

APPENDIX 10-5

Participating Securities Distribution Worksheet

SBA - Small Business Investment Company Program
Investment Division - Office of SBIC Operations
Participating Securities Document Checklist & Authorization

Licensee Name: _____ License No.: _____

Amount of Draw Request: _____ Takedowns: _____

Financial Analyst: _____

COMPLIANCE/REGULATORY

Licensee Request for Draw:
(Amount of Preferred Ltd. Prt. Capital Contrib.)

Instruments of Admission:
(1 pair per takedown)

Opinion of Counsel:

Statement of No Material Change:

SBA Form 468:
Filed as of : 3/31/03 (unaudited)

Statement of Need:

Statement of Compliance:

Smaller Business Financing Certification:

ELIGIBILITY FOR FUNDS

Regulatory Issues: Yes No

Comments:

Conditions for Compliance Satisfied: Yes No N/A

VERIFICATION OF CAPITAL

Commitments Outstanding:	
Less: Outstanding Draw Approvals	0
Less: Draw Request	0
Remaining Commitment:	\$0

FINANCIAL REVIEW:

Trend Analysis:

Capital Adequacy and Solvency:

Asset Quality:

Earnings Capacity and Retention:

Liquidity and Cash:

Risk Rating Model:

Management & Ownership

Management:

Ownership:

Other:

Participating Securities Distribution Worksheet

1 Name of Licensee

2 License number

3 Earmarked Profit (Loss), etc. being computed as of:

Month Day Year

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4 Is this your fiscal year end? (y/n)

	<< use lower case for y/n answers
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5 If "NO" - What was your most recent fiscal year end?

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6 OPTIONAL - What is the total amount you expect to distribute?

Section I: Earmarked Profit (Loss)

Part I-1: Earmarked Asset Ratio

Definition: "EARMARKED ASSETS" means all Loans and Investments EXCEPT:

(a) Loans and Investments acquired before March 31, 1993 and approved for exclusion by SBA; or

(b) Loans and Investments acquired after all Participating Securities have been redeemed in full.

1 Are all your Loans and Investments classified as "Earmarked Assets"? (y/n)

2 If "YES" - STOP (Earmarked Asset Ratio = 100%)

3 If "NO" - Fill in tables 1 and 2 for each month in your fiscal year or year to date ending:

n/a

Table 1: Average Loans and Investments (at cost)

	Loans and Investments	Avg. monthly balance
Beginning balance		
Ending bal. Month 1		0
Ending bal. Month 2		0
Ending bal. Month 3		0
Ending bal. Month 4		0
Ending bal. Month 5		0
Ending bal. Month 6		0
Ending bal. Month 7		0
Ending bal. Month 8		0
Ending bal. Month 9		0
Ending bal. Month 10		0
Ending bal. Month 11		0
Ending bal. Month 12		0
Sum of avg. balances		0
Number of months		0
Avg. Loans & Investments for period		0

Table 2: Average Earmarked Assets (at cost)

	Loans and Investments	Avg. monthly balance
Beginning balance		
Ending bal. Month 1		0
Ending bal. Month 2		0
Ending bal. Month 3		0
Ending bal. Month 4		0
Ending bal. Month 5		0
Ending bal. Month 6		0
Ending bal. Month 7		0
Ending bal. Month 8		0
Ending bal. Month 9		0
Ending bal. Month 10		0
Ending bal. Month 11		0
Ending bal. Month 12		0
Sum of avg. balances		0
Number of months		0
Avg. Earmarked Assets for period		0

4 EARMARKED ASSET RATIO =

Part I-2: Excess Management Expenses

Definitions:

"MANAGEMENT EXPENSES" means salaries, office expenses, travel, business development, office and equipment rental, bookkeeping, and expenses related to developing, investigating and monitoring investments. Management Expenses do NOT include services provided by specialized outside consultants, outside lawyers and independent public accountants, if they perform services not generally performed by a venture capital company.

"COMBINED CAPITAL" means the sum of your Regulatory Capital plus your outstanding Leverage.

