offe"/>	Date Signed: <input type="text" value="July 20, 2012"/>



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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Laramie"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
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<input checked="" type="checkbox"/>	Municipality
<input type="checkbox"/>	Other Political Subdivision
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Janine Jordan"/>	Title: <input type="text" value="City Manager"/>
Email: <input type="text" value="jjordan@cityoflaramie.org"/>	Phone: <input type="text" value="307-721-5226"/>
Signature: <input type="text" value="Janine Jordan"/>	Date Signed: <input type="text" value="July 20, 2012"/>



U.S. Department of the Treasury

### State Small Business Credit Initiative

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#### APPLICANT INFORMATION

Enter the name of the Applicant:

Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name:

Check one of the following boxes as appropriate for the organization:

- State Department or Agency
- Municipality
- Other Political Subdivision

Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

#### SIGNATURE OF AUTHORIZED OFFICIAL

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Name:  Title:

Email:  Phone:

Signature: *Guy Chapman* (Sign in ink) Date Signed: July 20, 2012



U.S. Department of the Treasury

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#### APPLICANT INFORMATION

Enter the name of the Applicant: Pine Bluffs

Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie

Check one of the following boxes as appropriate for the organization:

- State Department or Agency  
 Municipality  
 Other Political Subdivision

Organizational DUNS:

78-328-1892

Employer/Taxpayer Identification Number (EIN/TIN):

83-6000072

#### SIGNATURE OF AUTHORIZED OFFICIAL

Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.

Name: Caryn Miller

Title: Town Administrator

Email: cmiller@rtconnect.net

Phone: 307-245-3746

Signature:  
(Sign in ink)

Date Signed: July 20, 2012



U.S. Department of the Treasury

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 Municipality  
 Other Political Subdivision

Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

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Name:

Title:

Email:

Phone:

Signature:  
(Sign in ink)

Date Signed:



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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Rawlins"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency	
<input checked="" type="checkbox"/> Municipality	
<input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Kenneth C. Klouda"/>	Title: <input type="text" value="Mayor"/>
Email: <input type="text" value="CKKlouda@brooman.net"/>	Phone: <input type="text" value="307-320-8438"/>
Signature: <input type="text" value="Kenneth C Klouda"/>	Date Signed: <input type="text" value="July 20, 2012"/>



U.S. Department of the Treasury

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Organization Name:

Check one of the following boxes as appropriate for the organization:

- State Department or Agency  
 Municipality  
 Other Political Subdivision

Organizational DUNS

Employer/Taxpayer Identification Number (EIN/TIN):

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Name:

Title:

Email:

Phone:

Signature  
(Sign in ink)

Date Signed:



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Organization Name:

Check one of the following boxes as appropriate for the organization:

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 Municipality  
 Other Political Subdivision

Organizational DUNS:

Employer/Taxpayer Identification Number (EIN/TIN):

#### SIGNATURE OF AUTHORIZED OFFICIAL

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Name:

Title:

Email:

Phone:

Signature:  
(Sign in Ink)

Date Signed:



U.S. Department of the Treasury

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<b>APPLICANT INFORMATION</b>	
Enter the name of the Applicant: <input type="text" value="Wheatland"/>	
Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.	
Organization Name: <input type="text" value="City of Laramie"/>	
Check one of the following boxes as appropriate for the organization:	
<input type="checkbox"/> State Department or Agency <input checked="" type="checkbox"/> Municipality <input type="checkbox"/> Other Political Subdivision	
Organizational DUNS:	<input type="text" value="78-328-1892"/>
Employer/Taxpayer Identification Number (EIN/TIN):	<input type="text" value="83-6000072"/>
<b>SIGNATURE OF AUTHORIZED OFFICIAL</b>	
Under penalties of perjury, I declare that I have examined the attached State Small Business Credit Initiative application and to the best of my knowledge and belief, the information in the application is true, correct, and complete. I certify that I am an authorized official for the applicant and authorized to submit this application.	
Name: <input type="text" value="Jean Dixon"/>	Title: <input type="text" value="Mayor"/>
Email: <input type="text"/>	Phone: <input type="text" value="307-322-2962"/>
Signature: (Sign in Ink)	Date Signed: <input type="text" value="July 20, 2012"/>



**CITY OF LARAMIE**  
**CITY MANAGER'S OFFICE**  
**P. O. BOX C**  
**LARAMIE, WY 82073**

**(307) 721-5226**  
**FAX (307) 721-5211**  
**TDD (307) 721-5295**

Mr. Jeffrey Stout  
U.S. Department of the Treasury  
State Small Business Credit Initiative  
Washington, D.C.

March 5, 2012

Mr. Stout,

The City of Laramie and municipal consortium partners selected Development Capital Network (DCN)/Wyoming Smart Capital Network as the entity to implement the SSBCI program following investigation and vetting of a proposal from the Development Capital Network (DCN). In June 2010, the City of Laramie and DCN met to discuss and examine DCN's proposal for a possible application for the SSBCI program.

The City of Laramie reviewed the credentials of DCN principals along with the venture capital project and funds management experience of DCN and its partner entities. The City of Laramie reviewed DCN/Cimarron publications and technical papers and considered relevant experience in other states. During this process City officials including the City Manager, City Attorney, and City Council Members met on numerous occasions with Founder Robert G. Heard and Managing Director Paul Huleatt. These individuals were reviewed as to their volunteered credentials and the programs administered by the entities which they managed. In addition, City officials met with the proposed Executive Director of the Wyoming Smart Capital Network (WSCN), Diane Wolverton. Credentials and proposal details were collaboratively reviewed with the Director and Board Members of our local economic development organization. Lastly, City staff conducted public policy research relative to innovative local government economic development strategies, with specific focus on entrepreneur-centered strategies in largely rural settings.

Upon fully vetting DCN/WSCN's credentials and the overall potential usefulness of the proposed program as an economic development tool, the City of Laramie worked to refine the proposal and gauge the interest of other cities and towns in the State. On August 2, 2011, the Laramie City Council resolved to submit application to the Department of Treasury for the SSBCI Program in partnership with other Wyoming cities and towns and to assume the role of "lead city" (Resolution 2011-52). In August and early-September, the City of Laramie and WSCN distributed an invitation to participate in the program to all ninety-nine Wyoming cities and towns. Each prospective partner-entity was provided with the credentials and experience portfolio of DCN/Cimarron and WSCN. The City of Laramie freely shared research we had conducted as the lead city, and every city and town was encouraged to conduct their own due diligence the level they determined necessary to satisfy their respective requirements. WSCN and City of Laramie officials met personally with elected and appointed officials in other jurisdictions as requested to answer questions and provide additional information.

The City of Laramie has a long history of actively striving to develop and diversify our local economy working with our local, state and regional economic development organizations including the Wyoming Business Council. My review of the program indicates that there is a potential for benefit to the City of Laramie and our partner communities in Wyoming to encourage and promote the economic expansion. Our local economic development strategies and partnerships have successfully grown and recruited established business, but we have almost no demonstrated history of facilitating entrepreneurial growth. As I discussed WSCN with the consortium partners they all agreed that a credit guarantee program under SSBCI would be useful; however, the group was most invigorated by the concept of developing a seed capital network to launch startup companies. Acting individually, the consortium partners would not attain or be able to sustain the development of a seed capital network or credit guarantee program. The City of Laramie and the consortium partners have determined DCN/WSCN have the prerequisite knowledge, skills and abilities to operate these programs under our oversight. The principals are well-qualified to manage the contractual obligations of the services agreement and are familiar with the SSBCI program objectives.

Sincerely,



Janine Jordan  
City Manager



**Section 1: Applicant Information**

<b>1A. Enter the name of the Applicant:</b>	City of Laramie, WY and Joint Applicants	(See Attachment Q-1A)
---	--	-----------------------

**1B. Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.**

Organization Name:	City of Laramie, WY
--------------------	---------------------

**Section 2: Amount Requested**

**2D.** For both CAPs and OCSPs, use the space provided below to indicate how the Applicant plans to use SSBCI funds to provide access to capital for small businesses (1) in low- and moderate-income communities, (2) in minority communities, (3) in other underserved communities, and to (4) women- and minority-owned small businesses. The Applicant’s plans must include a narrative on how the Applicant will monitor the performance of its plans to provide access to capital to small businesses meeting these criteria.

The Wyoming Smart Capital Network (WSCN) is focused on small businesses with capital needs of less than \$1 million. The CGP anticipates average loans of approximately \$500,000. The strategy will incorporate outreach to minority and women owned businesses, and urban and economically impacted communities, with a goal of creating jobs within those communities.

A variety of methods and strategies will be utilized to increase capital in underserved communities.

1. WSCN is staffed with business development, credit underwriting, marketing, and web portal professionals committed to administering and promoting the WSCN to underserved communities as an integral part of the business development outreach.
2. WSCN will establish a network of participating banks, Small Business Development Centers, Community Development banks, SCORE centers and nonprofits serving minority and underserved communities.
3. WSCN will provide periodic outreach and training programs to participating and prospective lenders and groups of lenders. Additionally, staff will organize webinars and produce and distribute marketing materials to be distributed through training events, conferences, and partner newsletters and mailings.
4. WSCN staff will seek to leverage CGP participating banks’ resources to provide outreach and periodic training to participating bank personnel.
5. WSCN will develop partnerships with economic development and community organizations to make small businesses aware of the CGP and SCN programs. Partnering organizations are expected to include chambers of commerce, industry trade associations, Community Development Financial Institutions, and groups supporting minority and women owned businesses.
6. WSCN will advertise in enewsletters such as the LipperCurrent, a weekly enewsletter distributed to investors, corporations, universities, and economic development organizations.
7. WSCN will host quarterly training and outreach events throughout the state in partnership with NIST MEP centers, SBDCs, participating banks, and regional economic development organizations.



8. WSCN will market to and enroll qualifying loans from CDFI lenders, provided the CDFA offers commercial loans that qualify for the SSBCI program. There are two possible CDFI's WSCN can partner with to support small business loans. The WWBC, described above, is preparing an application to become a CDFI. If approved, the WSCN would seek to enroll loans from the WWBC. Additionally, Elk Basin Federal Credit Union is a CDFI based in Powell, WY. This CDFI is currently in the midst of a merger with River-Rail Federal Credit Union (Casper).

The WSCN will support underserved communities. There are many definitions to describe underserved communities or segments of a region. For example, several of our communities in Wyoming characterize the underserved areas of their communities (or their community as a whole) as being rural, low income, "prison population" (to describe the community of residents with ties to those imprisoned), Native American, minority, or women entrepreneurs. However, the most common characteristic among the 16 participating municipalities is the rural nature of their communities. According to Mary Randolph, executive director of the Wyoming Rural Development Council, at least 13 of the 16 consortium municipalities meet the USDA definition of rural communities. The Fund will work closely with the economic development organizations of the member cities and the participating banks to market to rural businesses. The Fund will also collaborate with the Wyoming Business Council, Wyoming Economic Development Association, and State Small Business Development Centers.

A particular focus of the Laramie Consortium is the income disparity between men and women – with Wyoming reporting the largest gender gap in the nation. This issue spans all 16 of the municipalities in the Wyoming Consortium, making women the single largest underserved population. One strategy that the state and local economic developers have employed is the support of female entrepreneurs through education and access to capital. The SSBCI program will provide increased access to capital to women. Wyoming Smart Capital Network has established a relationship with the Wyoming Women's Business Center (WWBC), the state's leading outreach program to women, minorities and individuals with low income.

WSCN staff will monitor the performance of plans to provide access to capital to small businesses located in low and moderate income communities and to women-owned and minority-owned businesses. Data will be captured on all companies participating in the CGP and SCN programs, obtaining registration information on all attendees of outreach events, by recording the number of recipients of newsletter campaigns, by collecting web statistics of newsletter ads where available, and by periodically surveying CGP and SCN participants and prospective participants.

The information gathered from small companies participating in the CGP and SCN include:

1. Business name, Contact name, Business address, phone, email, NAICS code, TIN;
2. Demographic information such as county and town
3. Stage of business,
4. # of Full-Time Equivalent (FTE) employees,
5. average wage,
6. benefits offered,
7. estimate of the number of jobs expected in 1-2 years;
8. Loan information including the loan number, loan amount, interest rate, and term,
9. Purpose of the loan, and collateral description.



**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, authority, political subdivision of the Applicant, or other organization that has been designated to implement the program(s) described in this application.

