

**Report to
Joint Committee on Government and Finance
and
Governor's Office**

January 2022

**West Virginia Economic Development
Authority**

Loan Insurance Program





Memo

To: WVEDA Board
Joint Committee on Government and Finance
WV Governor's Office

From: Executive Director, Kris Warner

Date: January 11, 2022

Re: Loan Insurance report for the quarter ending December 31, 2021

In accordance with West Virginia Code § 31-15-8(h), the West Virginia Economic Development Authority (the "WVEDA") is required to submit quarterly reports on the 30th day of each January, April, July and October to the Joint Committee on Government and Finance and the Governor containing information about the WVEDA's Loan Insurance Program created by West Virginia Code § 31-15-8 ("LINS").

As of December 31, 2021, WVEDA has \$6,198,399.80 of funds available in its Loan Insurance Fund and can commit up to five times the funds available or \$30,991,999 to financial institutions seeking loan insurance of debt instruments entered into with businesses in the state. The WVEDA has committed \$4,914,594.38 for LINS.

Listed below are the outstanding and active Loan Insurance commitments:

- Borrower Name:** Oxley Rich Sammons
Financial Institution: Poca Valley Bank

| | |
|---------------------------------|--------------------------------|
| Total Loan Value: | \$86,825.29 |
| Loan Amount Insured: | \$69,460.23 |
| LINS Loan O/S Principal: | \$69,460.23 |
| Loan Maturity Date: | 2/20/2023 |
| Loan Status: | Current |
| 2. Borrower Name: | Cape Henry, LLC |
| Financial Institution: | Poca Valley Bank |
| Total Loan Value: | \$252,594.12 |
| Loan Amount Insured: | \$202,075.30 |
| LINS Loan O/S Principal: | \$202,075.30 |
| Loan Maturity Date: | 4/10/2023 |
| Loan Status: | Current |
| 3. Borrower Name: | Magnolia Assisted Living, Inc. |
| Financial Institution: | Poca Valley Bank |
| Total Loan Value: | \$495,025.28 |
| Loan Amount Insured: | \$396,020.22 |
| LINS Loan O/S Principal: | \$396,020.22 |
| Loan Maturity Date: | 10/7/2023 |
| Loan Status: | Current |
| 4. Borrower Name: | Cape Henry, LLC |
| Financial Institution: | Poca Valley Bank |
| Total Loan Value: | \$259,191.03 |
| Loan Amount Insured: | \$207,352.82 |
| LINS Loan O/S Principal: | \$207,352.82 |
| Loan Maturity Date: | 1/24/2024 |
| Loan Status: | Current |
| 5. Borrower Name: | ABC Holding Company, LLC |
| Financial Institution: | Poca Valley Bank |
| Total Loan Value: | \$1,063,804.27 |
| Loan Amount Insured: | \$500,000.00 |
| LINS Loan O/S Principal: | \$500,000.00 |
| Loan Maturity Date: | 3/19/2024 |
| Loan Status: | Current |
| 6. Borrower Name: | Mountaineer Real Estate, Inc. |
| Financial Institution: | Clear Mountain Bank |
| Total Loan Value: | \$2,528,095.56 |
| Loan Amount Insured: | \$500,000.00 |
| LINS Loan O/S Principal: | \$500,000.00 |
| Loan Maturity Date: | 10/22/2024 |
| Loan Status: | Current |