"MANAGEMENT EXPENSE CEILING" means the LOWER of the following two amounts (if you are computing Earmarked Profit (Loss) for a full fiscal year):

- (a) 2.5% of your weighted average Combined Capital for the year, plus \$125,000 if your weighted average Combined Capital is less than \$20,000,000; or
- (b) The amount of Management Expenses approved by SBA for the fiscal year.

If you are computing Earmarked Profit (Loss) for less than a full fiscal year, you must prorate these annual amounts to determine your Management Expense Ceiling.

"EXCESS MANAGEMENT EXPENSES" means the amount of Management Expenses you incurred in excess of your Management Expense Ceiling for your fiscal year or year to date.

Compute weighted average Combined Capital for the fiscal year or year to date beginning:

ERR

	Month	Day	Year	Regulatory Capital	Outstanding Leverage	Days O/S	Comb. Cap. x Days O/S
Beginning balance							0
Increase/						0	0
(decrease)						0	0
						0	0
						0	0
						0	0
						0	0
						0	0
						0	0
						0	0
Ending balance	0	0	0	0	0	0	0

1 Weighted Average Combined Capital for fiscal year or year to date

0

2 Compute Management Expense formula limit for fiscal year or year to date:

Weighted average Combined Capital for fiscal period	0
x 2.5%	0
+ \$125,000 if avg. Combined Capital < \$20,000,000	125,000
Annual Management Expense formula limit	125,000
Prorated for partial year	0

3 Annual Management Expense approved by SBA
Prorated for partial year

	input
0	

4 Lower of formula limit or Management Expense approved by SBA
5 Actual Management Expenses for fiscal period
6 Excess Management Expense

0	
	input
0	

Part I-3: Earmarked Profit (Loss) for This Fiscal Year or Year to Date

1 YTD net income (loss) through date of this worksheet (as determined on SBA Form 468)
2 Adj. for amort. of leverage fees and syndication costs (see Instructions below)
3 Unrealized Appreciation (Depreciation) on securities distributed during this fiscal period
4 Excess Management Expenses:
5 Earmarked Profit (Loss) for this fiscal period if Earmarked Asset Ratio = 100%

	input
	input
	input
0	
0	

Instructions for Part I-3, line 2:

For the purpose of computing Earmarked Profit (Loss), leverage fees paid to SBA in connection with the issuance of Participating Securities, as well as partnership syndication costs, must be treated as if they were capitalized and amortized on a straight-line basis over not less than five years (see section 107.1510(d)(1)). If these items were reported differently by the Licensee on SBA Form 468, the required adjustment must be shown on line 2 of this part.

Adjustment if Earmarked Asset Ratio < 100%:

6 Earmarked Profit (Loss) before adjustment
7 Less: Net realized gain (loss) on non-earmarked loans & investments
8 Less: Net realized gain (loss) on Earmarked Assets ("EGL")
9 Remainder
10 x Earmarked Asset Ratio
11 Add: EGL
12 Earmarked Profit (Loss) for this fiscal period if Earmarked Asset Ratio < 100%

0	
	input
	input
0	
0	
0	
0	

Part I-4: Cumulative Earmarked Profit (Loss)

1 Earmarked Profit (Loss) for this fiscal year or year to date
2 Cumulative Earmarked Profit (Loss) from last fiscal year end (see Instructions below)
3 Cumulative Earmarked Profit (Loss)

0	
	input
0	

Instructions for Part I-4, line 2:

If you had not issued Participating Securities as of your last fiscal year end, enter your Undistributed Net Realized Earnings (Loss) for that year end, adjusted for any excess Management Expense and amortization of syndication costs.