Organization City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4A.** Applicants should use the space provided below to provide a narrative statement describing each OCSP. Statement should include (1) background of the program; (2) summary of program guidelines; (3) historical performance of the program (for existing programs); and (4) expected performance of the program.

Name of Program: **Credit Guarantee Program (“CGP”)**

1) Background. The Cities will contract with WSCN to implement this program. The **Credit Guarantee Program** will extend collateralized guarantees to lenders to support loans to qualifying small businesses on a loan by loan basis.

Each guarantee will be secured by a Certificate of Deposit (CD) pledged by the WSCN as additional collateral for a loan. WSCN will post cash collateral for each loan made by a participating Lender. A guarantee may be called by a lender if the loan goes into liquidation. A lender must first liquidate the primary collateral pledged by the borrower and exhaust its collection efforts against the borrower. If a shortfall remains, the CD may be liquidated and claimed by the lender up to the extent of the shortfall. The balance, if any, will be released by the lender and redeemed by the WSCN.

2) Guidelines. The WSCN will partner with many lenders. Commercial banks are expected to be the primary participants. The WSCN will exercise due care to determine that banks and non-bank financial institutions participating in the Program possess sufficient commercial lending experience, financial and managerial capacity and operational skills to meet the objectives as set forth in the SSBCI Act. The WSCN will apply the same standards for participation in the Program to all classes of lenders. As required by the Act, the WSCN shall consult with the appropriate federal banking agency or, as appropriate, the Community Development Financial Institution Fund. The Program will target an average borrower-size of 500 employees (as defined in 13 CFR 121.106) or less and will not extend credit support to borrowers with more than 750 employees. The Program will target loans with an average principal amount of \$5 million or less.

3) History. The Program is patterned after a credit guarantee program implemented by members of the team described in Section 4E.

4) Expected Performance. The WSCN intends to recycle approximately 37% of SSBCI funds one time during the five year program life, and then continuing thereafter. Guarantees are expected to range from 10% to 50% of the loan amounts (50% is the maximum), averaging 18%, and range in size from \$5,000 to \$1 million. On average, the loans supported by WSCN are expected to match additional private loans at closing or subsequently (without the pledge of WSCN collateral) at the ratio of 1.0 to 0.68. The rate of loan failure is expected to be 3% to 5%, and the rate of loss of CDs pledged is expected to be about 4.5%. By pledging funds matched by additional private loans, and by recycling a portion of the SSBCI funds, the program is expected to produce better than 10 to 1 leverage.

	Performance	
	Historical*	Expected
<b>Borrowers</b>		
Total Number	71	61
Average Size	531,000	1,790,947
<b>TRANSACTIONS</b>		
Number	88	61
Average Size	429,000	1,790,947
Total Amount	37,800,000	109,247,801
<b>LOSSES</b>		
Total Amount	302,000	598,731
Cumulative %	4:50	4.50
<b>LEVERAGE RATIO</b>	5:1 w/o recycling	11.3:1 w/recycling

\* This is a new program. It is modeled after the state sponsored credit guarantee program implemented by the program manager. See 4H for details.



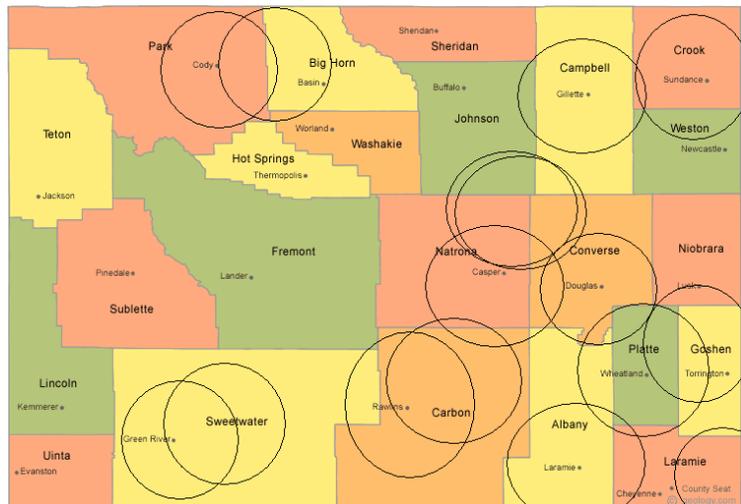
Based on our past experience with similar programs, including a variety of federal and state government loan programs, together with input from other SSBCI program managers in Idaho, Michigan, and North Carolina, we have found that more than one layer of financing is common to serve the needs of business (e.g. a working capital loan is matched with an equipment loan and a real estate loan). We believe in the initial round of financings it is reasonable to expect additional or subsequent financing equal to 68% or more of the SSBCI supported financing.

5) Reasonableness. **The CGP is designed to accomplish full deployment within 36 months**, intermediate leverage of greater than 10 to 1 by the end of 2016, and long term impact through multiple cycles. **The Applicants occupy a substantial market area.** The attached map shows the Primary, Secondary and Tertiary areas of commerce and employment served by the Applicant Cities. The 2010 population of these areas total 392,016, or 69% of the total 563,626 population of the state.

In 2009, Wyoming financial institutions made 14,094 business loans under \$1 million totaling \$406 million<sup>1</sup>. In the service areas of the Applicant Cities, using population as a gross indicator of loan volume, the market for business loans of up to \$1 million was about \$282 million in 2009. These were, clearly, all bankable loans. The purpose of the CGP is to help lenders expand the universe of doable deals. In our experience, for every loan a lender makes, there is another loan he would like to make but for a stronger balance sheet. Said another way, the market for doable loans that could benefit from collateral support is likely at least \$282 million per year for loans up to \$1 million, and higher still when including loans above \$1 million. CGP helps fill this need. CGP expects to support loans of \$17 million in 2012 and \$17.5 million in 2013, matched by other loans in those years of \$11.6 million and \$11.9 million. Given the strong relationships with Wyoming lenders and WSCN’s plan of action, the goal is readily attainable. Not stated here, and only for lack of data, is the market for loans of up to \$5 million. The CGP will consider loans of up to this size.

The following map shows **commerce and employment regions** of the Applicant Cities (the Primary Areas), a 50 mile radius from the Cities (the Secondary Areas), and the counties of the Primary Areas (the Tertiary Area). The Tertiary Areas and the population of these include the counties of:

COUNTY	POPULATION
Park,	28,205
Big Horn,	11,668
Campbell,	46,133
Crook,	7,083
Natrona,	75,450
Converse,	13,833
Carbon,	15,885
Albany,	36,299
Platte,	8,667
Goshen,	13,249
Laramie,	91,738
Sweetwater.	43,806
<b>TOTAL</b>	<b>69% 392,016</b>
All Wyoming	563,626



<sup>1</sup> County Business Patterns; U.S. Small Business Administration, Office of Advocacy for Community Reinvestment Act.  
<http://www.sba.gov/content/banking-study-2010>

## Testing the Market

WSCN has participated in three informal marketing focus group meetings that included lenders and economic developers in the communities of Laramie, Rawlins and Casper. DCN described the collateral support available through the CGP and invited input from the participants.

WSCN hosted a booth at the Wyoming Economic Development Association annual meeting last September and interacted with regional economic developers and lenders.

WSCN has conducted marketing phone calls to lenders and economic developers in Rawlins, Cody, Powell, Laramie and Casper.

WSCN has contacted the Wyoming Bankers Association for feedback about the lending climate in Wyoming and lender attitudes toward collateral enhancement programs in general.

More recently, WSCN has taken advantage of Treasury's conference in San Francisco to learn from and network with successful Collateral Enhancement programs in other states. We have received materials and support from Idaho and Michigan and will continue to seek their guidance and input.

Partial list of Lenders contacted:

- Wyoming State Bank, Laramie
- 1st National Bank, Powell
- Wyoming Industrial Development Corp, Casper
- Rawlins Bank of Commerce
- Rawlins National Bank

Results of Research:

- ☐ Lenders want the collateral support program to be SIMPLE to apply for and simple to collect the collateral if necessary.
- ☐ Lenders like the idea of having the CDs in their banks.
- ☐ Lenders prefer 50% collateral support to other figures we offered, such as 20% and 25%.
- ☐ Lenders believe that the best loans will be made without help, but they believe they have good loans that our collateral support program will make possible.
- ☐ Lenders want our turn around to be fast.
- ☐ Lenders want to know what fees are associated and how they can pass them along to borrowers.
- ☐ Overall, lenders respond positively to the concept of the program, adding that there is strong demand for working capital loans where collateral support would help to get the deal approved.



**The CGP is attractive to banks.** Members of the WSCN team managers designed, implemented and managed a similar program from 1997 to 2008. The original program was in Oklahoma while the new program is in cities in Wyoming. The original program was focused on financing short term working capital needs and fixed assets until the final three years of the program when by statute the program was limited to fixed asset loans with a minimum 5-year term. Working capital support was always in high demand. The CGP program will focus on financing working capital needs with terms of generally less than two years. Wyoming banks have indicated this is the primary need. The original program had many technical constraints that limited eligibility. The SSBCI funds come with many fewer constraints and therefore a broader potential market. The closing mechanism for the original program was complicated, while the closing process for the new program is relatively simple. Therefore, the appetite of banks for the program is expected to be higher than that for the Oklahoma template.

In our experience, a basic requirement for deploying development capital is to have a program that is a) **useful and easy to use** by participating lenders, b) **worthy of trust** such that a lender can rely on the support and c) **material to the transaction** such that a lender finds it worthwhile to participate. The template program has demonstrated these requirements, and the WSCN's Credit Guarantee Program is superior in many respects. The guarantee percentage can be as high as 50% in the WSCN program, compared to 18% in the template model, making the program particularly valuable. The cash collateral will be deposited at the lending bank, making it trustworthy. The lender will be able to use its standard loan documents, making it easy to use. For these reasons, the appetite of banks for the program is expected to be significantly higher than that for the Oklahoma template.

A second basic requirement for achieving the desired volume and quality of transactions is having a vigorous system for **marketing** the program and **selling** the tool, the **discipline** to follow the process, and a **management team** capable of implementing the plan.

The WSCN has a robust system designed to accomplish its goals.

- Starting with our staff – As the former state director of the Wyoming Small Business Development Center, Diane Wolverton personally knows lenders and economic developers across the state. She has worked with the network of advisors to small companies and has the unique capacity to connect with those who are helping companies find capital. Paul Huleatt has a successful history of business development and commercial credit underwriting for Silicon Valley Bank, First Interstate Bank, Norwest Bank and other lenders. And Mark Huston and Robert Heard both have direct experience marketing guarantee and collateral support programs through a network of banks. WSCN is establishing a network of participating banks. Banks will serve as the primary source of deal flow for the CGP. Personal contact is key to leveraging this resource. The WSCN team will contact each member of our network banks at least once a month to identify deals and discuss structures. The targeted banks are listed below.
- WSCN will provide periodic outreach and training programs to participating and prospective lenders and groups of lenders.
- WSCN will organize webinars and produce and distribute marketing materials to be distributed through training events, conferences, and partner newsletters and mailings.
- WSCN will reach out to individual companies who may serve as borrowers for the program. For example, among the estimated 18,000 businesses in the state, WSCN has identified over 350 manufacturers with up to 500 employees. Our team will target the companies that meet SSBCI guidelines and systematically reach out to these.

- WSCN will establish a network of regional attorneys, accountants, and intermediaries who are focused on supporting Wyoming small businesses. We will include these professionals in our outreach of the CGP training events to encourage networking and deal flow among these professionals.
- WSCN will establish a network of Small Business Development Centers, Regional Economic Development Organizations, Community Development banks, SCORE centers and nonprofits serving minority and underserved communities to identify deal flow for the program. For example, WSCN will sponsor the Telesummit on Finance for Women Entrepreneurs, April 2012 in conjunction with the Wyoming SBDC, Wyoming Business Council and the Wyoming Women's Business Center.
- The cooperating municipal partners are eager to serve as a conduit for dissemination of marketing materials through City newsletters, websites, and other venues.

7) Underwriting. A) Applicant borrowers will be required to complete an application, generally in the form of the attached draft Application for Loan Guarantee. B) WSCN reviews loans for eligibility pursuant to SSBCI statute, rules and guidelines, following the checklist of eligibility criteria in the Application for Loan Guarantee. Each borrower will be required to provide an assurance that it complies with eligibility criteria. C) WSCN reviews loans for credit worthiness. This generally includes a review of historical financial statements of the borrowing business, the personal financial statement of the principal, financial projections of the business, and documents that support the value of assets.

