

VSBFA

Virginia Small Business
Financing Authority

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY SMALL BUSINESS INVESTMENT GRANT FUND

BUSINESS APPLICATION CERTIFICATION

Business name: _____

Address: _____

Address: _____ Virginia Zip _____

Phone _____ Email address _____

EIN _____ Virginia Tax ID # _____

Org. type: C-Corp S-Corp LLC Partnership LLP Sole-prop

Business start date: _____

Current number of employees: _____

Number of jobs to be created with this investment: _____

Business contact information: Name _____ Title _____ Email _____ Phone _____

Information required for certification as an eligible small business

Please answer the following questions. Note - if the answer to any of these questions is “no”, the business is not an eligible small business as defined in Chapter 16.1 of Title 2.2 §2.2-1616 and the investment grant will not be awarded to investors in the business.

Does the business –

1. have annual gross revenues of no more than \$3 million in its most recent fiscal year?

Yes No

2. have its principal office or facility in the Commonwealth of Virginia? Yes No

3. engage in business primarily in or does substantially all of its production in the Commonwealth of Virginia? Yes No

4. have not obtained during its existence more than \$3 million in aggregate gross cash proceeds from the issuance of its equity or debt investments, not including commercial loans from national or state-chartered banking or savings and loan institutions? Yes No

5. have no more than 50 employees who are employed within the Commonwealth?

Yes No

CERTIFICATION

The undersigned certifies

That the securities are issued pursuant to the Virginia Securities Act. Yes No

Provide written proof of registration.

OR

The securities issued are exempt under the Virginia Securities Act. Yes No

Site the exemption.

The applicant business acknowledges the following:

As used in the Code, an "***Eligible investor***" means an individual subject to the tax imposed by §58.1-320 (a Virginia tax payer). The term shall not include an individual who engages in the business of making debt or equity investments in private businesses, or to any person that would be allocated a portion of the grant under this section as a partner, shareholder, member or owner of an entity that engages in such business.

"Qualified investment" means a cash investment in a qualified business in the form of equity or subordinated debt. However, an investment shall not be qualified if the taxpayer who holds such investment, or any of the taxpayer's family members, or any entity affiliated with such taxpayer, receives or has received compensation from the qualified business in exchange for services provided to such business as an employee, officer, director, manager, independent contractor, or otherwise in connection with or within one year before or after the date of such investment.

A cash equity investment must be held by the investor for a minimum of **two** years to qualify for the grant. If an investor takes their qualified investment out of the business, the business owner **and** the investor must notify the VSBFA in writing within 30 days of such action.

The Business acknowledges that unless one or more of the following occurs, the equity must be invested for no less than two years or the investor shall forfeit the grant and shall pay the VSBFA interest on the total allowed grant at the rate of 1% (one percent) per month, compounded monthly, from the date the grant was awarded to the taxpayer. The only exceptions are 1) the liquidation of the small business issuing such equity, 2) the merger, consolidation, or other acquisition of such business with or by a party not affiliated with such business; or 3) the death of the eligible investor.

"Subordinated debt" means indebtedness that i) by its terms required no repayment of principal for the first **three** years after issuance, ii) is not guaranteed by any other person or secured by any assets of the issuer or any other person, and iii) is subordinated to all indebtedness and obligations of the issuer to national or state-chartered banking and savings and loan institutions.

If any of the above conditions for the Subordinated Debt are not met and maintained for the full three years, the business owner and the investor/creditor must notify the VSBFA in writing within 30 days of such violation.

In order to receive subsequent grants for eligible investors, the business must apply annually in order to be certified as an eligible small business by the Virginia Small Business Financing Authority.

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this application are true to her/his best knowledge and belief.

Legal name of business _____

By: _____
Authorized signer Title

Date: _____

Print name of signer _____

The undersigned hereby certifies that this business is eligible under the Small Business Investment Grant Fund (Chapter 16.1, Title 2.2 §2.2-1616).

Virginia Small Business Financing Authority

By: _____ Executive Director
Scott E. Parsons

Date: _____

Applications may be mailed or emailed to the addresses below and must include the following:

- ***Organizational documents***
- ***List of all equity providers to the business to include:***
 - ***Name***
 - ***Mailing address (Street Address, Locality, State, & Zip Code)***
 - ***Social Security Number***

- *Amount (\$) of Investment per Investor*
- *Percentage of Ownership in the business*
- *Statement of good standing from the SCC, or copy of current business license from locality for sole-proprietorships.*
- *Business tax returns for the last two fiscal years (if available)*
- *Evidence of securities registration under §13.1-507 of the Virginia Securities Act, unless an exemption from registration is claimed (see below).*
- *Exemption from securities registration claimed from §13.1-514 of the Virginia Securities Act (if applicable).*

Virginia Small Business Financing Authority
P O Box 446
Richmond, VA 23218-0446

scott.parsons@sbsd.virginia.gov

For questions call 804-371-8254 or email to the above address.