Section II: Liquidity

	Amount as of distribu- tion date	x Weight	=	Weighted amount
CURRENT FUNDS AVAILABLE				
1 Cash and invested idle funds		1.00		0
2 Commitments from Investors (excluding SBA)		1.00		0
3 Current Maturities of Loans and Investments		0.50		0
4 Other Current Assets		1.00		0
5 Publicly Traded and Marketable Securities (at value)		1.00		0
6 Anticipated Operating Revenue for next 12 months		1.00		0
7 Current Funds Available				0
CURRENT FUNDS REQUIRED:				
8 Current Liabilities		1.00		0
9 Outstanding Commitments to Small Concerns		0.75		0
10 Anticipated Operating Expense for next 12 months		1.00		0
11 Anticipated Interest Expense for next 12 months		1.00		0
12 Guarantees and Other Contingent Liabilities		0.25		0
13 Current Funds Required				0
14 Liquidity Ratio (Current Funds Available divided by Current Funds Required)				0.000
15 Available liquidity [Current Funds Available - (1.20 x Current Funds Required)]				0
16 Less: Distribution of Prioritized Payments and Adjustments (107.1540):				0
18 Balance				0
19 Less: Tax distribution (107.1550)				0
20 Balance				0
21 Less: Required annual distribution (107.1560)				0
22 Balance				0
23 Less: Optional interim distribution (107.1570(a))				0
24 Balance				0
25 Less: Other optional distributions (107.1570(b))				0
26 Balance				0

Section III: Prioritized Payments

- 1 Have you calculated Prioritized Payments (either Accumulated or Earned) before? (y/n)
- 2 If "YES" - Accumulation Account last updated as of what date?

Month	Day	Year
- 3 If "NO" - when did you first issue Participating Securities?

Month	Day	Year
- 4 In this Section III, "current fiscal period" is from through

Part III-2: Prioritized Payments for Current Fiscal Period and Year to Date

Participating Sec. #1: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
Total			0	0	Total			0

Participating Sec. #2: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
Total			0	0	Total			0

Participating Sec. #3: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
Total			0	0	Total			0

Participating Sec. #4: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
Total			0	0	Total			0

Participating Sec. #5: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #6: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #7: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #8: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #9: Pooling date Trust Certificate Rate Charge
mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #10: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #11: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #12: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #13: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #14: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Participating Sec. #15: Pooling date Trust Certificate Rate Charge
 mm/dd/yy

For current fiscal period:					For fiscal year to date:			
Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Payment	Additional Charge	Start date (mm/dd/yy)	Outstanding balance	No. of days outstanding	Prioritized Pmt+Charge
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		0	0	0			0	0
		Total	0	0			Total	0

Subtotals for:

Current fiscal period Fiscal year to date

Interim Participating Securities (Prioritized Pmts. based on 360 day year):

Issue date	Pooling date	Pr. Pmt. Rate	Charge	Amount
Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Current fis- cal period	Start date No. days	Priority Pmt. 0	Charge 0	Fiscal year to date
				Start date No. days
				PP + Charge 0

Grand totals for: Priority Pmt. Charge PP + Charge
 Current fiscal period Fiscal year to date

Part III-3: Prioritized Payment Accounts

NOTE: In the following account summaries, "beginning balance" is the ending balance following your last update of the Prioritized Payment accounts. An update consists of the following steps: (1) computing Accumulated Prioritized Payments for a fiscal period; (2) transferring Earned Prioritized Payments (if any) from the Accumulation Account to the Distribution Account; (3) distributing the balance in the Distribution Account (if any), subject to available liquidity; and (4) as of the fiscal year end only, computing Adjustments on undistributed account balances (if any) and adding them to the Accumulation Account balance.

	Priorit. Pmts.	Charges	Adjustments	Total	
1 Accumulation Account beginning balance	<input type="text"/>	<input type="text"/>	<input type="text"/>	0	
	input	input	input		
2 Add: Total Prioritized Payments for current fiscal period				0	
3 Add: Total Charge for current fiscal period				0	
4 Less: Earned Prioritized Payments, Charges and Adjustments				0	
5 Accumulation Account balance before Adjustments				0	
6 Add: Adjustments for current fiscal period (full year only)				n/a	from Pt. III-6
7 Accumulation Account ending balance	0	0	0	0	
8 Distribution Account beginning balance	<input type="text"/>	<input type="text"/>	<input type="text"/>	0	
9 Add: Earned Prioritized Pmts, Charges & Adj.	input	input	input	0	
10 Distribution Account balance before Distributions				0	
11 Less: Distributions to be made	0	0	0	0	from Pt. III-5
12 Distribution Account ending balance	0	0	0	0	
13 Earned Payments Account beginning balance				<input type="text"/>	input
14 Add: Earned Prioritized Payments, Charges and Adjustments				0	
15 Earned Payments Account ending balance				0	