A participating bank will execute a Credit Guarantee Program Agreement generally in the form of the attached draft. WSCN will pledge and assign CDs for approved loans using a form generally as illustrated in the attached sample.

Our goal is to deploy funds as quickly as possible. If the market provides greater opportunity in one of our two programs, we may seek permission from Treasury to shift funds to the program showing the greatest demand.

**BANKS TARGETED BY WSCN**

**American Nat Bank, Cheyenne**  
Ann Nelson  
Regional President

**Bank of Buffalo, Buffalo**  
Paul Brunkhost  
President

**Bank of Commerce, Rawlins**  
Copper France  
President

**Bank of Jackson Hole, Jackson**  
Jeff Fuechsel  
President

**Bank of Lovell, Lovell**  
Bart Langemeier  
President

**Big Horn Federal, Greybull**  
John Coyne, III  
Chairman/CEO

**Central Bank & Trust, Lander**  
Carl Huhnke  
President

**Cheyenne State Bank, Cheyenne**  
David Cook  
President

**Commerce Bank of Wyo, RS**  
Mike Yedinak  
SVP/COO

**Converse County Bank, Douglas**  
Tom Saunders  
President

**Cowboy State Bank, Ranchester**  
Sam Summers  
President/CEO

**Farmers State Bank, Pine Bluffs**  
John Gross  
President

**FirsTier Bank, Cheyenne**  
Marty Knaub  
Branch President

**1<sup>st</sup> Fed Savings Bank, Sheridan**  
David Ferries  
President

**First Interstate Bank, Sheridan**  
Bill Huppert  
Regional President

**First National Bank, Buffalo**  
Scott McBride  
Chairman

**First National Bank, Gillette**  
Sam Saunders  
President/CEO

**1st Bank, Evanston**  
Doug Nisson  
President/CEO

**First Bank of Wyoming, Powell**  
Richard Nelson  
President/CEO

**1st National Bank of WY, Laramie**  
Dan Furphy  
Chairman

**First State Bank, Wheatland**  
Mike Daly  
Chairman

**First State Bank of Newcastle**  
Leonard Nack  
President/CEO

**Hilltop National Bank, Casper**  
John Jorgensen  
President

**Jonah Bank of Wyoming, Casper**  
Mark Zaback  
President

**Lusk State Bank, Lusk**  
Jay Hammond  
President/CEO

**Oregon Trail Bank, Guernsey**  
Leonard Scoleri  
President/CEO

**Pinnacle Bank, Torrington**  
Doug Weedin  
President/CEO

**Platte Valley Bank, Torrington**  
Joe Guth  
President

**Points West Community Bank**  
Ryan Schilreff  
President/CEO

**Rock Springs National Bank**  
John Hay, III  
President

**Security First Bank, Cheyenne**  
Ron Van Voast  
President/CEO

**Security State Bank, Basin**  
Ron Boyd  
CEO

**State Bank, Green River**  
Mark Borders  
President

**Summit National Bank, Hulett**  
Clarence Elkin  
President

**Sundance State Bank, Sundance**  
Jim Durfee  
President/CEO

**The Bank of Star Valley, Afton**  
Rod Jensen  
President

**The Rawlins National Bank**  
Richard Chenoweth  
President/CEO

**Tri-County Bank, Cheyenne**  
Rick Flood  
President

**U.S. Bank**  
Steve Lovas  
WY President

**Wells Fargo, Casper**  
Tim Kugler  
Regional President

**WY Bank & Trust, Cheyenne**  
Jeff Wallace  
CEO

**WY National Bank, Riverton**  
Kent Shurtleff  
President/CEO

**Wyoming State Bank, Laramie**  
Gary Crum  
President & CEO

**WY Industrial Development Corp.**  
Diane Johnston  
President



**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4A.** Applicants should use the space provided below to provide a narrative statement describing each OCSP. Statement should include (1) background of the program; (2) summary of program guidelines; (3) historical performance of the program (for existing programs); and (4) expected performance of the program.

Name of Program: **Seed Capital Network Program("SCN")**

**1) Background.** The Cities will contract with the WSCN to implement this program. The **Seed Capital Network Program** (the "SCN") will invest in angel funds to support investment in qualifying small businesses. An investment will be in the form of an interest purchased in a fund, such as a limited partner interest or an LLC member interest. The interest purchased by WSCN will generally range in size from \$50,000 to \$3 million (never more than \$3 million) and represent 5% to 50% of fund capital (never more than 50%). A commitment to a fund may be pari passu, preferred or subordinate to other investors. The objective will be to exceed a 10 to 1 leverage factor over the remaining 5-year reporting period of the program. Funds will typically have a life of ten or more years, with the active investment period spanning the first three years.

**2) Guidelines.** The WSCN will seek to build and support angel funds in Wyoming, following the selection criteria listed below. WSCN will favor angel funds that have \$2 million or more in total commitments, without WSCN. The maximum size of the fund to which WSCN may commit is \$20 million. The WSCN will exercise due care to determine that the participants in angel funds are accredited investors per SEC rules. Beyond capital, participants are expected to contribute their knowledge and experience of starting, building and growing new companies. The angel funds will tend to focus on projects that complement the knowledge base of the participants. WSCN will exercise a preference for funds that elect to participate in a network of similar funds across the state and demonstrate a willingness to practice sound disciplines. WSCN will offer to help administer angel funds, help sustain these investors as they analyze, value, price, structure, negotiate, make and monitor their projects, and help investors connect to national sources of technology, capital and business-building talent.

**3) History.** The program is patterned after the experience of the WSCN team training angel investors in over 100 communities, facilitating angel networks in Iowa and Oklahoma, and investing in angel, seed and venture capital funds. See 4E.

**4) Expected Performance.** The WSCN expects to initially commit about \$3 million to angel funds where other capital can be leveraged. An average commitment may be for 18% of the total capital of an angel fund. The \$3 million is expected to partner with \$13.3 million. In aggregate, these funds are expected to invest in about 30 high potential companies that attract at least an equal amount of \$16.6 million from co-investors and other participants in the transactions.

Expected	
<b>FUNDS</b>	
Total Number	6
Average Size	\$500,000
Expected Match	\$13,666,000
SCN Commitment	\$3,000,000
Total Amount	\$16,666,000
<b>TRANSACTIONS</b>	
Total Number	32
Average Size	\$500,000
Co-Investment	\$500,000
Total Co-Investment	\$16,666,000
<b>TOTAL CAPITAL</b>	\$33,333,000
<b>LEVERAGE RATIO</b>	11:1
Ratio of Match & Co-investment/SSBCI	10:1



**5) Reasonableness.** The SCN is designed to accomplish rapid deployment, intermediate leverage of greater than 10 to 1 by the end of 2016, and long term impact through multiple cycles. The Applicants occupy a market area of reasonable size with sizeable population in every quadrant of the state.

The WSCN team is connected to the University of Wyoming is in Laramie. Diane Wolverton led the state's Small Business Development Center housed at the University. The team is connected to the technology and entrepreneurial development staff at the University and will work with this staff to connect to alumni throughout the state, particularly those engaged in business building.

Members of the WSCN team have designed, implemented and managed angel, seed and venture capital programs in other rural states, including Oklahoma, Arkansas and Iowa. The oldest of these, the Oklahoma Capital Investment Board (OCIB), was launched in 1993 and made commitments through 2009. OCIB has invested approximately \$60 million in 19 seed and venture capital funds. OCIB represented about 7% of total fund capital, such that every dollar invested in funds leveraged about \$14 for investment in small companies. Within the state alone, OCIB funds have invested and attracted equity co-investment of \$131 million in Oklahoma companies along with an estimated \$262 million of leveraged debt.

In 2004 members of the team committed \$100,000 through the Arkansas Institutional Fund to the Fund for Arkansas Future, an angel fund with over \$6 million in subscribed capital. The portfolio has eleven Arkansas companies with average investment size of \$340,000. On average each of these deals has attracted co-invested from other private investors of \$439,000.

In Iowa, members of the WSCN team helped launch eight angel funds from 1998 to 2001, and since 2008 have served as facilitator of the Iowa Seed and Angel Network. The network collaborates on deals and works together to build the entrepreneurial environment in Iowa. For example, the members produce the annual Iowa Seed and Venture Capital Forum, <http://investiowa.com/icic/web.nsf/pages/IE2011.html>.

In Wyoming, the opportunity for deploying equity capital lies with local individual investors. The WSCN will focus on the formation of new member-managed angel funds and the facilitation of these funds as a statewide seed capital network. In this regard, groups of angels are emerging in Laramie, Rawlins, Cody, and Casper with local development organizations serving as champions. Taking the next step to form a fund will be natural for several of these. Other communities have voiced a desire to catalyze an angel fund.

A variety of methods and strategies will be used to identify prospective angel investors and catalyze angel funds.

- Jim Troxel of the WSCN team has provided training to private investors since 1997, delivering over 100 seminars on angel investing in communities across America. An estimated half of these seminars have catalyzed a new angel fund, group or network. This tool and others will be used to create interest and momentum toward angel fund formation.
- WSCN will leverage the marketing efforts of the CGP to identify prospective angels. Specifically, in each CGP training or networking event the WSCN team will dedicate a portion of these events to highlight the SCN as part of the overall SSBCI program in WY. Lenders will learn about the SCN and be constantly reminded of the SCN program.
- WSNC will encourage participating lenders to extend an invitation to appropriate bank customers to participate in the SCN.
- WSCN will market the SCN to municipalities, universities, colleges, and economic development organizations. This is a proven method to identify groups of high net worth individuals who either active angel investors or seek to be active angel investors. WSCN will then convene prospective angel investors in a community to walk thru the SCN and steps necessary to form a regional angel fund.



**6) Underwriting.** When selecting funds for investment, WSCN expects to use the following criteria for selecting angel funds managed by their members:

- **Successful Business Builders** -- WSCN will favor angel funds that are substantially composed of business builders who have become prosperous, are seeking to give back to young entrepreneurs, and are willing to spend time and share their knowledge with their angel peers and investee companies.
- **Desiring to Connect** -- WSCN will favor angel funds that have \$2 million or more in total commitments (without WSCN), a term of at least 10 years, and a governance system that is relatively flat and strives to use the knowledge of all the members. Angel funds are expected to participate in the WSCN Seed Capital Network, to engage with other members of the Network, and to attend statewide venture forums hosted by the Network. Individual angels are expected to consider co-investing with their fund, and funds are expected to consider co-investing with other angel funds.
- **Seeking Fair Profits** -- WSCN will have a preference for angel funds that seek to learn the methods and disciplines of angel investing, to become excellent at angel investing, and to that end welcome the administrative support and facilitation
- **Willing to be Visible** -- WSCN will seek to support angel funds that elect to be visible to entrepreneurs and that support entrepreneurial development programs in the community.

Angel funds will have discretion to select their own business investments and will be required to vet deals with WSCN to determine eligibility for SSBCI funds. Applicant investees will be required to complete an application, generally in the form of the attached draft Application for Loan Guarantee or Investment. WSCN will review transactions for eligibility pursuant to SSBCI statute, rules and guidelines, following the checklist of eligibility criteria in the Application for Loan Guarantee or Investment. Each applicant will be required to provide an assurance that it complies with eligibility criteria.

## 7) Operations

WSCN expects to serve as the administrator and facilitator of WSCN-sponsored angel funds, supporting the core processes that include:

- Organizing the Fund
- Establishing Investment Criteria
- Marketing for Deal Flow
- Screening and Filtering Applications
- Due Diligence
- Valuing the Company and Pricing the Deal
- Drafting the Term Sheet
- Negotiating and Closing
- Adding Value
- Exiting

Using DCN's WBT Angel system, WSCN will provide an online portal for each angel fund. The attached illustrates the draft website for the University of Wyoming community (the Cowboys). A portal serves as a site where entrepreneurs can apply for an investment and prospective angels can explore the fund. Access to the private records of the site will be through a secure login. There fund members can review deals, communicate online securely with other members, and review fund documents. This medium will be the primary means of communicating with members of the angel fund beyond periodic meetings.

Our goal is to deploy funds as quickly as possible. If the market provides greater opportunity in one of our two programs, we may seek permission from Treasury to shift funds to the program showing the greatest demand.



