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**BUSINESS LOAN PROGRAM**

**CREDIT MEMORANDUM**

CITY OF LONG BEACH  
ECONOMIC AND PROPERTY DEVELOPMENT DEPARTMENT  
333 W. OCEAN BOULEVARD, 3<sup>RD</sup> FLOOR  
LONG BEACH, CA 90802

SEPTEMBER 29, 2015

**LOAN OFFICER:** Andria Martinez

**BORROWER:** **Trusted Life Care, LLC**  
1777 N. Bellflower Blvd. Suite 207, Long Beach, CA 90815  
**(Council District 3)**

**BUSINESS:** Provides both non-medical (non-skilled) and medical (skilled) home care to clients/patients.

**OWNERSHIP:** The business is a Limited Liability Company, 50% owned by Lisa Hain and 50% owned by Leslie Davis.

**REQUEST:** \$85,000 Revolving Loan.

**FUNDING SOURCE:** RLF and RLF matching funds are proposed subject to availability.

**TERM & INTEREST:** A 10-year, fully amortized loan with monthly principal and interest payments of \$891.21 Interest rate will be fixed at 4.75%, which is the current WSJ prime rate plus 1.5%. Fees total 2% of the loan amount (\$1,700).

**PURPOSE:** To provide funds for working capital to complete the Medicare accreditation process and hire additional staff.

**PUBLIC BENEFIT:** Job Creation. 4 full-time employees will be hired within 24 months.

**SOURCES AND  
USES OF FUNDS:**

<b>Sources:</b>	<b>City Loan</b>	<b>Equity</b>	<b>Total Project</b>
	\$85,000	\$72,000	\$157,000

<b>Uses:</b>			
Furniture, Fixtures & Equipment	\$10,000	\$ 5,000	\$ 15,000
Working Capital	\$70,300	\$67,000	\$137,300
Loan Fees	\$ 1,700		\$ 1,700

<b>Total:</b>	<b>\$85,000</b>	<b>\$72,000</b>	<b>\$157,000</b>
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**SOURCES OF REPAYMENT:**

(1) Business Cash Flow  
(2) Liquidation of Assets

**COLLATERAL:**

First position UCC-1 Broadform Filing on all business assets.

**SUBORDINATION:**

Leslie Davis and Lisa Hain have agreed to subordinate notes and loans payable to them from the corporation.

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**STRENGTHS:**

- The owners have a good blend of industry and business experience and have already taken on 5 non-medical clients.
- Projected cash flow coverage for proposed debt is strong at 2.23 to 1.00 after the first full year of revenues and operations.
- The owners have excellent personal credit scores showing a dedication to paying debts as agreed.

**WEAKNESSES:**

- Industry and economic risk of a start-up business is high.
- Negative adjusted cash flow for interim period ending 6/30/15 due to limited income and operating losses.

***This credit memorandum was prepared by:***

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***Andria Martinez, Grow America Fund Loan Officer***

***Reviewed by:***

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***Seyed Jalali, Project Officer***

***Approved for Loan Committee:***

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***Michael Conway, Director of Economic and Property Development***