Part III-4: Earned Prioritized Payments, Charges and Adjustments

1 Cumulative Earmarked Profit (Loss)	0	
2 Less: Earned Payments Account beginning balance	0	
3 Less: Prior Distributions under 107.1550, 107.1560 and 107.1570(a)	<input type="text"/>	input
4 Less: Undistributed Profit Participation allocated to SBA	<input type="text"/>	input
5 Profit for Prioritized Payment purposes	0 [A]	
6 Accumulation Account beginning balance	0	
7 Prioritized Payments and Charges for current fiscal period	0	
8 Balance	0 [B]	
10 Earned Prioritized Payments, Charges and Adjustments	0	lesser of [A] or [B]

Part III-5: Distribution of Earned Prioritized Payments

Distribution Account balance before distributions [C]

Available liquidity from Section II [D]

Required year end distribution lesser of [C] or [D]

Maximum permitted amount of interim distribution lesser of [C] or [D]

If you DO NOT want to distribute the maximum permitted amount, enter the amount you choose to distribute (otherwise, leave blank) input

Part III-6: Adjustments on undistributed balances (at fiscal year end ONLY)

This section applies to you if either the Accumulation Account balance from Part III-3, line 5, or the Distribution Account balance from Part III-3, line 12, is greater than zero as of the end of your fiscal year (AFTER giving effect to any distributions you will make by the second Payment Date following the end of the fiscal year). If either account has a balance, you must compute "Adjustments" (amounts which will be added to your Accumulation Account balance) based on the average account balances for the year.

input

1 Accumulation Acct. beginning of year balance x 365 =

2 Distribution Acct. beginning of year balance x 365 =

3 Sum of daily bal. of prioritized pmts for yr ended:

4 Prioritized Pmts paid for yr ended: (see instructions below)

Amount	Month	Day	Year	Weight	
				0	n/a
				0	n/a
				0	n/a
				0	n/a

5 Sum of lines 1 through 4

6 Average undistributed balance (line 5 divided by no. of days in yr)

7 Avg trust certificate rate-enter rates for 4 fundings in yr ended:

8 Total adjustments for fiscal year (line 6 x line 7)

Instructions for Part III-6, line 4:

Enter any Prioritized Payments, Charges and Adjustments you paid to SBA based on Cumulative Earmarked Profits computed as of the end of the specified fiscal year or any interim period during the year.

INCLUDE any payments that you will make by the second Payment Date following the fiscal year end. Treat any such payments made after the fiscal year end as if they were made on the last day of the fiscal year to which they relate. For example, if you are computing Adjustments for the year ended 12/31/2002, list any Prioritized Payments you will make on or before May 1, 2003 based on your Cumulative Earmarked Profits as of December 31, 2002. Enter 12/31/2002 as the date of the payment.

DO NOT INCLUDE payments that you made based on the prior year's results. For example, if you are computing Adjustments for the year ended 12/31/2002, do not list Prioritized Payments you paid

Section IV: Profit Participation

Part IV-1: Preliminary information

- 1 Had you ever issued Participating Securities as of the end of your last fiscal year? (y/n) input
- 2 IF "YES" :
- (a) Enter the Base from your last fiscal year end ("Previous Base") input
- (b) If Previous Base is zero or greater--enter any Unused Loss from previous fiscal year carried forward in accordance with section 107.1530(c)(2) input
- 3 If "NO" - enter the Undistributed Net Realized Earnings (Loss) from your last annual Form 468, adjusted for Excess Mgmt Expense (subject to SBA approval - see section 107.1530(c)(3)) input
- 4 Did you already compute Profit Participation for any interim periods this fiscal year? (y/n) input
- 5 if "YES" - enter the Base used in that computation (if greater than zero). input

Part IV-2: Compute Base for Profit Participation

1 Earmarked Profit (Loss) for fiscal year or year to date	0
2 Less: Total Prioritized Payments and Charges for fiscal year or ytd	0
3 Less: Adjustments (for full fiscal year only)	n/a
4 Less: Unused Loss from previous fiscal year	0
5 Base for Profit Participation	0