# Cowboy Technology Angels

## Angel: UW Demo Fund

[Angel Control Panel](#)
[Applications](#)
[Portfolio Companies](#)
[Fund Members](#)
[Edit User Profile](#)
[Discussion Forums](#)  
[New Applications](#)
[Deals in Review](#)
[Declined Applications](#)

### Deals in Review

Deal Name	On Point	Contact(s)
<a href="#">Bio-Sheet Medical</a> Bio-Sheet Medical	No member on point <a href="#">Claim</a>	Jon Smith Bio-Sheet Medical jtroxel49@gmail.com Phone: 415-555-2760
<a href="#">Axis Carbon Bicycle Parts, Inc.</a> Axis Carbon Bicycle Parts, LLC	No member on point <a href="#">Claim</a>	Jonny E. Smith Axis Carbon Bicycle Parts, LLC jtroxel49@gmail.com Phone: 405-555-1212
<a href="#">CaseBoss</a> CaseBoss	No member on point <a href="#">Claim</a>	Charles Paxson CaseBoss
<a href="#">Easy and Cheap Solar Panel Manufacturing</a> Silicon Solar Solutions	No member on point <a href="#">Claim</a>	Douglas Hutchings Silicon Solar Solutions jcarpenter@dcnteam.com Phone: 999.999.9999
<a href="#">HyperGenX</a> HyperGenX	No member on point <a href="#">Claim</a>	James Madison HyperGeniX wiley.larsen@gmail.com Phone: 773-404-2827
<a href="#">KnickKnackPaddyWhack</a> Development Capital Networks	Larsen, Wiley <a href="#">Withdraw</a>	Mr. Same DeNiese Development Capital Networks sdenies@dcnteam.com Phone: 503-380-0433



**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4B.** *If the Applicant OCSP provides credit support through a financial institution lender or through a non-financial institution lender or investor, and there are instances where financial institution lender (or, if applicable, the non-financial institution lender or investor) bear less than 20% risk of loss, the Applicant should use the space provided below to demonstrate exceptional circumstances as to why the financial institution lender (or, if applicable, the non-financial institution lender or investor) is unable to bear a greater share of the risk.*

Through the Credit Guarantee Program, WSCN will extend collateralized guarantees to lenders to support loans to qualifying small businesses on a loan by loan basis. Each guarantee will be secured by a certificate of Deposit (CD) pledged by the WSCN as additional collateral for the underlying loan. The CD's may range in size from \$5,000 to \$1 million and each CD will generally cover 10% to 50% of the loan amount. The lender will typically bear 50% to 90% of the risk of loss. No lender will bear less than 20% risk of loss.



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4B – Lender Capital at-Risk Criteria for OCSPs**

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Line 17 of the Summary of Anticipated Program Benefits reflects overall leverage based on the entire allocation amount without netting out admin expenses.

For the Seed Capital Network Program column (f) reflects both private dollars and SSBCI dollars since the SSBCI dollars are invested in funds, and from there to companies. For the Credit Guarantee Program column (f) reflects only private dollars since SSBCI dollars are used as collateral support for loans to companies. The Leverage ratios reflect Total Private Participation to SSBCI Allocation to Program.

Summary of Anticipated Program Benefits											
	(a)	(b)	(c)	(e)			(d + e)	(f)			
OCSF Description	Maximum Principal Amount	SSBCI Share	Allocation to Proposed Program	Private Share <sup>1,2,3</sup>			Total Project Costs	Leverage Private to Public	Number of Loans/Projects	Jobs <sup>4</sup> Created	
				Initial Private Participation	Follow-on or 2nd Round	Total Private Participation					
CAP Program									:		
OCSF Program(s)									:		
Seed Capital Network Program	\$ 1,500,000	18.0%	\$ 3,000,000	\$ 13,666,667	\$ 16,666,667	\$ 30,333,333	\$ 33,333,333	10.1 : 1	33	382	
Credit Guarantee Program	\$ 1,000,000	10-50%	\$ 9,686,388	\$ 88,772,801	\$ 20,475,000	\$ 109,247,801	\$ 109,247,801	11.3 : 1	61	1558	
OCSF (Description 3)								:			
OCSF (Description 4)								:			
Sub-total OCSFs								:			
<b>TOTAL ALL OCSF Programs</b>			<b>\$12,686,388</b>	<b>\$ 102,439,468</b>	<b>\$ 37,141,667</b>	<b>\$ 139,581,134</b>	<b>\$ 142,581,134</b>	<b>11.0 : 1</b>	<b>94</b>	<b>1940</b>	
Administrative Funds			\$ 481,962								
<b>TOTAL ANTICIPATED BENEFITS</b>			<b>\$13,168,350</b>	<b>\$ 102,439,468</b>	<b>\$ 37,141,667</b>	<b>\$ 139,581,134</b>	<b>\$ 142,581,134</b>	<b>10.6 : 1</b>			

**NOTES:**

1	NORTH DAKOTA SSBCI		4/3/2012	v11							
2	Red River Corridor Fund										
3	Income and Expense Budget										
4											
5			FY	2012	2013	2014	2015	2016		Total	Ratio
6	<b>Activity</b>										
7	Transfer		13,168,350	4,345,556	4,345,556	4,477,239				13,168,350	
8	Admin Fee			217,278	130,367	134,317				481,962	
9	Invested			4,128,278	4,215,189	4,342,922				12,686,388	
10	<b>Seed Capital Network Program</b>										
11	Investments		18%	1,000,000	1,000,000	1,000,000	-	-		3,000,000	
12	Angel Fund Match			4,555,556	4,555,556	4,555,556	-	-		13,666,667	
13	Angel Fund Balance			5,555,556	11,111,111	16,666,667	16,666,667	16,666,667		-	
14	Co-Investments			-	-	5,555,556	5,555,556	5,555,556		16,666,667	
15	Co-Investments Balance			-	-	5,555,556	11,111,111	16,666,667		-	
16	Total Annual Leverage Achieved			4,555,556	4,555,556	10,111,111	5,555,556	5,555,556		30,333,333	10.1
17	Initial Private Participation			4,555,556	4,555,556	4,555,556	-	-		13,666,667	
18	Subsequent Rounds			-	-	5,555,556	5,555,556	5,555,556		16,666,667	
19	<b>Credit Guarantee Program</b>										
20	Allocated to Credit Guarantees			3,128,278	3,215,189	3,342,922				9,686,388	
21	First Tranche										
22	Collateral support			3,128,278			1,809,375				
23	Matched Loans			17,043,291			10,237,500			27,280,791	8.7
24	Less losses			140,772			81,422			222,194	
25	Plus additional private loans			11,626,422							
26	Second Tranche										
27	Loan Guarantees				3,215,189		1,809,375				
28	Matched Loans				17,516,795		10,237,500			27,754,295	8.6
29	Less losses				144,683		81,422			226,105	
30	Plus additional private loans				11,949,432						
31	Third Tranche										
32	Loan Guarantees					3,342,922					
33	Matched Loans					18,212,702				18,212,702	5.4
34	Less losses					150,431				150,431	
35	Plus additional private loans					12,424,159					
36	Total Annual Leverage Achieved			28,669,713	29,466,227	30,636,861	10,237,500	10,237,500		109,247,801	11.3
37	Initial Private Participation			28,669,713	29,466,227	30,636,861				88,772,801	
38	Subsequent Rounds						10,237,500	10,237,500		20,475,000	
39	<b>Total Activity</b>			33,225,269	34,021,783	40,747,972	15,793,056	15,793,056		139,581,134	10.6
40	Leverage Ratio				7.6	7.7	8.2	9.4	10.6		10.6
	Losses			140,772	144,683	150,431	81,422	81,422		598,731	

**CGP Leverage Table**

**Additional Private Loans at closing or subsequently, plus some recycling**

Initial Loans		CSP-supported loans	Add'l Private Loans	Total Financing	CSP%	CSP \$	Recycled Loans	Amount	CSP-supported loans	CSP%	Total CSP \$	
3	257,590	772,770		772,770	50%	386,385	3	325,000	975,000	25%	243,750	
12	500,000	6,000,000		6,000,000	40%	2,400,000	7	500,000	3,500,000	25%	875,000	
15	1,000,000	15,000,000	10,000,000	25,000,000	20%	3,000,000	7	1,000,000	7,000,000	20%	1,400,000	
8	2,000,000	16,000,000	12,000,000	28,000,000	15%	2,400,000	2	2,000,000	4,000,000	15%	600,000	
3	5,000,000	15,000,000	14,000,000	29,000,000	10%	1,500,000	1	5,000,000	5,000,000	10%	500,000	
41		52,772,770	36,000,000	88,772,770	18%	9,686,385	20		20,475,000	18%	3,618,750	
<b>Total Financing</b>									109,247,770			
<b>Leverage</b>										11.3		
			68%									

**Summary of Anticipated Program Benefits**

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OCSP Description	(a) Maximum Principal Amount	(b) SSBCI Share	(c) Allocation to Proposed Program	(e) Private Share <sup>1,2,3</sup>			(f) Total Project Costs	Leverage Private to Public	Number of Loans/ Projects	Jobs <sup>4</sup> Created
				(d) Initial Private Participation	(e) Follow-on or 2nd Round	(d + e) Total Private Participation				
<b>CAP Program</b>								:		
<b>OCSP Program(s)</b>										
Seed Capital Network Program	\$ 1,500,000	18.0%	\$ 3,000,000	\$ 13,666,667	\$ 16,666,667	\$ 30,333,333	\$ 33,333,333	10.1 : 1	33	382
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OCSP (Description 3)								:		
OCSP (Description 4)								:		
Sub-total OCSPs								:		
<b>TOTAL ALL OCSP Programs</b>			<b>\$ 12,686,388</b>	<b>\$ 102,439,468</b>	<b>\$ 37,141,667</b>	<b>\$ 139,581,134</b>	<b>\$ 142,581,134</b>	<b>11.0 : 1</b>	<b>94</b>	<b>1940</b>
Administrative Funds			\$ 481,962							
<b>TOTAL ANTICIPATED BENEFITS</b>			<b>\$ 13,168,350</b>	<b>\$ 102,439,468</b>	<b>\$ 37,141,667</b>	<b>\$ 139,581,134</b>	<b>\$ 142,581,134</b>	<b>10.6 : 1</b>		

Note. <sup>1</sup> Explain source of new private financing data or methodology used to calculate leverage if other than historical.

<sup>2</sup> Describe, if applicable, data from regional State program that serves as the basis for estimates of new private financing.

<sup>3</sup> Include any additional information that will enable reviewer to determine reasonableness of leverage calculation.

<sup>4</sup> Explain rationale and or assumptions used to estimate new jobs created. If jobs retained are also anticipated break out those figures on Attachment for Section 4D for each OCSP.

Seed Capital Netwk Prgm	33%	33%	34%	Total	Originated	Avg Invstmt	# Investments
	Tranche 1	Tranche 2	Tranch 3				
\$13,168,350	\$4,345,556	\$4,345,556	\$4,477,239		16,666,667	500,000	33
3,000,000	0.05	0.03	0.03				
22.782%	49,500	29,700	30,600	109,800			
Net	2,950,500	2,920,800	2,890,200				

Credit Gurantee Prgm	33%	33%	34%	Total	Originated	Avg Invstmt	# Investments
	Tranche 1	Tranche 2	Tranch 3				
\$13,168,350	\$4,345,556	\$4,345,556	\$4,477,239		109,247,801	1,790,947	61
10,168,350	0.05	0.03	0.03		Originated	Avg Invstmt	# Companies
77.218%	167,778	100,667	103,717	372,162			
Net	10,000,572	9,899,906	9,796,188		109,247,801	1,790,947	61

<b>Seed Fund Template &amp; Projections</b>	<b>Credit Guarantee Template &amp; Projections</b>
131,000,000 Template Equity	37,725,989 Template Guarantee Loans
1,500 Template Jobs	538 Template Jobs
87,333 Template Avg \$/job	70,123 Template Avg \$/job
33,333,333 Tot Proj Costs	109,247,801 Tot Proj Costs
382 Tot Proj Jobs	1,558 Tot Proj Jobs
5 Job-Years	5 Job-Years
53,931 Avg State Wage	53,931 Avg State Wage
102,921,756 Wages	420,109,811 Wages
30,876,527 Taxes	126,032,943 Taxes
	13,305,135 Total Credit Guarantees
	8,540 Gurantee support per job
	70,122.66 Tot Proj Cost/Job



**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4E.** Applicants should use the space provided below to describe the anticipated benefits from each OCSP to the (a) State, (b) its businesses, (c) its residents, and (d) describe the extent to which resulting small business lending will expand economic opportunities. For Loan Guarantee Programs, Applicants must provide detailed assumptions concerning estimated number of loans and estimated loan amounts during the course of the SSBCI. Applicants that are enacting new Collateral Support Programs should present detailed assumptions concerning estimated loan volume and overall federal collateral support used for such loans. The metrics used should include, but need not be limited to:

- Jobs created
- The number and value of new OCSP small business loans
- Increases in sales, income or other tax revenues paid by businesses or workers

**Credit Guarantee Program (CGP) (Amount requested: \$10,168,350.00)**

Based on experience with a similar program implemented by members of the WSCN team in Oklahoma, the Credit Guarantee Program is expected to create at least one job for every \$13,286 in credit support (or \$70,123 in loan amount) within 3 years from the date of each guaranteed loan. As the approximately \$10 million committed to the Credit Guarantee Program is deployed, matched with other private capital and recycled, the program is expected to create 1558 jobs. A typical borrower that qualifies for this program (other than a startup) is typically growing at a rate of 20% per year on average when it applies for financing under the program. Over time, after the first year post-financing, a more modest rate of growth of 10% per year is expected. Allowing for an average job duration of five years, the 1558 workers are expected to earn over \$420 million in wages (at \$53,931 average 2009 WY wage) and pay about 33% of their wages, or \$126 million, in federal, state and local taxes.

