



**U.S. Small Business Administration**  
409 Third Street, SW, Suite 6300  
Investment Division  
Washington, D.C. 20416-7052

February 12, 2009

SBIC Program participants:

Consistent with the requirements of 13 CFR §107.400, and SBA's Model Limited Partnership Agreement (§5.11(B) for Participating Securities issuers and §5.10(B) for Debenture issuers), SBA requires Licensees to seek SBA consent to the transfer of limited partnership interests in a Licensee and the release of the transferring limited partner ("Transferor") from its obligations to the Licensee. Licensees have asked SBA about expediting this approval process and SBA has been working to expedite the turnaround time on these requests without compromising the quality of its review.

In response, SBA will begin offering Licensees the option of submitting the attached Request for Approval of Transfer Certificate ("Transfer Certificate") for the transfer of limited partnership interests that do not result in a change of Control under 13 CFR 107.410. Licensees that wish to submit a Transfer Certificate instead of submitting the transfer documents must include an updated Capital Certificate and signature page from the Licensee's Limited Partnership Agreement executed by the individual or entity acquiring the transferred limited partnership interest ("Transferee") and the \$200 fee, if applicable. If, following the transfer, the Transferee will hold an interest in the Licensee of 10% or more, the submission to SBA must also include a list of all 10% and greater owners of the Transferee.

SBA will review the Transfer Certificate, updated Capital Certificate, executed Limited Partnership Agreement signature page and, when applicable, list of all 10% and greater owners of the Transferee, for sufficiency. If sufficient, the Area Chief for the Licensee will execute the Transfer Certificate and send the fully-executed Transfer Certificate to the Licensee. Execution of the Transfer Certificate by the Area Chief represents SBA's consent to the transfer and release of the Transferor.

SBA hopes that this new option will result in an expedited turnaround time for requests for SBA consent to transfers of limited partnership interests. Further, we hope to continue the process of finding better, smarter ways to operate.

Please contact your analyst with questions or comments.

*Marja Maddrie*  
Director, Office of SBIC Operations

## REQUEST FOR APPROVAL OF TRANSFER CERTIFICATE

LICENSEE:	
TRANSFEROR:	TRANSFeree:
DATE:	

AS A MATERIAL INDUCEMENT FOR THE U.S. SMALL BUSINESS ADMINISTRATION (“SBA”) TO CONSENT TO THE TRANSFER OF THE LIMITED PARTNERSHIP INTEREST DESCRIBED BELOW, EACH OF THE LICENSEE, TRANSFEROR AND TRANSFEREE HEREBY REPRESENTS, WARRANTS AND COVENANTS AND AGREES AS FOLLOWS:

1. Transferor is a limited partner in Licensee with a commitment of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) to Licensee (“Partnership Interest”), of which \_\_\_\_ Dollars (\$\_\_\_\_\_) has been contributed to Licensee. Transferor represents and warrants that it is not in default of its obligations to the Licensee for payment of its Partnership Interest or in default of any other material obligation owed to the Licensee.
  
2. Transferor and Transferee have entered into an agreement (“Transfer Agreement”) under which Transferor proposes to transfer to Transferee \_\_\_\_ percent (\_\_\_\_ %) of Transferor’s Partnership Interest, including all of Transferor’s rights, title and interest therein (the "Transferred Interest"). Following such transfer, Transferee’s ownership interest in Licensee will equal \_\_\_\_ percent (\_\_\_\_ %).
  
3. *[Transferor and Transferee check applicable box, respectively]*  
 Transferor **does**  **does not**  qualify as an Institutional Investor under 13 CFR §107.50.  
 Transferee **does**  **does not**  qualify as an Institutional Investor under 13 CFR §107.50.
  
4. Transferor and Transferee each represent and warrant that the proposed transfer of the Transferred Interest is lawful, including without limitation that the proposed transfer will not violate any federal or state laws governing securities. The Licensee represents and warrants that it does not possess knowledge of any facts about the proposed transfer that would make the transfer unlawful, including without limitation facts that the proposed transfer would violate federal or state laws governing securities.
  
5. Licensee represents and warrants that it is in compliance with all laws and regulations governing Small Business Investment Companies.
  
6. Licensee represents and warrants that the proposed transfer of the Transferred Interest does not and will not result in a transfer of Control, as that term is defined in SBA’s regulations in Part 107 of Title 13 of the Code of Federal Regulations.
  
7. Under the Transfer Agreement, Transferee (i) accepts the Transferred Interest, (ii) agrees to comply with, be bound by and subject to all of the terms, conditions and provisions of Licensee’s agreement of limited partnership (“Partnership Agreement”), (iii) undertakes and assumes all of Transferor’s duties and obligations under the Partnership Agreement, including the obligation to contribute any unfunded commitment attributable to the Transferred Interest, and (iv) makes all representations required of a limited partner under the Partnership Agreement.

8. Transferee further represents, acknowledges and agrees that it (i) has been furnished and has read the Partnership Agreement and the reports that are required to be given to limited partners under the Partnership Agreement, (ii) understands the risks of acquiring and owning the Transferred Interest, (iii) has conducted its own independent review and analysis of the proposed transfer without reliance upon any advice or guidance from the Licensee or SBA, (iv) has been provided with access to and an opportunity to ask questions of and receive answers from the Licensee's principals and/or the Licensee's General Partner, and (v) performed such due diligence and consulted with its advisers as to the financial, tax, legal and related matters concerning the acquisition of the Transferred Interest as Transferee deemed necessary or advisable. Transferee agrees to indemnify and hold harmless the Licensee and SBA from any claim whatsoever arising from the proposed transfer of the Transferred Interest.

9. Licensee and Licensee's general partner have consented to the release of Transferor and the transfer of the Transferred Interest and the admission of Transferee as a limited partner in Licensee. Licensee shall provide SBA with a copy of the Partnership Agreement signature page executed by Transferee. Licensee has attached to this Transfer Certificate an updated Capital Certificate which reflects the transfer of the Transferred Interest.

10. There is no agreement, side letter or other document or arrangement modifying, terminating, adding to or otherwise changing any of the terms, conditions or provisions of the Partnership Agreement with respect to the Transferred Interest. In the event of any actual or asserted conflict or inconsistency as between any provisions or terms contained in this Request for Approval of Transfer Certificate and provisions or terms of any other agreement, written document or other instrument concerning the Transferred Interest, then the provisions or terms contained in this Request for Approval of Transfer Certificate shall govern.

11. The terms, conditions, obligations, representations and warranties contained in this Request for Approval of Transfer Certificate, as well as the Transferee's underlying obligation to fully fund any unfunded commitment attributable to the Transferred Interest, shall be enforceable by the Licensee and/or SBA in any court of competent jurisdiction and shall not be subject to arbitration notwithstanding any other agreement or provision of any agreement to the contrary.

12. Transferor, Transferee and Licensee each acknowledge that any intentionally false statement or willful misrepresentation contained in this certificate is a violation of Federal law and is subject to criminal prosecution and civil penalties under 18 USC §§287, 371, 1001, and 1006; 15 USC §645; and 31 USC §3729.

IN WITNESS WHEREOF, THE UNDERSIGNED HAVE EXECUTED AND DELIVERED THIS TRANSFER CERTIFICATE AS OF THE DATE SET FORTH ABOVE. THIS TRANSFER CERTIFICATE IS NOT VALID WITHOUT WRITTEN CONSENT OF SBA.

LICENSEE		
By: _____		
TRANSFEROR	TRANSFEEE	<i>SBA Consents to the Transfer of the Limited Partnership Interest Described Above</i>
By: _____	By: _____	By: _____ [AREA CHIEF]