**YOU DO NOT OWE ANY PROFIT PARTICIPATION FOR THIS PERIOD.
YOU ARE NOT REQUIRED TO COMPLETE THE REST OF SECTION IV.**

Part IV-3: Compute Profit Participation Rate

- 1 PLC Ratio (highest ratio of Participating Secs. to Leverageable Capital--see 107.1530(e)) input
- 2 Profit Participation Rate before indexing:
- If PLC Ratio is 1 or less: $.09 \times \text{PLC Ratio}$
- If PLC Ratio is more than 1: $.09 + (.03 \times (\text{PLC Ratio} - 1))$ 0.000000%

Tax distributions may be made only in cash, not in kind. Conditions for making a tax distribution:

1. You must have paid all your Prioritized Payments and Adjustments, so that the balance in both your Distribution Account and your Accumulation Account is zero.
2. The tax distribution must not exceed your available liquidity.
3. The tax distribution must not exceed your Retained Earnings Available for Distribution.
4. The tax distribution must not exceed your Maximum Tax Liability.

Part VI-1: Compute Maximum Tax Liability

Highest marginal Federal tax rate on ordinary income: Individual input
 Corporate input

Highest marginal Federal tax rate on capital gains: Individual input
 Corporate input

Highest marginal State tax rate on ordinary income (for State where your principal place of business is located): Individual input
 Corporate input

Highest marginal State tax rate on capital gains (for State where your principal place of business is located): Individual input
 Corporate input

Do you want to use individual or corporate tax rates? Enter 1 for individual or 2 for corporate: input

Ordinary income (net of expenses) allocated to partners for Federal income tax purposes (excluding Prioritized Payments allocated to SBA) input

Net capital gain (loss) allocated to partners for Federal income tax purposes (excluding Prioritized Payments allocated to SBA) input

Ordinary income (loss) 0
 Highest State tax rate x 0.000%
 State tax liability (benefit) on ordinary income 0

Capital gain (loss) 0
 Highest State tax rate x 0.000%
 State tax liability (benefit) on capital gains 0

Ordinary income (loss) 0
 Less: State tax liability 0
 Ordinary income (loss) after State income tax 0
 Highest Federal tax rate x 0.000%
 Federal tax liability (benefit) on ordinary income 0

Capital gain (loss) 0
 Highest Federal tax rate x 0.000%
 Federal tax liability (benefit) on ordinary income 0

Part VI-2: Compute Tax Distribution

Amount of tax distribution:

- 1 Available liquidity
- 2 Retained Earnings Available for Distribution
- 3 Maximum Tax Liability

- 4 Maximum permitted amount of tax distribution
- 5 If you DO NOT want to distribute the maximum permitted amount,
enter the amount you choose to distribute (otherwise, leave blank) input

Allocation of tax distribution between private investors and SBA:

- 6 SBA's share of tax distribution:
- 7 Profit Participation Rate
- 8 x total tax distribution
- 9 Tax distribution to SBA

- 10 Private investors' share of tax distribution:
- 11 Total tax distribution
- 12 Less: Tax distribution to SBA
- 13 Tax distribution to private investors

Part VI-3: Application of tax distribution to SBA

Preliminary information:

- 1 Balance of Profit Participation owed to SBA
- 2 Participating Securities - outstanding balance before tax distribution
- 3 Debentures - outstanding balance before tax distribution input
- 4 3% or 4% Preferred Securities (Section 301(d) Licensees) - accrued dividends input
- 5 3% or 4% Preferred Securities (Section 301(d) Licensees) - outstanding balance input

Application of distribution to SBA:

- 6 Profit Participation
- 7 Distributions on 3% or 4% Preferred Securities (Section 301(d) Licensees only)
- 8 Redemption of Participating Securities
- 9 Redemption of 3% or 4% Preferred Securities (Section 301(d) Licensees only)
- 10 Repayment of Debentures
- 11 Total

Section VII: Required Annual Distribution - Section 107.1560

Distributions under this section can be computed only as of the SBIC's fiscal year end.
If you are computing an interim distribution, go to Section VIII.

Conditions for making a distribution under section 107.1560:

1. You must have paid all your Prioritized Payments, Charges and Adjustments, so that the balance in both your Distribution Account and your Accumulation Account is zero.
2. You must have computed any permitted tax distribution that you choose to make under section 107.1550.
3. The distribution must not exceed your available liquidity.
4. The distribution must not exceed your Retained Earnings Available for Distribution.