The Credit Guarantee Program will focus on manufacturing firms as its primary target, and on existing companies that need capital to grow. The distribution of loans by sector, size and stage is expected to approximate the experience of the Template Program described below, although reflecting the unique opportunities in Wyoming and modified to emphasize working capital rather than fixed assets, and shorter terms – less than two years – rather than the 5 years required in the latter years of the Template Program. Wyoming bankers have indicated this is the primary need for the region.

**Template**

The Credit Guarantee Program is modeled after loan and investment fund that operated from 1997 to 2008 by members of the WSCN team. With support from the State of Oklahoma, the program made 88 loans and pledged CDs that averaged 18% of the loan amounts. One job was created for every \$12,500 in guarantee amount, or approximately one job for every \$70,123 in loan amount. The program experienced a loss rate through 2010 of 4.5% of CDs pledged. The loans were distributed among the following sectors: 34% to manufacturing, 24% to service and retail, 23% to medical, 13% to distributors, 4% to construction, and 1% to technology. 76% of the loans were to existing companies and 24% to start-ups. The Oklahoma program emphasized manufacturing, but not to the exclusion of other small businesses. Please refer to the attached schedule.



Collateral Guarantee Program for Development Loans - Template										Section 4E
Revenue-Year Prior to Loan	Anticipated growth	Start-ups	New Jobs- 1 year	New Jobs- 3 years	Issue Date	Loan #	Loan Amount	Guarantee Amount	Paid Off	Deficiency
269,269	50% over 3 years		1	2	6/12/97	1001	50,000	7,500	06/02	
1,200,000	to \$5,000,000/year		1	2	9/4/97	1002	450,000	81,000	09/02	
					9/3/97	1003	88,200	15,876	09/02	
2,915,955	50% over 3 years		8	18	9/9/97	1004	510,000	91,800	09/02	
-	to \$175,000/year	1	1	2	3/13/98	1005	195,000	35,100	03/03	
					4/3/98	1006	60,000	10,800	10/03/03	
					5/14/98	1007	234,312	42,176		\$ 11,572 Default 06/24/02
					9/3/98	1008	80,000	14,400	09/03	
1,830,000	40% over 3 years		5	10	7/24/98	1009	99,200	17,856	07/03	
1,496,974	50% over 3 years		2	4	9/14/98	1010	170,000	30,600	09/03	
-	to \$2,700,000	1	4	20	12/1/98	1011	510,000	91,500		\$ 47,100 Default 4th Q 2000
338,192	40% over 3 years		1	1	2/5/99	1012	192,000	34,560	02/04	
-	to \$400,000/year	1	1	2	6/28/99	1013	100,000	18,000	06/04	
					6/28/99	1014	200,000	35,122	06/04	
	to \$434,000	1	1	2	2/28/00	1015	50,000	9,000	02/05	
					2/28/00	1016	20,000	3,600	02/05	
137,343	100% over 3 years		1	2	10/17/00	1017	1,000,000	180,000	10/05	
315,961	100% over 3 years		3	4	10/1/00	1018	286,738	51,613		\$ 51,613 Loan default 11/05
-	to \$5,460,000	1	4	40	8/31/01	1020	704,551	126,819	01/27/04	
					8/31/01	1020	271,050	48,781	01/27/04	
190,028	to \$500,000/year		2	2	1/4/02	1023	300,000	54,000	01/07	
6,498,990	50% over 3 years		5	15	1/25/02	1024	1,000,000	180,000	01/07	
	to \$1,100,000	1	3	6	2/26/2002	1022a	225,000	40,500	02/07	
	to \$1,000,000	1	2	3	4/10/2002	1021	618,790	111,382	02/07	\$ 111,382 Loan defaulted 4th Q 2002
					4/10/2002		1,000	1,000		\$ 1,000 Loan defaulted 4th Q 2002
1,974,000	50% over 3 years		8	18	5/3/2002	1027a	100,000	18,000	06/10/04	
					5/3/2002	1027b	104,000	18,720	05/07	
591,000	100% over 3 years		2	4	5/28/2002	1026	686,000	123,480	05/07	
-	to \$175,000/year	1	1	3	10/18/2002	1029	210,000	37,800		
574,488	80% over 3 years		1	3	11/26/2002	1030	120,000	21,600		\$ 16,972 Default Feb 2004
500,000	40% over 3 years		2	3	12/13/2002	1031	600,000	108,000	12/07	
1,950,297	30% over 3 years		2	7	4/21/2003	1032	1,000,000	180,000	04/08	\$ 21,600 Default 7/28/09
1,148,922	30% over 3 years		3	7	6/25/2003	1033	676,200	121,716	06/08	
-	to \$250,000	1	2	3	7/18/2003	1034	200,000	36,000	7/18/2008	
-	to \$750,000	1	2	4	5/20/2003	1035	300,000	54,000	07/03	
-	to \$250,000/year	1	1	2	8/15/2003	1038a	130,000	23,400	8/14/2008	
					8/15/2003	1038b	20,000	3,600	8/14/2008	
30,282,701	25% over 3 years		15	50	11/17/2003	1039	1,500,000	270,000	11/17/2008	
61,928	200% over 3 years		1	2	10/21/2003	1040	176,400	31,752	10/21/08	
1,274,835	25% over 3 years		1	3	11/26/2003	1041	441,980	79,556	11/26/2008	
					3/11/2004	1042a	120,000	21,600	3/11/2009	
1,165,000	25% over 3 years		1	2	3/11/2004	1042b	415,000	74,700	3/11/2009	
-	to \$400,000/year	1	1	2	4/22/2004	1043	205,800	37,044	04/09	
2,100,000	40% over 3 years		5	15	6/7/2004	1046	1,365,760	245,837	6/6/2009	
831,784	25% over 3 years		1	2	6/10/2004	1047	109,760	19,757	6/10/2009	
285,924	30% over 3 years		2	3	7/8/2004	1049	181,300	32,634		\$ 21,270 Default 12/22/10
339,218	25% over 3 years		2	3	9/16/2004	1050	71,533	13,166	08/19/05	
7,119,765	25% over 3 years		2	8	1/28/2005	1051	1,100,000	198,000	01/10	
2,909,000	40% over 3 years		1	3	3/2/2005	1054	1,000,000	180,000	6/30/10	
800,000	30% over 3 years		2	5	7/29/2005	1056	522,000	93,960	7/29/2010	
					8/19/2005	1057	63,305	11,395	Open	
331,000	Trying to stay afloat		1	2	8/19/2005	1057	178,065	32,052	Open	
1,926,000	40% over 3 years		5	30	9/30/2005	1058	519,400	93,492	06/01/07	
10,000,000	40% over 3 years		20	50	12/30/2005	1061	1,500,000	270,000	12/10	
478,000	25% over 3 years		2	4	1/3/2006	1059	660,000	118,800	Open	
667,000	40% over 3 years		1	3	1/13/2006	1060	743,750	113,875	10/17/06	
800,000	30% over 3 years		1	3	2/28/2006	1062	987,000	177,660	Open	
1,400,000	Trying to stay afloat		1	5	2/24/2006	1065A	902,000	162,360	Open	
					2/24/2006	1065B	400,000	72,000	2/24/2009	
167,000	to \$2,000,000/year		3	6	2/28/2006	1066	100,000	18,000	2010	
-	to \$3,000,000/year	1	8	20	3/20/2006	1063	1,550,000	279,000	Open	
550,000	30% over 3 years		1	3	5/25/2006	1069	73,145	13,166	Open	
285,000	40% over 3 years		2	4	9/12/2006	1070	750,000	135,000	Open	
5,400,000	50% over 3 years		8	20	9/21/2006	1071	2,200,000	396,000	Open	
486,000	50% over 3 years		2	3	3/9/2007	1074	237,980	42,836	Open	
57,000	100% over 3 years		1	3	6/12/2007	1076	150,000	27,000	Open	
-	30% over 3 years	1	4	8	7/25/2007	1078	206,000	37,080	Open	
321,000	80% over 3 years		2	7	9/25/2007	1079	180,000	32,400	Open	
2,200,000	40% over 3 years		2	4	9/5/2007	1080	460,000	82,800	Open	
57,186	40% over 3 years		1	2	9/12/2007	1081	45,000	8,100	Open	
-	30% over 3 years	1	2	6	12/12/2007	1082	173,710	31,268	Open	
190,000	30% over 3 years		1	2	12/11/2007	1077	328,404	59,113	Open	
1,924,000	75% over 3 years		4	10	12/28/2007	1083	716,732	129,012	Open	
4,400,000	40% over 3 years		3	5	1/11/2008	1084	400,000	72,000	Open	
182,000	Default		1		3/17/2008	1086	108,000	19,440		\$ 19,440 Default 10/18/10
650,000	30% over 3 years		2	3	5/9/2008	1085	380,000	68,400	Open	
336,000	50% over 3 years		2	6	5/15/2008	1087	215,000	38,700	Open	
-	88% over 3 years	1	2	3	5/9/2008	1088	70,000	12,600	Open	
152,000	40% over 3 years		2	4	7/31/2008	1089	238,240	42,883	Open	
2,048,630	60% over 3 years		10	20	7/31/2008	1090A	946,000	170,280	Open	
					7/31/2008	1090B	624,000	112,320	Open	
207,000	40% over 3 years		1	2	8/15/2008	1091	625,000	100,000	Open	
513,869	50% over 3 years		2		9/18/2008	1092	499,500	89,910	Open	
5,400,000	40% over 3 years		5	8	9/8/2008	1093	698,699	123,679	Open	
166,370	40% over 3 years		2		10/28/2008	1094	397,000	71,460	Open	
2,400,000	Trying to stay afloat		1	1	1/4/2008	1095	90,000	16,200	Open	
-	Start-up - 50% over	1	2	4	12/29/2008	1098	138,487	24,928	Open	
\$ 112,796,629		17	210	538			\$ 37,725,989	\$ 6,754,516		\$ 301,949 9 Guarantee Losses
					88 Loans	\$ 428,704	Avg Loan Size		4.47%	\$ Guarantee Losses/\$Guar
\$ 1,588,685	Avg Rev/Borrower				71 Borrowers	\$ 531,352	Avg Loan/Borrower		10.23%	9 Loan Defaults/88 Loans
						\$ 2,479,140	Defaults		0.80%	\$ Guarantee Losses/\$ Loans
									6.57%	Defaults/Total Loans
									23.94%	Startups/All Borrowers
									\$ 12,555	\$ Guarantee/Job
									\$ 70,123	\$ Loan/Job



***Seed Capital Network Program (SCN) (Amount requested: \$3,000,000.00)***

The State Seed Capital Network Program is expected to catalyze over \$10 for every \$1 committed to angel funds. The \$3 million requested for this program is expected to attract a private match of \$13.6 million in capital invested into angel funds, and then to attract another \$16.6 million in the form of co-investment at the transaction level. One dollar of equity tends to leverage 2 or 3 dollars of debt. This is expected for the portfolio, but likely not during the Allocation Time Period.