- 7. Borrower Name:** Supply Solutions, LLC
Financial Institution: Clear Mountain Bank
Total Loan Value: \$909,673.17
Loan Amount Insured: \$500,000.00
LINS Loan O/S Principal: \$500,000.00
Loan Maturity Date: 6/24/2025
Loan Status: Current
- 8. Borrower Name:** SmartVac Hydrovacs Ltd. Co.
Financial Institution: Citizens Bank of Weston
Total Loan Value: \$207,786.75
Loan Amount Insured: \$166,229.40
LINS Loan O/S Principal: \$166,229.40
Loan Maturity Date: 7/20/2025
Loan Status: Current
- 9. Borrower Name:** Old Cape Henry, LLC
Financial Institution: Poca Valley Bank
Total Loan Value: \$532,609.50
Loan Amount Insured: \$426,087.60
LINS Loan O/S Principal: \$426,087.60
Loan Maturity Date: 8/9/2025
Loan Status: Current
- 10. Borrower Name:** Classic Marble Company
Financial Institution: Poca Valley Bank
Total Loan Value: \$150,000.00
Loan Amount Insured: \$120,000.00
LINS Loan O/S Principal: \$120,000.00
Loan Maturity Date: 12/3/2025
Loan Status: Current
- 11. Borrower Name:** Classic Marble Company
Financial Institution: Poca Valley Bank
Total Loan Value: \$150,000.00
Loan Amount Insured: \$120,000.00
LINS Loan O/S Principal: \$120,000.00
Loan Maturity Date: 12/3/2025
Loan Status: Current
- 12. Borrower Name:** Medical Info Systems Tech, LLC
Financial Institution: First State Bank of Barboursville
acquired by Summit Bank
Total Loan Value: \$61,721.90
Loan Amount Insured: \$55,549.71
LINS Loan O/S Principal: \$55,549.71

Loan Maturity Date: 3/26/2026
Loan Status: Current

13. **Borrower Name:** Digital Connections, Inc.
Financial Institution: Clear Mountain Bank
Total Loan Value: \$1,956,540.68
Loan Amount Insured: \$1,565,232.54
LINS Loan O/S Principal: \$1,565,232.54
Loan Maturity Date: 3/26/2028
Loan Status: Current

Listed below is a LINS commitment that was in default prior to the commitment expiration:

1. **Borrower Name:** Three Square, LLC
Financial Institution: United Bank
Total Loan Value: \$96,207.28
Loan Amount Insured: \$86,586.55
LINS Loan O/S Principal: \$86,586.55
Loan Maturity Date: 10/2/2018 EXPIRED *
Loan Status: Default
*Still reported by WVEDA since United Bank tendered claim prior to expiration, but bankruptcy has stayed the bank's action to collect from the borrower.

I have also attached the WVEDA's internal report from December 31, 2021, which is provided on a monthly basis to the WVEDA Board members for review and discussion at the monthly Board meeting.

West Virginia Economic Development Authority December 2021 Loan Insurance Report

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|---|-----------------------|
| ORIGINAL FUNDS from 1990 | \$7,000,000.00 |
| LESS Funds returned to General Fund 7/2016 | (\$3,500,000.00) |
| REMAINING Original Funds | \$3,500,000.00 |
| Total WVEDA Loan Insurance Funds available | \$6,198,399.80 |