Part VII-1: Amount of required distribution

1 Retained Earnings Available for Distribution - balance		n/a	
2 Less: Cumulative prior distributions under sections 107.1560 and			
* 107.1570(a) applied as redemptions of Leverage (leave blank if line 1 is n/a)			input
3 Add: Cumulative prior distributions under section 107.1570(b)			
that reduced Retained Earnings Available for Distribution (leave blank if line 1 is n/a)			input
4 Preliminary amount of required distribution		n/a	[A]
5 Available liquidity		n/a	[B]
6 Amount of required distribution before reserves/restriction	lesser of [A] or [B]	0	
7 Less: Amounts to be withheld from distribution with SBA's approval			input
8 Less: Restrictions on distributions imposed by SBA			input
9 Amount of required distribution		0	

Part VII-2: Percentage of distribution allocable to private investors and SBA

1 Total Leverage outstanding as of fiscal year end			input
2 Leverageable Capital as of fiscal year end			input
3 Ratio of Leverage to Leverageable Capital		0.000000	
4 SBA Profit Participation Rate		0.000000%	
5 SBA's percentage share of total distribution		0.000000%	
6 Private investors' percentage share of total distribution		0.000000%	
7 Total		0.000000%	

Part VII-3: Allocation of distribution between private investors and SBA

1 SBA's share	0	x	0.000000%	=	0
2 Private investors' share	0	x	0.000000%	=	0

Part VII-4: Application of 107.1560 distribution to SBA

Preliminary information:

1	Balance of Profit Participation owed to SBA	0	
2	Participating Securities - outstanding balance before 107.1560 distribution	0	
3	Debentures - outstanding balance before 107.1560 distribution		input
4	3% or 4% Preferred Securities (Section 301(d) Licensees) - accrued dividends		input
5	3% or 4% Preferred Securities (Section 301(d) Licensees) - outstanding balance		input

Application of distribution to SBA:

6	Profit Participation	0	
7	Distributions on 3% or 4% Preferred Securities (Section 301(d) Licensees only)	0	
8	Redemption of Participating Securities	0	
9	Redemption of 3% or 4% Preferred Securities (Section 301(d) Licensees only)	0	
10	Repayment of Debentures	0	
11	Total	0	

12	Cumulative distributions to SBA under 107.1560 and 107.1570(a) applied as redemption or repayment of Leverage	0	
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Section VIII: Optional Interim Distributions Based on READ - Section 107.1570(a)

Distributions under this section can be computed only as of end of the SBIC's fiscal quarter (or other interim period approved by SBA). If you are computing a year end distribution, go to Section VII.

Conditions for making a distribution under section 107.1570(a):

1. You must have paid all your Prioritized Payments, Charges and Adjustments, so that the balance in both your Distribution Account and your Accumulation Account is zero.
2. The distribution must not exceed your available liquidity.
3. The distribution must not exceed your Retained Earnings Available for Distribution.

Part VIII-1: Maximum permitted amount of distribution

1 Retained Earnings Available for Distribution - balance		n/a	
2 Less: Cumulative prior distributions under sections 107.1560 and 107.1570(a) applied as redemptions of Leverage (leave blank if line 1 is n/a)			input
3 Add: Cumulative prior distributions under section 107.1570(b) that reduced Retained Earnings Available for Distribution (leave blank if line 1 is n/a)			input
4 Maximum distribution amount based on READ		n/a [A]	
5 Available liquidity		n/a [B]	
6 Maximum permitted amount of distribution	lesser of [A] or [B]	0	
7 If you DO NOT want to distribute the maximum permitted amount, enter the amount you choose to distribute (otherwise, leave blank)			input

Part VIII-2: Percentage of distribution allocable to private investors and SBA

1 Total Leverage outstanding as of end of fiscal period			input
2 Leverageable Capital as of end of fiscal period			input
3 Ratio of Leverage to Leverageable Capital		0.000000	
4 SBA Profit Participation Rate		0.000000%	
5 SBA's percentage share of total distribution		0.0000%	
6 Private investors' percentage share of total distribution		0.0000%	
7 Total		0.0000%	