The program is expected to create 382 jobs assuming a rate of job creation of \$87,333 invested per job created. Based on the experience of the WSCN team, these companies tend to be startups. While some will fail, others will grow very rapidly with financing. Over time, after the first year post-financing, a rate of growth of 10% per year is expected as an average across the portfolio. Allowing for average job duration of five years, the 382 direct jobs are expected to be paid over \$102 million in wages (382 x 5 years x \$53,931 average 2009 WY salary) and pay about 33% of their wages, or \$30 million, in federal, state and local taxes.

***Template***

The estimated impact of the Seed Capital Network Program set forth in the preceding paragraph is based on the experience of the WSCN team with similar programs in Oklahoma, Arkansas and Iowa. From 1993 through 2009, the Oklahoma Capital Investment Board (OCIB) invested approximately \$60 million in 19 seed and venture capital funds. In turn, these funds invested and attracted equity co-investment of \$131 million in Oklahoma companies. As a result, direct payroll to 1500 workers at investee companies was \$204 million, and the total of direct and indirect payroll was \$338 million, as documented by the report of Applied Economics, March 2010, at [www.ocib.org](http://www.ocib.org). This report only counted jobs created in Oklahoma. OCIB represented about 7% of the total capital of its portfolio funds. Therefore, this template benchmark may materially underestimate the total jobs to be created with this program.

This type of leverage is also typical of angel funds. In 2004 members of the team committed \$100,000 through the Arkansas Institutional Fund to the Fund for Arkansas Future, an angel fund with over \$6 million in subscribed capital. Today the portfolio has eleven Arkansas companies. The average investment size is 340,000, for a total of about \$3.74 million, and the average amount co-invested by other private investors is \$439,000, for a total of about \$4.8 million.

The foregoing projections are based on assumptions believed to be reasonable in light of the information available at this time. However, as with all economic forecasting, there can be no guarantee that actual results from the investments in the CGP and SCN will match these projections.



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4E –Anticipated Benefits from Each OCSP**

A large, empty rectangular box with a black border, intended for the applicant to provide anticipated benefits from each OCSP.



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4E –Anticipated Benefits from Each OCSP**

A large, empty rectangular box with a black border, intended for the applicant to provide anticipated benefits from each OCSP.



**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4F.** Applicant should use the space provided to describe (a) operational capacity, (b) skills, and (c) experience of the management team of the State OCSP. The metrics used should include, but need not be limited to:

- Qualifications and financial industry experience of senior management
- Experience of senior management in operating CAPs or OCSPs
- Adoption of industry best practices (e.g., use of risk management strategies employed by analogous successful programs)

**Qualifications and Financial Industry Experience**

Each OCSP described in this Application will be implemented through a contract with Wyoming Smart Capital Network, LLC, a Wyoming limited liability company. The WSCN will be managed by Development Capital Networks (DCN), <http://www.dcnetwork.com>, a national firm with an office in Laramie.

DCN specializes in strategies that build regional innovation economies. DCN principals and affiliates have created and managed successful loan and investment programs similar to the programs proposed in this application. DCN has delivered training to angel investors in over 100 communities in the U.S. and produces the annual WBT Innovation Marketplace, the nation's largest networking and "deal" event for seed stage companies seeking to commercialize new technologies. DCN leads the Innovation Finance course of the Council of Development Finance Agencies, and with partners, hosts regional venture forums in Iowa and Oklahoma. The firm offers customized patent landscapes to technology developers seeking a competitive edge and helps companies scout for technologies for new products and processes.

The management team includes professionals with extensive experience in building and managing successful development loan and equity programs. The team is led by Paul Huleatt, Diane Wolverton, and Robert Heard, and supported by Mark Huston, Jeff Carpenter, and Jim Troxel. See bios below.



***Experience Operating State Credit Support or Capital Access Programs***

Several of our accomplishments include:

- Paul Huleatt led the teams that advised over 500 small businesses on commercialization of NSF-funded technologies and over 650 emerging companies and technologies as part of the annual WBT Innovation Marketplace.
- Jim, Jeff and Paul designed the WBTangel system for communities and universities.
- Robert Heard launched Oklahoma's Capital Access Program, which has provided credit insurance for loans to over 1500 small businesses.
- Robert served as the first President of the Oklahoma Capital Investment Board, a \$100 million state-sponsored venture capital organization, responsible for venture fund investments.
- Mark Huston served as Manager of Business Finance at the Oregon Economic and Community Development Department for 21 years with responsibility for State of Oregon programs delivering revenue bonds, loans, guaranties, and credit enhancement. Under his management, thousands of Oregon companies were provided with over \$1 billion of financing.
- Mark Huston led a \$50 million program for making development loans to small businesses in partnership with banks.
- Mark Huston and Robert Heard are managers of state venture programs in Arkansas and Iowa.
- Jim Troxel has taught over 100 seminars on seed investing to over 4,000 angel investors.
- Jim designed the angel system for the alumni association of a public university.
- Paul Huleatt made EX-IM Bank guaranteed loans while an officer at Silicon Valley Bank.
- Robert launched the Capital Resources Division of the Oklahoma Dept. of Commerce in 1987 and led the development of loan guarantee and investment programs.
- Jeff Carpenter led the technology commercialization unit within the University of Minnesota Technology Transfer Office.

***Adoption of industry best practices***

The team is committed to using best practices, defined as methods that a) deliver high benefit per cost, b) catalyze a meaningful level of loans and investment, and c) engage private lenders and investors as partners. Members of the team contribute to the knowledge of best practices through active involvement in training and networking events, both as trainees and as trainers. The team is active in the Council of Development Finance Agencies, where Mark Huston has served as President and Training Committee Chair. In 2011 Robert Heard and Jim Troxel delivered CDFA's first Innovation Finance Course. IN 2000 Robert co-authored the National Governors' Association Best Practices Report on "Experiences of States with Seed and Venture Capital."



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4F Operational Capacity, Skills, and  
Experience of the Management Team for Each OCSP**

**TEAM BIOS and KEY ASSIGNMENTS**

**Paul Huleatt and Robert Heard are the senior members of the team responsible for the overall operation of the WSCN and approval of commitments for credit guarantees and investments.**

**Diane Wolverton, WSCN Executive Director**

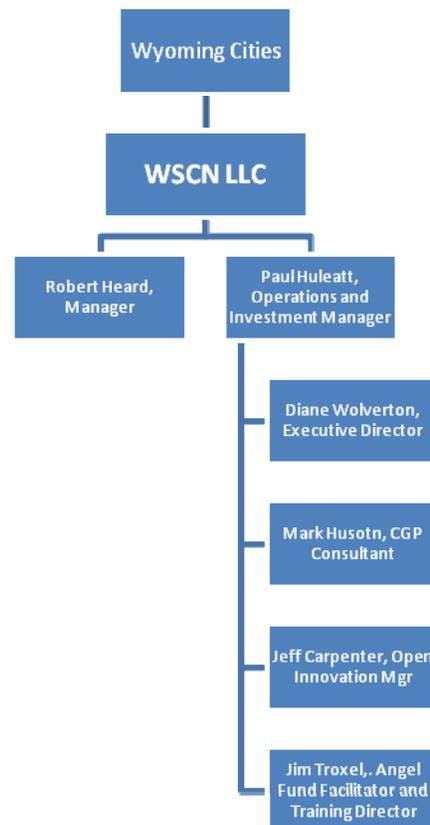
*Diane serves as Executive Director of the WSCN. Diane is full time with WSCN. Her key assignments include serving as the Wyoming-based point of contact for WSCN, marketing the collateral support program to Wyoming banks and economic developers, identifying champions for the creation of local angel funds, and supporting Paul and Jim Troxel in the facilitation of angel funds. Diane will organize training events and maintain the WSCN website.*

From 1995 to 2011 Diane was State Director of the University of Wyoming Small Business Development Center. She managed all aspects of the WyomingEntrepreneur.Biz statewide network that is devoted to training and counseling small business owners. She was responsible for a \$2 million-plus budget, grant writing, fund raising, financial and programmatic reporting, personnel (20 employees), program development, public outreach and communications, training and strategic planning. Diane. The Center advises aspiring entrepreneurs on how to start a business, buy or sell a business, find capital, conduct market research, and build and grow an enterprise.

**Paul Huleatt, WSCN Operations and Investment Manager**

*Paul supervises the WSCN team. He leads the evaluation and structuring of commitments to banks for credit guarantees and the evaluation and structuring of commitments to invest in angel funds.*

Paul is one of the founders and Managing Partners of DCN. He currently serves as Entrepreneurial Services Team Leader, responsible for DCN’s commercialization planning assistance program which has provided assistance to over 500 SBIR/STTR companies. Paul was the first CEO of the WBT Innovation Marketplace, a national event showcasing seed and pre-seed stage technologies developed at top universities, federal labs, federal agencies, and federally supported research and development institutions. Paul has over 15 years experience in venture capital investing and commercial lending. He began his career as an Associate and Investment Officer with First Interstate Equity Corporation, the SBIC of First Interstate Bank. He later served as Business Development Officer for Norwest Business Credit, LaSalle Bank and Zions Bank. Prior to DCN, Paul served as Vice President and Business Development Officer for Silicon Valley Bank. Paul has a Bachelors degree in Finance with honors from Northern Arizona University and an MBA from Arizona State University.





U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4F Operational Capacity, Skills, and  
Experience of the Management Team for Each OCSP**

**Mark Huston, WSCN Credit Guarantee Consultant**

***Mark advises Paul on the operation of the Credit Guarantee Program and the structuring of commitments to banks for credit guarantees.***

Mark joined Cimarron Capital Partners fund of funds team in July of 2008 and serves as Portfolio Manager. He began his association with Cimarron in December 2004 as a Managing Director of the firm's \$50 million direct investment fund that finances growing companies in Oklahoma. It is capitalized in partnership with OG+E, the state's largest utility and supported by the state. Prior to joining Cimarron, Mark was the Manager of Business Finance at the Oregon Economic and Community Development Department. He served in that capacity for over 21 years - from 1983 to 2004 - with responsibility for State of Oregon programs delivering revenue bonds, loans, guaranties, and credit enhancement. Under his management, thousands of Oregon companies were provided with over \$1 billion of financing. Mark served on the Oregon State Bond Committee.

Mark is a Director and former President of the national Council of Development Finance Agencies. He received a Masters of Public Administration degree from Arizona State University and a Bachelors of Science degree in Economics from the University of Idaho. Mark makes his home in Des Moines, Iowa.

**Robert Heard, WSCN Manager**

***Robert shares with Paul responsibility for the overall operation of the WSCN, but in more of an oversight role than in daily operations. With Paul, he approves commitments for credit guarantees and investments.***

With Paul and Jim, Robert formed Development Capital Networks in 2002 and serves with Paul as a Managing Director of the firm.

Robert is also a Managing Director and Founder of Cimarron Capital Partners. Cimarron is an investor in venture capital and private equity funds and serves public and private investors in the U.S. and Latin America. In 1994, Robert formed Edge Development Capital, Inc., which serves as fund manager of Cimarron's direct fund and of the Oklahoma Capital Investment Board. Cimarron and its affiliates are responsible for \$280 million in program assets.

Robert has helped build organizations that support the growth of the entrepreneurial economy. He has served as a founding director of the National Association of Seed and Venture Funds, Latin American Venture Capital Association, Technology Ventures Summit, and WBTshowcase. Robert was an author of the National Governors' Association study on "The Experience of States with Seed and Venture Capital." He sits on the advisory committees of numerous venture capital funds and a serves as a managing director of Development Capital Networks LLC. A resident of Oklahoma City, Robert earned his undergraduate degree from the University of Oklahoma and his MBA from the J.L. Kellogg Graduate School of Management at Northwestern University.



**Jeff Carpenter, WSCN Open Innovation Manager**

***Jeff will support angel investors in the evaluation and structuring of commitments to companies requiring technology acquisition and commercialization.***

Jeff helps innovators be more competitive by understanding the players in their markets and using this knowledge to optimize their R&D, patenting, partnering, and exit strategies. He shows them ways to maximize the value of their IP investments and how to use patent landscape analysis to gain essential competitive intelligence. Finally, he works with technology developers, acquirers, and investors to understand their partnering and investment goals, and find them ideal matches.