| Insured Projects: Business Name | Bank | Commitment Date | Closing Date | Original Amount | Insured % | Original Exposure | Outstanding Balance | Estimated Exposure | Insurance Expiration |
|------------------------------------|------|--------------------|-----------------|------------------------|--------------|-----------------------|------------------------|-----------------------|-------------------------|
| Three Square, LLC | F1 | 9/18/2014 | 10/2/2014 | 199,000.00 | 90.00 | 179,100.00 | 96,207.28 | 86,586.55 | 10/2/2018 |
| Oxley Rich Sammons | QQ | 10/18/2018 | 2/20/2019 | 300,000.00 | 80.00 | 240,000.00 | 86,825.29 | 69,460.23 | 2/20/2023 |
| Cape Henry, LLC | QQ | 8/16/2018 | 4/10/2019 | 350,000.00 | 80.00 | 280,000.00 | 252,594.12 | 202,075.30 | 4/10/2023 |
| Magnolia Assisted Living, Inc. | QQ | 9/19/2019 | 10/7/2019 | 520,000.00 | 80.00 | 416,000.00 | 495,025.28 | 396,020.22 | 10/7/2023 |
| Cape Henry, LLC | QQ | 1/16/2020 | 1/24/2020 | 303,960.00 | 80.00 | 243,168.00 | 259,191.03 | 207,352.82 | 1/24/2024 |
| ABC Holding Company, LLC | QQ | 2/20/2020 | 3/19/2020 | 1,000,000.00 | 80.00 | 500,000.00 | 1,063,804.27 | 500,000.00 | 3/19/2024 |
| Mountaineer Real Estate, Inc. | PP | 10/15/2020 | 10/22/2020 | 2,625,000.00 | 80.00 | 500,000.00 | 2,528,095.56 | 500,000.00 | 10/22/2024 |
| Supply Solutions, LLC | PP | 6/17/2021 | 6/24/2021 | 1,000,000.00 | 80.00 | 500,000.00 | 909,673.17 | 500,000.00 | 6/24/2025 |
| SmartVac Hydrovaacs Ltd. Co. | Y | 5/20/2021 | 7/20/2021 | 224,000.00 | 80.00 | 179,200.00 | 207,786.75 | 166,229.40 | 7/20/2025 |
| Old Cape Henry, LLC | QQ | 10/15/2020 | 8/9/2021 | 613,500.00 | 80.00 | 490,800.00 | 532,609.50 | 426,087.60 | 8/9/2025 |
| Classic Marble Company | QQ | 8/19/2021 | 12/3/2021 | 150,000.00 | 80.00 | 120,000.00 | 150,000.00 | 120,000.00 | 12/3/2025 |
| Classic Marble Company | QQ | 8/19/2021 | 12/3/2021 | 150,000.00 | 80.00 | 120,000.00 | 150,000.00 | 120,000.00 | 12/3/2025 |
| Medical Info Systems Tech, LLC | FF | 12/17/2008 | 1/13/2009 | 150,000.00 | 90.00 | 135,000.00 | 61,721.90 | 55,549.71 | 3/26/2026 |
| Digital Connections, Inc. | PP | 3/15/2018 | 3/26/2018 | 2,800,000.00 | 80.00 | 2,240,000.00 | 1,956,540.68 | 1,565,232.54 | 3/26/2028 |
| TOTALS | | | | \$10,385,460.00 | | \$6,143,268.00 | \$8,750,074.83 | \$4,914,594.38 | |

| | |
|--|-----------------|
| Uncommitted Funds Available (Estimated Exposure - LINS Funds Available) | \$1,283,805.42 |
| MAXIMUM STATUTORY LEVERAGE (five times LINS Funds Available) | \$30,991,999.00 |
| ORIGINAL EXPOSURE (TOTAL Original Exposure/Maximum Statutory Leverage) | 19.82% |
| ESTIMATED EXPOSURE (TOTAL Estimated Exposure/Maximum Statutory Leverage) | 15.86% |

West Virginia Economic Development Authority December 2021 Loan Insurance Report

| CLAIMS PAID PROJECT/BUSINESS NAME | BANK CODE | BANK | AMOUNT |
|---------------------------------------|-----------|---|-----------------------|
| Hinton Hardwoods | S | City National Bank | \$141,076.47 |
| Morgan Shirt | C2 | Huntington Banks WV, Morgantown | 107,900.68 |
| Bob Bennett Ford | C2 | Huntington Banks WV, Morgantown | 52,737.96 |
| O'Neal's Bakery | T | Rock Branch Community Bank | 23,246.00 |
| Mt. State Moulding | R | Belington Bank | 101,266.64 |
| Custom Shootin | N2 | One Valley Bank, NA, Huntington (BB&T) | 36,800.00 |
| Stonewall Jackson State Park | W | WVEDA Comm'l Develop Rev Bonds Series 2000-A & 2000-B | 1,000,000.00 |
| Magnagraphics, Inc. | Z | Williamstown National Bank | 16,294.85 |
| Sequelle Communications | F1 | United Bank | 72,481.84 |
| Capredoni | CC | BB&T | 125,889.12 |
| Santiago | DD | Monongahela Valley Bank, Inc. | 101,160.60 |
| Western Greenbrier Co-Generation, LLC | BB | FNB of Ronceverte | 3,000,000.00 |
| Santiago | O4 | Bank One West Virginia, NA, Clarksburg | 45,794.88 |
| | | | <u>\$4,824,649.04</u> |

| BANK CODE | BANK NAME |
|-----------|-----------------------------------|
| F1 | United National Bank, Parkersburg |
| Y | Citizens Bank of Weston |
| FF | First State Bank of Barboursville |
| PP | Clear Mountain Bank |
| QQ | Poca Valley Bank |