Part VIII-3: Allocation of distribution between private investors and SBA

1 SBA's share	0	x	0.0000%	=	0
2 Private investors' share	0	x	0.0000%	=	0

Part VIII-4: Application of 107.1570(a) distribution to SBA

Preliminary information

- 1 Balance of Profit Participation owed to SBA
- 2 Participating Securities - outstanding balance before 107.1570(a) distribution
- 3 Debentures - outstanding balance before 107.1570(a) distribution
- 4 3% or 4% Preferred Securities (Section 301(d) Licensees) - accrued dividends
- 5 3% or 4% Preferred Securities (Section 301(d) Licensees) - outstanding balance

0	
0	
	input
	input
	input

Application of distribution to SBA:

- 6 Profit Participation
- 7 Distributions on 3% or 4% Preferred Securities (Section 301(d) Licensees only)
- 8 Redemption of Participating Securities
- 9 Redemption of 3% or 4% Preferred Securities (Section 301(d) Licensees only)
- 10 Repayment of Debentures
- 11 Total

0
0
0
0
0
0

Section IX: Optional Distributions Not Based on READ - Section 107.1570(b)

Conditions for making a distribution under section 107.1570(b):

1. You must have paid all your "EARNED" Prioritized Payments, Charges and Adjustments, so that the balance in your Distribution Account is zero.
2. You must have paid all Profit Participation payable to SBA under sections 107.1550, 107.1560 and 107.1570(a).
3. You must have made all distributions required under section 107.1560.
4. The distribution must not exceed your available liquidity.
5. You must not have a condition of Capital Impairment.
7. The distribution must not reduce your Regulatory Capital (EXCLUDING unfunded commitments from Institutional Investors) below the minimum required under section 107.210, unless SBA approves the reduction as part of a plan of liquidation.
8. The distribution must not cause you to have excess Leverage (see section 107.1150 through 107.1170).

Part IX-1: Preliminary information:

- | | | |
|--|--------------------------------|-------|
| 1 Available liquidity | <input type="text" value="0"/> | |
| 2 Retained Earnings Available for Distribution | <input type="text" value="0"/> | |
| 3 Outstanding Leverage as of date of Distribution (after distributions under section 107.1560 or 1570(a)): | | |
| 3a Participating Securities | <input type="text" value="0"/> | |
| 3b Debentures | <input type="text" value="0"/> | |
| 3c 3% or 4% Preferred Securities | <input type="text" value="0"/> | |
| 3d Total | <input type="text" value="0"/> | |
| 4 Leverageable Capital as of date of distribution | <input type="text"/> | input |
| 5 Regulatory Capital as of date of distribution | <input type="text"/> | input |
| 6 Capital Impairment Percentage | <input type="text"/> | input |

Part IX-2: Amount and allocation of distribution

- | | | | | | |
|---|--|--|--|---|--------------------------------|
| 1 (a) Amount needed to complete your planned distribution
(limited to available liquidity) | <input type="text" value="0"/> | | | | |
| (b) Amount you choose to distribute if different (otherwise leave blank) | <input type="text"/> | | | | |
| 2 SBA's percentage share of total distribution: | | | | | |
| 3 Outstanding Leverage | <input type="text" value="0"/> | [A] | | | |
| 4 Leverageable Capital | <input type="text" value="0"/> | | | | |
| 5 100% minus Capital Impairment Percentage = | <input type="text" value="100.0000%"/> | | | | |
| 6 Leverageable Cap. adjusted for Capital Impairment (In 4 x In 5) | <input type="text" value="0"/> | | | | |
| 7 Add: Outstanding Leverage | <input type="text" value="0"/> | | | | |
| 8 Denominator for allocation formula | <input type="text" value="0"/> | [B] | | | |
| 9 SBA's percentage share of total distribution | [A] divided by [B] | <input type="text" value="0.0000%"/> | | | |
| 10 Private investors' percentage share of total distribution | | <input type="text" value="100.0000%"/> | | | |
| 11 Total | | <input type="text" value="100.0000%"/> | | | |
| 12 SBA's share | <input type="text" value="0"/> | x | <input type="text" value="0.0000%"/> | = | <input type="text" value="0"/> |
| 13 Priv. investors' share | <input type="text" value="0"/> | x | <input type="text" value="100.0000%"/> | = | <input type="text" value="0"/> |