Jeff has over 15 years of experience in technology commercialization. Jeff was director of product development for a clean tech start-up in the mid 90's, also supporting manufacturing, patenting, marketing, and sales. He licensed University of Minnesota inventions during nearly 10 years in the UM tech transfer office, where he evaluated licensing prospects for well over 100 inventions across many technology areas, then directed patenting and negotiated licenses for the most promising. His expertise includes market and competitor analysis, strategic patenting, patent landscape analysis, partner identification and vetting, patent valuation, and license negotiation. Over the past decade, Jeff has performed technology scouting for an international medical device company, served as reviewer on NSF SBIR commercialization plan panels, assisted applicants in preparing SBIR commercialization plans, and performed opportunity assessment of emerging technologies from the private sector. Based in St. Paul, MN, Dr. Carpenter holds a PhD in Cell and Developmental Biology, supporting programs in Genetics and Biochemistry from the University of Minnesota; a Masters of Science degree in Forestry, from the University of Montana; a Bachelors of Science degree in Forestry/Range Resource Management from the University of Montana. After receiving his doctorate, Jeff worked for 15 months as a Congressional Science Fellow in the U.S. Senate.

**Jim Troxel, WSCN Angel Fund Facilitator and Training Director**

***Jim will serve as the lead facilitator of local angel funds, supported in this task by Paul and Diane. And Jim will lead WSCN training events for angel investors and entrepreneurs seeking to better understand seed and angel capital.***

Jim is an author and consultant to public service organizations and private companies worldwide. He is a founding partner of Development Capital Networks, LLC, as well as Millennia Consulting, LLC. Jim previously served as Training Director for the National Association of Seed and Venture Funds (NASVF) and has led over 1000 workshops in 21 countries and over 100 seminars on angel investing for entrepreneurs and angel investors.

During his career Jim has launched five businesses and served as an advisor to countless others. He guides the design and delivery of conferences and workshops of DCN clients, trains the facilitators for angel investing seminars and leads the development of new training events and angel funds through the firm's WBT Angels unit. As an adjunct faculty member of DePaul University in Chicago, Jim has created a new course on "Facilitating Adult Learning". He also serves as a judge for the university's New Venture Challenge, a business plan competition for students.



**Section 1: Applicant Information**

**1A.** Enter the name of the Application: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, authority, political subdivision of the State, or other organization that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSF).** Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4G.** Applicant should use the space provided below to describe for each OCSF, the capacity of OCSF staff to manage increases in the volume of its small business lending. Evidence cited should include, but need not be limited to:

- Financial strength
- Operational capacity

The lead city, City of Laramie, and each of the Joint Applicants and participating municipalities have agreed that each OCSF described in the Applications will be implemented through WSCN. The methodology and coordination between the City of Laramie and other Joint Applicants as it pertains to WSCN, specifically the capacity of its staff to manage the increases in the volume of its small business lending, are further described in response to question 4H of this Application. The City of Laramie and other Joint Applicants intend to enter into a cooperative agreement and create an Advisory Board which defines and memorializes the relationship and duties therein.

The Wyoming Smart Capital Network LLC is a new Wyoming entity created to implement the Programs and serve as the revolving fund for recycling of the Allocated Funds during and after the Allocation Time Period. WSCN LLC has no operating history, no historical income or expense and no existing assets or liabilities.

Development Capital Networks LLC, a Delaware company, serves as the manager and member of WSCN, and as a contracting entity for this Application. The latest year-end financial statements for DCN are attached.

DCN has access to Cimarron Capital Partners (Cimarron), a builder and manager of state-sponsored venture capital programs, to consult with and support. Cimarron maintains a database of hundreds of investors accessible by preference of sector, stage and geography, and can identify funds that are currently investing. Cimarron’s database of resources will be made available through DCN to the Wyoming Smart Capital Network at no cost. We anticipate the organization may tap this resource when an angel fund in the region is searching for a venture investor with unique preferences or skills. Please refer to the attached letter from Cimarron.

**The WSCN team has qualities and resources to perform the Programs at an exceptional level:**

**Well Staffed.** DCN has 15 full time and 10 part-time staff, and the capacity to add and train staff that might be required for this project.

**Staying Power.** The WSCN team has more than 100 years of experience in development lending, regional private equity programs and venture investing in small companies. DCN was formed in 2002 and its predecessor in 1994. The staff and systems of the team are well developed and available to support this project.

**Connected in Wyoming.** The WSCN team works with universities, labs, private investors, and economic developers across the state and country. The team will leverage these relationships to market the Seed Capital Network Program to private investors.

**Connected to Capital.** The team is connected to capital. DCN produces the WBT Innovation Marketplace, gathering seed stage investors and corporate investors from across the country to explore the newest seed stage tech companies. Cimarron tracks the venture capital industry across the nation and is prepared to facilitate the sharing of deals by angel investors with venture funds.



**Committed to Best Practices.** The team is committed to exploring and learning from best practices, and implementing loan and investment programs that produce good results for public sector sponsors. Members of the team:

- Co-authored the 2000 Best Practices report for the National Governors Association, “The Experiences of States with Seed and Venture Capital”
- Produce the Innovation Finance course of the national Council of Development Finance Agencies

**Prepared to Lead.** The team is prepared to implement the CGP and SCN programs in Wyoming communities. Members of the team have delivered or are delivering programs of relevant scope and mission, including:

- \$50 million development fund, providing unsecured and subordinate development loans and loan guarantees in partnership with commercial banks
- \$100 million investment program of the Oklahoma Capital Investment Board, committing to seed, venture and private equity funds
- \$60 million investment program of the Iowa Fund of Funds, committing to venture capital and private equity funds
- \$70 million investment program of the Arkansas Institutional Fund, committing to angel funds, seed funds, venture funds and private equity funds
- \$50 million Oklahoma Capital Access Program, providing guarantees akin to loan insurance to banks
- Leveraged loan guarantee program for the State of Oregon
- Deal origination for venture funds, SBICs, and asset based lenders
- Origination of federal and state guaranteed loans
- Assistance to over 500 SBIR grantees on commercialization plans
- The WBTangels ([wbtangels.com](http://wbtangels.com)), a comprehensive system for supporting and facilitating angel investors as they organize and invest in young companies.
- Training for angel investors in over 100 communities in 37 states.

**Internal Systems.** Internal accounting and control systems will be supplied primarily by WSCN member DCN. DCN is on the GSA-MOBIS Schedule. The team employs full time administration and support staff:

- Accounting – Lori Griffin, CPA, MBA serves as Chief Financial Officer. She and 2 bookkeepers are responsible for maintaining books and records in audit ready form. The team is experienced in accounting for federal funding from DOE, NREL, NIST, NSF, and EDA.
- The accounting team for DCN and Cimarron is experienced in supporting annual audits of lending, investing and service organizations and since 1992 have managed public accounts. The accounting staff supported six audits for the 2010 year. Audited financial reports are provided to state clients in Iowa, Arkansas and Oklahoma. From the inception of each program every audit has been issued without qualification. The system of financial controls is in place that enables WSCN to comply with all applicable federal and state audit, compliance, monitoring and reporting requirements.
- Information Technology – Sam DeNies serves as IT Director. He and one support staff build and manage databases, web sites, and communication systems on a secure Lotus Notes platform.



**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4H Internal Accounting and Administrative  
Controls Systems Used by the OCSP Staff**

**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant: City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 4: Other Credit Support Programs (OCSP). Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program**

**4H.** Applicants should use the space provided below to describe for each OCSP, the internal accounting and administrative controls systems used by the OCSP staff and the means they use to safeguard against (a) waste, (b) loss, (c) unauthorized use, and (d) misappropriation. If available, evidence cited should include, but need not be limited to:

- Periodic internal audits
- Annual independent audits (including management letters)
- Program financial statements current within the last 6 months.
- Accounting and financial reporting system compliant with OMB Circular A-127

In addition, if available, the Applicant must attach a copy of the most recent independent financial audit or program financial statements for each OCSP, dated within the last six months. If no independent financial audit or program financial statements exist for the OCSP, then the Applicant must attach a copy of the independent financial audit or program financial statements, dated within the last six months, for the entity implementing each OCSP as identified in the response to Section 1B or 1D of the application.

The joint applicant cities will enter into a cooperative agreement that sets forth the responsibilities and obligations of the parties under the Allocation Agreement, to exercise oversight of the WSCN, to engage and supervise the compliance contractor and financial auditor, and the system for taking any corrective actions. The cooperative agreement details how the City of Laramie will administer contracts with the Contracting Entity, WSCN, and an independent auditor, who will review the program. Each joint applicant will receive copies of audits and all reports and be expected to review these reports. An Advisory Board will be formed to provide a venue for discussion and input into the oversight function. The staff of the WSCN will facilitate the delivery of reports to cities, the gathering of approvals from the cities, and the delivery of approvals to Treasury.

Wyoming cities are governed by a city council form of government with a mayor providing leadership to the council. The Mayor acts as the chief executive of the city and has fiduciary responsibility for the actions of the city. Each Mayor has taken an oath of office to affirm his or her commitment and understanding of this important role. Some of Wyoming cities and towns have a form of government that includes a city manager or administrator who has the authority to conduct business on behalf of the city.

The initial members of the Advisory Board will be the Mayor or chief administrator of each of the joint applicants.

Casper, Paul C. Bertoglio, Mayor  
Cody, Nancy Brown, Mayor  
Douglas, Bruce A. Jones, Mayor

Edgerton, H. H. King, Jr., Mayor  
Gillette, Carter Napier, City Administrator  
Green River, Hank Castillon, Mayor  
Hanna, Tony Poulos, Mayor  
Hartville, Darrell L. Offe, Mayor  
Laramie, Janine Jordan, City Manager  
Midwest, Guy Chapman, Mayor  
Pine Bluffs, Caryn Miller, Town Administrator  
Powell, Scott Mangold, Mayor  
Rawlins, Kenneth C. Klouda, Mayor  
Rock Springs, Carl. R. Demshar, Jr., Mayor  
Sundance, Paul Brooks, Mayor  
Wheatland, Jean Dixon, Mayor  
Cheyenne, Richard L. Kaysen, Mayor

The Wyoming Smart Capital Network is well-equipped to meet the reporting and accounting needs of the program. Internal accounting and administrative control systems will be supplied to WSCN primarily by its member, Development Capital Networks LLC (DCN). DCN is registered on the GSA MOBIS Schedule and is experienced in producing records in audit ready form and accounting for grants from Federal agencies, including NIST, DOE, NREL, and EDA.

**GENERAL POLICIES:** In order to safeguard against waste, loss, unauthorized use, and misappropriation, the WSCN and its managers:

- Have written policies for personnel, customer relations and confidentiality and require written acknowledgement of employee's receipt and reading of all policies.
- Have a system of internal controls that include segregation of duties, approval for payments, and internal review of transactions.
- Routinely investigate any accounting, analytical, or operating performance anomalies.
- Focus on creating a culture of honesty, openness and assistance.
- Communicate with employees on business practices and ethical behavior.
- Work to eliminate opportunities for waste, loss, unauthorized use, and misappropriation.
- Encourage employees to report possible problems in any area.



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4H Internal Accounting and Administrative  
Controls Systems Used by the OCSP Staff**

**ACCOUNTING AND FINANCIAL REPORTING POLICIES IN COMPLIANCE WITH SSBCI REGULATIONS:**

The following describes internal accounting and administrative control procedures for WSCN. Control activities involve segregation of duties, proper authorization of transactions and activities, adequate documents and records, physical control over assets and records, and independent checks on performance.

**Use a system of checks and balances to ensure no one person has control over all parts of a financial transaction.**

- Require purchases, payroll, and disbursements to be authorized by a designated person(s).
- Separate handling (receipt and deposit) functions from record keeping functions (recording transactions and reconciling accounts).
- Separate purchasing functions from payables functions.
- Ensure that the same person is not authorized to write and sign a check or wire transfer form.
- Require supervisors to approve employees' time sheets before payroll is prepared.
- Require payroll direct deposit paystubs to be distributed by a person other than the one authorizing or recording payroll transactions or preparing payroll direct deposits.
- Ensure that all checks received are promptly recorded and deposited in the form originally received.
- Require accounting department employees to take vacations.

**Verify that all transactions meet the requirements of the Program.**

- When a check or wire transfer or ACH deposit is received, verify that the payment is proper under the Program.
- When a purchase, payroll, or disbursement is authorized by a designated person(s), verify that it meets the requirements of Treasury rules and regulations and OMB Circular A-133, cost principles of OMB Circular A-87 and 48 CFR part 31, applicable provisions of the grants management common rule referenced in the attachment to OMB Circular A-102, OMB Circular A-127, OMB Circular A-129, and SSBCI Policy Guidelines published by Treasury on its website at [www.treasury.gov/ssbci](http://www.treasury.gov/ssbci).