Part IX-3: Application of 107.1570(b) distributions

Participating Securities - outstanding balance	0
Debentures - outstanding balance	0
3% or 4% Preferred Securities (301(d) Licensees) - outstanding balance	0

Application of distribution to SBA:

Redemption of Participating Securities	0
Redemption of 3% or 4% Preferred Securities (Section 301(d) Licensees only)	0
Repayment of Debentures	0
Total	0

Application of distribution to private investors:

Reduction of Retained Earnings Available for Distribution	0
Reduction of Regulatory Capital	0

Cumulative distributions under section 107.1570(b) that reduced Retained Earnings Available for Distribution	0
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Section X: Distribution Summary

Distributions to SBA:

Prioritized Payments	0
Charges	0
Adjustments	0
SBA Profit Participation	0

Redemption of Participating Securities:	
107.1550	0
107.1560	0
107.1570(a)	0
107.1570(b)	0
Total redemption	0

Other distributions:	
Dividends on Preferred Securities (Section 301(d) Licensees only)	0
Redemption of Preferred Securities (Section 301(d) Licensees only)	0
Repayment of Debentures	0
Total distribution to SBA	0

Distributions to private investors:

From READ:	
107.1550	0
107.1560	0
107.1570(a)	0
107.1570(b)	0
From Regulatory Capital	0
Total distribution to private investors	0

Cash

 input

Securities (list company name):

 input
 input

Section XI: Carryforwards

NOTE: Type CTRL-F to fill in this section.

Each time you do the Participating Securities computations, you will need to "save" some of the results and use them as inputs the next time you do the computations. This section brings together all the figures that you may need to carry forward in this manner. The references given are to the lines where you should input these results next time you use this spreadsheet.

Section	Line	Caption				Input
I-4	2	Cumulative Earmarked Profit (Loss) from last fiscal year end				<input type="text"/> 0
			Priorit. Pmts.	Charges	Adjustments	
III-3	1	Accumulation Acct. beginning balance	<input type="text"/> 0	<input type="text"/> 0	<input type="text"/> 0	<input type="text"/> 0
III-3	8	Distribution Account beginning balance	<input type="text"/> 0	<input type="text"/> 0	<input type="text"/> 0	<input type="text"/> 0
III-3	13	Earned Payments Account beginning balance				<input type="text"/> 0
III-4	3	Less: Prior Distributions under 107.1550, 107.1560 and 107.1570(a)				<input type="text"/> 0
III-4	4	Less: Undistributed Profit Participation allocated to SBA				<input type="text"/> 0
III-6	1	Accumulation Acct. beginning of year balance				<input type="text"/> 0
III-6	2	Distribution Acct. beginning of year balance				<input type="text"/> 0
IV-1	2(a)	Base from last fiscal year end ("Previous Base")				<input type="text"/> 0
IV-1	2(b)	If Previous Base is zero or greater--enter any Unused Loss from previous fiscal year carried forward in accordance with section 107.1530(c)(2)				<input type="text"/> n/a
IV-1	5	Base from previous interim Profit Participation computation				<input type="text"/> 0
			Date	Base	Rate	
IV-4	2a	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-4	2b	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-4	2c	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-4	2d	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-4	2e	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-4	2f	Interim Profit Participation	<input type="text"/>	<input type="text"/>	<input type="text"/>	
IV-5	1	Profit Participation Account beginning balance				<input type="text"/> 0
VII-1	2	Cumulative prior distributions under sections 107.1560 and 107.1570(a) applied as redemptions of Leverage				<input type="text"/> 0
VII-1	3	Cumulative prior distributions under section 107.1570(b) that reduced Retained Earnings Available for Distribution				<input type="text"/> 0
VIII-1	2	Cumulative prior distributions under sections 107.1560 and 107.1570(a) applied as redemptions of Leverage				<input type="text"/> 0
VIII-1	3	Cumulative prior distributions under section 107.1570(b) that reduced Retained Earnings Available for Distribution				<input type="text"/> 0