**Reconcile bank accounts every month.**

- Require the reconciliation to be completed by an independent person who does not have bookkeeping responsibilities or check signing responsibilities, or require supervisory review of the reconciliation.
- Examine canceled checks and other types of disbursements (e.g. wire transfers) to make sure vendors are recognized, expenditures are related to business, signatures are by authorized signers, and endorsements are appropriate. Examine bank
- Statements and cancelled checks to make sure checks are not issued out of sequence.
- Initial and date the bank statements or reconciliation report to document that a review and reconciliation was performed and file the bank statements and reconciliation.



U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 4H Internal Accounting and Administrative  
Controls Systems Used by the OCSP Staff**

**For company credit cards, restrict use and verify all charges made to credit cards to ensure they were business-related.**

- Limit the number of credit cards and users.
- Apply a policy that credit cards are for business use only; prohibit use of cards for personal purposes with subsequent reimbursement.
- Set account limits with credit card companies; do not allow cash advances on credit cards.
- Inform employees of appropriate use of the cards and purchases that are not allowed.
- Require employees to submit itemized, original receipts for all purchases.
- Examine credit card statements and corresponding receipts each month, independently, to determine whether charges are appropriate and related to business.

**Ensure that assets such as computers, cell phones, equipment, and other resources are used only for official business.**

- Examine expense reports, credit card charges, telephone and other bills periodically to determine whether charges are appropriate and related to business.
- Maintain an equipment list and periodically complete an equipment inventory.

**Protect checks against fraudulent use.**

- Prohibit writing checks payable to cash.
- Deface and retain voided checks.
- Store blank checks in a locked drawer or cabinet, and limit access to the checks.
- Require that checks are to be signed only when all required information is entered on them and the documents to support them (invoices, approval) are attached.
- Mark invoices "Paid" with the check number when checks are issued.
- Enable hidden flags or audit trails on accounting software.

**Provide oversight of operations and management.**

- Monitor financial activity on a regular basis, comparing actual to budgeted revenues and expenses.
- Require an explanation of any significant variations from budgeted amounts.
- Periodically review the check register or general ledger to determine whether payroll taxes and other taxes are paid promptly.
- Periodically review financial procedures and policies.
- Require independent auditors to present and explain the annual financial statements and to provide management letters.
- Evaluate employee performance annually against a written job description.
- Participate in the hiring/approval to hire consultants including the independent auditors.
- Review all contracts.

**Compliance testing to be performed.**

- On an ongoing basis randomly select elements of the accounting and operations systems for compliance testing.

**Section 1: Applicant Information**

**1A.** Enter the name of the Applicant City of Laramie, WY and Joint Applicants (See Attachment Q-1A)

**1B.** Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application.

Organization Name: City of Laramie, WY

**Section 5: Compliance**

**4H.** Applicants should use the space provided below to provide a narrative statement describing what reporting mechanisms, audits, or other activities (a) the Applicants has in place or (b) need to be implemented to enable the Applicant to conduct oversight and meet annual reporting requirements for the proposed programs.

The joint applicant cities will enter into a cooperative agreement that sets forth the responsibilities and obligations of the parties under the Allocation Agreement, to exercise oversight of the WSCN. Oversight will include the following general guidelines:

**Performance.** To the extent allowed by the Allocation Agreement and applicable law, the Applicants have obligated the WSCN to satisfy and perform on behalf of the Applicants, and to be bound by as though it were the Applicant, all covenants and agreements of Applicants set forth in Article IV of the Allocation Agreement, including, without limitation, any and all restrictions set forth therein on uses of Allocated Funds, payment of Allowable Costs and uses of Program Income, and the requirement to deliver quarterly and annual reports.

**Compliance.** The WSCN shall maintain all records required to be maintained by the Allocation Agreement and by other applicable state and/or federal law that are pertinent to the activities to be performed under this Agreement. In addition, WSCN shall maintain the following records: (a) records providing a full description of each activity undertaken pursuant to this Agreement; (b) records demonstrating that each activity undertaken is in compliance with the requirements of the Act and the Allocation Agreement; and (c) records required to verify the eligibility of the activities and expenditures of WSCN pursuant to this Agreement.

**Reports.** WSCN shall submit regular reports to Applicant regarding the activities of WSCN pursuant to this Agreement. Such reports shall be in such form and content and shall be provided with such frequency as may reasonably be required by co-applicants as outlined in the cooperative agreement. Such reports shall include an annual report, including copies of its annual financial audit. Any failure to meet reporting criteria and resulting cost to be borne solely by WSCN.

**Annual Audit.** WSCN, at WSCN's expense (but as an Allowable Cost under the Allocation Agreement), agrees to have an annual financial audit conducted of its books, records and affairs. Such financial audit shall be conducted in accordance with standard accounting procedures by a firm of independent certified accountants of recognized standing selected by the City and reasonably acceptable to WSCN. The audit shall be done in compliance with existing rules including any rules that may be promulgated in the future. Should the audit activity reveal non-compliance, the City may order additional auditing for purposes of identifying or verifying corrective action, and shall do so solely at WSCN's expense.

The City will engage a duly authorized representative to conduct regular oversight of the WSCN and perform these tasks.



**Supervision:** The co-applicants, through Lead Applicant the City of Laramie, will have access to, and the right to audit, examine and make excerpts from or transcripts of, any pertinent documents, papers and records related to the performance of the Wyoming Smart Capital Network (WSCN). The City of Laramie as the lead Applicant, and the participating cities as joint Applicants, will engage accounting firm Casey Peterson & Associates of Rapid City or a comparably qualified firm, as its duly authorized representative to conduct regular oversight of the WSCN and perform these tasks:

1. Accept quarterly summary reports from WSCN. Review for completeness according to standards promulgated by Treasury for the Program.
2. Present quarterly reports to City of Laramie CEO for submission to Treasury.
3. Before it is made, review each loan guarantee to confirm that the file is complete, that the guarantee is being made in compliance with the requirements of the Program, and the facts of the file are being included in the summary reports.
4. Before it is made, review each angel fund investment to confirm that the file is complete, that the investment is being made in compliance with the requirements of the Program, and the facts of the file are being included in the summary reports.
5. Accept annual summary reports from the WSCN. Review for completeness according to standards promulgated by Treasury for the Program.
6. Present annual reports to City of Laramie CEO for submission to Treasury.
7. At request of the City of Laramie CEO and in compliance with the agreement with WSCN, act as the duly authorized representative of the City as often as deemed necessary to audit, examine and make excerpts from or transcripts of, any pertinent documents, papers and records related to WSCN's performance under the agreement with WSCN.
8. Review administrative expenses prior to disbursement to confirm allowability per SSBCI requirements.

The co-applicants further intend to utilize an Advisory Board to ensure adequate supervision of WSCN and compliance with program objectives. The Board shall be composed of one member assigned by each of the partner municipalities and a representative of the Wyoming Business Council.

Board members will have demonstrated experience and/or training that will assist the Board in meeting its duties and goals in the oversight of the third party administrator and the funds being distributed through the programs, Board members will include professionals with experience in lending and investments, economic development, or business development. Co-applicants with a local or regional economic development organization (EDO) may appoint the chief executive of the EDO to serve on the Advisory Board.

The Board will meet not less than quarterly during the operational period of the board and meetings may be conducted electronically or telephonically to obtain the most attendance practical. The staff of the WSCN will facilitate the delivery of reports to cities, the gathering of approvals from the cities, and the delivery of approvals to Treasury. The team expects to use an online site where City CEOs and administrators can access reports, make approvals, and generate signatures. The multiple approvals will be aggregated for delivery to Treasury.

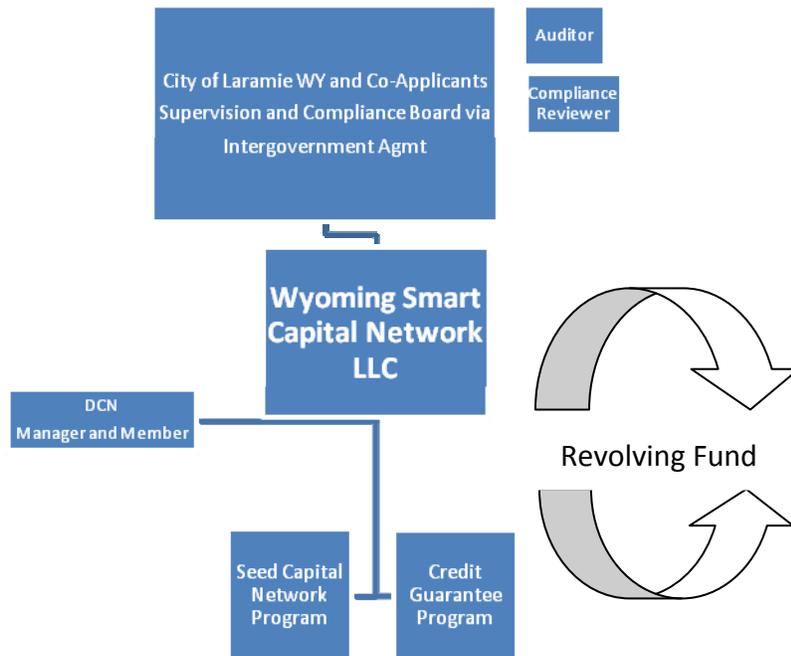


U.S. Department of the Treasury

**State Small Business Credit Initiative  
APPLICATION ATTACHMENT  
SECTION 5B Reporting Mechanisms, Audits, or  
Other Activities**

The duties of the Advisory Board shall include, but not be limited to, the following with the goal of providing new primary jobs within the partner municipalities:

1. Review of annual audits and reports prior to submission to the U.S. Department of Treasury
2. Review of quarterly use-of-funds report including but not limited to summary information on the applications made to the CGP and SCN programs; loans and investments made; the number, location and type of jobs created by the programs; and costs incurred and revenues received from the programs.
3. Establish operating procedures for the Advisory Board that will accomplish the necessary oversight of the WSCN and other vendors within the rules promulgated for the program by the U.S. Department of Treasury.



The Applicants supervise the WSCN. The Applicants will contract for the financial audit and compliance review of the WSCN. Wyoming Smart Capital Network LLC is a Wyoming limited liability company. DCN is the manager and sole member of WSCN. The Applicants are contracting with WSCN to operate as a perpetual fund until all Allocated Funds have been invested, re-invested as Program Income or non-Program Income, and ultimately exhausted. This will occur both during and after the Allocation Time Period. The Allocated Funds are intended only for this purpose.

WSCN may only pay compensation to DCN and may only reimburse DCN for expenses incurred subject to the restrictions on payment of Allowable Costs and uses of Program Income as set forth in the Allocation Agreement. The Applicants acknowledge these restrictions.



April 2, 2012

Mr. Cliff Kellogg  
Project Director -- SSBCI  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

Dear Mr. Kellogg,

On behalf of Cimarron Capital Partners, LLC, its principals and affiliates ("Cimarron"), I am writing in support of DCN's Wyoming Smart Capital Network and Red River Corridor Fund proposals in support of lending and investing in Wyoming and North Dakota small businesses.

For over 20 years, Cimarron has designed, built and managed effective, results-driven regional private equity programs and specialty funds. Our team has advised more than twenty states and regional organizations on program and policy design.

Cimarron's team draws on deep skills and experience. Our eight investment professionals have over 120 years investing in funds, investing in companies, and supporting entrepreneurs. We provide leadership to our industry, helping found trade associations, training programs, and research initiatives that advance the knowledge of venture investing, business building, and the prudent use of public funds where programs are expressly designed to protect regions from fraud, waste, and abuse. We are pioneers, often working in regions of the country most in need of venture capital resources. We innovate to solve problems, and create new models that are often replicated by others.

Cimarron maintains a database of hundreds of investors accessible by preference of sector, stage and geography, and can identify funds that are currently investing. For these projects, Cimarron's database of resources will be made available through DCN to the Wyoming Smart Capital Network and Red River Corridor Fund at no cost. We anticipate the organizations may tap this resource when an angel fund in the region is searching for a venture investor with unique preferences or skills.

We strongly support funding for these important initiatives and look forward to contributing Cimarron's capabilities to meet the needs of Wyoming and North Dakota entrepreneurs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael A. Tharp", with a stylized flourish at the end.

Michael A. Tharp, CFA  
Founder and Managing Director